

20th March 2024

Presentation to Joint Oireachtas Committee on Enterprise, Trade and Employment Introduction

Our purpose is to inspire and enable businesses to bring about a sustainable, low carbon economy and an inclusive society where everyone thrives. Our team of expert advisors partner with our 120 member companies to design and deliver across the Economic, Environment, Social and Governance (EESG) dimensions of sustainability. We advise and support companies and engage in collective action to drive change.

Context

Sustainability is now firmly at the top of the business agenda. There is far greater awareness of the role business has to play in tackling the climate and nature crisis and eliminating social inequality. Many stakeholders, public and private, acknowledge that embracing sustainability practices will support long term economic competitiveness and social stability.

However, action is still slow. Within our network, there are some common challenges facing business given the complexities of EESG and sustainability.

These include:

1. Nature & Climate – a twin crises for business

In its submission to the Citizens Assembly on Biodiversity Loss the *Irish Wildlife Trust* stated ‘the link between biodiversity loss and climate change is such they can be seen as one issue: one driving the other, both rooted in our patterns of consumption. But each supporting the other in recovery’. The World Wildlife Federation states ‘unless we stop treating these emergencies as two sperate issues neither problem will be addressed effectively’.

As our Low Carbon Pledge signatories (approx 70 companies) can attest, businesses are aware of the need to decarbonise their operations with some making significant strides in this area, setting science-based targets, re-assessing their supply chain etc. This Pledge is also referenced in the Government’s Climate Action Plan. But less focus has been on the impact of business on nature.

The recently published 4th [National Biodiversity Action Plan](#) is welcomed but greater awareness of this Plan is required beyond those actively involved in the nature positive space. This will help lead to greater public engagement and the required behaviour change.

The biggest challenge for business is to upskill themselves on the impact their own operations have on nature so they can take targeted action to remedy and improve their activities. This also includes having a full understanding of their supply chain and their impact on nature and being able to take decisive action that won't compromise their economic viability.

Recommendation:

- Provide financial support and training resources to ensure businesses including SMEs can proactively play a part in achieving a net zero and nature positive economy.

2. Social Impact and engaging your employees, your community, your supply chain

Achieving social inclusion and social cohesion is a core element of sustainability. Against a backdrop of housing shortages, a cost-of-living crisis, anti-immigration sentiments etc. the expectations of what role business should play is advancing. At BITCI we consider that employment offers the single biggest opportunity for vulnerable individuals to escape a cycle of poverty and become active participants in society. Our Elevate Inclusive Workplace Pledge signatories (over 65 companies with a collective workforce of over 150,000) are proactively making strides to build more inclusive workforces which improves productivity, attracts diverse talent and in turn builds strong and resilient local communities.

Our successful education and employment programmes are designed to support business to be involved in tackling educational disadvantage, improving employment opportunities for vulnerable job seekers and developing stronger links with local communities.

Recommendations:

- Provide multi-annual funding to ensure continuity for some of our successful employment programmes such as Women at Work and Traveller Employment Programme and EPIC which supports refugees and asylum seekers.
- Help address barriers to employment by fully implementing all aspects of the Comprehensive Employment Strategy, National Action Plan against Racism and the Social Inclusion Strategy.
- Establish a government sponsored cross governmental & NGO review group designed to coordinate resources of government, NGOs and business.

We also know issues of human rights and modern slavery across the supply chain is something business is more considered about and need further training on.

Recommendation:

- Develop a roadmap to reduce and mitigate Modern Slavery in Ireland.

3. Enhanced regulation and skills gaps

Business is increasingly required by government, investors, employees, customers to demonstrate transparency. This drives trust within business and supports genuine ambition and tracking of progress.

The impending compliance with the Corporate Sustainability Reporting Directive (CSRD) and other regulatory non-financial reporting structures is posing a real challenge. While not all businesses are in scope for such regulation, the supply chains will be influenced. The regulation drives a need for data on carbon emissions and social metrics related to human rights by all businesses up and down value chains. This is highly significant for our SMEs if they want to ensure they maintain being suppliers of choice for large (in scope) businesses.

Through our work we know there is a skills gaps within business to address the multiple demands of reporting regulation, addressing social inequality and the increased technical complexity of supply chains issues like Scope 3 carbon measurement. We respond through our one-to-one advisory service, peer-to-peer sharing sessions and collective action campaigns to build a business's understanding and internal capacity so they can take action and demonstrate leadership.

Our Business Working Responsibly Mark is Ireland's EESG standard and already over 40 companies are certified. It builds capacity of companies to address and manage the reporting asks coming down the line, and the Mark supports companies to put in place robust internal management systems to mature their sustainability activities.

Businesses' must develop skills in sustainability to manage the risks, realise the opportunities and make informed investment decisions.

Recommendations:

- Raise awareness of the CSRD and other regulatory requirements.
- Support and upskill IDA and Enterprise Ireland staff so they in turn can educate and train their clients.
- Improve resourcing and budget to DETE Responsible Business Forum so it has the capacity to actively engage with more businesses.