

EirGrid Response to the Public Consultation on the Corporate Sustainability Reporting Directive (CSR-D)

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EirGrid welcome the opportunity to respond to this consultation by Department Enterprise, Trade and Employment on the Corporate Sustainability Reporting Directive. As a commercial state company, EirGrid will report under the Corporate Sustainability Reporting Directive (CSRD) from 2026.

Our response follows the format of the consultation document and we have responded to the areas that are of relevance to our business as a commercial state company and an Operator of Essential Services. Ireland should transpose a European version of the Directive without any additional layers of national oversight. We propose that guidance be provided to commercial state companies in relation to the interaction between the requirements of the existing Commercial Semi State Climate Action Framework and the requirements of the Directive. Appropriate support and guidance should be afforded to all organisations to ease the transition to the adoption of requirements under the Directive.

Article 1 Scope (Amended) New point 3 last subparagraph

EirGrid understands that the new sustainability reporting requirements under CSR-D are intended to apply to large companies and large public-interest entities as well as listed SMEs. As such, all relevant undertakings should not be excluded aside from exceptional cases.

Article 19a - Sustainability Reporting (New) Point 3 last subparagraph

EirGrid believes that it is important that the transposition of the Directive in Ireland retains the option to permit undertaking to exclude commercially sensitive information from the sustainability reporting under certain circumstances.

This is particularly pertinent for information relating to impending development, investments, or matters of negotiations, where disclosing it would be detrimental to the execution of our license obligations as an Operator of Essential Services.

The retention of this option would help safeguard against the disclosure of sensitive business information.

Article 19a - Sustainability Reporting (New) Point 9 subparagraph three (New)

EirGrid endorses that where the Member State option to require that the consolidated management/sustainability report is published in an accepted language is applied, the

reporting entity should be entitled to publish in English or Irish, in alignment with the Official Languages Act.

Article 29a - Consolidated Sustainability Reporting (New) Point 3 last subparagraph (New)

See above response to Article 19a - Sustainability Reporting (New) Point 9 subparagraph three (New).

Article 29a - Consolidated Sustainability Reporting (New) Point 8 subparagraph (New)

See above response to Article 19a - Sustainability Reporting (New) Point 9 subparagraph three (New).

Article 30 General Publication (Amended) Point 1 subparagraph 2 (New)

EirGrid believes that the publication requirements for sustainability reporting should be consistent with the transposition of the existing rules under Directive 2013/34/EU (Article 30) and consistent with financial reporting rules.

Article 30 General Publication (Amended) Point 1 subparagraph 4 (Existing)

See above response to Article 30 General Publication (Amended) Point 1 subparagraph 2 (New)

Article 34.3 General Requirement Auditing (Amended) Point 3 (New)

EirGrid would not be in support of a mandatory requirement to use a separate auditor for sustainability reporting from the auditor used for assurance of financial statements. The possibility to use the same or different auditor should be at the discretion of the company concerned. This is particularly pertinent given the newness of sustainability reporting to many organisations and auditors alike.

Article 34.3 General Requirement Auditing (Amended) Point 4 and 5 Independent Assurance Services Provider (New)

See above response on Article 34.3 General Requirement Auditing (Amended) Point 3 (New)

Article 40a Sustainability Reports concerning third-country undertakings (New) Point 1 last subparagraph (New)

No response on this Article.

Article 3 Amendments to Directive 2006/43/EC the Audit Directive: Article 12 Combination of practical training and theoretical instruction (replaced) Point 1 (existing)

Statutory auditors currently must fulfil certain criteria to sign off on financial reporting and appropriate criteria for statutory auditors of Environmental Social and Governance (ESG) matters should also be required.

Article 26a Assurance Standards for sustainability reporting (New) Point 2 (New)

EirGrid believes the application of national standards in the event of the Commission not adopting a standard on the same subject matter could be appropriate in some material circumstances. However, this should be limited since national standards will differ between Member States, the Commission has a responsibility to adopt such standards in a timely manner.

Article 28a Assurance Report on sustainability reporting (New) Point 5 (New)

Where the same statutory auditor carries out the statutory audit of annual financial statements and assurance of sustainability reporting, the assurance report on sustainability reporting should be included as a separate section of the audit report.

It must be possible to segregate financial and sustainability reporting to the point that a delay in one should not cause a delay in the other irrespective of reporting deadlines.

Article 29 Quality Assurance Systems (Amendment) Point 2a (New)

No response on this article.

Article 30 Systems of Investigations and Sanctions (Amended) Point 2 second subparagraph (existing)

No response on this article.

Article 39 Audit Committee (Amended) Paragraph 4a (New)

As a Commercial State Company, EirGrid operates under the Code of Practice for the Governance of State Bodies, and as such the Code's guidance for Audit Committees should be revised to reflect sustainability reporting.

Please provide any further view you have in relation to the transposition and development of future policy in this area.

EirGrid welcomes the opportunity to contribute to this consultation. As such, we wish to further express several viewpoints to aid the transposition of the Directive into Irish Law:

- Maximum flexibility should be afforded to undertaking in terms of the nature of engagement with auditors, as they will ultimately provide assurance for published disclosures.
- Updating the Code of Practice for the Governance of State Bodies to provide guidance to Audit Committees in exercising their duties with respect to sustainability reporting, in addition to financial oversight.