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Technical Alerts

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Table of Contents

1. Purpose of this Technical Alert
2. Introduction
3. Frequently Asked Questions

1.PURPOSE OF THIS TECHNICAL ALERT

The purpose of this Technical Alert is to provide members with some basic information about the Corporate Sustainability Reporting Directive ('CSRD' or 'the directive') including entities impacted by the directive, timelines and its requirements. The CSRD is due to be enacted into Irish legislation by July 2024 at the latest.

2.INTRODUCTION

The CSRD is an EU Directive requiring certain companies to disclose information on sustainability-related impacts. The directive aims to modernise and strengthen the rules about the type of environmental, social and governance (ESG) information that companies will have to report.

The directive aims to build on the requirements of the existing Non-Financial Reporting Directive (NFRD) by increasing the number of entities who will have to disclose sustainability-related information and also by increasing the level of disclosures that will need to be reported by these entities.

The directive envisages the adoption of European Sustainability Reporting Standards (ESRS) which seek to ensure that investors and other stakeholders have access to the information that they need to assess investment risks arising from climate change and other sustainability issues. They seek to create a culture of transparency about the impact of companies on people and the environment.

The CSRD proposes significant changes to how entities report on the ESG impacts of their business. These changes will impact many businesses – directly and indirectly.

To assist members in understanding the CSRD, we have included some frequently asked questions in this Technical Alert.

3.FREQUENTLY ASKED QUESTIONS

1.When was the CSRD adopted?

The CSRD was approved by the European Parliament and the EU Council in late 2022 and was published in the EU Official Journal on 16 December 2022. Following this publication, EU Member States have 18 months to transpose the directive into their own national laws.

In Ireland, the Department of Enterprise, Trade and Employment (DETE) is responsible for the transposition of the directive into national law.

2.Why is it important?

The CSRD is a key component of the European Union's commitment to transform itself into a modern, resource-efficient and competitive economy with the aim of being climate neutral by 2050. It also works towards the goal of restoring and protecting the world's ecosystems and ensuring that the EU delivers stability, jobs, growth and capital flow towards sustainable investment.

A significant goal of the CSRD is to combat "greenwashing".

3.What is "greenwashing"?

"Greenwashing" involves entities making false, misleading or unsubstantiated claims about their activities and how they impact on the environment. In many instances, the ultimate effect of greenwashing is deceiving stakeholders of a company into incorrectly believing that its products

have a positive environmental impact, or a more favourable environmental impact than they actually have. Greenwashing can take a number of forms, including:

- •A company incorrectly claiming that its products are "environmentally friendly"
- •A company incorrectly claiming that it uses fully recyclable packaging
- •A company giving a disproportionate amount of advertising to a "green" element of its product, where that element forms a small part of an otherwise environmentally unfriendly product
- •A company using vague and misleading packaging, often using terms that sound "green"

4. Who will it apply to and when will it apply from?

The CSRD will apply to an estimated 50,000 companies across the EU, a substantial increase on the estimated 11,000 companies that are currently required to comply with the NFRD. The directive applies to all companies listed on EU regulated markets, with the exception of listed micro-entities. It will also apply to certain companies based outside the EU but with branches or subsidiaries in the EU.

Depending on the company size and nature, there are different proposed effective dates as follows:

<table>
<tr><th>FY2024 (Report in FY2025)</th><th>FY2025 (Report in FY2026)</th><th>FY2026 (Report in FY2027)</th><th>FY2028 (Report in FY2029)</th></tr>
<tr><td>Effective for large undertakings and large groups, with more than 500 employees, that have securities listed on an EU-regulated market (i.e. listed PIE). Also effective for companies already subject to the NFRD. Also effective for non-EU companies that have securities listed on an EU-regulated market and who meet the criteria above (who would not necessarily have been subject to the NFRD)</td><td>Effective for all other large undertakings and large groups*</td><td>Effective for SMEs** listed on an EU-regulated market, certain small and non-complex institutions and captive insurance undertakings</td><td>Effective for ultimate non-Eu parent companies who have generated net turnover of greater than €150m in the EU for each of the last two consecutive years and who have at least either a large subsidary* in the EU or an EU branch generating a net turnover of greater than €40m in the preceeding year. A branch is generally considered to be a physical presence***</td></tr>
<tr><td colspan="4">*: Large undertakings include large EU companies and EU companies thar are a parent of a 'large group'
Large EU companies
Defined as exceeding at least two of the following on two consecutive annual balance sheet dates: Net turnover €40m+, Total assets €20m+ and average number of employees during the fiscal year: 250 EU companies that are a parent of a 'large group'
'Large group' is defined as a group consisting of parent and subsidiary entities and which, on a consolidated basis, exceeds at least two of hte following metrics on two consecutive annual balance sheet dates of the parent: Net turnover €40m+, Total assets €20m+ and average number of employees during the fiscal year: 250</td></tr>
<tr><td colspan="4">**: SMEs can opt out until years commencing 1 January 2028. There will be separate disclosure standards for SMEs which may have different disclosure reguirments comparted to current ESRS</td></tr>
<tr><td colspan="4">***: There will be separate disclosure standards for ultimate non-EU parents which may have different disclosure requirements compared to current ESRS</td></tr>
</table>

This table is a summary of the scope considerations and there may be certain exemptions available to entities. It may also be possible to satisfy company reporting requirements by reporting at a higher level in the organisation. Given the complexity, a careful review of the rules is required and advice from a legal team would be advisable.

5.Why is there a need for certain entities to be subject to sustainability reporting standards?

Despite existing rules requiring companies to report on certain sustainability matters, it was identified that:

- •many undertakings do not disclose all material information on all major sustainability-related topics
- •there is limited comparability between companies on sustainability-related topics
- •there is a lack of reliability of sustainability-related information being reported; and
- •many entities from which users need sustainability-related information are not obliged to report this information

In order to mitigate against these issues, the CSRD sets out to introduce a robust sustainability reporting framework which requires undertakings to obtain limited assurance over their sustainability-related information, and therefore seeks to enhance the reliability, consistency and comparability of sustainability reporting.

6.Why is there a demand for sustainability-related information to be disclosed?

There has been a significant increase in demand for sustainability-related information in recent years, particularly by the investment community, from investors who wish to have sustainability-focussed portfolios. Sustainability reporting is needed to inform investors so that the flow of capital can be redirected towards more sustainable investments. In addition to this, there is an increased level of awareness of health, environmental and social issues amongst stakeholders and more information is being demanded by stakeholders.

7.Who are the main users of sustainability information in an entity's annual report?

The CSRD identifies that in order to benefit from sustainability reporting, the information has to reach two primary groups as follows:

- •Investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose for their investments and the impact of those investments on people and the environment
- •Civil society actors, including non-governmental organisations and social partners. These entities may wish to hold undertakings to account for their sustainability-related impacts and may make use of the information to review comparability across the market and to monitor trends

8.Where should sustainability reporting information be located in the annual report?

Sustainability information must be included in a clearly identified section of the management report, and not in a separate report as was previously the case. This should be labelled as a 'sustainability statement'.

Chapter 9.1 of ESRS 1 allows an entity to incorporate information prescribed by a disclosure requirement into the sustainability statement by reference to other sections of the annual report. This is allowed subject to the disclosed information meeting the requirements of section 120 of ESRS 1 which states that the undertaking may incorporate information by reference, provided that the disclosures incorporated by reference:

> *"(a)constitute a separate element of information and are clearly identified in the document concerned as addressing the relevant Disclosure Requirement, or the relevant specific datapoint prescribed by a Disclosure Requirement;*
> *(b)are published before or at the same time as the management report;*
> *(c)are in the same language as the sustainability statement;*

(d)are subject to at least the same level of assurance as the sustainability statement; and

(e)meet the same technical digitalisation requirements as the sustainability statement."

Further information is included in ESRS 1 and Appendices D, F and G to ESRS 1 set out the structure of a sustainability statement and provide non-binding illustrations to complement ESRS 1.

9.What reporting format should be used?

Under ESRS 1 (section 8.1), sustainability information must be disclosed in a format that is both "human-readable and machine-readable". Reports will have to be created using the European Single Electronic Format and there will have to be electronic tagging of sustainability information.

10.What are the European Sustainability Reporting Standards (ESRS)?

The ESRS are the sustainability reporting standards that companies subject to the CSRD will be required to apply. On 31 July 2023, the European Commission adopted the ESRS. The standards will enter into force following their publication in the Official Journal of the European Union and the first entities will report in accordance with the entity scoping as set out in question 4. The first set of ESRS comprise 12 standards covering the following areas:

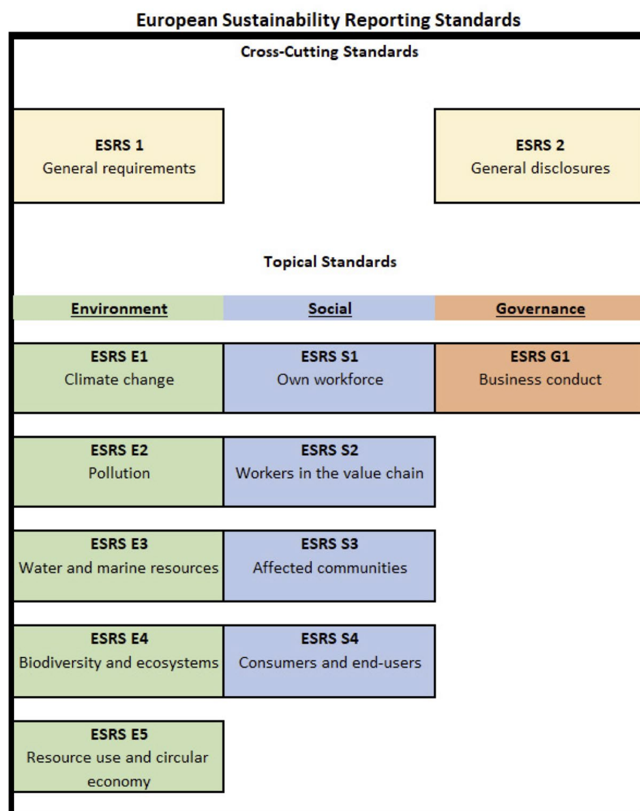
Cross-cutting standards

- 2 General principles and disclosure requirements standards

Topical standards

- 5 Environment standards
- 4 Social standards
- 1 Governance standard

The above standards are sector-agnostic. In addition to these, additional sector-specific and entity specific standards are being developed for use by entities (see the next page).



(These have been adopted by the European Commission on 31 July 2023 but are not in force until they are published in the Official Journal)

11.What is the purpose of the ESRS cross-cutting standards?

ESRS 1 – General requirements sets out the requirements of how the ESRS should be applied. This includes:

- •Details of the categories of ESRS standards, including how they interact with each other
- •Qualitative characteristics of sustainability information
- •Double materiality and how this should be applied to the standards
- •The entity's sustainability due diligence process related to how they address actual and potential impacts on the environment and people connected with their business
- •Value chain reporting and how to apply this to upstream and downstream value chain members
- •Time horizons, including reporting periods, reporting progress against base year and definitions of short, medium and long term
- •How to prepare and present sustainability information
- •Structure and presentation of sustainability information
- •Linkages with other parts of corporate reporting and connected information
- •Some transitional provisions

The overriding objective of ESRS 1 is to provide an understanding of the architecture of ESRS, the drafting conventions (and fundamental concepts used), and the general requirements for preparing and presenting sustainability information.

ESRS 2 – General disclosures sets out the disclosure requirements that apply to all undertakings regardless of their sector or activity. Disclosures in ESRS 2 are mandatory and are not subject to a double materiality assessment. However, Appendix C to ESRS 2 contains some topical standard disclosures which should be taken into account when reporting against the disclosure requirements in ESRS 2. These disclosures, with the exception of the "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities" disclosure requirement, are applied only to the extent that the topic is material.

At a high level, ESRS 2 requires the following:

- •Disclosure of the basis for preparation of the sustainability statement (e.g. how it was prepared, whether prepared on a consolidated basis, extent of value chain reporting, estimation and uncertainty, etc.)
- •Disclosure of governance matters which enable an understanding of the governance processes, controls and procedures put in place to monitor and manage sustainability matters
- •Disclosure of strategy matters, including demonstration of how the entity's strategy affects sustainability matters
- •Disclosure of impact, risk and opportunity management, including information which enables an understanding of the process to identify material impacts, risks and opportunities and the information which, as a result of its materiality assessment, the undertaking has included in its sustainability statement
- •Disclosure of metrics and targets, including the minimum disclosure requirements to be included when an undertaking discloses information on metrics and targets. This includes methodologies, significant assumptions and methods of validation

12.What is "double materiality" and how does it apply to the ESRS?

Double materiality is a key step in determining which disclosures within the ESRS should be reported by the company that are not otherwise mandatory. Double materiality requires an assessment of:

- •how sustainability factors affect the financial performance of the company (financial materiality); and
- •the company's impact on society and the environment (impact materiality)

The ESRS require an entity to address both perspectives when disclosing sustainability-related information. If a matter is material from either of these perspectives, then this must be disclosed.

Assessment of financial materiality

ESRS 1, paragraph 49 states that:

"A sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. This is the case when a sustainability matter generates risks or opportunities that have a material influence, or

could reasonably be expected to have a material influence, on the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term. Risks and opportunities may derive from past events or future events. The financial materiality of a sustainability matter is not constrained to matters that are within the control of the undertaking but includes information on material risks and opportunities attributable to business relationships beyond the scope of consolidation used in the preparation of financial statements."

When assessing financial materiality, an entity is required to assess the risks and opportunities that have a material influence, or could have a material influence on the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium and long term. Having identified its risks and opportunities, the entity should then determine which of these are material for reporting. This determination should be based on:

- Scenarios/forecasts deemed likely to materialise; and
- Potential financial effects related to sustainability

Appendix A to ESRS 1 (Application Requirements) provides the following examples of how impacts and dependencies are a source of risks or opportunities in the assessment of financial materiality:

"when the undertaking's business model depends on a natural resource – for example water – it is likely to be affected by changes in the quality, availability and pricing of that resource;"

"when the undertaking's activities result in negative impacts, e.g., on local communities, the activities could become subject to stricter government regulation and/or the impact could trigger consequences of a reputational nature. These might have negative effects on the undertaking's brand and higher recruitment costs might arise;"

"when the undertaking's business partners face material sustainability-related risks, the undertaking could be exposed to related consequences as well."

Appendix A also provides further guidance on how to assess financial materiality.

Assessment of impact materiality

ESRS 1, paragraph 43 states that:

"A sustainability matter is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-term. Impacts include those connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. Business relationships include those in the undertaking's upstream and downstream value chain and are not limited to direct contractual relationships".

When assessing impact materiality and deciding on what is material for reporting, Appendix A to ESRS 1 sets out the following steps which should be considered (AR 9):

- Understand the context in relation to the entity's impacts, including its activities, business relationships and stakeholders
- Identify the actual and potential impacts (positive and negative), including through engaging with stakeholders and experts
- Assess the materiality of its actual and potential impacts; and
- Determine which impacts will be covered in its sustainability statement

Impacts can be either positive or negative.

Positive impacts should be based on the scale and scope for actual impacts and the scale, scope and likelihood of potential impacts.

Negative impacts should be based on the severity of the impact for actual impacts and on the severity and likelihood of the impact for potential impacts. Severity is based on the scale, scope and irremediable character of the impact.

Appendix A to ESRS 1 (Application Requirements) provides the following illustrations of how impacts may be connected with an entity:

"if the undertaking uses cobalt in its products that is mined using child labour, the negative impact (i.e., child labour) is connected with the undertaking's products through the tiers of business relationships in its upstream value chain. These relationships include the smelter and minerals trader and the mining enterprise that uses child labour"

"if the undertaking provides financial loans to an enterprise for business activities that, in breach of agreed standards, result in the contamination of water and land surrounding the operations, this negative impact is connected with the undertaking through its relationship with the enterprise it provides the loans to".

Appendix A also provides further guidance on how to assess impact materiality.

13. Will the CSRD impact small companies?

Listed SMEs will come within scope of the CSRD in due course, as outlined above. Whilst many non-listed small and medium-sized companies will not be required to report sustainability-related information under the CSRD, they will still be affected by the directive. There are several indirect ways in which a company not in scope will be impacted by the CSRD, including:

- Reporters under the CSRD are required to consider their supply chain when reporting on sustainability matters. This will mean that companies not in scope, who form part of a supply chain, may be asked to provide sustainability-related information by companies who are in scope. This information will then form part of the overall sustainability reporting package of the reporting entity
- Banks are increasingly linking their lending portfolios to sustainability criteria. This may lead to an increase in sustainability-related information required from companies. Where this information is not provided or where an SME's activities do not meet the bank's sustainability criteria, then premium interest rates may apply
- Stakeholders including customers, staff and suppliers are increasingly considering sustainability impacts when deciding whether to buy from, work for or sell to SME businesses. With this in mind, SMEs who are transparent and proactive in addressing their sustainability impacts will be better placed to achieve long-term resilience
- SMEs may wish to voluntarily adopt elements of the CSRD because they feel it is the right thing to do
- SMEs who are expecting to expand or merge in future years may wish to adopt elements of the CSRD in preparation for them coming within scope in the future

14. Is there currently a sustainability reporting requirement in the EU?

The Non-financial Reporting Directive (NFRD) currently applies to large undertakings that are EU public interest entities with an average number of employees in excess of 500. It also applies to EU public interest entities that are parents of a large group with consolidated employees in excess of 500.

At present, approximately 11,000 companies report under this directive. The CSRD will increase the number of entities reporting on sustainability-related information and will expand the reporting requirements from the existing requirements under the NFRD.

15. Will sustainability-related information be subject to audit/assurance?

Assurance is seen as a fundamental component of a reliable sustainability reporting regime. As a result, assurance will be required for all companies reporting.

Given the significant developments that are required in developing the necessary standards and framework, the first assurance assignments will be carried out on a limited assurance basis, and the expectation is there will be a transition to reasonable assurance when the EC adopts reasonable assurance standards for sustainability reporting. The EC have indicated that the delegated act for reasonable assurance standards will be adopted no later than 1 October 2028, following a feasibility assessment. In general, limited assurance means that the auditor performs fewer tests than it would in a reasonable assurance engagement and provides the conclusion of the engagement in a negative form of expression with the auditor stating that no matter has been identified to conclude that the subject matter is materially misstated.

The CSRD provides further clarification and outlines that the auditor should, based on a limited assurance engagement, express an opinion which should cover:

- Compliance of sustainability reporting with the ESRS
- Compliance with the requirement to mark-up sustainability reporting
- The process carried out to identify the information reported
- Compliance with the reporting requirements of Article 8 of the EU Taxonomy Regulation

16.Is there a similar ESG reporting regime in the UK?

While the UK does not plan to adopt the CSRD or the ESRS, the UK Government has confirmed that it will endorse the International Sustainability Reporting Standards. Since April 2022, it is compulsory for certain companies in the UK to report climate-related information in line with the Taskforce on Climate-related Financial Disclosures (TCFD). This became a mandatory legal requirement under the Climate-related Financial Disclosure legislation from April 2022. However, prior to that there were certain reporting obligations on UK entities with a Premium Listing (under the FCA listing rules) from 1 January 2021 and this was extended to certain UK commercial companies with a standard listing from 1 January 2022, with obligations also imposed on UK asset managers, life insurers and FCA-regulated pension providers from 1 January 2022 onwards (depending on size).

17.What specific disclosures may be required as a result of an entity reporting under the ESRS?

The specific disclosures required in any entity will depend on the specific facts and circumstances in the entity. Significantly, many disclosures will be made following a double materiality assessment (as explained above). The below case study considers some disclosures that an entity may be required to make. **(Note – This is for illustrative purposes only and is not intended to be a complete summary of the required disclosures of a similar entity, nor is it intended to be an assessment of what is or isn't material from a financial materiality or impact materiality perspective).**

Case study

Bean 2 cup Limited (B2C) is a large chain of coffee shops in Ireland. The coffee shops are primarily located in high street locations, and it also has some coffee trucks who set up at various locations with high footfall. In addition to this, B2C has become a leader in the sourcing, importing and wholesaling of coffee beans for sale to businesses and customers across Ireland and Europe. B2C is in scope for CSRD reporting.

What are the significant matters that B2C might disclose under the CSRD and ESRS?

Some of the matters that B2C might disclose could include (note this is not an exhaustive listing and for the full list of required disclosures required under the below mentioned disclosure requirements the relevant ESRS standard should be consulted):

ESRS 2 – B2C will be required to disclose the mandatory disclosures contained in ESRS 2. Amongst other disclosures in this draft standard, B2C will be required to disclose BP-1- General basis for preparation of the sustainability statement. This would include details of:

- *the basis of its sustainability statement*
- *whether it has been prepared on a consolidated or individual basis*
- *whether the scope of the consolidation is the same as the scope of consolidation for the financial statements and whether any entities are exempted from reporting*
- *the extent to which the sustainability statement covers the undertaking's upstream and downstream value chain*

E1-5 – Energy consumption and mix. An entity such as B2C would be expected to have a high level of energy consumption. Therefore, the entity may deem this a material topic. This would include B2C disclosing its energy consumption in MWh from various sources (fossil fuels, renewable sources, etc.). If B2C generates some of its own energy by renewable sources (i.e. wind generation or solar panels) then this should also be disclosed.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions. Given its vast supply chain, it would appear that much of the Greenhouse Gas Emissions (GHG) that occur as a consequence of its business happens in its supply chain. Therefore, the entity should disclose the various scopes 1, 2, 3 and total GHGs of their supply chain. This will require B2C to assess its upstream and downstream supply chain and assess the GHG emissions in its supply chain.

E3-4 – Water consumption. B2C may deem water consumption to be a material sustainability item, given its business. Therefore, it should disclose its water consumption performance, including total consumption, recycled and reused water and water consumption in areas at water risk, in cubic metres per net revenue.

E5-2 – Actions and resources related to resource use and circular economy. B2C will likely consume a significant amount of packaging and coffee cups in its operations. As a result, it may

specify how they achieve higher levels of resource efficiency, how it prevents waste generation and how it increases the use of recycled materials and optimises waste management.

E5-5 – Resource outflows. For similar reasons to those outlined above, B2C may see this as a material sustainability matter, and therefore should disclose levels of waste generated, which should be categorised under various headings, including recycled material, incinerated, landfill, etc.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions. Given B2C's reliance on value chain workers in pursuance of its coffee importing and wholesaling business, it may deem many of the disclosure requirements in S2 material, including S2-4. This will require B2C to disclose matters such as actions taken to prevent or mitigate material negative impacts on value chain workers, whether it has taken action to provide or enable remedy in relation to a material impact and other matters including how it tracks and assesses the effectiveness of such actions.

G1-2 – Management of relationships with suppliers. Given its size and the fact that it is likely to have a large network of local and overseas suppliers, B2C may deem this disclosure requirement material. This will require B2C to disclose information about the management of its relationships with its suppliers and its impact on its supply chain. This will involve B2C providing an understanding of its management of its procurement process, including fair behaviour with suppliers. It will also require B2C to provide a description of its policy to prevent late payments, specifically to SMEs.

18. Who will be entitled to assure sustainability information?

Assurance on sustainability information must be provided by an approved sustainability assurance provider. The CSRD provides for a sustainability assurance provider to be an individual who is already a statutory auditor or, where Member States provide, another category of Independent Assurance Services Provider (IASP).

This is one of the Member State options that is being reviewed by the Department of Enterprise, Trade and Employment (DETE) for the transposition of the CSRD into Irish law. The option, if taken, would allow Member States to introduce a new category of IASP to provide for the assurance of sustainability reporting by undertakings. IASPs would be subject to equivalent requirements to statutory auditors in respect of this assurance work including in respect of training, education, quality assurance, investigations and sanctions. DETE, in their proposed policy response to the consultation to the transposition of the CSRD, have stated that the introduction of IASPs would require the development of a framework for oversight of the IASPs and it proposes to conduct a broader consultation on the matter and examine the law sometime in 2024.

Therefore, on the basis that the option is not taken, it will be members of the audit profession who will be completing the assurance. The requirements to be registered as a sustainability auditor will fall into two categories:

Statutory Auditors registered as at 1 January 2024 or registered between 1 January 2024 and 31 December 2025

- A grandfathering arrangement will be put in place for registered Responsible Individuals (RIs) who are registered on 1 January 2024 or who complete their registration between 1 January 2024 and 31 December 2025. Grandfathered sustainability auditors will be exempt from the requirements for a written exam and practical training but will be required to demonstrate competence through CPD
- These RIs will have to formally register with the Institute to be a sustainability auditor and will have to undertake appropriate CPD on an ongoing basis

Statutory auditors who are not RIs before 1 January 2026

- A written exam of professional competence covering theoretical knowledge and practical application of legal requirements, reporting standards and assurance standards will have to be undertaken
- In addition, at least 8 months of the three years practical training that is required under the Audit Directive shall be in the assurance of annual and consolidated sustainability reporting or other sustainability-related services

The requirements for the two categories described above are based on currently available information. Detail in relation to the practical implementation of these requirements will not be

known until the Irish law transposing the CSRD is available. The Institute's Professional Standards Department will be in direct contact with the audit compliance principals at Institute registered audit firms in the coming months (as greater clarity emerges) to inform them of the options available for RIs at their firms to be approved as sustainability assurance providers.

19. Where can I find more information?

Further information on the CSRD is available as follows:

The European Commission has published the **Corporate Sustainability Reporting Directive** and also includes some background information to the directive.

The Department of Enterprise, Trade and Employment held a series of webinars on the transposition of the CSRD into Ireland with the slides being made available from **30 January 2023** and **4 July 2023**.

Further information on the ESRS is available as follows:

The European Commission **adopted** the **European Sustainability Reporting Standards** on 31 July 2023, for use by all companies subject to the CSRD. The standards will enter into force following their publication in the Official Journal of the European Union.

EFRAG have produced a series of **educational videos on the first set of ESRS**. Whilst these have been superseded by the final adopted version of ESRS, they are still a valuable source of learning, to understand the ESRS.