# Pause on CSRD, Not on Sustainability: Climate Action Waits for No One

## The Calm Before the Carbon Storm

The European Parliament has officially hit pause. On 3 April 2025, Members of the European Parliament agreed to delay the application of the Corporate Sustainability Reporting Directive (CSRD), citing the need to give businesses more time to prepare (SESAMm, 2025). At first glance, it might look like the pressure is easing off. In reality, the heat is only rising.

This move, dubbed the “stop the clock” directive, may have pushed reporting deadlines a couple of years down the road, but the urgency of environmental action has not changed. The climate crisis is not waiting for compliance frameworks to catch up. Carbon taxes are tightening, emissions trading schemes are expanding, and the sustainability spotlight is only getting brighter. The delay offers breathing room, not a reason to relax.

## The New Timetable: A Shift, Not a Sidestep

The revised rollout of the CSRD gives companies more time, but not unlimited runway:

- Large companies will now begin reporting in 2028, covering the 2027 financial year.
- Listed SMEs will follow in 2029 for 2028 data.
- Sector-specific and third-country standards have been pushed to 30 June 2026.

(Source: European Parliament, 2025)

The rationale is straightforward. Businesses need time to prepare their systems and upskill their people (A&O Shearman, 2025). Reporting under CSRD is not a box-ticking exercise. It requires a complete cultural shift toward integrated sustainability, materiality assessments, and supply chain transparency.

But make no mistake. The European Union is not pulling back from its environmental ambitions. It is simply preparing for a more robust rollout. The only real question is whether organisations will use the delay as a springboard or as an excuse to stall.

## When One Clock Stops, Others Keep Ticking

If you think this delay means the regulatory pressure is easing, think again. The CSRD is just one cog in a much larger climate machinery.

The second phase of the Emissions Trading System (ETS2) will soon extend carbon pricing to road transport and buildings. The Carbon Border Adjustment Mechanism (CBAM) is marching toward full enforcement. The Green Deal Industrial Plan is shifting capital and policy support toward clean tech at pace. And let's not forget that many member states are introducing or increasing their own national carbon taxes.

Ireland's commercial state sector is a prime example of this dual-speed dynamic. Under the Climate Action Framework for the Commercial State Sector, overseen by NewERA, semi state bodies are required to develop decarbonisation plans aligned with science-based targets, update them annually, and publish their progress. These entities are not waiting for CSRD to act. They are already implementing measures, disclosing progress, and reporting against sectoral emissions ceilings (NewERA, 2023).

The Sustainable Energy Authority of Ireland (SEAI) continues to drive momentum behind public sector climate action. In 2023, SEAI released updated performance data from semi state bodies, highlighting consistent year on year gains in energy efficiency and emissions transparency across government entities since 2009. Its public dashboards stand out for tracking progress against Ireland's national targets, which include a 51 percent cut in energy related greenhouse gas emissions and a 50 percent improvement in energy efficiency by 2030. It offers a clear example of how public sector leadership, grounded in data and transparency, can turn climate commitments into credible, measurable progress (SEAI, 2023).

Let's be clear — climate accountability is not paused; it is already policy. Since the introduction of the Energy Efficiency Directive in 2012, large businesses have been required to assess and report their energy saving opportunities every four years. The latest update in 2023 has not only brought that deadline forward from December 2027 to 10 October 2026 but also expanded the scope. The threshold now captures businesses consuming more than 10 terajoules of energy a year — roughly the same as burning 280,000 litres of diesel. The bar is rising, and expectations are tightening (European Commission, 2024).

The CSRD delay doesn't remove the expectation; it simply exposes the difference between those taking meaningful steps and those standing still. This moment separates the proactive from the passive.

### A Competitive Edge in Disguise

For smart businesses, the CSRD delay isn't a pause - it's a prime opportunity to get ahead.

With more time to prepare, organisations can pilot their reporting processes, invest in ESG literacy across leadership teams, and refine their data strategies. Voluntary reporting, scenario modelling, and internal carbon pricing can all be tested now, without the pressure of formal compliance.

More importantly, this delay offers a valuable window to build trust with stakeholders. Investors, customers, regulators, and employees are paying close attention to which companies treat sustainability as a priority, not just a requirement. Those who move now will position themselves as leaders. Those who wait risk being seen as reluctant followers, scrambling to catch up.

This is not just about compliance and ticking boxes - it's about building trust, future-proofing operations, and staying competitive in a climate-conscious marketplace.

### Tomorrow Belongs to the Proactive

This delay isn't a retreat - it's a moment to regroup and move forward with purpose. The EU's green ambitions remain firmly on course. Market expectations around transparency haven't eased, and neither has the public's demand for visible, responsible leadership.

Ireland's commercial state sector is already showing what proactive climate action looks like by setting targets, publishing decarbonisation plans, and reporting progress without waiting for mandates. The wider private sector would do well to follow suit.

The climate crisis isn't slowing down - and neither should we.

This isn’t the moment to ease up. It’s the moment to lean in, act boldly, and future-proof your business while others hit the snooze button. In the race to a sustainable future, early movers won’t just comply - they’ll lead.

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