



Corporate Sustainability Reporting: Irish Implementing Regulations Enter into Force

10 July 2024

Introduction

The European Union (Corporate Sustainability Reporting) Regulations 2024 (the **Regulations**) came into effect on 6 July 2024. The Regulations implement Directive 2022/2464/EU on Corporate Sustainability Reporting (the **CSRD**) and require that all large companies and all listed companies (except listed micro-enterprises) report on what they see as the risks and opportunities arising from social and environmental issues, as well on the impact of their activities on people and the environment.

Companies in scope

Companies falling within scope of the CSRD and the Regulations are as follows:

- Public interest entities with greater than 500 employees
- Other EU large companies and public interest entities which satisfy two of the following criteria:
 - A net turnover of more than €50 million
 - Total assets greater than €25 million
 - More than 250 employees
- All listed SMEs (with an opt out possible until 2028)
- Certain non-EU entities

Reporting requirements

Companies in scope will be required to report annually in their directors' report on environmental, social and governance (**ESG**) and human rights matters according to EU mandatory standards entitled European Sustainability Reporting Standards (ESRS).

Companies in scope will be required to report on a double materiality basis. This means that companies will have to disclose not only the risks they face from a changing climate and other ESG matters (financial materiality), but also the impacts they themselves may have on climate and society (impact materiality).

Companies will also have to provide information on their value chain. To assist companies with the transition to the new requirements, for the first three years of reporting, where information on the value chain is not available, they may elect to explain their inability to obtain the information.

The directors' report must be produced in a single electronic format by digitally tagging the information, making it more amenable to digital analysis. The information reported will be subject to limited assurance (audit) until the adoption of sustainability assurance standards by the European Commission.

What can you do now?

- Consider with your legal advisor whether your company is within scope, either directly or as part of the value chain.
- If your company is within scope and due to report in 2025 or 2026, assess and analyse your reporting processes, internal controls and governance.
- If you think your company may be captured by the value chain of a large company you work with, reach out to them to identify what information you might be asked to supply.
- Assess your ability to capture the data required, as a company in scope or as a business within the value chain of a large company.

For more information, please contact [John Gaffney](#) or your usual contact in Beauchamps LLP.