

Attention: CSRD@enterprise.gov.ie

RE: Corporate Sustainability Reporting Directive

9th March 2023

To whom it concerns,

Cork Chamber represents 1,200 members together employing 100,000 people throughout the city, metropolitan area and county. Our vision is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals five of which have been identified by the Chambers Ireland network.

As such, we welcome the opportunity to contribute to this consultation on the Corporate Sustainability Reporting Directive (CSRD) which once transposed into Irish law will be key to supporting the European Green Deal, Ireland's Climate Action Plan, the decoupling of economic growth and ultimately achieving a net zero economy by 2050.

We would like to thank the department for the opportunity to contribute to this important consultation and ask that our recommendations are fully considered.

Yours sincerely,



Conor Healy

CEO

Practical Challenges for Organisations

There are a number of practical challenges that organisations will face as they prepare for and carry out the reporting process, particularly for SMEs. Organisations should feel supported in their journey of tackling the steep learning curve. In some cases, targeted measures and training supports may be required to ensure no organisation is left behind on the road to net zero.

We have identified the following practical challenges that organisations will need additional training, knowledge building and/or supports to overcome:

- Creating digital tags for sustainability information is not a simple task and will require training especially for SMEs.
- Double materiality reporting will be difficult to execute especially for organisations preparing consolidated reports and for SMEs. Once reporting is in effect and data is collated, the development of sector-specific benchmarks should be integrated into the standards to help guide and improve sustainability efforts.
- Small firms may be overcome by the reporting requirements of larger/parent companies. Steps must be taken to ensure that reporting obligations are not passed down to smaller firms, which may threaten their viability.
- The move from limited assurance to reasonable assurance will require extended knowledge. Training will be required for auditors as reporting becomes more widespread and needs to begin quickly so organisations can prepare.

Collation of data

Organisations in scope will need to begin identifying and collating the necessary data and information for reporting. For those preparing consolidated reports this data will need to be obtained from subsidiaries. Monitoring procedures will also be required to comply with the new reporting requirements.

This poses numerous challenges and questions that will require guidance such as, where is the data currently placed? What system is it in? Is the data currently available suitable to achieving the requirements in the CSRD?

We further advise that the group level reporting be acknowledged, and guidance be given to groups without the typical corporate structure e.g., groups of companies that do not consist of parent companies and subsidiaries.

Standards

Standardisation of reporting for different sectors and types of firms is needed for a smooth and diligent process. Without which, smaller firms may be weighed down with the various types of reporting templates.

Cork Chamber and our membership look forward to welcoming the soon to be announced EFRAG European Sustainability Reporting Standards (ESRS). We urge for their publication without delay, as an important step forward to contributing to the development of global standards and to ensure organisations in scope can begin the reporting process. It is key that as benchmarks are developed and lessons are learned from the CSRD, that the standards are revisited and revised accordingly to ensure best practice, transparency and clarity.

Conclusions

We commend the vast amount of work that has gone into simplifying and addressing gaps in the Non-financial reporting directive (NFRD) in the development of the CSRD, particularly the introduction of detailed reporting requirements and the expansion of scope of companies within the reporting regime. The CSRD will contribute greatly towards ensuring the availability, consistency and reliability of sustainability information from organisations which will in turn aid enterprise in avoiding greenwashing while embedding sustainability into the heart of our economy.

To ensure success, we urge that clear guidance be adopted and made as widely accessible before the CSRD is transposed into Irish law, so that companies may best comply. To further aid Ireland in the implementation of this directive, we ask for enhanced involvement of European business representatives in the European Network of Supervisory Authorities.
