

The strategic role  
of cultural initiatives  
and cultural impact  
measurement  
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# The strategic role of cultural initiatives and cultural impact measurement in the evolving sustainability reporting landscape



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# The strategic role of cultural initiatives and cultural impact measurement in the evolving sustainability reporting landscape

Despite today's complex global context and the ever-changing European regulatory framework, sustainability remains a strategic lever for business competitiveness. Growing attention to environmental, social and governance (ESG) factors - including from younger generations - makes it crucial for companies to communicate their sustainability performance, building trust and staying ahead of market expectations.

Value creation today goes beyond profit: it means generating positive impacts for relevant stakeholders, mitigating negative ones, and committing to operate within a sustainable value chain. According to Deloitte's *2025 Gen Z and Millennial Survey*, **younger professionals and consumers are looking for more than jobs or products**. Instead, they seek financial stability, meaningful work and brands, and personal well-being.

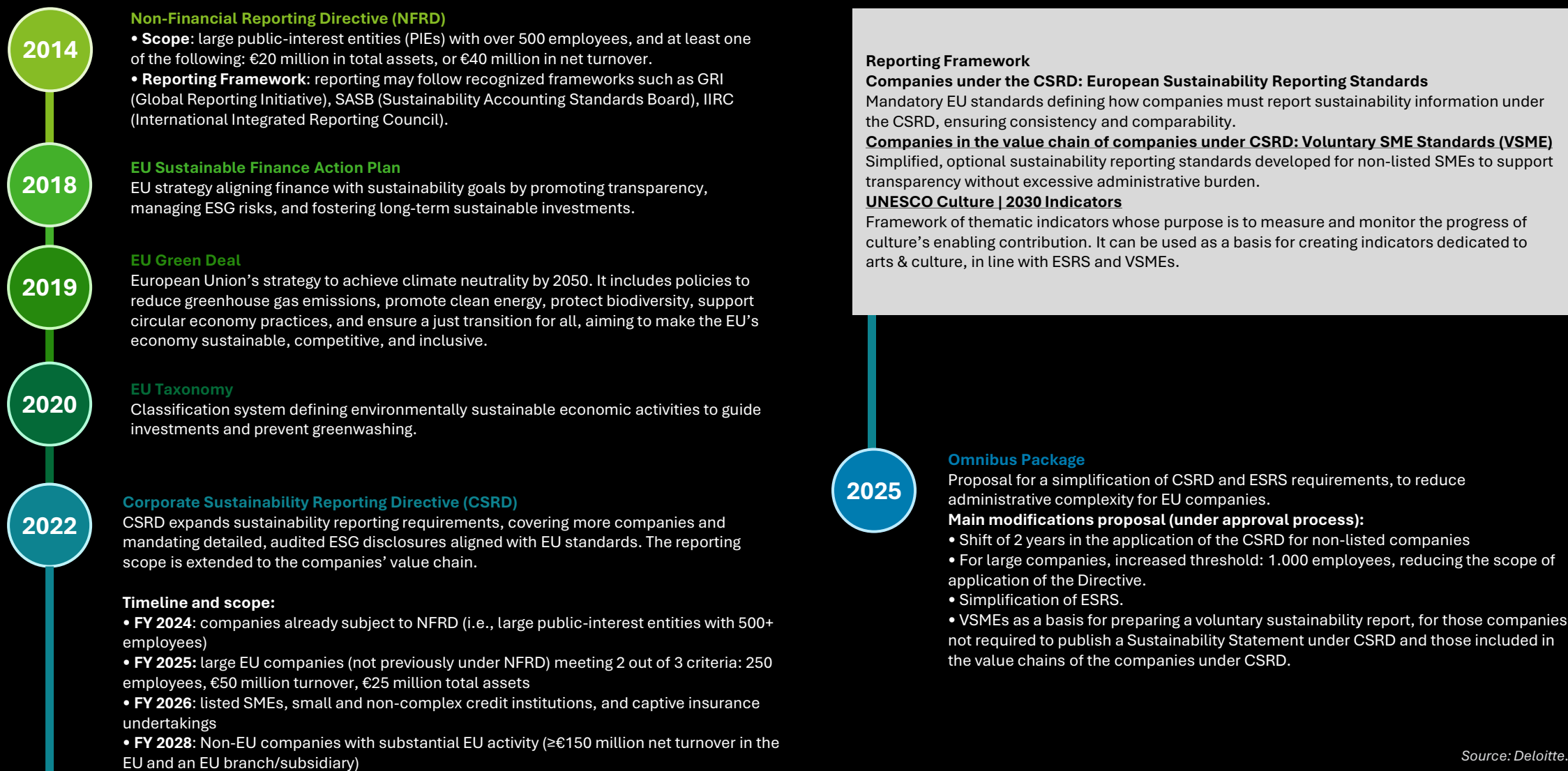
As Generation Z and millennials bring new expectations around life and work, companies must rethink their impacts. This is not just to attract and retain talent, but also to stay relevant with younger consumers, societies, and local and central institutions. **When companies support art and culture, it demonstrates their dedication to the greater good of society, not just profit.**

Cultural engagement, far from being just entertainment, fosters well-being, belonging and sustainable development. The Next Generation EU plan confirms the role of culture in supporting sustainable growth, incorporating specific public financing dedicated to art and cultural initiatives.

For businesses, institutions and communities, investing in culture today means responding to a present demand, while shaping more inclusive, conscious and resilient societies for the future. Whether supporting cultural organizations or running their own initiatives, companies must now measure and communicate the impact of these efforts.

This article explores how cultural initiatives contribute to a company's sustainability performance and reporting. It introduces the **European Art Assets Observatory**, a collaborative project developed by ITIR, ARTE Generali, Banca Generali and Deloitte Private, aiming to design a framework for measuring and reporting the impact of corporate art assets to enhance transparency and integrate them into sustainability strategies.

# Figure 1: The European regulatory framework on sustainability reporting



Source: Deloitte.

# Sustainability reporting and the CSRD

The importance of reporting and communicating culture's value is recognized in the new **European regulatory framework on sustainability reporting**, which strengthens the strategic importance of impact measurement.

In December 2022, the EU adopted the **Corporate Sustainability Reporting Directive (CSRD)** to enhance companies' transparency and Non-Financial information to benefit investors, stakeholders and communities. The **CSRD entered into force in 2024** for large, listed companies that were already subject to previous non-financial reporting obligations, such as the Non-Financial Reporting Directive (NFRD).

The CSRD marks a historic shift, requiring companies to establish a reporting system capable of integrating financial and sustainability elements. It exemplifies European regulatory leadership in sustainability, adopting the "double materiality" approach and extending the scope of reporting to the entire value chain. However, it fits into a broader trend of international convergence.

The US Securities and Exchange Commission (SEC) and the International Sustainability Standards Board (ISSB) are advancing similar proposals, while maintaining a more limited focus on financial materiality alone. This suggests that we are moving toward a global, integrated ESG reporting standard.



## Measuring and reporting wider impacts

In this context, **transparency** and **nonfinancial information** remain vital for stakeholders for a broader understanding of a company's value, looking beyond just economic results to include **environmental, social, relational, and cultural impacts**.

**Corporate art assets (CAAs), including corporate art collections, play a crucial role in corporate social responsibility practices. To fully unlock their strategic value, it is essential to adopt appropriate methodologies and strategies for measuring and communicating the impacts they generate.**

The European Sustainability Reporting Standards (ESRS) and other existing sustainability reporting frameworks lack specific and standardized key performance indicators (KPIs) related to culture. However, in line with the ESRS' general structure, organizations may take inspiration from the UNESCO Culture | 2030 Indicators Framework ("UNESCO Framework") to integrate information related to culture in ESG disclosures. In fact, the UNESCO Framework aims to analyze culture's contribution to the United Nations Sustainable Development Goals (SDGs).

The UNESCO Framework, while developed for urban and national analysis, is highly adaptable for local cultural projects. Both cultural and non-cultural organizations already use it to incorporate cultural impact data into their sustainability reports. Its design aligns with current standards, making it suitable for companies to adopt for communicating their impact, even after the anticipated simplifications of the EU's Omnibus Package.

The combination of different reporting approaches represents a strategic opportunity to strengthen dialogue with stakeholders. It could also inspire cultural entities that need to communicate their impacts externally for transparency, fundraising and maintaining good relationships with various stakeholders.



# European Art Assets Observatory

To develop a framework for reporting the impacts of CAAs, in line with existing best practices, the Institute for Transformative Innovation Research (ITIR) at the University of Pavia launched the European Art Assets Observatory (the “Observatory”), in collaboration with ARTE Generali, Banca Generali and Deloitte Private. The primary objectives of the Observatory’s research activity include developing a framework for the reporting of CCAA impact, in line with existing best practices.

## CAAs as strategic drivers for sustainability

By exploring corporate art collection management practices, the Observatory aims to identify how organizations from different sectors can leverage art and culture to foster sustainability and contribute meaningfully to global social objectives.

To this end, a specific research project was launched to fully investigate these dynamics. The chosen approach for the research was **mixed-method** to balance a quantitative approach’s systematicity and rigor with a qualitative approach, which is designed to capture the nuances of a novel topic with limited objective data.

**Figure 2: Summary of the methodological approach**

	Quantitative approach	Qualitative approach
<b>Sample dimension</b>	150 organizations	14 executives and experts
<b>Data collection methodology</b>	Survey	Semi-structured interviews
<b>Data analysis methodology</b>	Descriptive statistic	Gioia method

*Source: European Art Assets Observatory, developed by ITIR, ARTE Generali, Banca Generali and Deloitte Private.*



## European Art Assets Observatory

Based on a review of 30 international scientific articles, an increasing number of companies across various sectors show a growing interest in art and culture. This includes creating corporate collections, commissioning artworks and opening corporate museums or foundations.

Investments in art assets and cultural initiatives are opportunities to enhance corporate identity, promote stakeholder engagement, and align corporate brand narratives with broader cultural and social values, especially as true drivers of sustainable development at the ESG level.

However, the management of CAAs by European companies remains an unexplored territory, based on the availability of structured and accessible data. The lack of concrete, systematically managed data makes it difficult to answer key questions, such as whether European companies hold significant investments in CAAs and to what extent.

Information about CAAs (both owned and managed) is rarely disclosed in financial statements or reports. This lack of transparency is due to several reasons, including that CAAs are not yet considered “core” assets for many companies, the absence of specific accounting standards for art assets, and the potential volatility of their market value.

Beyond investment, a key consideration involves companies’ governance models for managing CAAs. To date, CAAs in Europe are managed in different ways, ranging from informal approaches to structured and integrated methodologies (Figure 3).

# European Art Assets Observatory

Figure 3: Governance approaches in managing CAAs

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## Creative approach

This approach lacks defined managerial best practices and key performance indicators (KPIs). This is due to art's inherently "creative" and subjective nature, making it resistant to objective measurements and typical business management practices. Decisions about acquiring, conserving and valorizing artworks are often guided by personal feelings or immediate opportunities, rather than being strategically aligned with the company's objectives.

## Managerial approach

This approach adopts a structured "managerial" perspective. CAAs are treated as true corporate assets, subject to consolidated best practices and standard KPIs borrowed from finance and asset management. Specific budgets are defined, acquisition and maintenance costs are tracked, potential returns on investment are evaluated, and inventory and cataloguing systems are implemented. The primary objective is to optimize the art assets' economic value, often considering their potential for appreciation over time.

## Holistic approach

This approach bridges the gap between art's unique nature and the needs of corporate management. It recognizes the specificity of CAAs, blending traditional business strategies and KPIs with more qualitative metrics that capture the artistic and cultural context. This holistic approach aims to balance economic value with the recognition of art's intrinsic and communicative worth, integrating it more deeply into the overall corporate strategy.

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# European Art Assets Observatory

Quantifying the impact of CAAs is still a major undertaking. Based on the holistic approach in Figure 4, evaluating the success of artistic projects transcends mere aesthetic judgment.

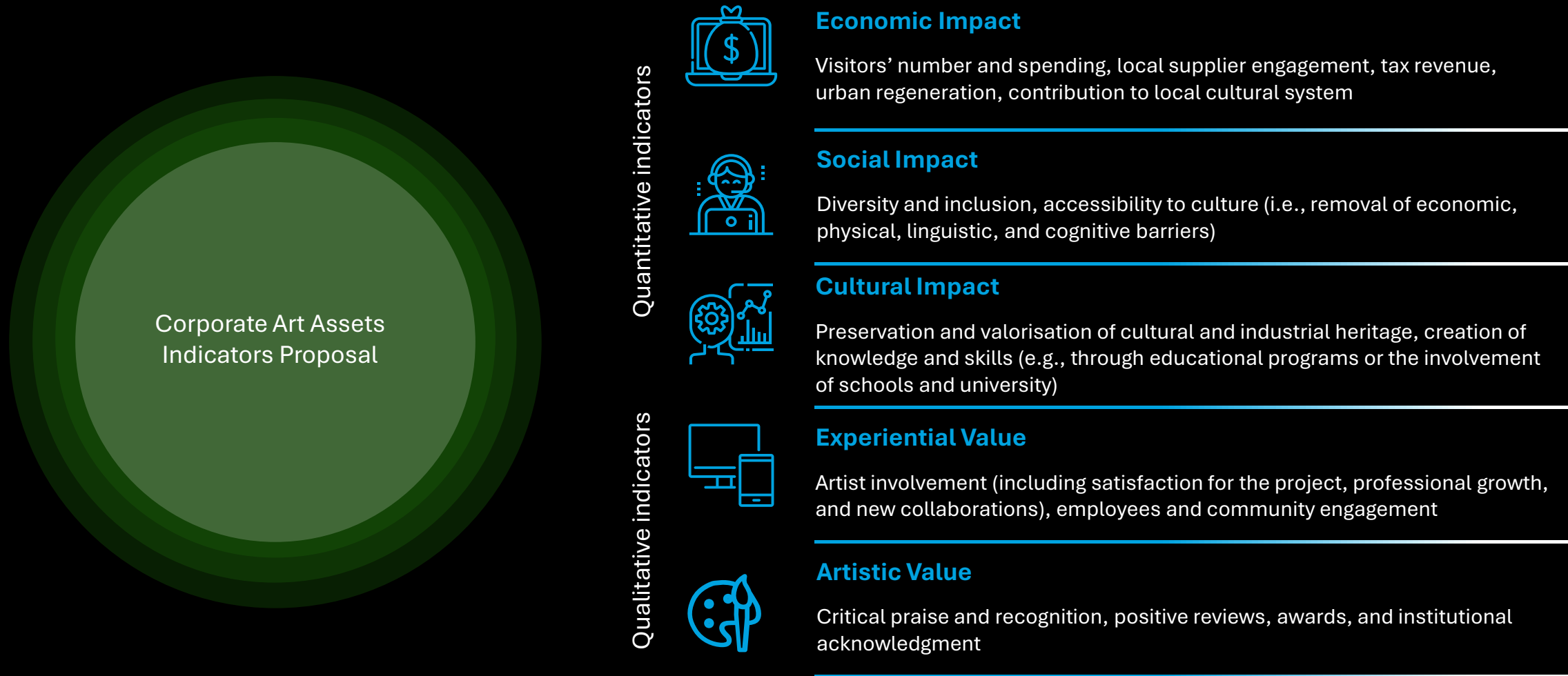
Instead, it requires defining measurable criteria and indicators to understand their multidimensional impact at social, cultural and economic levels. Translating artistic objectives into concrete metrics implies considering different dimensions of success, distinguishing between quantitative and qualitative KPIs.

The Observatory is developing and refining a CAA measurement framework for companies, which integrates academic studies and research with some best practices already introduced by companies (Figure 4).



# European Art Assets Observatory

Figure 4: The elements being considered in the CAA measurement proposal



## Measuring and reporting wider impacts

In conclusion, bridging the aforementioned gaps is crucial for advancing and developing managerial practices that integrate CAAs with sustainability, helping distinguish between mission and purpose. Managing artistic and cultural initiatives and committing to sustainability allows companies to enhance their strategy, communicate values and boost innovation.

Therefore, the need for greater transparency and more systematic data collection on CAAs is crucial to better understand their role in the European corporate landscape. Only through the availability of structured information can we quantify the actual extent of investments, analyze the underlying motivations, and evaluate their 360-degree impact.

The Observatory aims to continue developing a framework to demonstrate CAAs' impact on the sustainable growth of humanity.





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