



**Business** in the

**Community**

**Ireland**

**Business** in the

Over 65 Members



**Community**

**Business** in the

**Community**

**Ireland**

**Supports  
members  
to develop  
strategic CR  
initiatives**





**Dr. Matt Crowe, Director  
Environmental Protection Agency**

Why Business needs a Sustainable Ireland – key message from the EPA State of the Environment Report 2012.



**Lois Guthrie, Technical Director,  
The International Integrated Reporting Council**

Corporate Sustainability Reporting – the future for corporate social responsibility



**Justin Kilcullen, Director of Trócaire**

Sustainable Development Goals for the Future we Want – key messages from Rio +20



**Gabriel D'Arcy,  
CEO**

**BORD NA MÓNA** 



# Irish Corporate Leaders *on Climate Change*



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# Market Bubbles



## Unburnable Carbon

Are the world's financial  
markets carrying a carbon  
bubble?

# Market Bubbles



# .COM Bubble



**Credit  
Bubble**



One trillion tonnes of Carbon



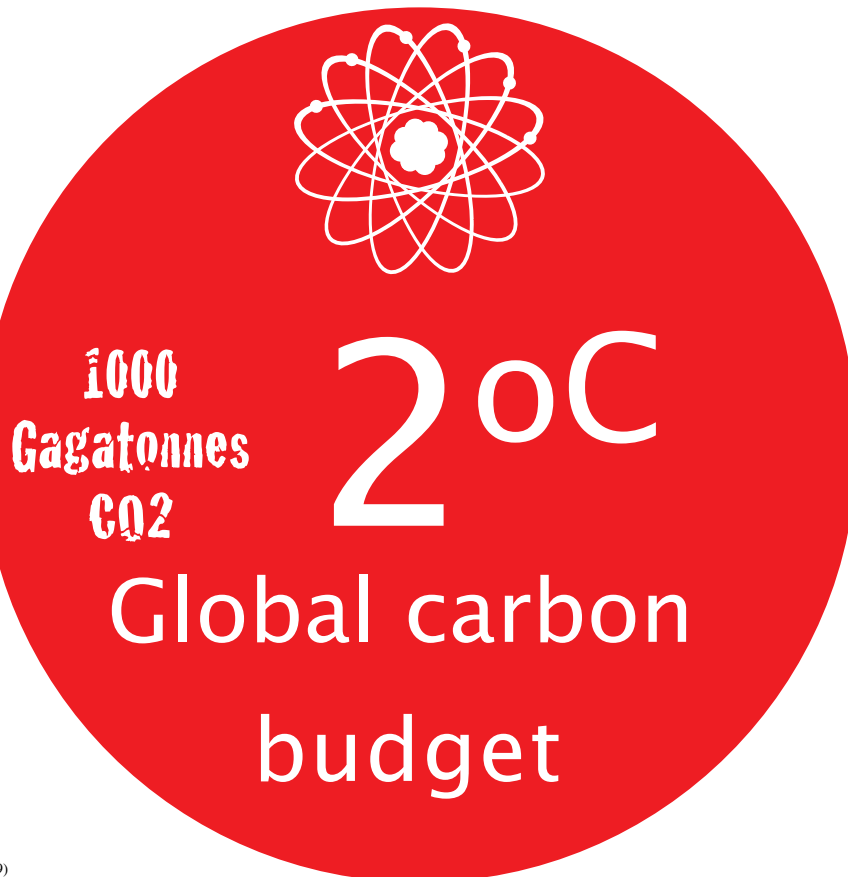
**1000  
Gigatonnes  
CO<sub>2</sub>**

**nature**

Nature 458, 1163-1166 (30 April 2009)



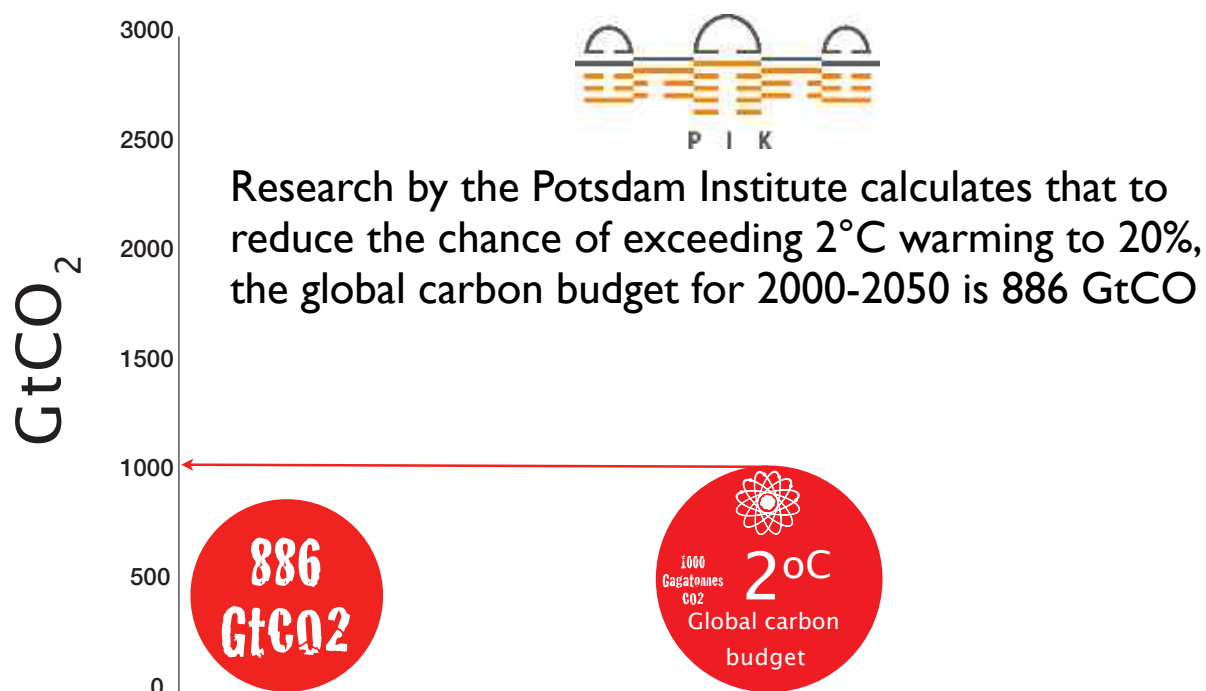
One trillion tonnes of Carbon



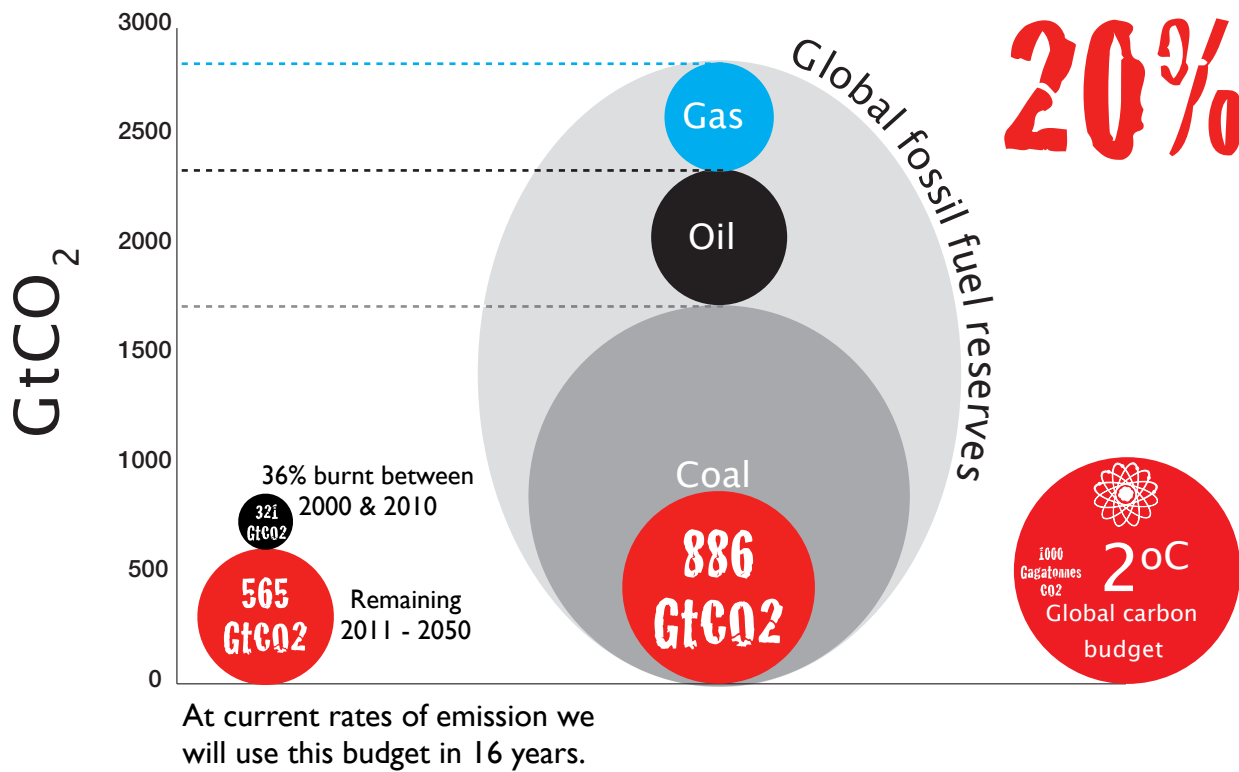
**nature**

Nature 458, 1163-1166 (30 April 2009)

886 tonnes of Carbon

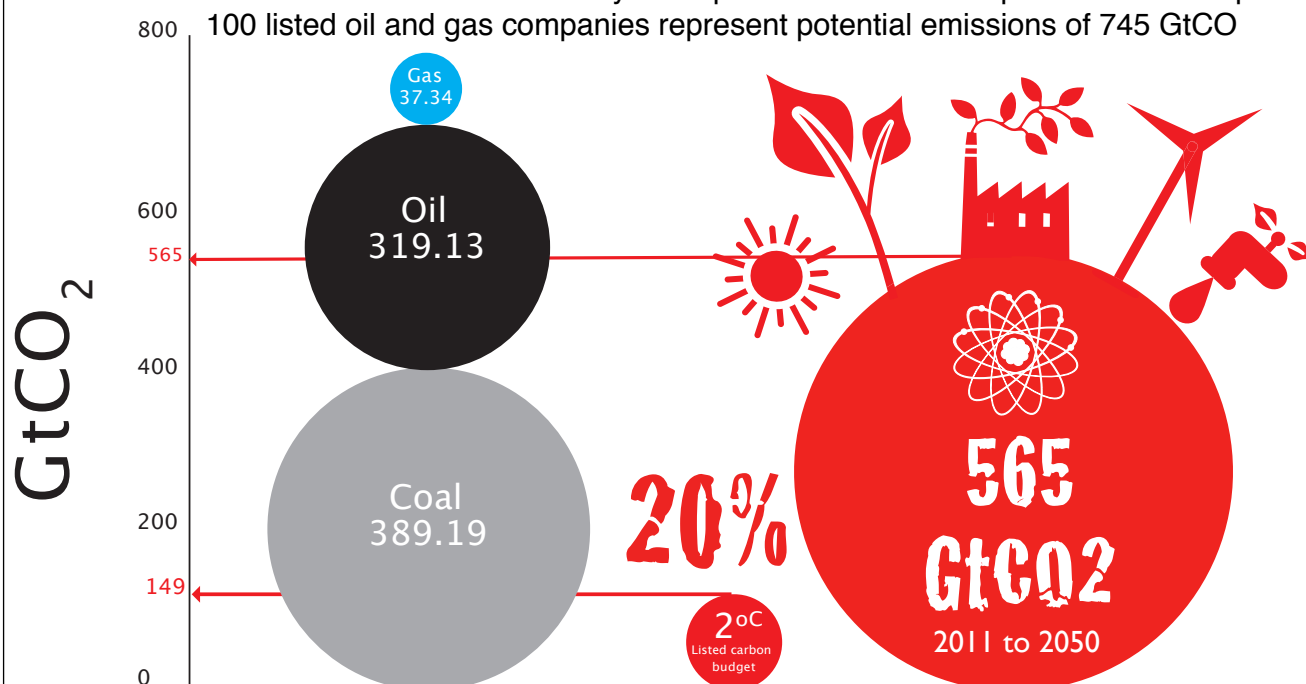


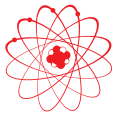
## Fossil fuel reserves - CO<sub>2</sub> emissions potential



## Stock market listed fossil fuel reserves

The fossil fuel reserves held by the top 100 listed coal companies and the top 100 listed oil and gas companies represent potential emissions of 745 GtCO





The global warming potential of fossil fuel reserves - both **proven** and **listed**



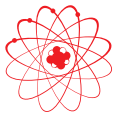
The manifest need for a science based carbon budget approach to climate risk management



The carbon intensity of global stock exchanges and its risk to global markets



The CO<sub>2</sub> reporting challenge!



The regulator's responsibility?



Business <sup>in</sup> the

Community

Ireland

Business in the  
Community  
Ireland



Business in the  
Community  
Ireland



**BUSINESS  
WORKING  
RESPONSIBLY**

Collective Mark





## *Building a Sustainable Ireland – Greening Your Business*



Dr Matt Crowe, Director, Environmental Protection Agency

## What I Want to Cover

- Why should business care about this sustainability stuff?
- Some background on broader policy context
- How is Ireland's environment doing?
- EPA supports available to business to help them become more resource efficient – Be Green
- A few questions and challenges to think about

## Why Should You Care?

- The world is running out of road – it is the right thing to do
  - THREE BIG 'NATURAL ENVIRONMENT' CHALLENGES FOR HUMANITY
    - ENERGY
    - CLIMATE CHANGE
    - NATURAL RESOURCES/RAW MATERIALS
- Businesses that pay attention to the environment are more likely to thrive in a world of diminishing resources
- You will save money



## Don't Believe Me

### ■ Green Hospitality Programme

- 221 members in Ireland
- 50% less waste to landfill
- Water consumption down 50%
- Energy consumption down by 30%
- €13 million in savings to its members since 2008
- [Testimonials](#)

### ■ Green Business Programme

- Resource Efficiency Assessments for businesses
- Typical potential savings of €40,000/annum identified
- [case studies](#)
- [Bill Gates on the future](#)

## Policy Context - European

### ■ 2020 Roadmap for Resource Efficient Europe (2011)

- Transforming economy onto resource efficient path (Green Economy);
- Consumption & production; innovation

### ■ Roadmap for moving to a competitive low carbon economy in 2050 (2011)

### ■ Preparations ongoing for 7<sup>th</sup> EAP (Environmental Action Programme)

- Focus will be on Resource Efficiency and Implementation
- To deliver the changes needed to tackle climate change, water, air quality etc.



## National Policy Context - Some Recent Developments

- **Climate change** – review of National climate policy commenced in 2011 - looking at future policy options and approaches to transition to low carbon economy – NESC working on this
- Framework for **Sustainable Development** – June 2012
  - Overarching framework to integrate principles of SD across policy areas
- **Air quality** – a major link between environment and human health and can be costly to comply with air quality standards
- **Waste** - Revised EU Directive transposed in 2011; includes requirement for waste prevention programmes
- **Water** – decision to establish *Irish Water*; WFD – reform of governance & structures
- **Biodiversity** - National Biodiversity Plan 2011-2016 - increasing understanding of the value of nature/biodiversity

## Where is this all leading to? The policy objective?

- **A low carbon and resource efficient economy**
- **Supported by**
- **A clean, healthy and well protected environment**

## So How Are We Doing? Main Finding of SoE Report 2012

- Ireland's environment is a strategic and valuable asset
- Needs to be protected and managed as a basis of economic wellbeing and a healthy society
- Ireland's environment still generally of high quality overall
- Recession lowered pressures in some areas (e.g. waste & GHGs)
- But formidable targets to meet in the coming years
- Overall aim must be for Ireland's economic renewal to be **sustainable** – decoupling growth from environmental pressures
- *Ireland's Environment 2012* identifies four key challenges

## *Ireland's Environment 2012: The Main Challenges*



## Valuing and Protecting our Natural Environment

- Ireland's natural environment has a great intrinsic worth
- A good environment is important for health and well-being of society
- Economic activities require use of natural resources
- Resources require careful and well-informed management to maximise benefits
- Need to ensure not exhausted/degraded for future generations
- Particular emphasis on water and on biodiversity

How important is it to me that our natural environment is protected and valued? What is my role? Am I prepared to pay for it?

## Building a Resource-Efficient, Low-Carbon Economy

- Environment and Economy closely interwoven
  - E.g. Ireland's water resources to become of increasing importance to economy
- Resource use and waste generation are at unsustainable levels throughout the EU (EEA, 2010).
- Recession has curbed growth in Ireland that was unsustainable.
- Opportunity to break link between consumption and production and focus on resource efficiency.
- Resource-efficient and Low Carbon economy - 'Green Economy'
  - Can bring increased competitiveness and new sources of growth

What is a 'green economy' and how can I contribute to its creation?

## GHG Projections to 2020



- Under most optimistic scenario, Ireland will exceed its annual limit by 2017 and exceed its 2020 target
- Ireland needs to reduce dependence on fossil fuels
- Need for major increases in energy efficiency and use of other energy sources (wind, ocean, biomass)

## Implementing Environmental Legislation

- Historically, Ireland has not had a good history of compliance with EU environmental laws.
- In coming years - Ireland has a challenging international obligations on air, water, waste, nature, GHGs
- 'Implementation' will be a cornerstone of EU 7 EAP
- Costs associated with implementation – but also 'Cost of Inaction'
  - Costs of clean up of contaminated land can outweigh cost of prevention
  - Study of IPPC licensing regime in Ireland – direct compliance costs borne by operators less than avoided external pollution costs.
- Benefits to implementing - clean & protected environment important for health & wellbeing.

Do I fully understand the implications of environmental legislation for my business?

## Putting Environment at Centre of our Decision Making

- Sustainable development context
  - Environmental protection and health are inextricably linked
  - Economic well-being is dependant on a clean and well-managed environment
- Key economic sectors reliant on a high quality environment and clean, green image
  - Sectoral plans (e.g. Food Harvest 2020) must take place in a sustainable manner
- Environmental considerations & priorities must be incorporated into policies & plans
  - Strategic environmental assessment of policies and plans
  - Good uptake since 2004 – but still 'early days' in terms of overall implementation
- Protecting the Environment a Shared Responsibility
  - Need leadership and co-ordinated efforts from Government and public bodies
  - Businesses and individuals must strengthen their environmental behaviour

What can I do to reduce my environmental impact and that of my business?

## Supports for Business

- National Waste Prevention Programme
- [EPA Web Site](#)



## What You Can Do

- Start thinking about energy, water use, waste management
- In your home and in your business
- Become informed about the global issues driving change and innovation
  - Climate Change will effect us all
- Start using the supports available
  - Through EPA's BeGreen, SEAI programmes, Enterprise Ireland, B2B networks
- Decide to take some practical steps to reduce your and your businesses environmental impact
- And go do it



epa

Environmental Protection Agency  
*An Ghníomhaireacht um Chaomhnú Comhshaoil*



# **Integrated Reporting**

## **An evolution in corporate reporting**

**Hack the Green Economy**

**25 JULY 2012**

Lois Guthrie  
Technical Director  
International Integrated Reporting Council

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### **A Green, Low-Carbon Economy**

- A green economy is a low-carbon, resource efficient, and socially inclusive economy
- Green growth integrates economic performance and environmental stability
- Green growth requires the mobilization of financial, technological, social and human capital at pace and scale

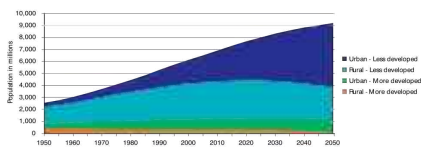
Why do we need it?

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## Growth and degradation (source WBCSD – Vision 2050)

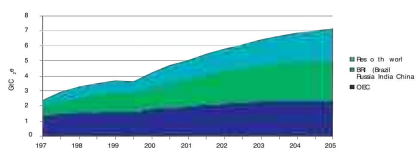
## Growth

**The world population is increasingly urban**  
Global population by type of area and by region – 1950-2050

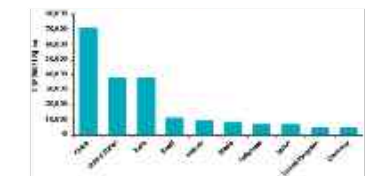


## Degradation

## Greenhouse gas emissions keep rising

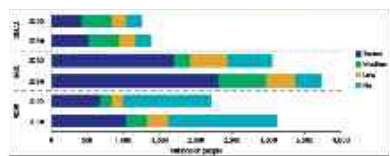


### Global economic power is shifting

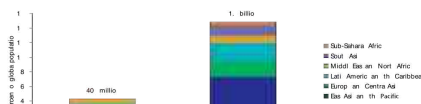


Environment | degradation | jeopardizes people's quality of life

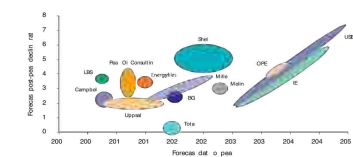
People living in areas of water stress experience a higher level of stress



**The global middle class is rapidly expanding**  
Population in low- and middle-income countries earning US\$ 4,000-17,000 per capita (purchasing power parity)

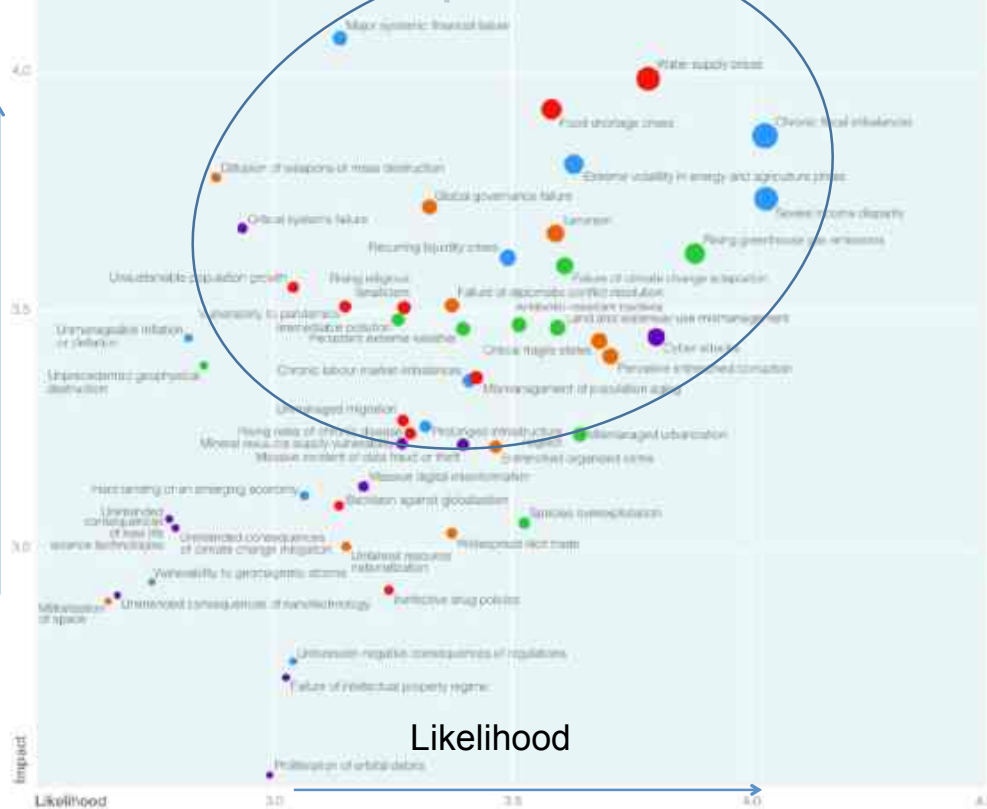


### The world could be running out of some resources



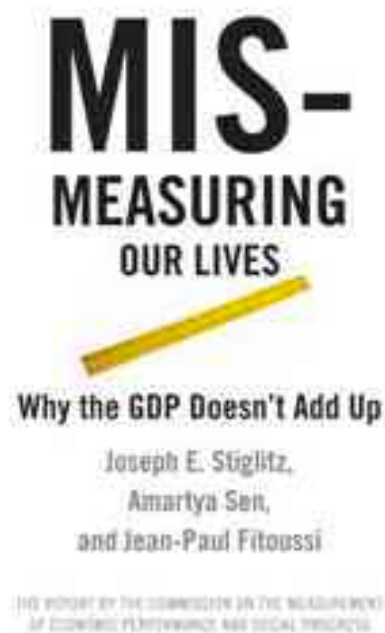
# World Economic Forum

Global Risk Report 2012





## How do we know we're on course towards a green economy?



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## Supporting architecture for the green economy

Structures, including measurement, reporting, accounting and assurance structures are required to communicate the information necessary for assessing progress towards green economic growth

### *Paragraph 47 of the Rio text*

*“We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments as well as relevant stakeholders with the support of the UN system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks, and paying particular attention to the needs of developing countries, including for capacity building.”*

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# Landscape overview

## MANDATORY



Illustrative examples on Climate Change

- National Greenhouse & Energy Reporting Act 2007 (Australia)
- Act on Promotion of Global Warming Countermeasures (Japan)
- Financial Statements Act (Denmark)
- EU Emissions Trading Scheme
- CRC Energy Efficiency Scheme (UK)
- Canadian Environmental Protection Act
- Greenhouse Gas Mandatory Reporting Rule (USA)
- Climate Change Response Act 2002 (NZ)

## VOLUNTARY REPORTING – NATIONAL, GLOBAL, INDUSTRY



## INDICES/RATERS



## STOCK EXCHANGE ACTIVITY

Australia  
Brazil  
Canada  
China  
Hong Kong  
Korea  
Malaysia  
Singapore  
South Africa  
Turkey

## VERIFICATION



## STANDARDS



# Observations about corporate reporting

**Louder than Words.**

ACCOUNTANCY FUTURES

Re-assessing the value of corporate reporting

Tomorrow's Corporate Reporting

A critical system at risk

**BIS** Department for Business Innovation & Skills

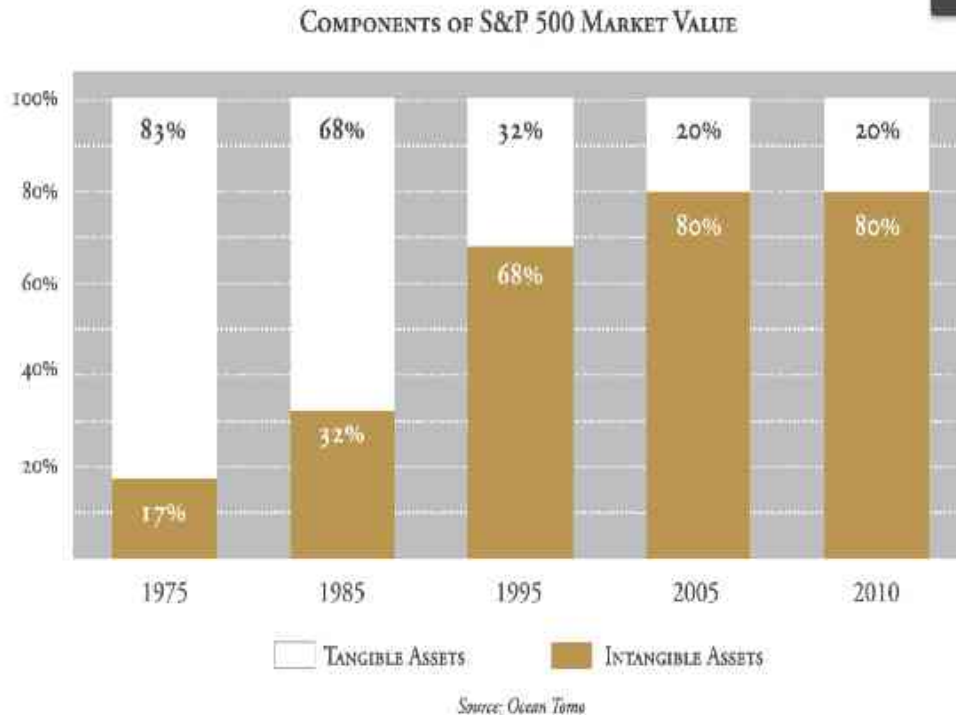
THE FUTURE OF NARRATIVE REPORTING

The Government Response

MARCH 2012

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## The “value gap”

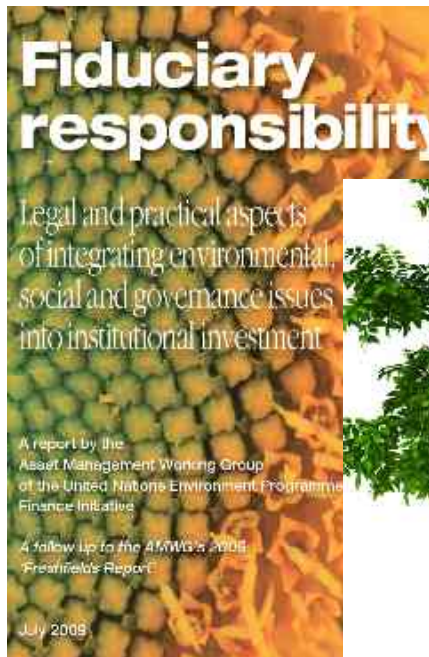


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## The Reporting Mismatch



## Investor information needs

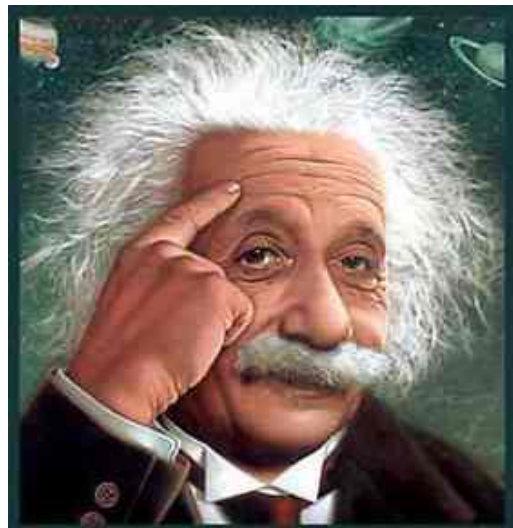


UniCredit

Environmental,  
Social &  
Governance  
Research

FTSE Research  
ch  
Research

Halo's Creed



Albert Einstein

“we cannot solve our problems with the same thinking we used to create them”



Victor Hugo

“nothing else is so powerful as an idea whose time has come”

## What is Integrated Reporting? Working definition



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## How is Integrated Reporting different?

Thinking	Disconnected	Integrated
Stewardship	Financial capital	All types of capital
Focus	Past, financial capital	Past & future, connected, strategic
Timeframe	Short term	Short, medium & long-term
Trust	Narrow disclosures	Greater transparency
Adaptive	Rule bound	Responsive to individual circumstances
Concise	Long and complex	Concise & material
Presentation	Paper	Technology enabled

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## <IR> - The Framework

- Development and consultation stage – examination of relevant models
- <IR> Framework is expected to reflect the following general principles and characteristics:
  - designed for use by reporting organizations for the purposes of integrated reporting;
  - comprise reporting criteria, including how information for <IR> purposes should be determined, prepared and presented;
  - focus on concepts and principles rather than the details of measurement and reporting on individual matters.

## <IR> - What next?

### • **Threshold issues**

- Business model
- Value
- The capitals
- Connectivity
- Materiality

### • **<IR> in the corporate reporting landscape**

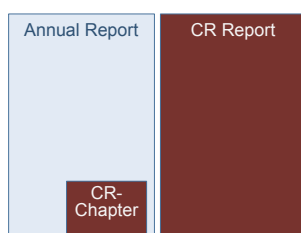
### • **<IR> Framework Development**

## <IR> - How will it interact with existing practices?

1. Existing reporting practices can be used to support Integrated Reporting.
2. Integrated Reporting processes and activities can be applied to the preparation of existing reports so as to communicate more effectively the way in which results and information contribute towards the creation and preservation of value.
3. The incorporation of Integrated Reporting processes and activities into existing reporting mechanisms is expected to facilitate an evolution in corporate reporting.

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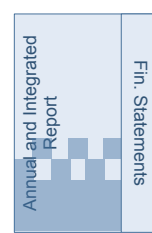
## Integrated reporting journey Alternative approaches and steps along the way



Limited inclusion



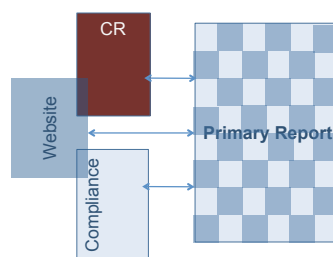
Combination



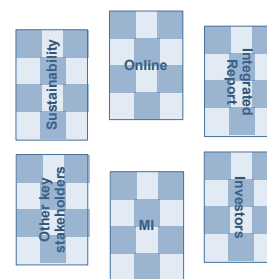
Embedding



Integration



Integrated Report



Integrated Reporting

## Draft indicative timeline



Thank you

The IIRC  
[www.theiirc.org](http://www.theiirc.org)





# Sustainable Development Goals



**RIO+20**

United Nations  
Conference on  
Sustainable  
Development

**Justin Kilcullen, Director, Tròcaire**



**Business** in the

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Irish Corporate Leaders  
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**SCIENCE GALLERY**

  
greenbusiness.ie

**CARBON DISCLOSURE PROJECT**