

Submission by Business in the Community Ireland

Consultation Paper by the Department of Jobs, Enterprise & Innovation

On transposition of EU Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

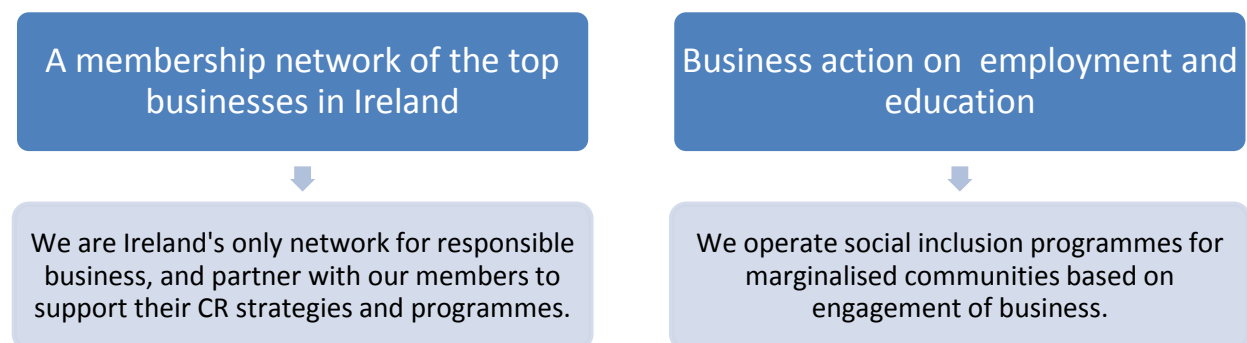
Business in the Community Ireland welcomes the opportunity to make a submission to the Department of Jobs, Enterprise & Innovation on transposition of EU Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

We make this submission in consideration of our vision and business network, and also in the context of our participation in the National CSR Stakeholder Forum under the National Action Plan on Corporate Social Responsibility.

Business in the Community Ireland's **vision** is to have all businesses in Ireland responsible and sustainable. Since our inception in 2000, the **mission** of Business in the Community Ireland (BITCI) is to harness the power of Irish business to maximise its positive impact on all its stakeholders and society.

BITCI believes that business has the responsibility and the capability to effect positive social impact. Responsible businesses are good for society and derive a benefit themselves from being more reputable and sustainable. We apply the broad interpretation of CSR which is '*how you run your business*', and see CR aligning with business goals, that clearly benefits the business and that delivers tangible returns on investment.

Operating as a not-for-profit organisation, BITCI has two key strands to its activities:



With a membership of nearly 80 of the leading companies in Ireland, BITCI supports and inspires businesses to raise the standards of their business practices in the areas of workplace, marketplace, community and environment.

We developed Ireland's only certification for responsible business practices, the **Business Working Responsibly Mark**. Based on ISO 26000, the Business Working Responsibly Mark is independently audited by the NSAI. The Mark gives third party endorsement to companies and crucially provides companies with a roadmap for their sustainable journey.

Please find below our views on the questions posed.

Question 1 – Do you consider that Irish company law should permit information to be withheld in certain circumstances? Please give reasons for your preference.

BITCI would have no objection to this if it relates to impending developments or matters in the course of negotiation. The goal of these directives should include protecting the economic sustainability of the organisation in question. However perhaps provision could be made that anything relevant or fitting these circumstances, and subsequently concluded, could be referenced and explained in later reports.

Question 2 – Do you consider that Irish company law should permit companies to publish the non-financial information in a report separate from the management report? Please give reasons for your preference.

Yes, flexibility of reporting methods & formats is critical for companies, and the main consideration is that the report describes information that corresponds with the period of the management report. However in the interests of ensuring that such information will help investment decisions, where two separate reports are produced, they should coincide where possible. With the understanding that creating two reports simultaneously may be onerous for companies at the outset, perhaps the provisions could introduce a gradual coincidence of both reports over a three or five year period so that ultimately, where companies report their non-financial information, it's release coincides with the release of management report.

Question 3 – Do you consider that Irish company law should require information to be verified by an independent assurance service provider and, if so, how would that service be provided? Please give reasons for your preference.

This could be introduced as an option following the Global Reporting Initiative (GRI) model where externally assured reports are indicated by a special symbol (a 'plus' sign). This assurance could be done by any of the audit houses, specialists in assurance on non-financial information or by companies following the AccountAbility AA1000 Assurance standard. However where companies do not avail of the option to assure their non-financial information, care would have to be taken to clearly delineate between information that has been verified and any that hasn't.

Question 4 – Do you consider that companies with securities other than shares admitted to trading on a regulated market, and which do not have shares admitted to trading on any market, should be exempted from making disclosures relating to their diversity policy?

No, promoting diversity (a stated objective of this directive) or taking a public stance on it should be promoted by every organisation.