

European Sustainability Reporting Association report for Ireland

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1. Significant trends and developments in Irish reporting

A review of the corporate social responsibility (CSR) disclosures contained in the annual reports, website and stand-alone CSR reports of 58 Irish public limited companies (plcs), revealed the following trends and developments:

Of the 58 companies reviewed, 31 (or 54%) made reference to corporate social responsibility in their annual reports or on their websites. Seven of the companies were producing stand-alone CSR reports. It is the larger listed companies which seem to be producing the stand-alone CSR reports and the greatest volume of CSR disclosure.

Where companies are disclosing CSR information, the two most commonly used media were their annual reports and their websites. In general, companies tended to have similar disclosures in both media. In several instances, however, companies were disclosing more CSR information on their websites than in their annual returns.

The most common type of CSR disclosures related to employees, the environment, health and safety, community involvement, and corporate governance. Very few companies disclosed any information in relation to consultation with stakeholders. Most companies did not refer to, or use, the word “sustainability” in their CSR disclosures.

In the majority of cases, the CSR information related to the company’s CSR policy but did not include any information on either its current performance or any targets for the future.

The CSR disclosures tended to be of a positive nature. They also tended to be qualitative in nature, with very little quantitative data. If quantitative data were reported, they tended to be on either the company’s charitable donations or its environmental programmes (recycling, energy consumption and CO² statistics being the most commonly quoted).

Of the 31 companies disclosing CSR information, 13 entities had a separate CSR or environmental section within their annual reports. The remaining companies disclosed the information mainly in either the Operating and Financial Review (or equivalent) or the Report of the Chairman or Directors.

The majority of entities reviewed did not follow any standards or guidelines (for example the Global Reporting Initiative (GRI)) when reporting CSR information.

2. Significant trends and developments in sustainability assurance

None of the Irish plcs reviewed are producing CSR information or reports that are independently verified.

3. Overview of any national government activity

The mandatory disclosure requirements in relation to reporting CSR data in Ireland are minimal. Currently, companies' legislation in Ireland requires disclosure of the average number and type of staff employed by a company. All other mandatory disclosure requirements relate to financial data. There does not seem to be an intention to introduce any further mandatory disclosure requirement in relation to CSR information.

4. Achievements and challenges

There is evidence of increased volume and occurrence of CSR disclosures by Irish plcs in their annual reports compared to previous Irish surveys (O'Dwyer and Gray, 1998, O'Dwyer, 2001). There has also been encouraging growth in the number of companies producing stand-alone CSR reports. However, there are a significant proportion of Irish quoted companies which do not disclose any CSR information aside from the mandatory disclosures required by Irish company law or stock exchange requirements.

For many of the companies that are currently engaged in CSR reporting, the next challenge will be clearly to outline objectives, targets and progress. A further objective would be to engage in stakeholder consultation processes and to report on the outcome of these.

None of the public companies reviewed are producing CSR information or reports that are independently verified. Also, the majority of entities reviewed did not follow any standards or guidelines when reporting CSR information. It would lend credibility to the disclosures if they were produced in accordance with GRI or other suitable guidelines and subjected to independent assurance.

The ACCA Irish Sustainability Reporting Awards have been running annually since November 2000. In their latest report (2006), the judging panel noted that CSR policies are being integrated into company policies and activities and they welcomed the increased number of reports being submitted. The judges also noted that reports would benefit from being more comprehensive and readable (particularly in relation to technical data). The panel recommended that reports should include more information on customer consultation and that the reports be independently assured.

5. Future developments/trends/directions

The increase in the volume and occurrence of CSR disclosure and reporting in Irish plcs is to be welcomed, and will hopefully continue.

Companies should progress from the current situation where many entities are just disclosing their CSR policies, to setting objectives and targets and reporting their progress. A further objective should be to engage in stakeholder consultation processes and to report on the outcome of these.

The use of reporting guidelines such as GRI in preparing CSR disclosures and reports and independent verification of those reports should increase in the coming years.

6. Best practice examples

The Musgrave Group (a private Irish company) won the ACCA Irish Environmental Reporting Awards 2006, with Irish Life & Permanent plc and O² Ireland receiving commendations.

The panel's comments on each of the reports are as follows:

Musgrave Group

Sustainability Report 2006

The report:

- is detailed and very comprehensive
- has impressive stakeholder consultation mechanisms
- shows how sustainability can be fully integrated into corporate governance
- sets and meets challenging but realistic targets
- uses case studies in an innovative and informative way
- includes external verification
- clearly sets out priorities
- meets the main criteria of the Awards
- is a leader in its sector in Ireland
- details the commitment of senior management to CSR
- shows significant staff involvement in a multi-site operation.

Irish Life & Permanent plc

Corporate Responsibility Report 2005

The report:

- is very well structured
- is concise, clear and easy to read
- records customer concerns – not just complaints
- uses comprehensive customer consultation mechanisms
- details good corporate governance structures
- gives a clear statement of policies
- identifies specific indicators to measure future progress.

O² Ireland

Corporate Responsibility Report 2005/06

The report:

- is dynamic with an innovative layout
- clearly outlines objectives, targets and progress
- is comprehensive and backed up by an extensive, innovative online resource
- complements accessible web-based reports
- is independently assured
- reflects the company's customer focus
- has clear priorities for future action
- measures trends using a significant number of metrics.

(ACCA, 2006)

7. Reference list of any country-specific reporting guidance

n/a

8. Reference list of country-specific literature and/or relevant websites

www.entemp.ie

www.environ.ie

www.irishstatutebook.ie

www.accaglobal.com/testarea2/awards/isra/

www.epa.ie

www.enfo.ie

References

ACCA, 2006, *Judges Report, ACCA Ireland Sustainability Reporting Awards 2006*, Dublin: ACCA.

O'Dwyer, B, Gray, R.H (1998), "*Corporate social reporting in the Republic of Ireland: a longitudinal study*", *Irish Accounting Review*, Vol. 5 No.2, pp.1-34.

O'Dwyer, B. (2001). *The state of corporate environmental reporting in Ireland*. Research report No 69. London: ACCA.