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Promoting private sector involvement in culture worldwide:

Reinforcing the cultural dimension of non-financial reporting in Europe

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- **The private sector is increasingly sensitive to its societal impact from a cultural perspective. Yet, efforts made by private companies in this field are still largely unnoticed. At the same time, the COVID-19 pandemic has heightened the urgent need to seek innovative and complementary support for culture.**
- **The EU's ongoing review of the Non-Financial Reporting Directive should converge with recent EU strategies promoting the cultural dimension of sustainable development. Integrating culture into the EU's policy on companies' non-financial reporting could strengthen the visibility of culturally sensitive actions taken by the private sector.**
- **The progressive adoption of the World Economic Forum's harmonised metrics should contribute to consistency and comparability in non-financial reporting. If these metrics are interpreted through a cultural lens and completed with additional metrics and guidelines attentive to the cultural dimension of sustainable development, they could become a fundamental tool to expand the integration of culture in private sector sustainability strategies.**

Cultural diversity and the private sector

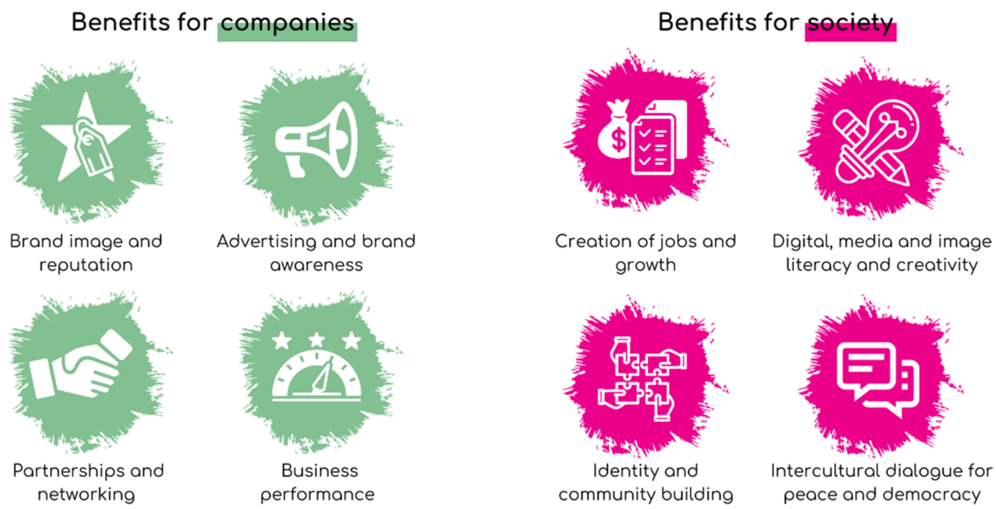
Culture is a broad and transversal concept that takes manifold shapes across time and space (UNESCO 2001 Universal Declaration on Cultural Diversity, Article 1). One of them is intangible cultural heritage, which provides a 'sense of identity' that is constantly transmitted and recreated (UNESCO 2003 Convention for the safeguarding of the intangible cultural heritage, Article 2). But cultural diversity, a defining characteristic of humanity, is 'made manifest not only through the varied ways in which the cultural heritage of humanity is expressed, augmented and transmitted through the variety of cultural expressions, but also through diverse modes of artistic creation, production, dissemination, distribution and enjoyment, whatever the means and technologies used' (UNESCO 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Article 4.1).

The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (CDCE) acknowledges the role of different stakeholders, including the private sector, in promoting cultural diversity. For instance, the CDCE explicitly encourages private institutions to develop and promote 'cultural expressions and cultural activities, goods and services' (Article 6.2(e)). In addition, the CDCE invites parties to create environments that encourage the creation, production, dissemination, distribution, and access to diverse cultural expressions (Article 7). Such environments should not overlook the role of private corporations, which generate long-term value and world-wide effects. From the perspective of international cooperation - one of the main pillars of action enshrined in the CDCE -, companies may also provide training and capacity-building programmes in developing countries to facilitate the creation, production and distribution of diverse cultural expressions, goods, and services (Kignel 2014: 256-7). They may also directly contribute to the International Fund for Cultural Diversity created under Article 18 of the CDCE. These opportunities for private sector involvement with culture are far from being exhaustive and recent developments show that some companies are increasingly sensitive to their societal impact from a cultural perspective (e.g., see the outcomes of the June 2021 ACP-EU Culture Webinar).

However, efforts made by private companies in this field are still largely unnoticed, thus also preventing greater engagement from the private sector in favour of culture. The present brief is a first step towards deeper and more thorough research that aims to:

- acknowledge the role that the private sector plays in the protection and promotion of culture locally, nationally and internationally.
- develop constructive expertise that can shape the internal and external action of the European Union (EU), thus strengthening the role of the EU as a global reference in promoting sustainable development and its cultural dimension; and
- enrich the EU's internal cultural strategy with respect to private companies' competitiveness, innovation, and long-term value creation that brings greater societal acceptance and belief in the EU on the continent and worldwide.

Private sector engagement in culture



In the following sections, we present practical examples of how the private sector is already a major player in the protection and promotion of culture. We then assert that recent efforts, including in the EU, to reinforce private sector involvement in sustainable development via non-financial reporting obligations, in conjunction with growing recognition of the cultural dimension of sustainable development, present a perfect opportunity to strengthen the visibility of culturally sensitive actions taken by the private sector. Finally, we propose ideas to integrate culture into non-financial reporting metrics and guidelines in order to better represent existing efforts and incentivise other companies to take similar initiatives.

The private sector is already a fundamental player in the protection and promotion of culture

Private sector contribution to sustainable development has traditionally been made through corporate foundations dedicated to diverse causes, including culture (e.g., Bosch Stiftung, La Caixa Foundation or Fondation Cartier, to name a few). In a context where non-financial concerns are becoming top priorities in corporate agendas, there is great incentive for companies to implement the CDCE principles even as a way of valuing their public image (Kignel 2014: 258). Whether or not the eagerness of private companies to promote sustainable development is disinterested, it generates good publicity and a positive perception of the corporate brand. Companies that support relevant social projects and develop policies that promote a positive, respectful, and diverse environment are more likely to be considered as offering stability and, therefore, attract investment. Furthermore, there is a growing tendency for people to choose these companies over those that seem ‘insensitive’ to their surroundings when buying a product or service.

Consumers increasingly tend to prefer companies supporting societal well-being and meaningful engagement.

The fire at Notre-Dame de Paris, the earthquakes in Zagreb, and the repercussions of the COVID-19 outbreak have uncovered the vulnerabilities of cultural and creative sectors, as well as heritage sites, in Europe and beyond, therefore raising awareness of the common constraints and challenges specific to these sectors in generating growth and funding new activities. In particular, the extraordinary and devastating impact of the COVID-19 sanitary and economic crisis on the cultural sector (UNESCO 2020) will require strong and coordinated intervention from all stakeholders, including States, civil society and the private sector, to ensure the survival of cultural expressions.

The private sector has already been considering a wide range of financial tools and schemes to provide sustainable support for culture. This fundamentally implies a paradigm shift for creative and cultural sectors, going from a subsidy-centred approach to long-term investments and also the so-called ‘innovative financing’. Leading examples include debt funding, matching funds, crowdfunding, equity funding, seed capital, loans, risk-capital venture philanthropy, business angels, and public-private partnerships.

European institutions have closely followed the private sector’s contribution to the growth and sustainability of cultural and creative sectors, in particular through financial support. In 2011, the European Commission demonstrated its willingness to work closely with the private sector by fostering partnerships that envisaged inclusive and sustainable growth for human development. In 2014, the Council of the European Union called on its member states and the European Commission to ‘encourage investment in cultural heritage as a part of integrated strategies for sustainable local and regional development’. The 2011-2014 Work Plan for Culture, presented by the Council of the European Union, sought cooperation between the EU member states on this topic using the Open Method of Coordination (OMC), a vision later reinforced by the subsequent 2015-2018 Work Plan for Culture. Subsequently, the European Court of Auditors presented a report in 2020, in which it recommended the European Commission to encourage the use of private funds to finance the safeguarding of Europe’s cultural heritage.

The 2019-2022 Work Plan for Culture currently promotes expert workshops to identify new sources of funding for cultural heritage. In January 2021, a workshop on complementary sources of funding for cultural heritage reflected the member states’ readiness to incentivise private sector funding to culture and develop existing tools and benefits. Examples of funding methods highlighted by the workshop included sponsorships, deductible and promotional spending, corporate social responsibility (e.g., Diego della Valle Group sponsorship of the Colosseum), public-private partnerships (e.g., the Polin Museum in Poland), revolving funds similar to the French fonds de dotation, crowdfunding and fundraising (e.g., Elliniki Etairia). Equally considered were the role of corporate giving and donation philanthropy, foundations (e.g., Herita), mixed sources in circular economy projects (e.g., CLIC EU co-funded projects), loans for cultural and artistic funding, and lotteries (e.g., European Lotteries). The event also called on the cultural and creative sectors to change their funding strategies and consider private donors, emphasising the need for recomposed business models focused on long-term progress. Furthermore, the workshop invited public authorities to include cultural and creative industries more explicitly in their sustainability policies and programmes for private entities.

In practice, many companies are already going beyond financial support by proactively developing their own arts and culture programmes as part of their sustainability strategies.

In practice, many companies are already going beyond financial support by proactively developing their own arts and culture programmes as part of their sustainability strategies. These include a wide range of cultural events (e.g., conferences, festivals, exhibitions, workshops, concerts), audio-visual productions, educational or intercultural exchange programmes and scholarships, youth and sports activities, as well as support for local cultural or civil society organisations. The role of the digital and tech giants (namely, the so-called 'GAFAM' - Google, Apple, Facebook, Amazon, and Microsoft, or their Chinese equivalent 'BATX' - Baidu, Alibaba, Tencent and Xiaomi) should also be highlighted, since they have been investing in the creation and development of remarkable cultural tools, such as Google Arts & Culture or WeTransfer's WePresent. Similarly, streaming platforms are now expected to significantly increase their investment in local arts (e.g., cinema), not only to meet the requirements of the EU Audio-visual Media Services Directive but also to reach a wider audience. Also, more and more video games are featuring artistic expressions both as a product placement technique and as a way to enrich the gaming experience. However, involvement in cultural activities is neither exclusive to technology companies, nor to the digital domain.

The following are five outstanding examples of private sector engagement in favour of culture:

- **Deutsche Bank**'s involvement in art, culture and sports is composed of various strands of activity. Within its 'Art Works' framework, Deutsche Bank has promoted contemporary art since 1982. Its flagship project is the Deutsche Bank Collection, which includes works from 5,000 artists from 40 countries. The collection is exhibited at 700 locations around the world, the bulk of which is found in the PalaisPopulaire in Berlin. In addition, around 130 exhibitions have been carried out in 33 countries. In 2011, the 'Artist of the Year' award was instituted for emerging international artists. As part of 'Culture inspires', Deutsche Bank has partnered with the Berliner Philharmoniker, as well as with a children's orchestra, an English theatre, a music academy, and a museum. Moreover, the Deutsche Bank Stiftung offers support for the opera and is in charge of two other prizes. Lastly, Deutsche Bank provides support for competitive and mass sports under its 'Sports connect' framework.
- **Iberdrola**'s approach to culture is exemplary as it recognises culture as a pillar of sustainable development. The electric utility company sponsors Bilbao Guggenheim Museum, Museo del Prado, and Museo Thyssen. The Iberdrola Arte collection is widely accessible through its dedicated website and mobile app. Iberdrola also supports the restoration of historic buildings

(e.g., a cross-border project with Portugal), promotes cultural events and specialised publications. Furthermore, Iberdrola has set up multiple foundations in its regions of operation - namely Spain, Mexico, Scotland, and the United States - that support local artists and offer scholarships.

- **Renault**'s environment and societal strategy under the title "Renaulution" defines its third pillar as Inclusion - "Giving chances". Since 1967, the company has envisioned its Art Collection as a bridge between art and industry. It now boasts more than 350 works of modern art by some 30 artists, which are brought to the public through temporary exhibitions, loans to museums and a guided tour on the website. The collection and its surrounding activities (e.g., workshops or support for artists) are managed by the Renault Foundation, launched in 2001. The Foundation also works on the topics of inclusion and sustainable mobility, and philanthropic actions are carried out around the globe via local foundations.
- **Bayer**'s contribution to cultural activities dates back to 1907, with a website dedicated to its Arts & Culture department. The pharmaceutical company boasts a total of 5,500 works of art in the Bayer Collection, which is exhibited through its offices and facilities. Bayer supports various activities including: frühstART for young people, stARTacademy for talented artists, Leverkusen Jazz Days, orchestra residence, and cultural clubs for employees. The German company also offers its cultural centre Erholungshaus for rent to music performers, conference organisers, etc. In 2021, Bayer is set to launch its annual stARTfestival across four different venues.
- **BBVA'**s work in the sphere of culture includes the BBVA Collection of over 9,000 works of art and the BBVA Foundation, with branches in Spain, Venezuela, Mexico, and Peru. The Spanish bank collaborates with several arts museums, a music auditorium, and various conferences. It also offers scholarships, digital tools and training, a space for music, an award and a network of cultural researchers and creators. Furthermore, the bank sponsors the BBVA League and the Fundéu RAE, which promotes the Spanish language.

Non-financial reporting: towards culture-sensitivity

Large companies usually communicate and highlight their commitment to sustainable development by referring to concepts such as corporate social responsibility (CSR) or environmental, social, and corporate governance (ESG). Corporate compliance with CSR or ESG criteria is a way to evaluate the private sector's alignment with societal challenges, setting a pace and following a trend at a time where sustainability is envisaged as a priority in the political agenda, both at the European and global levels. [1]

The International Business Council of the World Economic Forum (WEF) is a major proponent of a harmonised reporting system for corporate non-financial performance. In a 2020 report, the WEF emphasised the need for companies to build resilience and enhance their licence to operate 'through greater commitment to long-term, sustainable value creation that embraces the wider demands of people and planet' (p. 6). The WEF espouses the concept of 'stakeholder capitalism', in which capitalism is not simply a profit-oriented structure based on competition and self-regulation (Freeman et al. 2007), but a form of long-term value creation that is aware of social surroundings, rooted in the idea of interconnectivity (Schwab and Vanham 2021). In January 2021, 61 CEOs of some of the world's largest companies endorsed a set of 'core' and 'expanded' metrics comprising four main categories aligned with the SDGs: principles of governance, planet, people, and prosperity. These harmonised standards seek to measure the feasi-

1 In the present brief, we adopt the understanding previously expressed by the European Parliament in its resolution of February 6, 2013 entitled 'Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery'. According to the EP, the concept of CSR may be '[...] regarded as largely indistinguishable from the related concepts of responsible or ethical business, 'environment, society and governance' [ESG], development and corporate accountability.' In the following pages, we will refer to 'private sector sustainability strategies' as encompassing all the aforementioned notions.

bility, materiality, and consistency of sustainable value creation. They also constitute precious source material to enrich the debate around a more robust non-financial reporting system.

Specific to the European Union, the EU Directive 2014/95 - also known as the Non-Financial Reporting Directive - established rules on disclosure of non-financial and diversity information by large public-interest companies (those with more than 500 employees), which include corporations, banks, insurance companies and other entities designated by national authorities. As of 2018, these companies need to disclose details on their actions concerning environmental protection, human rights, diversity, social responsibility, and treatment of employees. Anti-corruption mechanisms are also included in this list. These reporting obligations on the EU level aim to help shareholders, policymakers, and customers to assess the performance of corporations in a world faced with increasing social and environmental challenges.

> The EU's credibility will depend on its comprehensive and coherent approach to sustainable development, including with respect to non-financial reporting.

Whereas the EU plays a major role in encouraging the private sector to develop sustainability strategies, its role as a global reference in this field will depend on its success in actually implementing its announced comprehensive and coherent approach to sustainable development, including with respect to reporting standards for companies operating in the EU. This would require a holistic examination of the EU's internal and external actions to promote the cultural dimension of sustainable development.

Despite its all-encompassing role as the 'be all and end all of development' (Senghor 1988), culture has been excluded from international development schemes for decades. Sometimes interpreting it as a 'negative priority' (culture Solutions 2020: 26), development agencies have come a long way to acknowledge the multifaceted contributions of cultural and creative sectors as a vector for inclusive, responsible and sustainable development (British Council 2020: 12). Absent from the Millennium Development Goals that guided the United Nations global development agenda from 2000 to 2015 (Portolés 2013: 8), culture was again disregarded as a distinct pillar in the United Nations Sustainable Development Goals (SDGs). In recent years, however, key stakeholders and operators of the cultural and development sector have led extensive research on the multifaceted culture's concrete impacts on sustainable development (Helly, Galleazi 2015: 5-8, Hosagrahar et al. 2015), and several Sustainable Development Goals refer explicitly to culture. Indeed, 'there is wide agreement that culture directly and indirectly contributes to Agenda 2030 as a whole. (...) The relationship between culture and the SDGs is one of mutual dependence. The SDGs provide pathways for culture to flourish, but culture also helps to drive the SDGs. Economically, culture is a multiplier that drives innovation in ICT, audio-visual production, and other sectors' (de Vries 2020: 10).

International law has increasingly acknowledged the role of culture in sustainable development. For instance, the 2001 Universal Declaration on Cultural Diversity (UDCD) highlights that cultural diversity is '[...] one of the roots of development, understood not simply in terms of economic growth, but also as a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence'. In 2005, the CDCE also recalled that 'cultural diversity [...] is a mainspring for sustainable development for communities, peoples and nations' (Preamble) and that '[t]he protection, promotion and maintenance of cultural diversity are an essential requirement for sustainable development for the benefit of present and future generations' (Article 2.6). International conferences, declarations and reports have also firmly recognised this link, such as the 2013 Hangzhou Declaration 'Placing Culture at the Heart of Sustainable Development Policies', which explicitly called on the integration of culture into the development agenda. Another example is a 2016 report published by

UNESCO and highlighting that 'culture and development have long had a reciprocal and interdependent relationship' and that culture is 'an enabler of sustainable development across more than half of the Sustainable Development Goals' (UNESCO 2016: 238), notably including SDGs 4.5, 4.7, 8.9, 11.4 and 12.b.

Fully engaged in this paradigm shift, the EU has been instrumental in bolstering the role of culture in development policies. In 2016, culture was explicitly included into the realm of the European Commission's Directorate-General for Development Cooperation (DEVCO - today DG INTPA, Directorate-General for International Partnerships). Thereafter, cultural diversity was placed at the core of DEVCO's development works

Culture in the Sustainable Development Goals

'as both an enabler and an important component of development, facilitating social inclusion, freedom of expression, identity building, civil empowerment and conflict prevention while strengthening economic growth' (point 35). In 2019, the Council of the European Union indicated the need to 'systematically employ cultural policies and measures to complement the instruments currently used to deliver sustainability [...]'. In May 2020, the Council amended its Work Plan for Culture 2019-2022 by including, as a new priority, culture as 'a driver for sustainable development'. Finally, the European Commission expects its expert group on the Open Method of Coordination (OMC) - a series of roundtables bringing together 19 member states - to present its conclusions on best practices highlighting the cultural dimension of sustainable development by 2022.

The COVID-19 pandemic has heightened the urgent need to shore up sustainability in the cultural sectors and seek innovative and complementary funding sources and support for culture. As mentioned before, the role of the private sector as a key funding source for cultural heritage, as well as for the cultural and creative sectors, is one evidence among others of how companies may significantly contribute to the protection and promotion of cultural heritage and cultural expressions. It is worth noting that 2021 was declared by the 74th United Nations General Assembly as the International Year of Creative Economy for Sustainable Development, offering a valuable window for new opportunities.

The European Commission is currently reviewing the Non-Financial Reporting Directive in order to further strengthen and promote the private sector's involvement in sustainable development. In parallel, the European Financial Reporting Advisory Group (EFRAG) published a report in March 2021 with reflections on potential non-financial reporting standards on the EU level. These efforts acknowledge the private sector's role in promoting a sustainable social agenda. In light of the fundamental role that culture plays in sustainable development, the moment is ripe to integrate culture into the EU's policy on non-financial reporting regulations. This would allow for greater appreciation and visibility of efforts made by the private sector to integrate a cultural dimension in their sustainability strategies, all the while increasing support for the cultural and creative sectors in the EU and worldwide.

Non-financial reporting metrics should grant greater visibility to culture

The EU Non-Financial Reporting Directive gives companies substantial leeway in choosing the appropriate metrics for their non-financial reports. Many companies - especially multinational corporations - prefer reporting standards that are developed by external actors over internally established guidelines. By adopting third-party frameworks that are widely used by other competitors, corporations demonstrate that their actions to promote sustainability can be measured through objective and impartial indicators. Furthermore, this allows stakeholders to easily compare the non-financial footprint of various companies using a common standard.

In Europe, the Global Reporting Initiative (GRI) standards are the most widely used to showcase non-financial corporate performance. Many companies have described the GRI standards as being particularly relevant to their business models, some even referring to it as 'universal standards' (BASF 2019 Integrated Report). Other commonly used metrics include the International Integrated Reporting Framework (IIRC), the Sustainability Accounting Standards Board (SASB) and the United Nations Global Compact standards, which are related to the SDGs. Other metrics that focus on a specific sector of sustainable development - such as carbon emission reductions, environmental sustainability, and gender equality - are widely employed by companies whose business operations have significant impact on these issues. Among European corporations, there is also a growing trend to integrate certified indexes into their non-financial reports in order to highlight their efforts and gain recognition (e.g., Dow Jones Sustainability Index, FTSE4Good Index, Euronext's Vigeo Eiris, ISS-Oekom, MSCI).

The moment is ripe to integrate culture into the EU's policy on non-financial reporting regulations.

Within the current frameworks, culture is largely absent as a measure of sustainability. None of the aforementioned standards contain meaningful metrics to gauge the cultural impact of private sector entities. For example, the GRI standards on local community impact simply encourage actors to 'anticipate and avoid negative impacts' that could potentially affect communities on a cultural level (GRI 413 2016: 4). However, there is no substantial guideline that encourages cultural diversity or expression through corporate input.

The main reason behind this absence lies at least partially in the fact that culture is a broad concept that can espouse a vast scope of concerns (e.g., European culture, cultural preservation, or even 'corporate culture'). For example, some companies measure cultural diversity through the demographics of their employees: the multicultural makeup of the workforce is deemed to promote cultural diversity, where each individual's different culture and origin act as a 'fundamental lever of performance' (e.g., Groupe Renault). Other companies maintain a more classical definition of culture and promote cultural diversity by sponsoring and hosting cultural exhibitions within the geographic areas of their operations (e.g., Iberdrola). As such, culture carries a qualitative component that is not easily measurable through ratings or metrics.

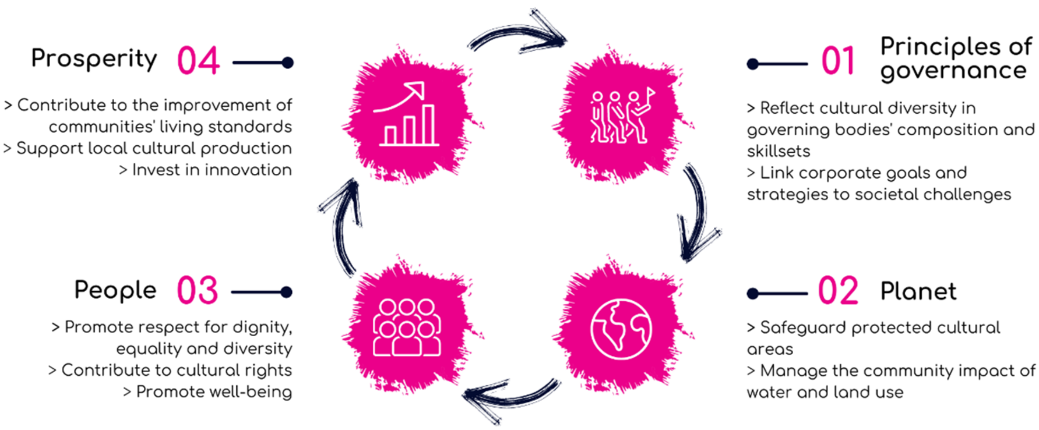
However, integrating culture into corporate sustainability strategies could be relatively easy to implement. **A review of existing standards shows that certain metrics can be developed or interpreted in a way that better embraces**

the cultural dimension of sustainable development.

The WEF's harmonised metrics offer a clear example. The cultural dimension of sustainable development could be easily demonstrated when companies apply the WEF core and expanded metrics, and when they provide contextual commentary to the data reflected by such metrics - a practice recommended by the WEF (p. 14-15). In fact, guidelines oriented towards cultural concerns could be envisaged in order to facilitate the drafting of commentaries that allow for monitoring of progression and comparison among corporations. Moreover, the WEF report invites companies to complete their reporting with more sector- and industry-specific indicators. Sectors such as the audio-visual, telecommunications and other industries involved in the development of technologies could embrace metrics specifically devoted to measuring their contribution to cultural diversity both in the analogue and digital environments.

The following paragraphs provide a few examples of how the cultural dimension of sustainable development could be meaningfully contemplated in each of the four pillars identified in the WEF report - principles of governance, planet, people and prosperity - that will enable companies to gain recognition for their efforts among shareholders and the society at large.

Incorporating culture into the
WEF's harmonised metrics - An opportunity for the EU



Principles of Governance

Under the first pillar (p. 8), culture could be further considered when companies address the quality of governing bodies and committees. Such bodies and committees should not only reflect in their composition the increasingly multicultural societies to which they belong, but also be composed of people with competencies relating to the work environment's cultural diversity (e.g., regarding human resources and management at different hierarchy levels) and the corporation's societal impact. Another governance-related theme that could better include the cultural dimension of sustainable development is risk and opportunity oversight. The examination of opportunities and risks should not ignore cultural issues, and data stewardship should not neglect the link between data processing and cultural diversity, notably for companies providing digital cultural content (e.g., Richieri Hanania 2021). In such companies, data management, including through Artificial Intelligence, should be regarded as an opportunity to direct data processing activities towards responsible and mindful protection of data privacy, including social and cultural diversity concerns.

Among the expanded metrics proposed by the WEF under the Governance pillar (p. 53-54), companies could demonstrate their engagement towards a holistic and culturally sensitive approach to sustainable development by demonstrating the relevance of their corporate goals and strategies to the challenges faced by society. Indeed, as part of their effort to integrate cultural sensitivity to corporate governance, corporations could consider incorporating cultural concerns in their multi-year strategies and business plans. In addition, sustainability reports could highlight the milestones achieved and to be achieved in terms of culturally sensitive objectives and explain how these contribute to the company's long-term strategic vision. The more a company is committed to the integration of culture into its practices, the more it could take advantage of existing metrics to emphasise and promote its vision.

Planet

Under the second pillar (p. 57-63), at least two metrics could be used to reflect cultural concerns. First, when business operations take place in or near protected areas of ecological or cultural importance - thereby running a higher risk of exposure to legal or reputational risks - companies are encouraged to disclose sustainable management programmes and other measures that they have adopted to ensure effective protection of these sites. Second, the community impact of water pollution could go beyond the loss of nature, since water may have cultural significance for some peoples. Companies could report on the community impact of their water and land use from a cultural perspective, and the types of measures and programmes they have put in place to offset negative effects on culture. More globally, the impact of climate change on culture cannot be disregarded by the private sector. Existing metrics on environmental impact could be reinforced by highlighting corporate strategies that demonstrate that the sustainability of culture and environment goes hand in hand.

People

When addressing the metrics under the third pillar (p. 65-72), companies have multiple opportunities to communicate on cultural aspects. First, under the topic of dignity and equality, the metrics on diversity and inclusion as well as pay equality (with respect to gender and other indicators of diversity), allow companies to demonstrate how they 'integrate under-represented groups and minorities into the labour market, so they become a better reflection of society and also deepen the pool of talent that a more diverse workforce can bring' (p. 32). The WEF report also recalls that '[g]ender and ethnic/cultural diversity, particularly within executive teams, are closely correlated to both financial and non-financial performance and enhance the stability of companies across the globe' (p. 65). It is also emphasised that 'companies that prioritise their values, create social impact and build a more diverse and inclusive culture are better positioned to boost employee engagement and productivity, and have an advantage in attracting and retaining skilled talent' (p. 33).

Under the expanded metrics on dignity and equality, human rights impact assessments should address how companies contribute to cultural rights, for instance through greater conservation of local culture, participation in community development and, more largely, the promotion of cultural diversity. Furthermore, corporations that wish to contribute to health and well-being should pay attention to cultural matters when dealing with people both within their operations and in the value chain. The WEF report highlights that '[m]ental health and emotional well-being, as components of overall worker health and safety, are becoming increasingly important to drive innovation and deliver goods and services that are reliant on human capital' (p. 67). The importance of human and emotional well-being is likely to increase for a company's reputation and stability as COVID-19 continues to have a significant social effect. As '[t]here is a growing recognition that the well-being of employees has a positive impact on organisational success as well as on employee health, professional fulfilment, and quality of life' (p. 71), health and well-being programmes should ideally include culturally sensitive programmes.

Prosperity

Finally, the fourth pillar aims to help companies demonstrate their contributions to desired societal prosperity outcomes (p. 73-82). Such contributions could include economic development of poor areas, development of local cultural industries and the production of cultural goods and services, higher living standards for communities, creation of skills and knowledge, and improved social conditions. Investment in innovation is beneficial to the company itself, since it is key to creating 'better products and services that respond to customers' changing needs and desires, creating both economic and social value for customers' (p. 37). Since creativity and innovation are directly dependent on cultural diversity (UDCD, Article 1), corporate investment should be respectful of cultures and cultural specificities not only to respond to customers' needs, but also to contribute to more equitable, inclusive, and pacific multicultural societies. Community investment may be detailed under the WEF expanded metrics of 'social value generated' and 'total social investment' and should indicate actual expenditures in the reporting period. Companies can go beyond charitable giving and cover voluntary donations to 'charities, NGOs and research institutes (unrelated to the organisation's commercial research and development)', '[f]unds to support community infrastructure, such as recreational facilities', and '[d]irect costs of social programmes, including arts and educational events' (p. 81 and 84).

Conclusion, recommendations and next steps

The EU's ongoing review of the Non-Financial Reporting Directive (which will likely result in more robust reporting obligations) could complement and converge with recent EU strategies promoting the cultural dimension of sustainable development. There is a momentum for European institutions to boost the private sector's actions in favour of culture. This can be done by integrating culture in requirements and expectations regarding private companies' commitment to long-term and sustainable value creation for society. In parallel, the progressive adoption of the WEF's new harmonised metrics by an increasing number of companies should contribute to greater consistency and comparability in non-financial reporting. If interpreted through a cultural lens and completed with additional metrics and guidelines that better consider the cultural dimension of sustainable development, these metrics could become a fundamental tool to expand the integration of cultural aspects in private sector sustainability strategies in a tangible and comparable manner.

As a consequence:

- The cultural dimension of private sector sustainability strategies should be encouraged by and firmly integrated into non-financial reporting systems.
- The cultural dimension of sustainable development should be explicitly mentioned in the EU's reviewed Non-Financial Reporting Directive.
- Existing metrics need to be elaborated and new indicators and guidelines should be developed in order to emphasise the cultural dimension of sustainable development in non-financial reporting.

Further research is needed to develop additional indicators and directions that may contribute to the strengthening of the EU's non-financial reporting system. In the next steps of our culture Solutions research, we intend to draft more precisely indicators and guidelines for companies, along the format of WEF's harmonised metrics. In parallel, we plan interviews with the WEF, experts within EU institutions and pilot private companies in order to validate such new indicators and determine the best approaches to support their integration into private sector strategies in the most meaningful way.

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** Please note that all other references used in this brief are available online and referred to via hyperlinks provided throughout the text.*

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