

Blueprint for Responsible Business 2.0

Creating value in a sustainable ecosystem

Sustainable Business Network (SBN) Task Force on Banking and Finance
UNESCAP Business Advisory Council

Agenda

- **Introduction**
 - Mission of the Task Force on Banking and Finance
 - Responsible Business – Why Pursue
- **Our Approach**
 - Roadmap
 - Thought Leadership
 - Roundtable
- **Outputs**
 - Blueprint for Responsible Business 2.0
 - Action to Promote Responsible Business 2.0
- **Next Steps**

Task Force on Banking and Finance

Mission: *Promoting and mobilising financial resources for inclusive and sustainable development, and encouraging banks and financial institutions adopt responsible and sustainable business practices.*

- **To identify** best practice in responsible and sustainable banking and finance
- **To raise** awareness and undertake policy advocacy in the area of responsible banking and finance
- **To develop** capacity development through training and other pertinent programs

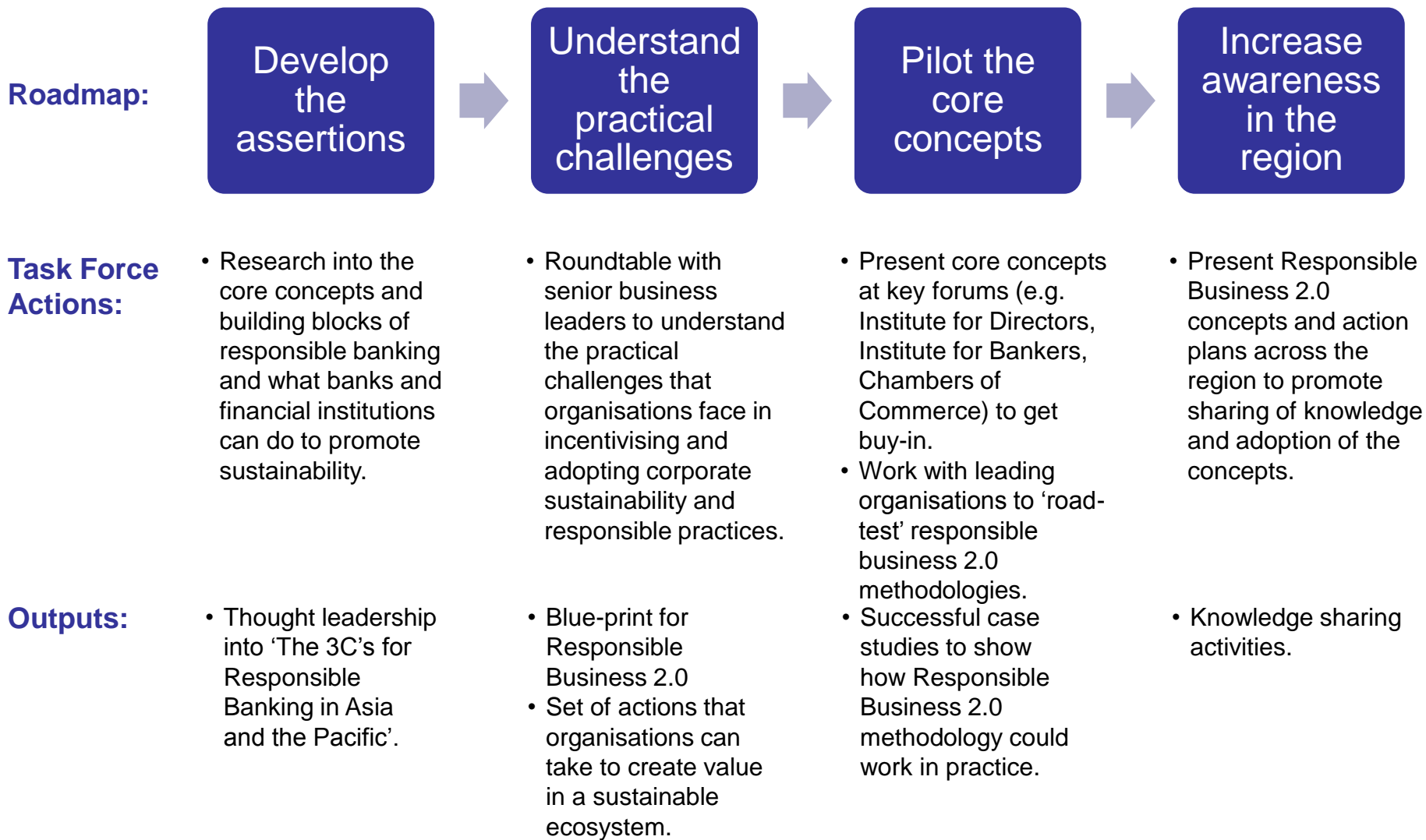
Responsible Business – Why pursue?



The multiple benefits of CSR

Source: SBN Task Force of Banking and Finance.

Our Approach – Roadmap



Our Approach – Thought Leadership

Objectives:

- To **identify best practices** in a responsible and sustainable banking and finance industry;
- To **raise awareness** and undertake policy advocacy in the area of responsible banking and finance; and
- To **serve as a tool** for undertaking capacity development through training and other pertinent programmes.



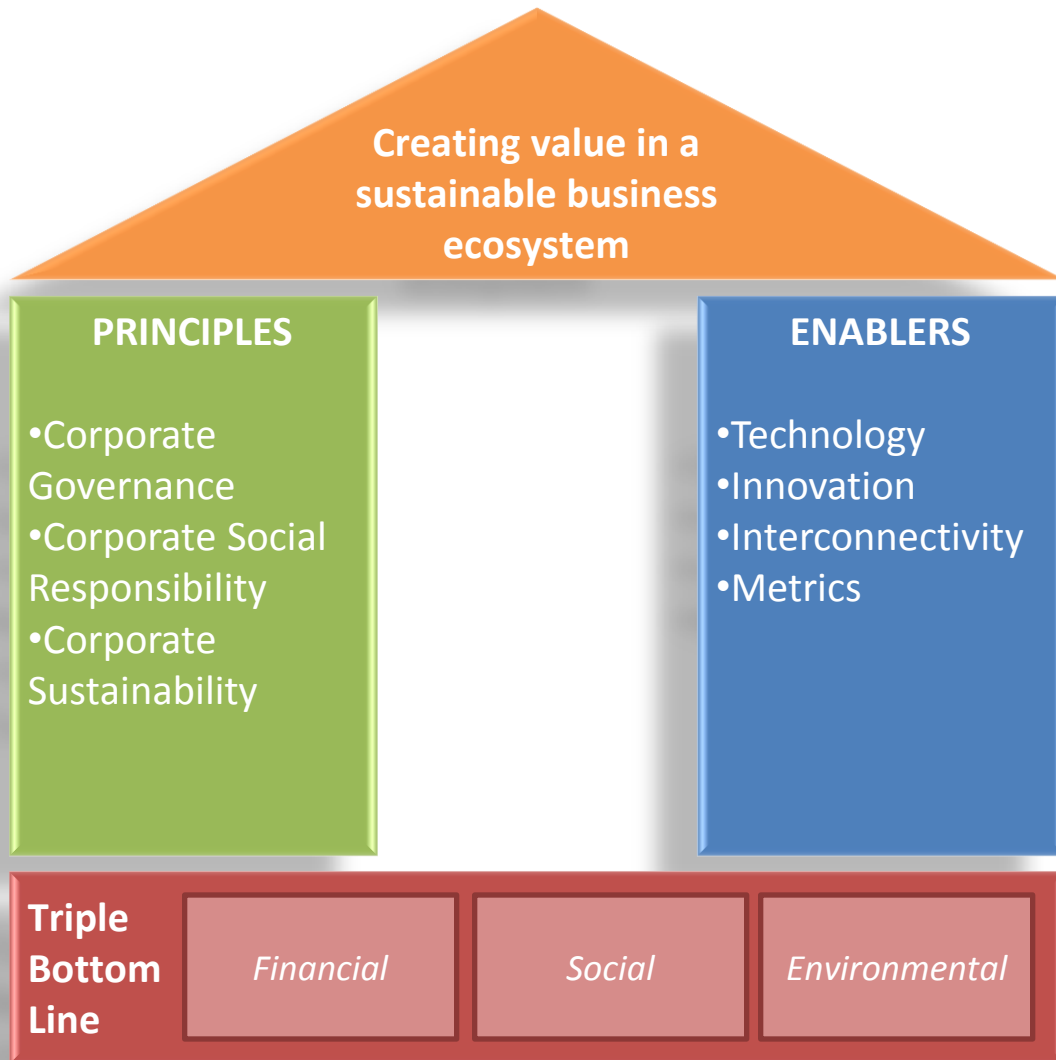
Our Approach – Roundtable

Objectives:

- To **understand key challenges** faced by organisations in adopting responsible business principles;
- To **develop an action plan** that will help organisations create value in a sustainable ecosystem; and
- To **engage business leaders** in Hong Kong in driving change through their organisations and through industry associations.



Blueprint for Responsible Business 2.0



Action Plan

- Current State*
 - Internally reflect on building blocks for business 2.0
 - Measure the impact the business has on ecosystem
- Vision for Business 2.0*
 - What does Business 2.0 look like for us
 - What do we need to get there
- Engaging Investor community*
 - Who are our investors
 - Get buy-in for our vision and initiatives
- Operationalising Business 2.0*
 - Assess stakeholder challenges
 - Communicate vision
 - Drive employee behaviours across the organisation
 - Incentivise supply chain

Core Concepts – Principles

- **Corporate governance (CG)** is defined as the system and tools for governing — business principles, mission, vision, mandate and values — that a company uses to successfully achieve its goals.
- **Corporate social responsibility (CSR)**, also called corporate conscience, corporate citizenship, sustainable responsible business or others, is a concept that has become a standard part of most business models in the last decade.
- **Corporate sustainability (CS)** is the extent to which a firm meets the needs of the present stakeholders without compromising its ability to meet the needs of the future stakeholders. It focuses more on long-term and sustainable growth, rather than on short-term profits. Environmental, social and governance (ESG) are three key aspects to enhance corporate sustainability.

Core Concepts – Enablers

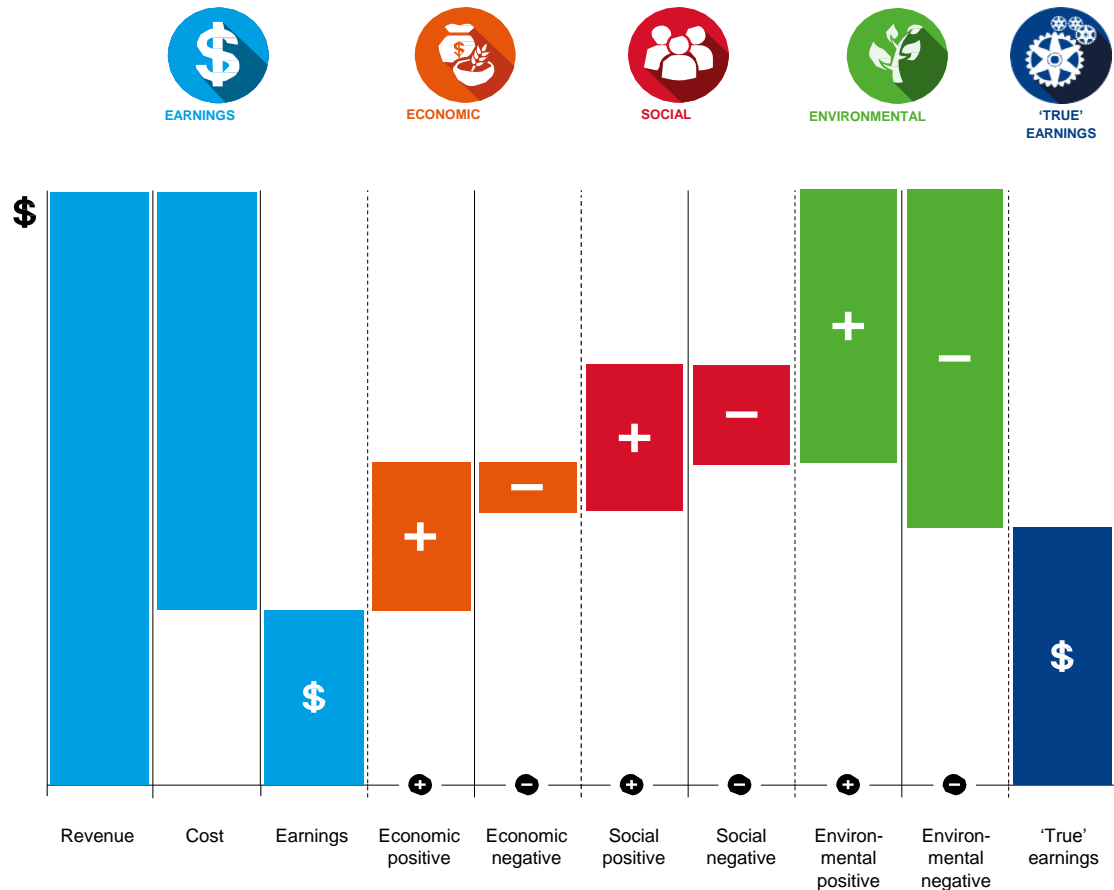
- Developing **technologies** to promote sustainable development including those that can help address issues related to climate change and environmental protection.
- Investing in **innovation** that serves a critical driver in not just growth and competitiveness, but also shape products and services that confer benefits across all three economic, social and environmental development dimensions.
- Understanding that the **interconnectivity** between the environment protection, social development and economic performance requires that businesses holistically consider their impact across all three areas.
- Establishing **metrics** that allow organisations measure their financial results but also the positive and negative impacts of their activity on society and the environment.

Core Concepts – Triple Bottom Line (TBL)

TBL focuses on the need to balance three goals, namely:

1. The traditional **financial or economic** business 'bottom line' of generating profits for the company and its shareholders;
2. The **social** 'bottom line' of ensuring that the wider community of people are not adversely impacted by the company's activities in some way, and ideally benefit; and
3. The **environmental** 'bottom line' of looking after the planet by ensuring that the company's activities do not harm the environment, whether that be in terms of greenhouse gas emissions, biodiversity issues, etc.

Understanding the 'true' earnings



Actions to Promote Responsible Business 2.0

Influencing the Government	Regulation	Using successful pilots to influence governments drive favourable regulation
	Enable SME growth	Government support (framework) to drive SME banking
	Support PPP	Explore public-private partnerships to drive agenda
	Advocacy	Support business discussions / roundtables on sustainable development
Role Models to Drive Agenda	Industry Specific	Identify examples/case studies to showcase (e.g. innovative companies)
	Foundations	Corporate & family business foundations to push agenda
	SMEs	Clear credit profiles at SMEs; SME financing from banks to drive sustainability
	Investors	Top-down alignment of shareholders (buy-in using role-models)
Stakeholder Engagement	Associations	Engaging industry associations, e.g. Institute of Directors, Institute of Bankers
	Media	Promote awareness amongst consumers
	Employees	Bottom-up engagement to create platforms = reduced cost of staff retention
	Universities	Knowledge transfer and exchange

Next Steps

