

Investment – Civil20

Civil Society Recommendations to the G20

The G20 countries must reaffirm their commitment to Agenda 2030 by taking concrete steps to drive responsibility and accountability of the private sector towards the Sustainable Development Goals (SDGs) to mitigate climate change and increase social health, security, development, and inclusive economic stability. Investment flows and finance, both private and public, must be coherent with sustainable economies and business conduct. Investment towards public infrastructure must be coherent with sustainable development and guarantee that private returns are not prioritized over the public interest.

ESG Disclosure

Ensure transparency through mandatory Environmental, Social, and Governance (ESG) disclosure by private sector actors.

Disclosure standards that address the social and environmental impact of the private sector are intrinsic to responsible investment. The G20 can play a significant role in initiating better international monitoring and tracking of private sector actions against the SDGs and the Paris Agreement.

C20 Recommendations:

As such, all G20 countries should

- Require **mandatory ESG disclosures** on impact on human rights (including digital rights such as privacy and freedom of expression), human capital, social and employment aspects, corruption, bribery, and environmental and climate matters by all companies with +500 employees, and require companies listed on G20 stock markets to **incorporate non-financial ESG information into their mainstream financial reports**;
- Ensure that **ESG information is comparable, consistent, and of high-quality** to allow it to be assessed and measured. Referencing adequate reporting frameworks such as CDP/CDSB for natural capital disclosure and the GRI G4 Sustainability, Common Good Report, or UNGP Reporting Framework for human rights/social responsibility reporting can facilitate comparable and consistent disclosure;
- **Implement the recommendations of the Financial Stability Board Task Force on Climate-Related Financial Disclosure (FSB TCFD)** into national legislation and facilitate standardized climate risk reporting amongst G20 member countries.

Private Capital

Ensure private capital invested in public infrastructure and private businesses is directed towards responsible and sustainable projects, sectors, and companies.

The need is urgent to align the “billions to trillions” infrastructure agenda with the SDGs. Integration of ESG criteria improves both corporate and public financial performance. Yield on private capital must not be prioritized over the public interest when mobilizing private resources for public infrastructure and service delivery. We are particularly concerned about the G20 promoting Public Private Partnerships domestically and through the multilateral development banks, despite widespread evidence that the true costs of this modality often are hidden.

C20 Recommendations:

As such, all G20 countries should

- Require proactive **disclosure of all Public Private Partnership (PPP) project and contract data** throughout the planning and delivery of the PPP in an open data format;
- **Guarantee that pre-feasibility studies for PPPs are** independently assessed to calculate the true costs and benefits of PPPs over the lifetime of the project;
- Ensure that the **full cost and contingent liabilities of the PPP are reported on-budget and registered as government debt**;
- Support the **launch an Observatory on Infrastructure and the SDGs** to help provide information that civil society needs to engage meaningfully in improving the public governance of infrastructure;
- Call on **development finance institutions and international financial institutions** to strengthen their accountability frameworks and safeguards.

Responsible Business Conduct

Incentivize and regulate responsible business conduct in line with international conventions and standards.

The G20 must ensure that the private sector actively contributes to sustainable development and respects human rights, labor rights, and upholds environmental and governance standards in their global operations, including throughout their supply chains. Sustainable supply chains can help to further economic growth and development, eradicate poverty and inequality, and realize the SDGs.

C20 Recommendations:

As such, all G20 countries should

- **Implement the UN Guiding Principles on Business and Human Rights** and develop substantive National Action Plans on the implementation of these principles;
- **Accede to the OECD Guidelines on Multinational Enterprises**, ensure that their National Contact Point (NCP) system is capable of delivering effective remedy, and commit to NCP peer review;
- **Require mandatory due diligence throughout supply chains** to identify, prevent, mitigate, track and communicate possible human rights or labor rights violations, corruption, and adverse environmental impacts;
- **Mainstream responsible investment** by broadening the legal concepts of fiduciary duty and due diligence applied to pension funds, sovereign wealth funds, and other institutional investors to take account of **any potential ESG risk** in their investment activities;
- **Incentivize companies to operate above minimum ESG standards** through fair and sustainable government procurement policies, tax policies, and subsidies, that reflect the true ESG costs of given products and services for example by granting procurement contracts to companies who provide employees a living wage as opposed to the minimum wage.

Civil20 is the G20 engagement group of the international civil society. It represents organisations and individuals from all continents, giving civil society a loud voice in the G20. Find out more at www.civil-20.org.