



Corporate Sustainability Reporting: Recent Irish Developments

08 November 2024

INTRODUCTION

The European Union (Corporate Sustainability Reporting) Regulations 2024 (the **First Regulations**) came into effect on 6 July 2024. The First Regulations implement Directive 2022/2464/EU on Corporate Sustainability Reporting (the **CSRD**) in Ireland. Among other things, the First Regulations introduced a new Part 28 to Ireland's Companies Act. For more details, see our previous article [here](#).

SECOND SET OF CSRD IMPLEMENTING REGULATIONS

While Ireland's transposition of the CSRD into Irish law, pursuant to the First Regulations, was timely, it has not been without some issues. To name a few:

- The definition of “applicable company” appears to apply sustainability reporting requirements to many companies in a manner inconsistent with CSRD.
- The exemption from individual sustainability reporting requirements for certain subsidiaries under the Regulations appears to be more restrictive than under CSRD.
- The requirement for certain subsidiaries of third-country undertakings to publish sustainability reports at the group level appears to inadvertently have wider application than intended by CSRD.

In an apparent response to these concerns, the European Union (Corporate Sustainability Reporting) (No. 2) Regulations 2024 (the **Second Regulations**) were issued. The purpose of the Second Regulations is to make amendments to the First Regulations.

However, while the amendments contained in the Second Regulations go some way towards addressing some of the concerns, they do not fully address the issue regarding the definition of “applicable company” set out above. As a result, more Irish companies fall into the reporting regime than intended by the CSRD. Further amending regulations will be required to address this.

FREQUENTLY ASKED QUESTIONS

Following the publication of the Second Regulations, the Department of Enterprise, Trade and Employment (the **Department**) published a set Frequently Asked Questions (the **FAQs**) on the Regulations. As the FAQ's acknowledge, the information contained therein is not intended to be a legal interpretation of Part 28 of the Companies Act 2014 as introduced by the First Regulations. Thus, the FAQs should not be treated as legal advice.

WHAT CAN YOU DO NOW?

There are several steps you can take, as follows:

- 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.