



## Corporate sustainability developments

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Last week was quite a momentous one in the world of corporate sustainability legislation. Ireland introduced legislation to implement the Corporate Sustainability Reporting Directive (**CSRD**) into national law and the Corporate Sustainability Due Diligence Directive (**CSDDD**) was published in the Official Journal of the EU.

### Corporate sustainability reporting

On Friday, 5 July 2024, Ireland [announced](#) that Deputy Peter Burke, Minister for Enterprise, Trade and Employment, had signed the European Union (Corporate Sustainability Reporting) Regulations 2024 (the **Regulations**) into law. The Regulations (SI 336/2024), which are expected to be published on the [electronic Irish Statute Book](#) shortly, came into force on 6 July 2024 in compliance with the transposition deadline of CSRD.

Companies within scope will be required to report annually in their directors' reports on environmental, social and governance (**ESG**) and human rights matters in accordance with the EU's mandatory European Sustainability Reporting Standards (**ESRS**). The Regulations will apply on a phased basis to large companies and listed entities as follows:

- From 2025: to large public companies listed on an EU-regulated market and already reporting under the Non-Financial Reporting Directive for the financial year beginning on or after 1 January 2024.
- From 2026: to other large companies reporting for the financial year beginning on or after 1 January 2025. The parameters of this category will be clarified when we have sight of the Regulations.
- From 2027: to listed SMEs reporting for the financial year beginning on or after 1 January 2026 (subject to the ability to opt out for a further two years).
- From 2029: to certain non-EU companies with significant activities in the EU reporting for the financial year beginning on or after 1 January 2028.

The directors' report must be produced in single electronic format in accordance with the regulatory technical standards contained in [Commission Delegated Regulation \(EU\) 2019/815](#).

The information will also be subject to a limited assurance audit. In [welcoming](#) the Regulations, the Irish Auditing and Accounting Supervisory Authority (**IAASA**) outlined the key provisions in the Regulations concerning the role of auditors in sustainability assurance:

- Power for IAASA to regulate the sustainability reporting of entities under IAASA's remit.
- Power for IAASA to adopt a sustainability assurance standard pending the adoption of an EU-wide standard.
- Power for recognised accountancy bodies (**RABs**) to approve and register sustainability assurance service providers.
- Power to regulate the provision of sustainability assurance to in-scope companies, which will be split between IAASA for public-interest entities and RABs for other companies.

Once the Regulations have been published, we will follow up with a more detailed analysis.

### **Corporate sustainability due diligence**

In another welcome development, CSDDD was [published](#) in the Official Journal of the EU on 5 July 2024. It will enter into force on 25 July 2024 and Member States, including Ireland, have until 26 July 2026 to transpose it into national law.

CSDDD will apply on a phased basis to EU and non-EU companies as follows:

- From 26 July 2027: to EU companies with over 5,000 employees and worldwide turnover of more than €1.5bn, and to non-EU companies with EU-generated turnover of more than €1.5bn. Publication of the annual statement will apply for financial years beginning on or after 1 January 2028.
- From 26 July 2028: to EU companies with over 3,000 employees and worldwide turnover of more than €900m, and to non-EU companies with EU-generated turnover of more than €900m. Publication of the annual statement will apply for financial years beginning on or after 1 January 2029.
- From 26 July 2029: to all remaining in-scope companies.

For more information on CSDDD, see this recent [briefing](#) from Jill Shaw, ALG's ESG & Sustainability Lead.

If you have any questions, please contact [Anne O'Neill](#), Senior Knowledge Executive or visit the [ALG ESG and Sustainability hub](#) for more ESG updates and [sign up](#) to the ESG Bulletin to receive regular updates.