

SWITCH-Asia Policy Advocacy Component

Full Report

Businesses Accelerating Inclusive Green Economies

– Leaving No One Behind



Disclaimer

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the SWITCH-Asia Regional Policy Advocacy Component and do not necessarily reflect the views of the European Union.

Table of Contents

List of Acronyms	2
Key Messages	3
Detailed Event Information	11
Event Analysis	15
a. Overview of the Analysis	15
b. Visibility of the SWITCH-Asia at the event	16
c. Lesson Learned	17

List of Acronyms

ACA	Association of Chartered Accountants
APFSD	Asia-Pacific Forum on Sustainable Development
ASEAN	Association of Southeast Asian Nations
BTS	Bangkok Mass Transit System
ESG	Environmental, Social and Governance
EU	European Union
EUD	European Union Delegation
ILO	International Labor Organization
OECD	Organisation for Economic Cooperation and Development
SEC	Securities and Exchange Commission
SCP	Sustainable Consumption and Production
SDGs	Sustainable Development Goals
SWITCH-Asia RPAC	SWITCH-Asia Regional Policy Advocacy Component
UNDP	United Nations Development Programme
UNESCAP	The United Nations Economic and Social Commission for Asia and the Pacific
UNCC	United Nations Conference Center
UN Environment	United Nations Environment Programme
WTO	World Trade Organization

Key Messages



Mr. Giuseppe Busini

Deputy Head of the EU Delegation to Thailand

“The Switch-Asia program is a key European Union initiative to promote resource and energy efficiency, sustainable infrastructure, providing the access to basic services, green and decent jobs, and a better quality of life for all. Its implementation helps achieve overall sustainable development plans; reduces future economic, environmental and social costs; strengthens economic competitiveness; and reduces poverty, which constitute the whole array of SDG targets.”

It is crucial to build on activities of this program to keep our dialogue alive, to learn from each other and work better together to accelerate progress in reaching sustainable development objectives and importantly decoupling economic development from environmental degradation. In addition, the social component has to be inclusive. The approach we choose has to focus on the necessity of leaving no one behind.”



Ms. Isabelle Louis

Deputy Regional Director, United Nations Environment Programme, Asia and the Pacific Office

“Over many years, in order to make our economy greener, fairer, and more inclusive, we need to constantly re-evaluate economic and business policies so that they offer a safe, clean, healthy, and sustainable environment and economy. The heart of this ambition is the 2030 Agenda for Sustainable Development Goals. The ‘leaving no one behind’ is the essential core to the SDGs.”

The inclusive green economy has emerged as one alternative to the status quo that creates growth by liquidating natural assets, investing in people and ecological infrastructure as sources of future innovation, revenue, and growth. Over 70 countries around the world currently have green growth or green economic plans in their development strategies, and many others are considering them. Progress has been seen in Mongolia, India, Indonesia and Republic of Korea, among others.

Private sector is a key part for achieving the SDGs. Companies are becoming increasingly sophisticated not only in terms of understanding corporate responsibility and sustainability but also demonstrating accountability in their business models and embedding it as the core of their business.”

**Ms. Cristina Tebar Less**

Head, Responsible Business Conduct Organisation for Economic Co-operation and Development (OECD)

“The OECD works mainly with the government. The motive of the organization is better policies for better lives. Its main functions are the economic analysis, development of international standards, and the provision of a forum for government to discuss common challenges and solutions.

The work of the Responsible Business Conduct unit is aimed at ensuring that businesses take responsibility and look at how they impact society, including the environment. Our work focuses on supporting businesses to limit their adverse impacts on people and planet and contributing to make a positive impact. Environmental issues are also human right issues which companies need to focus on through the adoption of UN guiding principles on Business and Human Rights.

The OECD guidelines for multinational enterprises were developed to invite companies to operate on comprehensive international standards on responsible business conduct. The guidelines were adopted by governments and contained recommendations from the governments to the businesses on how to behave responsibly. The guidelines cover 9 areas on disclosure: human rights, employment and industrial relation, environment, consumer interests, science and technology, combating bribery, bribe solicitation and extortion, taxation, and competition. All of them are directly relevant to the green economy. The guidelines instruct companies not only to be responsible for their own operations but also for the entire supply chain.

Being responsible is the key enabler of sustainable development and contributes to the SDGs. Being responsible of business conduct starts by addressing their adverse negative impact on the environment and on society. The OECD guidance for businesses on how to integrate responsibilities throughout supply chains includes due diligence guidance, a risk management tool which explains how to identify and manage adverse risks, including environmental risks.

There are 6 important steps of due diligence for responsible business conduct: 1) embed responsible business conduct into company and management systems; 2) identify and assess adverse impacts in operations, supply chains, and business relationships; 3) cease, prevent or mitigate adverse impacts; 4) track the implementation and results; 5) communicate how impacts are addressed; 6) provide for or cooperate in remediation when appropriate.

Providing the information of companies and products such as the Corporate Human Rights Benchmark is useful not only for companies and investors but will finally reach out and benefit the consumers.”

**Mr. Marc Proksch**

Chief, Investment and Enterprise Development Section, Trade, Investment and Innovation Division, ESCAP

“The whole issue of green economy first came up in 1992, at the Summit of Sustainable Development. This is not the first time we are addressing this issue, but we need to start accelerating discussions since in practice we are leaving too many people behind. The situation nowadays is that green-house gas emission is getting worse, so is the plastic usage.

There are 3 main groups of stakeholders that need to be addressed in order to accelerate this issue: businesses, governments, and consumer groups. Governments are the ones that can traditionally be influenced to make a change. However, governments alone cannot deliver results. Businesses can directly influence consumers behavior. We should therefore put businesses in the center as the lobbyists to governments and consumers as they can also make a difference.”

**Ms. Ruenvadee Suwanmongkol**

Secretary-General Securities and Exchange Commission (SEC, Thailand)

“Securities and Exchange Commission of Thailand (SEC) is a key driving force for to encourage business stakeholders to recognize the importance of Environmental, Social, and Governance (ESG) issues. The SEC upgrades the Corporate Governance (CG) to ESG development by 1) ensuring investors’ protection; 2) building market confidence; and 3) fostering sustainable value creation.

The ESG and SDG are reported in the 80 listed company annual reports. 19 Thai listed companies were included in the Dow Jones Sustainability Index; 32 companies were included in the MSCI; and 79 companies were included in the Thailand Sustainability Investment Index. These showed that on the supply side both big and medium sized companies emphasized their long-term profitability by including ESG as a component in their business operations.

On the demand side, the SEC launched the Investment Governance Code (I Code) with three principles: First, disclosure; second, monitoring and engaging with investing companies; and third, management of conflict interest. The SEC also makes sure of the implementation of the 60 signatory partners and provides several public awareness forums.”

The



Ms. Tongjai Thanachanan
Director, C Asean

“Key tools for sustainability are the knowledge and the people. C-ASEAN has launched many projects to promote the capacities of each sector and inspire the sustainability actions. Some examples of these projects are the Corporate Sustainability Symposium and Academy; the Pracharat Rak Sammakkee Social Enterprise (to build capacity of rural people and encourage the return of human resources and knowledge to their hometowns); the Win Win WAR TV program; and the project ‘Promoting Sufficiency Economy Philosophy’. The program also promotes the market for environmentally friendly or green agriculture products and clothes from small farmers which helps influence consumers for a green consumption.”



Mr. Apichat Saligupta
Vice President Unilever

“Unilever’s vision is to make sustainable living become the common thing. The goal of the company is to reduce the impact to the environment and improve the livelihood of Thai consumers and communities. The company is working with inclusive green businesses and helps small-sized enterprises grow sustainably with the global targets on less environmental impacts and socially responsible activities. By 2025, the company’s packaging is set to be a 100% reusable, recyclable or compostable material. As of now, 25% of the packaging comes from recyclable material. Innovative and environmentally sound products such as have been introduced to the market. For inclusive business, the company supports small shops in their supply chain to improve their performance and provide social security support to their owners.”

**Ms. Yuki Yasui**

Asia Pacific Co-ordination Manager, UNEP Finance Initiative

“On financing green economy, UNEP finance initiative works with 237 financial institutions globally. Most of them are banks and investment institutions. Despite Asia Pacific being the second largest region, most of the finance activities are concentrated in advanced countries such as Japan, Republic of Korea, China or Australia. The ASEAN region is one of the growth engines of the world economy and has also got a long pipeline of infrastructure investments. The choices that businesses and financial institutions are making today are crucial because they will decide the capability to become sustainable.

The transition period of the shift to the new technologies is a crucial factor too. The switch from horse carriages to cars in the US during the 19th century took about 23 years from the start to the end of the transition. The same rapid pace is required today for climate change. The temperature is already 1-degree Celsius warmer than during the pre-industrial era. According to the predictions, the temperature will hit 1.5 degree warmer in 2030-2052 and could surpass that number with non-stop. In this generation, a systematic change is required regarding the way we work and consume, how the businesses work and how finances flow. For such big transition to be successful, it must be inclusive and protective of the most vulnerable. To be inclusive and green, we all need to work hand in hand. If we do that, I believe that it will only require around 20 years to complete the transition to a green economy.

UNEP launched the principle for responsible investment in 2006; for sustainable insurance in 2012 and for responsible banking this year, 2019. These principles aim to create a framework of responsibility and sustainability context for financial institutes. The institutes who sign in will commit to serve the economy in a sustainable way, contributing to the SDGs and respecting the Paris agreement of climate change, understanding the negative and positive impacts of their products and services in the financial sector.”

**Mr. Somchai Lertlarwasin**

Senior Director, Financial Institutions Strategy Department
Bank of Thailand

“The inclusive green economy is the real matter in the financial sector. The environmental, social, and governance (ESG) factors can be the risk and opportunity for the financial sector. These environmental, social and governance risks should be taken into consideration of the business operations in order to reduce their costs and achieve the SDGs. It is important for banks and financial service institutes to look into their clients’ ESG and not only into their ability to pay the debt. The ESG is actually the guarantee of the clients’ business sustainability. The financial institutes can also play the role to provide funds to green activities to promote the transition towards greener businesses. There are a lot of possibilities for green funds within the financial sector to enhance green projects. Lastly, the success factors to accelerate the shift towards an inclusive green economy and the SDGs are the collaboration and partnership between the stakeholders across the economic sector; the data management; and a long-term roadmap for actions.”

The Awareness Raising and Capacity Building program is essential to accelerate the shift rate. The Bank of Thailand also holds the regular awareness raising and capacity building sessions with its partners on sustainable banking and how to accelerate the transformation of the policies into actions.”

**Mr. Poonsit Wongthawatchai**

The Executive Vice President, Head of Division: Environmental, Social, and Governance Division of Krungsri

“The Krungsri bank focuses on consumer finance services. The bank assesses the environmental, social, and governance impacts of the businesses. The most important issue is responsible lending and product suitability which can be mapped into SDGs 1,3,4,7,8,9,11,13,16,17. The bank has a policy on financial inclusion activities integrated into the business strategies. These services provide funds to groups that have difficulties to reach out to a loan, such as low-income earners, retail traders, factory employees and laborers and agriculture farmers in Thailand and Cambodia.”

The bank also provides financial literacy in underbanked segments such as capacity building programs for the community and institutes through the training of basic knowledge of personal finance.”



Mr. Surayut Thavikulwat
Chief Financial Officer, BTS Group Holdings Public Company Limited

“The BTS group has implemented a corporate sustainability policy that covers economic, environmental, social, and stakeholder responsibility aspects. Last year, BTS was included in the company list in the Dow Jones Sustainability Indices. It has also been included in the FTSE4Good Index Series and the ESG100. The company has also received the ISO14001 and OHSAS18001 for environment and safety quality standards.

BTS’s experience of green bond issuance follows the green bond principle of International Capital Market Association (ICMA) which are in line with the ASEAN green bond standards. The green bonds received a lot of attention and interests from investors.

BTS has estimated that the carbon footprint for this green bond supported rail and monorail investment, after starting its operation, will reduce the CO2 emission by more than 20,000 tons/year. On average if commute by car in Bangkok, one person will produce around 50 grams/km. and the average commute distance of Bangkok is 7 kilometers. If the main transport shifts from road to rail, Bangkok will be able to reduce its carbon emission by half daily. The rail transport in Bangkok is also beneficial to social mobility of most Bangkok’s citizens.”

Way forward for sustainable financing

Companies with green products are in good performance of the ESG and that should be translated into better credit ranks and benefits to lower the cost of their operations.

A system and taxonomy for companies with green products should be developed in order to classify and separate the green and non-green lending. In this line, there should be strong incentives from banks to move forward to provide green products and services.

The digital technology could be a very useful tool to support the acceleration towards the ESG. Capacity building, awareness raising and more knowledge sharing on green financing are also very important.

The awareness program for green business can be delivered to consumers to make them aware of their significant role in reducing environmental impacts. For example, by sharing publicly the reduction of the carbon footprint and air pollution achieved by BTS’s green policies.

Event Summary

With aims to provide a platform among different stakeholders to share their views about the key role of business and financial institutions is supporting inclusive green economies and discussing which tools, business models and financing mechanisms should be chosen, the side event under the name of “Businesses Accelerating Inclusive Green Economies – Leaving No One Behind” was co-organized by SWITCH-Asia II Regional Policy Advocacy Component (RPAC) - funded by the European Union and CEC - UN Environment and ESCAP in Bangkok, on 11 June 2019.

The dialogue focused on exchanging experiences/practices and discussions among different stakeholders. It started with the two key presentations which made a strong emphasis in 'leaving no one behind,' being the aspect of inclusiveness present during the whole event. These two initial presentations were followed by a number of other speeches which marked a clear emphasis on the important role of the businesses to influence consumers towards sustainable actions as well as the need of a responsible business conduct. The relevance of businesses and financial institutes recognizing and working accordingly with the ESC and the SDGs was also pointed out in various occasions. Finally, capacity building and public awareness were mentioned as crucial tools towards the achievement of a green economy.

Take Away Messages:

Opening Remark:

After years of sidelining the private sector and business in international negotiations to promote human rights and achieve sustainable development, the reality is that not only are results not improving but they are regressing in many respects. SDG 12 focus on sustainable production and consumption is "deteriorating" in many countries of Asia and the Pacific. Governments alone cannot address this issue. In this context, it is essential to refocus attention on the role of the private sector, business and financial institutions. Good news is that there are already many stakeholders supporting the so-called "inclusive green economy". UN agencies, the EU, intergovernmental organizations such as the OECD and governments all over the world are currently supporting business to "leave no one behind". On the other hand, business and financial institutions themselves are also moving rapidly to internalize economic, social and environmental considerations. Let the difference be made by learning from each other how to accelerate inclusive green economies while leaving no one behind.

Panel 1. "Enabling conditions for inclusive and green businesses"

Companies are best able to promote responsible business conduct (RBC) when governments fulfil their own distinctive roles effectively. There are different tools used by business to operationalize [responsible business practices that lead to more sustainable production and consumption \(e.g. environmental risk management, life cycle assessment, supply chain due diligence, sustainability reporting etc\)](#). To the extent that governments provide an enabling legal environment for responsible businesses, they are more likely to keep and attract high quality investors who might otherwise be tempted to go elsewhere. This enabling framework can be promoted through reporting requirements by stock exchanges, due diligence legislation, green public procurement, etc. At the same time, firms that adhere to high RBC standards are more likely to bring lasting benefits to employees, customers and the societies in which they operate. The roles of government, business and civil society are both complementary and interdependent.

Panel 2. "Financing an inclusive green economy"

Awareness and interest are growing within the Thai finance community to support sustainable development and the UN SDGs. The challenges are scalability at the transaction level and institutionalization at the corporate and industry levels. Main tools to drive change are capacity building at the practical level, policy and regulatory support and engagement, taxonomy and data and use of digital technology. The concrete example shared was the fee waiver for green bonds listing by the Securities and Exchange Commission of Thailand (SEC). The Bank of Thailand

presented the Thailand's Sustainable Banking Guidance which is not a "hard regulation" but a useful leadership.

Detailed Event Information

Name: Businesses Accelerating Inclusive Green Economies – Leaving No One Behind
(Side Event of Responsible Business and Human Rights Forum)

Date: Tuesday, 11 June 2019

Venue: UN Conference Center-Meeting Room MR G, Bangkok, Thailand

Background:

SWITCH-Asia Programme, funded by European Union, promotes sustainable consumption and production in Asia focusing on improving resource efficiency and managing in consumption and production for all the sectors. This programme has three major components: (1) Regional Policy Advocacy Component (RPAC) managed by UN Environment, (2) Sustainable Consumption and Production (SCP) Facility, and (3) Grants for projects in the countries.

RPAC in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) facilitated a dialogue on "Sustainability Reporting – Thinking Circular Economy by Businesses" on 27 March 2019 on the side lines of the Asia Pacific Forum on Sustainability Development at UN Conference Centre in Bangkok.

Building on the dialogue on Sustainable Reporting, the SWITCH-Asia RPAC, in partnership with ESCAP and the Organisation for Economic Co-operation and Development (OECD), convened a dialogue on "Businesses Accelerating Inclusive Green Economies- Leaving No One Behind" focusing on businesses and investors internalizing economic, social and environmental considerations to advance sustainable consumption and production while "leaving no one behind".

The event took place as a side event during the Responsible Business and Human Rights Forum co-organized by the Royal Thai Government, OECD, United Nations Development Programme (UNDP), ESCAP, International Labour Organization (ILO) and with the participation of the UN Working Group on Business and Human Rights.

Objectives:

1. Raise awareness of the key role of business and financial institutions in influencing both governments and consumers to support inclusive green economies.
2. Showcase policies, tools, business models and financing mechanisms that support inclusive green economies.



From left to right: Welcome and Opening Remarks by:

- Mr. Marc Proksch, Chief, Investment and Enterprise Development Section, Trade, Investment and Innovation Division, ESCAP
- Mr. Giuseppe Busini, Deputy Head of Delegation, European Union
- Ms. Isabelle Louis, Deputy Regional Director, UN Environment, Asia and the Pacific Office
- Ms. Cristina Tebar Less, Head, Responsible Business Conduct, OECD



From left to right: Panel 1 by:

Moderator: Ms. Marit Nilses, Economic Affairs Officer, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

Panel Members:

- Ms. Cristina Tebar Less, Head, Responsible Business Conduct, Organisation for Economic Co-operation and Development (OECD)
- Ms. Tongjai Thanachanan, Director, C asean
- Mr. Apichat Saligupta, Vice President, Unilever Thai Trading Limited
- Ms. Ruenvadee Suwanmongkol, Secretary-General, Securities and Exchange Commission, Thailand



From left to right: Panel 2 by:
Moderator: Ms. Yuki Yasui, Asia Pacific Region Co-ordination Manager, UNEP Finance Initiative UN Environment

Panel Members:

- Mr. Somchai Lertlarpwasin, Senior Director, Financial Institutions Strategy Department, Bank of Thailand
- Mr. Poonsit Wongthawatchai, Executive Vice President, Environmental, Social and Governance Division, Bank of Ayudhya Public Company Limited
- Mr. Surayut Thavikulwat, Chief Financial Officer, BTS Group Holdings Pcl.



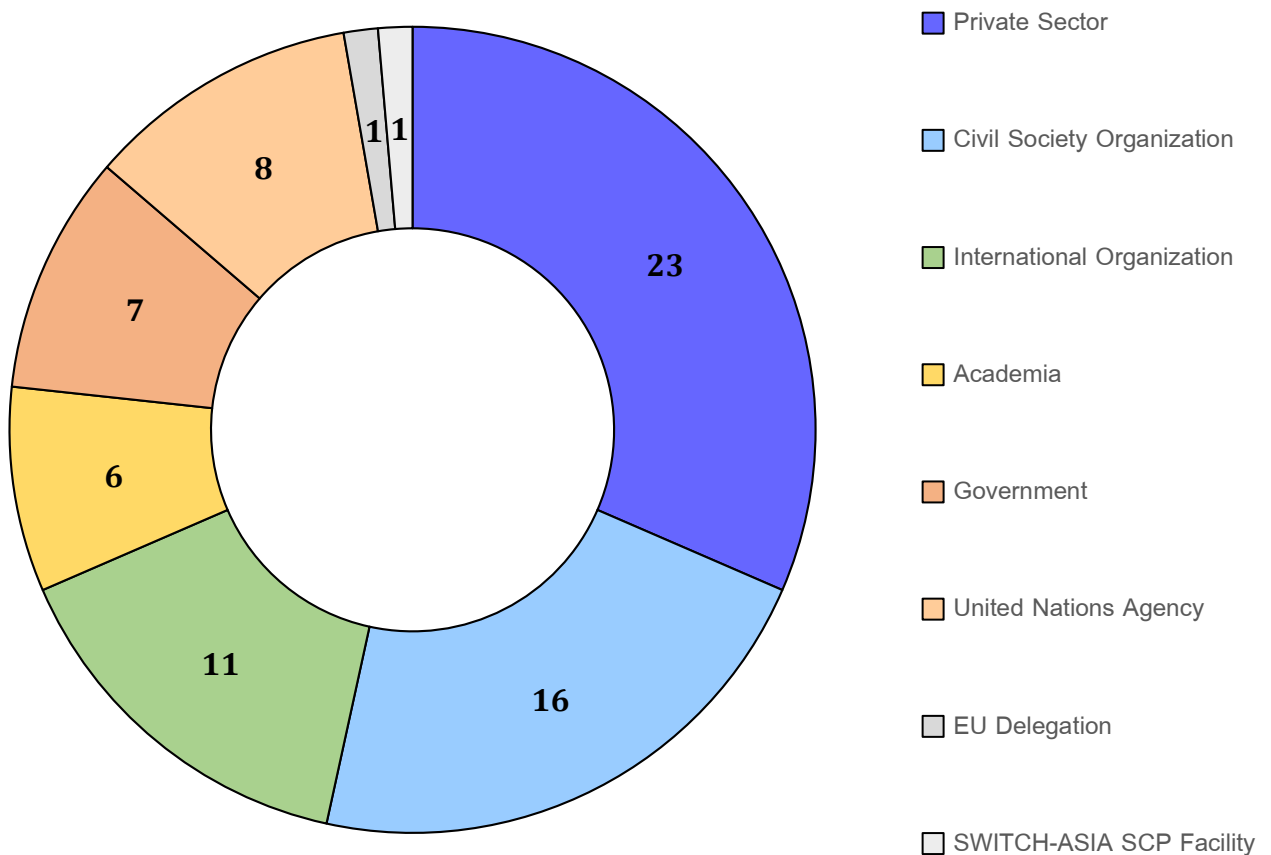
More than 70 participants from governments, inter-governmental organizations, private sectors, civil society organizations and academia attended in the side event “Businesses Accelerating Inclusive Green Economies - Leaving No One Behind”

SWITCH-Asia's Visibility at the side event.



Targeted Participating Organizations: The event involved a wide spectrum of participants with a total of 73 participants, including governments, inter-governmental organizations, private sectors, civil society organizations and academia, as shown in the following diagrams:

Participants by Category



Event Analysis

a. Overview of the Analysis

SWITCH-Asia Regional Policy Advocacy Component, funded by the European Union, is implemented by UN Environment to promote sustainable consumption and production in Asia, focusing on improving resource efficiency and managing environmental pollution in consumption and production for all sectors. This side event was organized specifically for dialogue between

private sectors and policy makers on Businesses Accelerating Inclusive Green Economies – Leaving No One Behind by looking at:

- the enabling conditions where businesses are not only providing jobs and income, but enhancing human wellbeing, prosperity and social equity, within the contours of positive environmental impact
- the enabling environments and incentives that are attracting investors to invest in businesses that accelerate inclusive green economies.
- the influencing capacity that businesses have over consumers to increase public awareness of the need to change consumption patterns.

b. Visibility of the SWITCH-Asia at the event

- The side event, organized by SWITCH-Asia RPAC at United Nations Conference Centre (UNCC), was held during the Responsible Business and Human Rights Forum as an inclusive regional platform on sustainable development in Asia and the Pacific.
- The event received good attendance by a wide variety of stakeholders including governments, EU and EU Delegation, intergovernmental organizations, United Nations agencies, private sector, civil society organizations and academia.
- The information of the side event “Businesses Accelerating Inclusive Green Economies – Leaving No One Behind” and SWITCH-Asia programme was posted on SWITCH-Asia’s social media platforms, such as Facebook, and Twitter.

The EU SWITCH-Asia Regional Policy Advocacy visibility at the event is available on website, social media channels, Information and communication materials are as follows:

- **Website:** SWITCH-Asia Regional Policy Advocacy logo and phrase “side event funded by the European Union SWITCH-Asia Regional Policy Advocacy” on the below webpage
SWITCH-Asia website (event page): Content of SWITCH Asia’ information was included. <https://www.switch-asia.eu/events/businesses-accelerating-inclusive-green-economies-leaving-no-one-behind/>
- **Social Media:** Information shared and posted on the following channels:
 1. **SWITCH-Asia’s Facebook:** The event was posted on Facebook with the hashtag #EU Programme @SWITCH-Asia Regional Policy Advocacy Component and SWITCH-Asia’s logo was also included in the posted picture.

- 2. Twitter:** The event was posted on Twitter with the hashtag #EU Programme @SWITCH-Asia Regional Policy Advocacy Component, and SWITCH-Asia's logo was also included in the posted pictures.
- **Banners:** displaying EU SWITCH-Asia regional Policy Advocacy logo and content of SWITCH Asia's information was included as follows:
 - Two roll-up banners at the side event
 - A digital banner at the side event
 - **Invitation letters** (phrase "the SWITCH-Asia Regional Policy Advocacy Component, funded by the European Union" added)
 - Sent out to senior government officials, top environmental experts, UN agencies, private sectors, civil society organization and academia
 - **Programme leaflet:** EU SWITCH-Asia Regional Policy Advocacy logo and content of SWITCH Asia' information was included
 - **E-Leaflet with QR Code:** EU SWITCH-Asia Regional Policy Advocacy logo and content of SWITCH Asia's information was included
 - **Event report (external):** EU SWITCH-Asia Regional Policy Advocacy logo and content of SWITCH Asia's information was included

c. Lesson Learned

- The **role of the businesses** is increasingly important for the achievement of a green economy. Governments alone cannot make the change. Instead, all 3 main groups of stakeholders (governments, businesses and consumers) need to get involved. Therefore, businesses need to take responsibility over their actions and products but should also care for the entire supply chain influencing consumers towards sustainable consumption patterns.
- There is a need to implement **tools and policies** to promote environmentally sound businesses that publish **sustainability reports**, addressing indicator 12.6.1.
- The **financial sector** is also very important for the achievement of sustainable consumption and production. It needs to adopt a green policy that supports businesses that take initiatives towards a green economy. Banks should provide green products and services and make a difference between the green and non-green lending.

- Given the **world's environmental situation** today, there is an **urgent need** for all stakeholders to help achieve environmental and social benefits from the way we consume, do business, work and produce. If all segments of society work together, there is hope for us to achieve a green sustainable and inclusive economy in the medium term.
- There is a need to better explore how to **report internationally on what businesses are doing** in relation to meeting the commitments of the SDGs.

For more information

SWITCH-Asia event page:

<https://www.switch-asia.eu/event/businesses-accelerating-inclusive-green-economies-leaving-no-one-behind/>

Contact SWITCH-Asia Regional Policy Advocacy Funded by European Union
Implemented by United Nations Environment Programme Asia and the Pacific Office

Mr. Mushtaq Ahmed Memon

Regional Coordinator for Resource Efficiency

United Nations Environment Programme, Regional Office for Asia and the Pacific
Project Manager

Regional Policy Advocacy Component

(SWITCH-Asia – the European Union funded programme)

Email: memon@un.org