

European Workshops on Disclosure of Environmental, Social and Governance Information

Workshop 3 – Civil society, consumer and media perspectives – Friday 4 December 2009

Summary of discussions¹

Introduction

This was the third in a series of 5 multistakeholder workshops hosted by the European Commission to explore the disclosure of environmental, social and governance (ESG) information by enterprises. More information about the context and objectives of these workshops can be found [here](#).

The third workshop looked at ESG disclosure from the perspective of civil society, consumers and the media. Specific objectives identified before this workshop were to:

- better understand the needs and expectations of civil society, consumer groups and media with regard to the disclosure of ESG information by enterprises;
- identify examples of disclosure that meet the needs and expectations of civil society, consumer groups and media;
- identify problems that prevent the needs and expectations of civil society, consumer groups and media from being met, and identify possible ways of addressing those problems;
- explore the issue of disclosure and transparency on the part of civil society organisations (e.g. environmental, human rights and development NGOs, consumer organisations) and media groups, and identify some leading practices in this field.

The workshop was chaired by Pedro Ortún, Director in the Directorate-General for Enterprise and Industry, European Commission. The agenda and a full list of participants are attached.

The workshop was held under Chatham House rules. This summary reflects points made by different speakers during the discussion, but does not imply that all participants endorse all points. Many of the points reported in this summary are statements of opinion and should not necessarily be taken as fact.

As will be the case throughout this series of multistakeholder workshops, no single stakeholder group made up the majority of participants. This summary therefore includes points made by all stakeholders, not just representatives of civil society, consumer groups or media organisations.

¹ This summary does not necessarily represent the views of the European Commission.

Civil society views on ESG disclosure

The information needs of communities affected by company operations and investments need to be better addressed. Affected or potentially affected communities need prior information before a new investment is decided. They need to know to whom products will be sold and who is financing the operation, in order to be able to influence the right people. They need location-specific information, for example about the kind of expected pollution and the details of environmental and other permissions granted, including the boundaries of the geographical area to which they apply. Affected communities also need to know what rights of redress they have.

Annual CSR/sustainability reports do not reach affected people, especially not in the right form and language, and do not in any case contain the necessary location-specific information. Many claims in such reports are not correct. A backward-looking global ESG report can never provide the adequate level of local information for affected communities in a timely way.

The focus of ESG disclosure should be on information not communication. Good information would allow NGOs and companies to work better together. NGOs could devote time to constructive engagement and the provision of solutions, rather than to accusation and demanding information.

The profits of forced labour are estimated at \$34 billion annually, and 50% of those profits go to US or EU based companies. But CSR/sustainability reports do not provide information about this.

Information is essential to uphold human rights because it helps to prevent abuses, hold companies to account and seek remedies. “Abuse always happens in the dark”. Disclosure can also prevent abuses by enhancing the participation of people whose rights might be affected. The right to know is also a human right. Courts need information in order to function, and in this way ESG disclosure is linked to the provision of remedies.

Human rights abuses involving companies are often a subtle mixture of government corruption and business collusion. This is why principles such as publish-what-you-pay are important.

Many NGOs are dissatisfied with current disclosure practices and find CSR/sustainability reports less and less relevant. Such reports do not use common indicators and focus too much on good news and topics that are easy to cover. Reports tend not to comprise a broader analysis of the impact of a company’s operations (and supply-chain) on issues such as poverty and job creation. Current reports tend to isolate issues, whereas what is required is a comprehensive systemic analysis.

NGOs tend to address large enterprises only and find it difficult to engage with individual SMEs. Some business organisations representing SMEs would like to engage NGOs in discussion about how to improve information and communication and specifically about how to address human rights. A “know your supply-chain” principle might be useful for SMEs in respect, rather like the banking principle of “know your customer”.

There is an important difference between giving information (disclosure) and actual reporting. A local baker might give information informally to customers if asked, but is unlikely to produce a written report. For smaller enterprises it is more a question of having a constant and open dialogue with relevant local stakeholders.

Some NGOs criticise the Danish law on CSR/sustainability reporting because it still leaves companies free to report that they are doing nothing. However the Danish government believes that not many companies affected by the regulation will chose to report that they have no policy on CSR. Additionally, the law on CSR reporting is only one element of a larger government strategy that includes other measures, such as encouraging Danish companies to sign up to the UN Global Compact, resulting an increase from 30 to 160 Danish signatory companies. If public policy is firm regarding the expectations on enterprises in this field it can have a positive impact even if CSR remains voluntary.

We now know enough about sustainability to know that companies should disclose ESG information. Imagine how investors would react if financial information were not available. Rather than putting forward arguments about why companies should disclose ESG information, it would be more interesting to let companies try to put forward convincing arguments about why they should not.

Better disclosure of ESG information should be seen just as one relatively small step in a much larger process of systemic change. At the very least, it means that enterprises and other stakeholders begin to focus on a new set of questions. Unless companies measure and value ESG information, they will not change. We need to define the success of business in a radically different way.

Pressure on companies to be transparent is growing, and they will inevitably have to be more open and engage more with other stakeholders. Companies would be advised to embrace this trend not retreat from it. Too many companies treat CSR as a defensive and brand protection issue. They appear to want to carry on as usual although the world has changed. Those enterprises that really open up are starting to get some benefit.

Consumer perspective

If we expect consumers to play an active role in the shift towards sustainable and responsible economies, we have to embrace the most important consumer rights as confirmed in the 2003 UN Guidelines on consumer protection, including the right to adequate information and the right to education on the environmental, social and economic impacts of consumer choice. ESG disclosure from a consumer perspective implies the empowerment of consumers and their right to informed choices.

Roughly 60-80 % of consumers say they would be willing to pay a premium for products that are produced and sourced under ethical and sustainable conditions, but actual market shares and sales figures seem to suggest that this is nothing but lip-service. We should consider how to explain this behavioural gap.

Consumers should in fact be seen as a very special kind of investor. Their time is not exactly money, but it is quality of life and thus it is precious to a consumer – especially in a world of ever-growing choices. While making their daily choices, consumers suffer the problems of

information asymmetries, moral hazard, and hidden information. They very often have little knowledge of the circumstances under which a product has been made or sourced, they are confused by the terminology used, they have difficulties in distinguishing relevant from irrelevant information and they lack trust in enterprises. They usually react to this complexity and insecurity by muddling through. They do not behave exactly as the traditional model of the *homo economicus* expects them to.

Consumers do not need *more* information but *better* information. The challenge is to reduce complexity for the consumer without patronising him or her. Labels or rankings are not always appropriate tools to effectively inform consumers, especially when it comes to overarching evaluations of company performance in the field of CSR. They very often are either too simplistic to cover the unavoidable grey areas or they can be accused of depriving consumers of the right to follow their own preferences.

Better information for consumers means information with a high degree of credibility, which results from a good evidence base, “purity” of information, trustworthiness of intermediaries and cultural proximity of those who give the information. Better information also needs to be relevant and this can only be the case if a helpful context is given for the information, especially by allowing comparisons between different products and actors. Finally better information for consumers must be useable, that is to say it must be provided through appropriate communication channels and using appropriate communication designs.

For consumers, labelling and advertising are more important in everyday life than CSR reports. Consumers want better information on environmental and social impacts, and want to see companies take more responsibility for that. Building consumer trust is therefore crucial. But there is evidence to suggest that greenwash (misleading or unclear green claims in advertising and marketing) is becoming more widespread. Consumers show a lot of confusion: recent UK research has found that two-thirds of UK consumers don't know how to tell if green claims are true or not, and there has been a significant rise in recent years in the number of complaints about green advertising to the UK Advertising Standards Authority. Exaggerated green claims undermine the credibility of justified green claims. The information that consumers receive, whether through advertising or labels, or other forms of marketing, must be clear, meaningful and relevant. Formal regulation of advertising is relevant and can work to the advantage of advertisers making justified claims.

The workshop heard from a German consumer organisation that carries out comparative product tests which now also cover CSR issues. This is done by means of questionnaires submitted to companies. Cooperation with companies is getting better, but problems remain with regard to the supply-chain, especially information about the place of manufacture and if the supplier is an SME. Results of the CSR rating are made available to consumers through the organisation's magazine. It is also important to consider whether it is more appropriate and effective for consumers to have CSR information related to a specific product or information about the overall CSR performance of the company.

The Spanish State Council on CSR has a working group on consumer issues.

The company-civil society interface: examples of engagement

The workshop heard from an NGO and a company have a long-term partnership on water stewardship and disclosure. Water-footprinting is not just measurement of the amount of water used, but also covers issues such as water rights and watershed management. Water has local and global implications and is “the next big thing”; it is therefore vitally important to measure and to provide information on water-related risks. Investors need to know in which water-scare areas investments are happening. The partnership between NGO and enterprise arose from the two organisations independently having identified the same key issues. The enterprise is interested in the expert advice that the NGO can give. The partnership provides “safe space” for engagement between the two organisations. There is a need to balance demands for transparency and disclosure with the need for such safe space.

For the enterprise there are four key questions for disclosure: Who is the audience? What information is relevant to that audience? What is the purpose of disclosure? And how should information be disclosed? Stakeholders are diverse and different information is relevant to different stakeholders. The question of how to disclose implies consideration of time and cost. Other difficult issues are how to deal with intellectual property and commercially sensitive information, and how to deal with new and emerging issues (such as water foot-printing).

The workshop heard from an NGO that works in the field of carbon disclosure and an enterprise that discloses carbon emissions information according to this framework. The NGO works with companies and not against them, issuing a questionnaire to companies covering emissions, risks and opportunities, emissions accounting, and performance. In 2009 the questionnaire had a 50% response rate with 5.000 companies. The fact that the media tend to highlight non-respondents is very important. An SME version of the questionnaire also exists. The NGO is backed by a considerable number of investment funds, and this lends authority to its questionnaire. However the NGO now also collects information on suppliers for purchasing companies and for public authorities involved in public procurement.

For the enterprise, which has completed the questionnaire for the last 5 years, advantages of carbon emissions disclosure in this way are: it brings shareholders and customers together; the completed questionnaire can be used for other purposes, for example in bids to customers; it addresses risk and opportunities, not just numbers; the public ranking is a clear driver and motivation; it helps to bring carbon emissions on to the internal agenda of the company and drives internal change; and it is based on a very clear standard.

The workshop heard the views of a cooperative enterprise on certain proposals put forward by non-governmental organisations. On the question of having standardised ESG reporting indicators agreed at EU level, the enterprise was in favour and suggested that ISO 26000 might provide the basis for identifying 20-30 indicators. Standardisation should not mean harmonisation, however, and should still allow for company specificities, including sector of operation and legal status (e.g. whether the company is a cooperative or not). The enterprise currently uses the GRI and other guidelines to define reporting indicators together with stakeholders.

On the question of whether ESG information should have the same status as financial information, the enterprise noted that first the skills of auditors to do this need to be verified. Auditors themselves state that they have in recent years developed the ability to deal with

qualitative and quantitative ESG data. On the question of stakeholder involvement in the disclosure process and giving a view on the information released, the enterprise already believes that the inclusion of stakeholders is positive, and currently engages with stakeholders through the works council amongst other channels. Formal engagement mechanisms have a cost, however, which is a potential problem for SMEs. The active role of stakeholders in the ESG reporting process is already reflected in standards such as the new Accountability 1000 Assurance Standard (AA 1000AS / 2009).

Companies do not yet have a culture of really understanding what is important for stakeholders. The importance of face-to-face engagement with stakeholders should not be underestimated. Transparency and stakeholder dialogue are two sides of the same coin. Stakeholder dialogue should be permanent, at all levels of the company.

Civil society views on specific issues and sectors

Anti-corruption

The workshop heard from an NGO that is specialised in anti-corruption. Corruption has a significant negative impact for enterprises, especially for small businesses, and many are over-confident of their ability to manage the risk of corruption. In much of central and eastern Europe reporting on corruption is currently not possible because the basic structures are not in place. Anti-corruption strategies need to be holistic, and disclosure is only one element, alongside codes of conduct, monitoring and other measures.

Currently companies are generally willing to disclose the existence of an anti-corruption policy, but are much less likely to disclose information about policy implementation. One analysis found that about 30 per cent of the companies in the survey sample were doing little or nothing of note with respect to public disclosure. A further 20 per cent reported the existence of only a strategic approach. A third of companies complied with basic standards of strategy, policy and management systems. A final 15 per cent of companies were ahead of the pack. Reporting on specific instances of corruption can be divided into three levels: allegations, investigations, and convictions. The GRI has indicators on investigations and convictions.

There is little coverage of corruption in reports from Russian, Chinese, and Belgian companies. The FTSE4Good has reported that it is hard to get Japanese companies to report on anti-corruption.

42% of UN Global Compact signatories say that corruption is the most difficult issue on which to report. The NGO has therefore worked jointly with the UN Global Compact to publish a practical guide on anti-corruption reporting.

Corruption risk is a material issue for investors, and they want to know how much business a company is doing in a country considered at high risk of corruption. Some stakeholders argue that corruption is a wide societal problem, and so focussing on enterprises and asking them to report is not an appropriate solution.

The financial sector

The workshop heard from an NGO that campaigns for greater transparency in the financial sector. The significant power and influence of the financial sector creates a right to know for consumers, governments and other stakeholders. Current CSR/sustainability reports do not contain the information that is necessary. The solution is to require policy transparency and deal transparency from financial institutions. Policy transparency means disclosing: whether ESG criteria are used in investment decisions, whether these criteria lead to non-investment, and whether these policies apply to all financial products. Deal transparency means disclosing current investments and disclosing who is proposing to finance a deal before the deal is made. Some other stakeholders are sceptical of the practical possibility of demanding prior disclosure of financial deals, although the World Bank is an example of a financial institution that does this. Information on tax havens is also necessary.

80% of people in EU expert groups on the financial sector have links to financial institutions. There is a substantial lack of civil society representation in such groups.

Campaigns for greater transparency in the financial sector should target investors and asset managers, not just project managers in banks.

In the view of business organisations, the economic crisis and the fact that there have been problems of transparency in the financial sector should not be used to justify rule changes on disclosure that would apply to the whole economy.

Textiles and clothes

The workshop heard from an NGO that campaigns for improved working conditions in the textile, garment and sportswear industry. Disclosure of supply-chain information (such as workplace locations, findings of workplace investigations or social audits, and remediation plans and results) is important for consumers and workers as a means of promoting practical improvements in the workplace. Investors and consumers are now also taking an increased interest in ethics. But experience shows that CSR policies only based on social audits are intended more to manage brand risk than to tackle real issues often caused by the companies' purchasing practices..

The NGO has developed a code of conduct and a multistakeholder verification system, which can also be used by SMEs. The focus is on the conditions of production in the supply-chain, including social audits carried out and any remediation activities undertaken. The NGO also manages a database of company commitments that helps to answer enquiries from consumers and workers.

SME representative organisations express concern that NGO campaigns in this sector can create problems for small retailers who cannot influence suppliers. Such retailers also have obligations to their employees and deciding not to stock a major brand because of concerns about supply-chain working conditions might not be commercially possible.

People with disabilities

The workshop heard from an NGO that defends the rights of persons with disabilities. Some 15% of the population is disabled. Disabled people are savers, investors, consumers,

suppliers, and workers. Current CSR/sustainability reports rarely address the issue of disability, and it is also not explicitly addressed in the GRI Guidelines. The NGO has published guidelines for companies on how to report about disability-related aspects.

Media interest in ESG issues

Although media do not frequently address “CSR” with that term, they often cover specific issues that are part of the broad CSR agenda.

The purpose of media is to hold power to account, including business. It is part of the purpose of media to be sceptical about the unilateral claims of business. The question ought not therefore to be whether coverage is business-friendly or not, but rather how we can have better coverage of the important issues.

Since enterprises are very rarely honest about all information, it is not surprising that journalists often do not trust them. Enterprises have to convince journalists that they deserve trust. More open sharing of information, and explanation of the dilemmas faced by business, would help to build trust between enterprises and media.

Explaining dilemmas may also help to make CSR-related stories more attractive to journalists. Journalists tend to prefer “tough” issues, whereas CSR-related issues are often perceived to be “soft”. Linking CSR stories to risk and to new technology can also make them more attractive to media. In their presentations to financial media, companies should be more proactive in explaining how ESG issues relate to strategy. Journalists’ skills and knowledge in the field of ESG information are often quite poor.

“Story-telling” is a new public relations discipline. Companies should seize the opportunity to fill the space by explaining and illustrating their actions and their dilemmas.

Media companies are companies themselves, and ultimately therefore they must produce what their customers want. So if consumers of media output want information in ever shorter forms, this creates an obstacle to the provision of adequate analysis and context.

It is important to consider the impact of the rise of social media and “citizen journalism”. One impact is that stories spread faster and journalists can more quickly pick up on new issues and new complaints against companies.

A survey of Spanish journalists and editors found that 85% consider it necessary to cover CSR-related issues, and that 68% think that current coverage of such issues is satisfactory. The financial and economic media covers these issues most, then agencies, then local media and lastly general daily media.

A 2006 study in Denmark on company-media relations in the CSR field found that press coverage of CSR issues was increasing and that the coverage was mainly positive, even though the few negative stories naturally make an impression. The study also shows that 78% of the largest Danish companies that had a CSR policy communicated actively about it, and even more companies stated that they used CSR activities for branding. A minority (14%) of companies with a CSR policy preferred not to communicate about it for fear of attracting scrutiny.

The recent case involving the dumping of toxic waste in the Ivory Coast demonstrates the extraordinary lengths to which enterprises will go to stop media reporting on an issue.

Business organisations would like to see more objective coverage of business by the media, and more attention to positive examples and news stories, including those involving SMEs. The view of enterprises and entrepreneurs currently given by much mainstream media is too negative – the European Parliament and European Council perceive that this a problem.

Non-governmental organisations recognise that media are crucial for communicating messages to target audiences. They expect the media to do their own research and investigation. The role of investigative journalism is important in tackling corruption, although in some countries journalists fear to investigate and write about large companies. Some media publications refuse to publish advertisements from NGOs that are critical of companies that also advertise in the publication. Media interest in CSR/sustainability rankings is very useful, although many such rankings look at policies only and not at implementation. By sponsoring awards in the field of CSR and sustainability, media can risk losing objectivity in their coverage of the issues and companies concerned.

It is notable that there is currently no European-wide association of media companies with an interest in ESG disclosure or in CSR issues more broadly.

Civil society and media transparency on ESG issues

The GRI is developing reporting guidelines adapted to the needs and circumstances of non-governmental organisations, due for publication in May 2010. This initiative is a partnership between the GRI and the International Non-Governmental Organisations Accountability Charter, involving northern and southern NGOs as well as representatives from enterprises, government and academia. There will be a particular focus on efficiency and effectiveness of NGOs (feedback and complaints mechanisms, and policies on monitoring, evaluation, and learning). The GRI system is incremental, allowing NGOs to develop their reporting practices gradually, and is not only for big NGOs.

The International Non-Governmental Organisations Accountability Charter was launched in 2006 and is now signed by most large international NGOs. It covers transparency as well as other issues such as good governance, stakeholder engagement, human rights, independence, responsible advocacy, effectiveness of programmes, and ethical fund-raising.

For NGOs, accountability and transparency are bigger challenges than sustainability. NGOs are generally-speaking not major polluters or abusers of human rights. The main asset of an NGO is its moral credibility, therefore there is a huge motivation to be accountable. For NGOs, the aim of better disclosure is to demonstrate their legitimacy in society. Transparency on funding sources and accountability regarding the efficiency and effectiveness of programmes are crucial for NGO independence and legitimacy. Effectiveness reporting is an even bigger challenge for advocacy NGOs or programmes than it is for development NGOs. Some stakeholders believe that NGOs are not sufficiently transparent. However, for advocacy NGOs total transparency about their campaigns may not be possible for very valid reasons, e.g. because of potential security implications for human rights victims.

There are a number of similarities in the way that companies and NGOs approach transparency issues. In both groups there are particular challenges for the smaller organisations, which need specific advice and support. Also, both groups show a high degree of diversity in current disclosure practices, and generally disclose ESG information on a voluntary basis. However there are often also some important differences in scale: even the largest NGOs are very small compared to large enterprises. Many countries already have rules governing issues such as NGO accountability to donors.

The workshop heard from an NGO whose aim is to improve the transparency of civil society organisations in order to raise the level of private donations to social and environmental causes. Created initially by people from the financial industry, the NGO is now funded by company donations (40%), public authorities (20%) and remainder by private donations. The NGO has developed a standard covering typical donor questions such as governance, control of funds, ownership, and strategic planning. It also trains the staff of other civil society organisations on these issues. Transparency is important because it helps to raise more funds for NGOs, encourages better management practices and allows for benchmarking between NGOs.

The GRI has started a process to produce a sector supplement on sustainability reporting for media companies. If the media aim to hold others to account then it is very important that they are accountable themselves. The workshop heard from the representative of a newspaper that consciously tries to disclose the dilemmas that it faces, and that has established a public online auditing process.

What might need to change regarding ESG disclosure practices, policies and frameworks?

Workshop participants made the following recommendations and comments regarding possible future action:

Mandatory requirement for ESG disclosure

- There should be a mandatory ESG disclosure requirement at European level for all large companies. The disclosure requirement should ensure that ESG information is comparable over time and between companies, and verified by a 3rd party.
- ESG information should be integrated in the annual report and given the same status as financial information.
- Any new requirement should take account of the fact that it would take enterprises three to five years to develop reporting processes for ESG which provide data with a level of quality comparable to today's financial data.
- A mandatory European requirement could comprise three parts: 1) identification of the enterprise, including supply-chain, sphere of responsibility and products; 2) information specific to the sector in question; and 3) environmental and social risks, including measures taken to reduce those risks. A multistakeholder committee could be established to further develop and agree the content of ESG disclosure.

- Since EU rules already require some attention to employee and environmental issues in annual reports of listed companies where necessary for an understanding of the business, it would be useful to explore why some listed companies do not disclose information.
- Business organisations argue that close cooperation is better than new regulation. Although proposals for mandatory disclosure tend to exclude SMEs, business organisations believe that legal requirements on large companies would nevertheless have an impact on SMEs, who as suppliers would often have to provide additional information and incur additional costs. SMEs rather need local level and practical support to build their capacity for disclosure.
- Possible alternatives to a new legal requirement on companies include exploring the ESG disclosure requirements imposed by stock exchanges, and a greater use of public ratings and indexes.

Access to information

- A right to information should be introduced for affected communities. Such a right exists towards government, and so should exist towards business too. The policy debate should also consider the question of access to information, not only whether reporting should be mandatory or voluntary.
- ESG information must be accessible on a timely basis for relevant stakeholders, not only published afterwards in a report or website.
- Information about suppliers should be legally accessible and readily available to civil society, investors and consumers if requested, as part of their right to access to information, whether or not it is disclosed in reports.

Human rights

- ESG disclosure should address sector specific human rights issues.
- Human rights should guide the reflection on ESG disclosure: success should be measured in terms of reducing human rights violations.
- Companies should be required by law to do human rights due diligence.

Key performance indicators

- Commonly agreed KPIs are necessary in order to compare across sectors and over time.
- KPIs should be sector specific, since using general ESG indicators creates a risk of overlooking the most important issues at stake. The EU could lead or encourage a multistakeholder process to develop sector-based indicators.
- The GRI has already developed a common set of indicators, and these should be the basis of any further work in this field. Alternatively, there is a need to build on the experience

of various different disclosure frameworks. ISO 26000 may also provide a basis for identifying KPIs.

- Indicators should require businesses to include information from external and legitimate third parties such as workers, unions, affected communities or NGOs. For example, these types of indicators would require businesses to report whether there have been complaints from affected communities and how they have been addressed.
- We should not have different sets of KPIs to meet the needs of different stakeholders. Rather, KPIs should be merged into a single set that meets the needs of all stakeholders.
- KPIs on ESG can be useful in some contexts but meaningless in others. What is important for one group of actors can be irrelevant for another group. Consumers for example are rarely interested in raw ESG data, but need a useful framing of the information which allows for relatively quick decision-making and forming an image which can be translated easily into living environments (relevance / context of usability).
- Harmonisation of KPIs need not imply standardisation and should in any case allow for company specificities.

Suppliers and traceability

- It is in the common interest of enterprises, consumers and civil society to use technologies and sophisticated management systems to have better traceability of products through the supply-chain. Enterprises would be better able to identify risks along the supply chain, while contributing to address human rights issues. Consumers and other stakeholders ought to be able to know where products have been produced.

Verification

- ESG disclosure should be externally verified, as is the case with financial information. Verification should be done by an external, independent, expert source. Information should also be verified through public multi-stakeholder processes.
- We should not just limit ourselves to thinking about setting up auditing systems; we should also be creative and try to design supervisory mechanisms that can efficiently ensure information provided is accurate.
- There should be a distinction between verification of the correctness of ESG data (things are reported right) and the verification of the importance of ESG data (the right things are reported). The first is a job for the audit profession, the second a task for stakeholder representatives.

Transparency on financial information

- Information should be provided on the relationships businesses have with States and with international financial institutions. In particular, information on taxes, revenues and royalties paid by extractive industries should be made available. A reform of Directive 2004/109/CG on transparency requirements could be undertaken to make mandatory the publication of such payments.

- Investment contracts concluded, or at least clauses related to ESG issues, should be disclosed, as should loans and export guarantees granted by public financial institutions.

Civil society-enterprise relations

- Enterprises would like stakeholders to agree what ESG information they want, and would like stakeholders to demonstrate that they read information currently available in reports and on websites. Enterprises want to know what stakeholders do with the information that they get. Many enterprises agree that reporting is not a proxy for good performance, and are looking for greater engagement with civil society organisations on these issues.
- There is a need for a culture of greater openness and transparency in enterprises.
- If all enterprises were to have fully comprehensive mechanisms for stakeholder dialogue, NGOs would not be able to cope. Realistically, therefore, it is necessary to focus on a limited number of issues.
- Enterprises should leave free space in CSR/sustainability reports for stakeholders to comment.

Other points

- Consumer education on ESG issues is very important.
- This series of workshops should be more analytical, based on three distinctions: normative questions (the goals we want), governance questions (the concrete models to meet those goals), and technical questions (how to meet the needs of different stakeholders).
- The ideal scenario for journalists is to be able to call a company and get a quick and honest answer.
- Total access to information is technologically possible. More use should be made of the possibilities offered by technology.

Agenda

9.00 - 9.15	<u>Welcome and introduction: Pedro Ortún, Director, European Commission</u>
9.15 – 10.00	<p><u>The expectations and demands of civil society and consumers regarding ESG information</u></p> <p>Why is disclosure of information on enterprise ESG performance important to civil society groups and consumers? What do they do with such information? What kind of information is most important, and what is missing? What is the impact of non-disclosure and lack of access to information on affected communities? Why is access to information important in upholding human rights?</p> <ul style="list-style-type: none">• Paul de Clerck, Friends of the Earth Europe (5 minutes)• Thierry Philipponnat, Amnesty International France (5 minutes)• Judith Vitt, BEUC (European Consumers' Organisation) and Federation of German Consumer Organisations (5 minutes)• Sander van Bennekom, Oxfam Novib (5 minutes) <p>Open discussion (25 minutes)</p>
10.00 – 11.00	<p><u>The enterprise-civil society interface</u></p> <p>What examples are there of ESG disclosure by enterprises that is appreciated by civil society groups? Under what circumstances can civil society groups and enterprises work together on specific disclosure projects?</p> <p>A series of short testimonies from civil society groups, each time together with one enterprise:</p> <ul style="list-style-type: none">• Sergey Moroz, WWF, and Ulrike Sapiro, Coca-Cola Europe (cooperation on water footprinting) (10 minutes)• Daniel Turner, Carbon Disclosure Project, and Bart de Rijk, Logica Management Consulting (10 minutes)• Nathalie Grimoud, Comité Catholique Contre la Faim et Pour le Développement, and Gérard Leseul, Crédit Mutuel (10 minutes) <p>Open discussion (30 minutes)</p>

11.00 – 11.30	<u>Coffee break</u>
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11.30 – 13.00	<p><u>Civil society and consumer views on the current state of transparency and disclosure practices</u></p> <p>This session will provide a series of different civil society and consumer perspectives on different aspects of current ESG disclosure practices. The session is divided into three parts:</p> <p><u>Part I: Anti-corruption</u></p> <ul style="list-style-type: none"> • Peter Wilkinson, Transparency International (on corruption policy reporting guidance developed with the UN Global Compact, and TI survey of transparency in reporting on anti-corruption) (10 mins) <p>Open discussion (15 mins)</p> <p><u>Part II: Sector-specific concerns</u></p> <ul style="list-style-type: none"> • Luc Weyn, Netwerk Vlaanderen and BankTrack (on ESG disclosure in the financial sector) (5 mins) • Jean-Marc Caudron, Campagne Vêtements Propres (on information needs linked to company impact in developing countries) (5 mins) <p>Open discussion (20 mins)</p> <p><u>Part III: Consumer perspective</u></p> <ul style="list-style-type: none"> • Simon Osborn, Which? (on green claims and the potential for misleading information) (5 mins) • Elke Gehrke, Stiftung Warentest (on product testing related to CSR and sustainability criteria) (5 mins) • Isabel Vera-Rendón, Fundación ONCE (on transparency issues related to persons with disabilities) (5 mins) <p>Open discussion (20 mins)</p>
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13.00 – 14.00	<u>Lunch</u>
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14.00 – 14.45	<p><u>Media interest in ESG information</u></p> <p>How do the media currently treat ESG information and how might this evolve? What is the impact of new media? What obstacles are there to better coverage of ESG information and stories, and how might these obstacles be overcome?</p> <p>Opening presentation:</p> <ul style="list-style-type: none"> • David Grayson, Doughty Centre for Corporate Responsibility, Cranfield School of Management (10 minutes, recorded DVD) <p>Short testimonies from:</p> <ul style="list-style-type: none"> • José Alías Martín, Agencia Servimedia (press agency specialised in social and CSR information) (5 minutes) • Marleen Janssen Groesbeek, Financieel Dagblad (5 minutes) • Jo Confino, The Guardian (5 minutes) <p>Open discussion (20 minutes)</p>
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14.45 – 15.30	<p><u>Transparency of non-governmental organisations and media</u></p> <p>Why is transparency and disclosure from civil society, consumer groups and media important? What are the current trends? Is there a need to improve transparency and disclosure, and if so, how can this be done?</p> <ul style="list-style-type: none"> • Mike Wallace, Global Reporting Initiative (on development of reporting guidelines for media companies) (5 mins) • Jasper Teulings, Greenpeace International (on behalf of International Non-Governmental Organisations Accountability Charter) (5 mins) • Carolina Jimenez, Fundación Lealtad, Spain (5 mins) <p>Open discussion (30 minutes)</p>
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15.30 – 16.00	<u>Coffee</u>
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<p>16.00 – 16.45</p>	<p><u>“Disclosure Nirvana”: what does it look like for civil society, consumers and media?</u></p> <p>The aim of this session is to allow participants to make and summarise proposals that would improve ESG disclosure from the perspective of civil society, consumer and media.</p> <p>It will start with a series of short contributions, each answering the question “If you could change one thing regarding current ESG disclosure practices and frameworks, what would it be?”</p> <ul style="list-style-type: none"> • Peter Wilkinson, Transparency International (3 mins) • Geneviève Paul, Fédération International des Droits de l’Homme (3 mins) • Michel Capron, Forum citoyen pour la RSE, and European Coalition for Corporate Justice (ECCJ) (3 mins) • Judith Vitt, BEUC (European Consumers’ Organisation) and Federation of German Consumer Organisations (3 mins) • Marleen Janssen Groesbeek, Financieel Dagblad (3 mins) <p>Open discussion (30 minutes)</p>
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<p>16.45 – 17.00</p>	<p><u>Feedback, Conclusions, Next Steps</u></p> <p>Comments and feedback from participants on process, to feed into next workshops.</p> <p>Draft agenda of 4th ESG Disclosure Workshop (trade unions and public authorities).</p>
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Participants

Surname	Name	Organisation	Position
Alías Martín	José	Agencia Servimedia	Jefe de la Sección de RSC
Bedo	Imola	European Commission. DG Environment	European Commission. DG Environment
Bergmann	Uwe	BUSINESSEUROPE and Henkel AG	Corporate Communications
Bird	Sue	European Commission. DG Employment, Social Affairs and Equal Opportunities.	European Commission. DG Employment, Social Affairs and Equal Opportunities.
Capron	Michel	Forum Citoyen pour la RSE	Professeur des Universités en sciences de gestion
Caudron	Jean-Marc	Campagne Vêtements Propres	
Christen	Torsten	European Commission. DG Employment, Social Affairs and Equal Opportunities.	European Commission. DG Employment, Social Affairs and Equal Opportunities.
Cofino	Jo	The Guardian	Executive Director
Cordero	Carlos	Observatorio RSC	Technical Advisor
Curtiss	Frank	Railpen Investments & International Corporate Governance Network (ICGN)	Chair of Non-Financial Business Reporting Committee
Dawson	Brian	Office of Richard Howitt MEP	MEP Assistant
de Clerk	Paul	Friends of the Earth Europe	Coordinator Corporate Campaign International and Economic Justice

de Rijk	Bart	Logica Management Consulting	Management Consultant Sustainability
Didong	Jenny	Ministry of Enterprise, Energy and Communications, Sweden	Division for State Enterprise
Dodd	Tom	European Commission. DG Enterprise and Industry	European Commission. DG Enterprise and Industry
Doucine	Michel	Ministère des Affaires étrangères et européennes, France	Ambassadeur chargé de la bioéthique et CSR
Drbalova	Vladimira	BUSINESSEUROPE and Confederation of Industry of the Czech Republic	Chair of BUSINESSEUROPE CSR Working Group
Druckman	Paul	Federation of European Accountants (FEE) & Prince of Wales' Accounting for Sustainability Project	Chair of FEE Sustainability Policy Working party
Duisterwinkel	Carien	CSR Europe	Expert on Sustainability Reporting
Edme	Robin	European Sustainable Investment Forum (EUROSIF)	Vice-President
Fogelberg	Teresa	Global Reporting Initiative (GRI)	Deputy Chief Executive
Frank	Ralf	European Federation of Financial Analysts Societies (EFFAS)	Coordinator EFFAS Commission on ESG
Gargonne	Simon	UN Global Compact	Analyst Communications on Progress
Gehrke	Elke	Stiftung Warentest	Head of Department Product Testing
Grimoud	Nathalie	Comité Catholique contre la Faim	Corporate accountability advocacy officer
Hagenah	Astrid	European Savings Bank Group (ESBG)	Head Department Legal Affairs, Accounting, Tax
Hendrickx	Luc	European Association of Craft, Small and Medium-sized Enterprises (UEAPME)	Director Enterprise Policy and External Relations

Holmstrom	Kim	European Commission. DG Enterprise and Industry	European Commission. DG Enterprise and Industry
Horst	Dieter	PWC Germany	
Janssen Groesbeek	Marleen	Financieel Dagblad	Senior Editor
Jimenez	Carolina	Fundación Lealtad	Head of Research Department
Keijzer	Irma	Netherlands Ministry of Economic Affairs	Trade policy and Globalisation / CSR & trade
Kjær	Victor	Danish Commerce and Companies Agency	Deputy Director General
Kröning	Iris	European Commission. DG Enterprise and Industry	European Commission. DG Enterprise and Industry
Larsson	Lars-Olle	PricewaterhouseCoopers and Federation of European Accountants	Representative on the FEE Sustainability Policy Group and the former Chairman of the FEE Sustainability Assurance Subgroup
Louche	Céline	Vlerick Leuven Gent Management School	Assistant Professor
Maanaviilja	Laura	CSR Europe	Expert in Communication and Media
Martinez de la Riva	Miguel Angel	Ministerio de Trabajo e Inmigración, Spain	Subdirector General Adjunto en Responsabilidad Social de las Empresas
Mellor	Sarah	EUROCADRES	
Monaco	Marina	European Trade Union Confederation	Adviser on CSR
Moroz	Sergey	WWF	Water Policy Officer
Muravjov	Sergejus	Transparency International	International Board member of Transparency International
Noterdaeme	Jan	CSR Europe	Senior Advisor on Strategy, EU and Stakeholder Relations

Ortún	Pedro	European Commission. DG Enterprise and Industry	European Commission. DG Enterprise and Industry
Osborn	Simon	Which?	Policy Adviser
Paul	Geneviève	Fédération International des Droits de l'Homme	Desk on globalisation and Human rights
Pennanen	Aino	Amnesty International EU Office	
Philipponnat	Thierry	Amnesty International France	Commission Entreprises
Puente Gonzalez	Ignacio	European Commission. DG Enterprise and Industry	European Commission. DG Enterprise and Industry
Ragno	Carmen	EUROCHAMBRES & Milan Chamber of Commerce	CSR Information Desk
Roldán Mones	Antonio	Office of Ramón Jáuregui MEP	MEP Assistant
Rudzki	Margarete	EUROCHAMBRES	Advisor
Sapiro	Ulrike	Coca-Cola Europe	CR Director - Environment Coca-Cola Europe
Swannick	John	Lloyds Banking Group & European Alliance Laboratory on Non-Financial Performance	Manager Corporate Responsibility
Szilvassy	Zsófia	European Commission. DG Internal Market and Services	European Commission. DG Internal Market and Services
Teulings	Jasper	Greenpeace International	General Counsel
Turner	Daniel	Carbon Disclosure Project	Head of Disclosure
van Bennekom	Sander	Oxfam	Policy adviser
Van der Helm	Giuseppe	European Sustainable Investment Forum (EUROSIF)	President of Eurosif

Vandenhove	Jan	Vigeo CSR Rating Agency	Responsible European Management (REM) projects
Vanderpotten	Gilles	Confédération nationale du crédit mutuel	RSE Manager
Vera-Rendón	Isabel	Fundación ONCE	Head of Strategic Planning Dept
Vitt	Judith	BEUC and Federation of German Consumer Organisations	Policy Officer Trade and Economic Policy
Wallace	Mike	Global Reporting Initiative (GRI)	Director of Sustainability Reporting Framework
Wehnert	Fabian	Markenverband (German Brands Association)	Director European / International Affairs
Weyn	Luc	Netwerk Vlaanderen & BankTrack	Senior Consultant
Wilkinson	Peter	Transparency International	Senior Adviser, Private Sector Programmes