



REFERENCE

ESG Disclosure Workshops Written Submissions in Preparation for Final Workshop

1. Assessment of the workshops

The workshops have been extremely helpful for the Global Compact Office as a way to update its awareness on the most recent trends in ESG reporting. As a multi-stakeholder leadership initiative, the Global Compact is inclined to make the Communication on Progress more useful to its different stakeholders. Thus the participants represented in the ESG Workshops had very insightful input and perspectives that will allow the Global Compact Office to rethink some important concepts that underlie the Communication on Progress in the future. The workshop convened a wide range of diverse stakeholders, which allowed numerous networking opportunities and fruitful exchanges between participants.

The management and organization of the workshops were done with a high professionalism both on practical aspects (such as administration and preliminary work in advance for each session) and content-wise. I also highly appreciated that all the resources were shared online.

Had the selection of Civil Society Organisations been more precise (i.e. those who have close interactions with businesses) for the third workshop on the *perspective of civil society, consumers and media*, I think the session would have been more useful. We would have benefitted more from elaborate input from participants with technical knowledge on ESG disclosure.

Also overall, it happened too many times that some presentations did not provide a clear-cut answer to the specific questions that were asked. Future workshop should take this in considerations.

2. Suggestions to the European Commission and EU Member States

While initiatives like the Global Compact are not substitutes for regulation, they play a necessary role in a world that demands new forms of governance. We think that it is in the interest of Governments that voluntary actions by the private sector complement and reinforce existing regulatory and policy measures as far as possible. 'Soft power' approaches can be complementary with both a voluntary approach, and with Government efforts to harness all levels of society in the pursuit of sustainable development. By its nature, 'soft power' offers great flexibility on how a government can best leverage its position and goals.

- "Following the ESG disclosure workshops, the European Commission should..."

We think the European Commission should:

- Support or **promote global voluntary initiatives that include** an ESG disclosure framework
 - Promote ESG performance as a driver for global competitiveness for businesses, through incentive schemes or regional events
 - **Assess the current national regulations** of the E.U member states (i.e. French NRE laws) and make recommendations to those states
 - Build on the revised OECD Guidelines for Multinational Enterprises to propose **concrete accountability mechanisms for companies operating outside the European Union**, most importantly in developing countries.
 - Cooperate and partner with other **regional institutions** (ex. APEC) to enforce such accountability mechanisms and share best practices at the regional level
 - Design a global strategy for EU Member States on the supply chain
 - Promote academic research and university grants related to ESG disclosure and the link with financial performance
 - Support further **technical discussions** on the materiality of ESG issues (by sector and from all stakeholder's perspectives).
 - Invite the participants of the Workshop to form a formal working group on ESG
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- "Following the ESG disclosure workshops, EU Member States should..."
 - Support or **promote global voluntary initiatives that include** an ESG disclosure framework
 - Provide **resources/guidance** and build capacity for businesses in order to increase the availability and quality of ESG information
 - Promote ESG performance as a **driver for global competitiveness** for businesses, through incentive schemes or national events.
 - **Incentives** can be provided through:
 - Public Procurement

- Financial support for innovation and R&D in the field of CSR, using accountability mechanisms
- Promote ESG disclosure at the **local level**:
 - **Mandatory** for state-owned companies, or public procurement
 - **Voluntary (or mandatory in the case of public procurement)** for SMEs
- Promote CSR at all levels, particularly at the **educational** level (universities and curriculum)
- Increase public scrutiny and participation of external stakeholders through formal communication channels at the national level and improve the public access to information (i.e. publication of non-compliant companies)
- Provide support to the Global Compact Local Networks activities

3. Suggestions to other organisations (European and/or international) and other EU stakeholders

- Civil Society Organisations:
 - Strengthen dialogue mechanisms with companies through proxies
 - Redefine their role in Corporate Responsibility
 - Provide useful reports and formal watchdog documentation
 - Make use of existing extra-financial information through comprehensive reviews, analyses, assessments
 - Link with media organisations
- Press and media
 - Increase coverage on CSR issues through balanced information
 - Awareness of positive contributions and best practices from businesses
 - Increased awareness on trends and practices
- Financial institutions:
 - Take into account non-financial information in investment decisions through a commitment to the UNPRI for instance and improve transparency on how those decisions take into account ESG criteria (i.e. Pension funds).
 - Participation in current and ongoing international workstreams on the links between financial performance and ESG performance

4. Plans from your own organisation

- Main highlights from the Global Compact:
 - More than 5.000 companies in 135 countries representing nearly every industry and hailing from developed, emerging and developing economies
 - 7000 business and non-business organisations involved
 - Global Compact Local Networks in more than 80 countries
 - Principles for Responsible Management Education (PRME): 200 business schools from 50-plus countries
 - Principles for Responsible Investment (PRI): 500 institutional investors with more than 20 trillion assets
 - Around 7000 Communication on Progress (COP) published so far
 - A voluntary initiative with a mandatory disclosure framework: 2000 businesses removed from the initiative for failure to communicate progress

- For the future, the Global Compact intends to:
 - Build a more robust disclosure framework to increase public accountability and transparency of the UNGC participants through the Communication on Progress
 - Increase collaborations and further existing ones
 - Scale up and deepen implementation of CR practices to overcome gaps linked to Human Rights, Labour, Climate, Corruption:
 - Leveraging non-financial issues at the board level
 - Pushing practices out into subsidiaries and through the supply chain
 - Building a stronger sectoral approach
 - Promote leadership and identify champions
 - Build momentum
 - Link the investor ESG agenda with CR more effectively
 - Strength cooperation between public and private actors
 - Further implement ESG accountability in UN procurement
 - Provide a transparent platform for the UN-Business relationship
 - Increase convergence of relevant initiatives rather than fizzling out of too many (e.g. OECD-Global Compact Networks)
 - Support local networks and integrate them effectively with global platforms
 - Improve the link between Corporate Responsibility and the MDG's (Millennium Development Goals) and Partnerships for Development
 - Convene businesses in setting global benchmark for ESG disclosure through engagement opportunities and workstreams