Public consultation on the first set of Draft European Sustainability Reporting Standards - Comments by culture Solutions

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We welcome the first set of ESRS published for public consultation and congratulate the PTF-ESRS for its outstanding work.

Our contribution targets in particular the completeness of the ESRS.

We would like to draw the attention of the PTF-ESRS experts to the role of culture and cultural diversity in sustainability matters, whether they are related to environment, social or governance standards. This role seems under-acknowledged in the current ESRS, as a reflection of its limited presence in existing sustainability reporting standards.

The private sector action in improving living conditions on this planet needs to take culture, cultural diversity, and cultural actors into account as transformational drivers towards more peaceful societies that are aware of their interdependence and collective power to act and to find solutions to global challenges; societies in which companies, employees and communities see diversity and creativity as a powerful resource for building economic growth and improved social relations.

Culture is a mainspring for sustainable development

- Several international legal instruments acknowledge the key cultural dimension of sustainable development, such as the 2001 UNESCO Universal Declaration on Cultural Diversity and 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

> Culture takes diverse forms across time and space. This diversity is embodied in the uniqueness and plurality of the identities of the groups and societies making up humankind. As a source of exchange, innovation and creativity, cultural diversity is as necessary for humankind as biodiversity is for nature. In this sense, it is the common heritage of humanity and should be recognized and affirmed for the benefit of present and future generations.

Universal Declaration on Cultural Diversity, Article 1

> Cultural diversity widens the range of options open to everyone; it 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.

- The United Nations 2030 Agenda for Sustainable Development explicitly calls for respect for cultural diversity and intercultural understanding in paragraphs 8 and 36 and acknowledges that the cultural diversity of the world is a crucial enabler of sustainable development. Culture and cultural diversity are mentioned in the Sustainable Development Goals (SDGs) 4.7, 8.9, 11.4 and 12.b in connection with education, sustainable tourism, and sustainable cities. Moreover, as the SDGs are explicitly anchored in human rights, cultural rights of individuals, communities, and groups of people should not be overlooked when addressing sustainable development.

- The European Parliament in its 2017 Report on EU action for Sustainability stresses that "culture is a transversal and cross-cutting concern and constitutes an essential resource for development." The linkage between culture and development has also been strengthened at the European level through the growing recognition in the successive Work Plans for Culture of the need for synergies in European policy between these two fronts. The Council conclusions on the Work Plan for Culture 2019-2022 highlights, as guiding principles, the fact that "[c]ulture contributes to sustainable social and economic development" and "[c]ultural mainstreaming requires a holistic and horizontal approach as regards legislation, financing and cross-sectoral cooperation." Likewise, the EU New European Bauhaus calls for an inclusive future that is inspired by art and culture, in harmony with the environment and conducive to intercultural dialogue and creativity.

Culture and cultural diversity are present in all facets of our lives

Arts   Values   Conflict prevention

Folklore   Tourism   Painting   Videogames

Performances   Identity   Film   Modes of life   Dance

Intercultural dialogue   Music   Participation in cultural life   Theater   Religion

Metaverse   Architecture   Traditions   Monuments

Beliefs   Media   Language learning

Books

Sculpture   Communication   Opera   Cultural policies

Creativity   Communities

Ecological transformation   Heritage   Visual arts

Innovation   Cryptocurrencies

Streaming

Culture impacts all the pillars of sustainable development

- **Cultural expressions raise awareness and help change behavior towards environmental protection**
Culture and nature are intrinsically related, and culture can make actions against climate change more effective and efficient. Arts inspire action and educate the public by making complex concepts more accessible, clear, and impactful. They connect and empower communities, and allow them to document change. See e.g., Portugal's Sobressalto projects, Americans for the Arts and the Green Guide Series of the Asia-Europe Foundation. Furthermore, a mindset transformation is crucial in any attempt to address the disruptions caused by climate change (UNESCO 2019) and such transformation fundamentally requires attention to cultural matters.

- **The safeguard of culture is essential in environment protection**
Ecological or biodiversity areas often have cultural importance, notably for indigenous communities. According to UNESCO (Mondiacult 2022), 80% of the world's biodiversity is protected under the stewardship of indigenous peoples and 10 million km2 of cultural and natural sites are protected by UNESCO worldwide. The cultural impact of environmental damage (e.g., water pollution) should never be underestimated. Moreover, techniques such as dry stone walling, inscribed on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity, have proved vital in preventing landslides, floods, erosion and desertification. Also, urban planning regulations in the fight against climate change require an in-depth analysis and diagnosis of built cultural heritage (see e.g. Ireland's Built & Archaeological Heritage - Climate Change Sectoral Adaptation Plan) and cultural environment management has an important role to play in fighting greenhouse gas emissions and climate change (e.g. Norway's Climate Strategy for cultural environment management 2021-2030).

- **Cultural expressions contribute to emotional and mental health, both of individuals and communities, and make them more resilient in times of crisis and accelerated change**
The creation and enjoyment of the arts help promote holistic wellness, impacting both mental and physical health (WHO Regional Office for Europe 2019), through its focus on emotions, and particularly empathy. The WHO Regional Office for Europe has been working on the intersection between culture and health and well-being since 2015 (WHO Regional Office for Europe 2017), and in 2021 the Unit on Behavioral and Cultural Insights for Health partnered with the Nordic Culture Fund to implement arts-based health interventions (WHO Regional Office for Europe 2021). Furthermore, an illustration of the role of culture in times of crisis may be provided by initiatives recently compiled by the Network of European Museum Organizations focusing on emotional and mental health of Ukrainians through arts, such as the free access to the MO Museum in Lithuania, art workshops offered to Ukrainian children in Poland, and a virtual exhibition of Ukrainian culture in Croatia (NEMO 2022). Similarly, numerous examples of the fact that "we cannot live without culture and creativity" emerged during the COVID-19 lockdowns, with people singing together from balconies and consuming cultural content online (Council of Europe 2021).

- **Cultural diversity is essential for peaceful and cohesive multicultural societies**
Cultural expressions and cultural exchanges allow for intercultural dialogue, mutual understanding, network building, tolerance, and cooperation in rapid-changing societies. By promoting collaboration and a safe space for dialogue,

cultural diversity brings people together and allows for common visions of the future (see e.g., Americans for the Arts). The EU-IOM Joint Initiative for Migrant Protection and Reintegration has promoted street art for social cohesion in countries like Niger and Ghana. Another example is the Culture for Peace initiative, which employs arts-based approaches in peace-building efforts in societies of transition. The reconstruction of the Timbuktu mausoleums also highlighted cultural heritage protection as an integral part of peacekeeping efforts (UNESCO 2022).

- **Culture positively affects employees, companies and the society at large, therefore contributing to a more sustainable economy**
A sustainability strategy that takes culture into account brings greater stability for companies, promotes creativity, innovation, motivation, performance, productivity, employees' feeling of inclusion, mental and emotional health, professional fulfillment and commitment, quality of life, higher brand values and reputation. It also contributes to meeting customers' needs, especially in multicultural societies. While companies are increasingly acknowledging the need to fully integrate some aspects of diversity under their pursuit for inclusion (see e.g. "Inclusion and diversity" in Heineken's Annual Report 2020 or Inclusion and Diversity at Bayer), creating space for greater visibility of such strategies through sustainability reporting may contribute to their expansion and comprehensiveness with respect to all facets of cultural diversity.

In particular, the ESRS could have fostered cultural diversity concerns under topics such as 'equal opportunities', 'affected communities', 'governance, risk management and internal control' or 'innovation'. For instance, in the draft ESRS S3 Affected communities, cultural rights are mentioned in conjunction with economic and social rights, but mostly in reference to indigenous peoples and with no specification of all facets of cultural diversity that should be taken into account. While the requested disclosure on data - such as the types of impact, types of communities, business risks and opportunities deriving from the impact caused to communities, companies' policies that address such impact, and dialogue procedures with affected communities - are entirely relevant with respect to community impacts from a cultural perspective, the standards and the Application Guidance could develop or specify the different factors to be considered in a cultural impact, including when they affect other communities than indigenous peoples.

As observed with other areas already strongly addressed by corporate sustainability reporting, the inclusion of cultural concerns in the reporting framework employed by European companies could influence the development of companies' cultural sensitivity and sustainability strategies that fully consider cultural diversity. It seems crucial, therefore, that the Directorate-General EAC Education, Youth, Sport, and Culture, as well as cultural experts, are involved in the elaboration and future reviews of European sustainability reporting standards.

We remain available to discuss and to contribute to such work as needed.

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Read our brief Promoting private sector involvement in culture worldwide