

7th meeting of the UN Committee of Experts on Business and Trade Statistics

24-26 September 2024, Geneva, Switzerland - hosted by the World Trade Organization (WTO)

Wednesday 25 September: 16:30 – 17:00: Work programme on Wellbeing and Sustainability

Progress Report on Work programme on Wellbeing and Sustainability

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Where we are now on well-being and sustainability

- The **Task Team on Well-being** and sustainability led by Søren Andersen (Statistics Denmark) is currently not active.
- The **work program** presented by Søren in New York at the 2022 UN Committee of Experts on Business and Trade Statistics is still **valid and ready to be restarted**
- The **2030 Agenda for Sustainable Development** ranks very high in the priorities recently defined by the UN Statistical Commission.
- There is **strong demand from users** (media, policy makers, companies) about statistics on well-being and sustainability.
- **Competition**: private data providers and financial sector institutions are producing new information on company social and environmental sustainability
- **Official statistics** will be soon **out of business** on this topic

Why should we care?

- The Committee has adopted an integrated economic statistics approach based upon an **enterprise-centered perspective**
- **SNA and business statistics rely on a standard mainstream economic approach** that assumes:
 - companies focus on profits only
 - the industrial process is linear
 - the production function only include K,L and A (technology)
 - environment and social impact for companies are just externalities
 - financial reporting and production data are the only relevant source of information
- **If companies evolve we have to change the way we represent them in official statistics**

The evolution of Nestlé trademark toward sustainability



1868



1875



1938



1966



1988



Nestlé

Good food, Good life



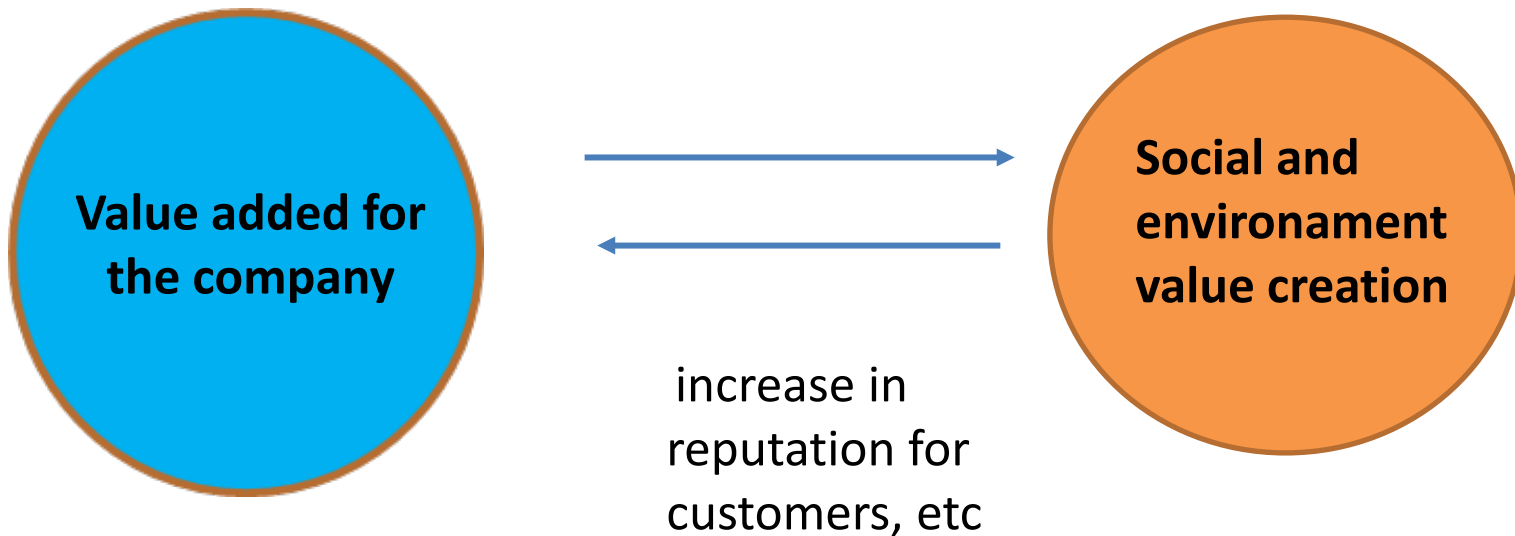
Nestlé

Creating Shared Value

Nutrition | Water | Rural Development

Company and sustainability

The starting point: who are the stakeholders of the company? **workers, customers, local community, global dimension**



Company social responsibility reporting

- **Company social responsibility reporting are not standardised text document** that should cover (at least) the following issues:
 - Company welfare
 - Social responsibility
 - Environment
 - Human rights
- They are **compiled either on a mandatory or a voluntary basis**
- There is a **fast growing trend of increasing the obligations for SMEs and harmonization/integration with financial reporting standards**
- **Financial institutions are pushing companies to provide social responsibility data to access credit**

Is “sit and wait” the best strategy?

- **The positive trend** on the standardization and increasing coverage of social responsibility reporting **will take time to match the coverage and quality of financial reporting**
- **Financial institutions and private data providers** are investing quite a lot on the measurement of company social responsibility
- Do they rely on good data sources?
- Do they apply a consistent methodological approach?
- Do they have a register?



The need of a new competencies and tools in the production framework

- In Italy we carried out two different kinds of survey on **company social responsibility (CSR)**:
 - A **census based structural survey** focusing on social responsibility reporting
 - A **short terms business opinions** survey focusing on actions undertaken by companies with respect to social responsibility goals
- We also start exploring the **coverage and quality of new data sources on CSR**:
 - CSR reporting available as a text in a pdf file: little number
 - CSR information from company web-site dedicated section: more interesting number
 - CRS information from company web-site (unstructured), media and other sources: large number but with poor quality information
- In order to correctly exploit information from text/web scraping data sources, you need to set up **two groups of experts (data science, CRS)** and to apply a **machine learning approach with human supervision**. We are starting this project now thanks to external financing from EU Recovery Plan

What shall we do?

Short terms solution

- For the next Statistical Commission, the Bureau shall elaborate a **concept note on this topic** including the following issues: link between SDG Framework and Business and Trade Framework, list of proposed indicators, description of the production framework (business register, direct reporting, new data sources)

Medium terms solution

- The **task team should be restarted asap**, by merging with others if needed.
- **Coordination with the Inter-Agency and Expert Group on Sustainable Development Goal Indicators**, and the newly established Expert group on wellbeing measurement (program of work for 2025)
- **Coordination with the UN Committee of Experts on Big Data and Data science for official statistics on the use of new data sources** (Corporate social responsibility reports are unstructured text at the moment)