



# The 3Cs for Responsible Banking in Asia and the Pacific:

*Corporate Governance, Corporate Social  
Responsibility and Corporate Sustainability*



# The 3Cs for Responsible Banking in Asia and the Pacific:

*Corporate Governance, Corporate Social  
Responsibility and Corporate Sustainability*



The 3Cs for Responsible Banking in Asia and the Pacific:  
Corporate Governance, Corporate Social Responsibility and Corporate  
Sustainability

Copyright © EBAC 2014  
All rights reserved  
Printed in Thailand

**Disclaimer**

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) was not directly involved in the design, development and publication of this handbook, which was the sole activity of the Sustainable Business Network (SBN) Task Force of Banking and Finance.

# FOREWORD



As Chairperson of the ESCAP Business Advisory Council (EBAC), I am delighted to introduce this handbook on *The 3Cs for Responsible Banking in Asia and the Pacific: Corporate Governance, Corporate Social Responsibility and Corporate Sustainability*. I believe this publication constitutes a significant achievement for EBAC in its mission of promoting regional cooperation, and assisting countries in building shared economic growth and social equity.

EBAC was created in 2004 in Shanghai, under the auspices of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). Its establishment took place at the first ever Asia-Pacific Business Forum (APBF), the flagship regional business forum organized by ESCAP, which provides a valuable platform to discuss

the role of business in achieving inclusive, resilient and sustainable development. Since the Council's early establishment, its members have brought insightful contributions to enhance and strengthen APBF's reach in engaging on development issues in the region.

EBAC aims at providing business perspectives on development issues in the Asia-Pacific region to governments represented in the legislative bodies of ESCAP, and in particular the Committee on Trade and Investment, as well as the Commission itself, and provide advice to the ESCAP secretariat on its various programmes and activities. EBAC has grown to close to 50 members and continues to expand, so as to be truly representative of the business sector in the region, consisting of large to small businesses, and covering an array of economic sectors and industries.

Members of EBAC are business leaders, CEOs, representatives and experts from, or operating in, member and associate member countries of ESCAP. EBAC members conform to and promote ethical and responsible business practices, and fully subscribe to United Nations principles and norms. They strive towards full implementation of the principles of the Global Compact, which is a strategic UN policy initiative for socially committed businesses that seeks to ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

In 2012, EBAC established the Sustainable Business Network (SBN) to promote the active engagement of the business sector in addressing the issues of environmental sustainability and inclusiveness in the Asia-Pacific region. This network was established in reference to the outcome document of the Rio+20 Conference on Sustainable Development, which emphasizes the importance of the business community's role in sustainable development globally. The SBN currently constitutes six task forces, each dealing with cross-cutting development issues, namely: (i) Green Business; (ii) Micro, Small and Medium-Sized Enterprises (MSMEs) & Entrepreneurship in Business and Development; (iii) Inclusive and Sustainable Trade and Investment; (iv) Banking and Finance; (v) Regional Integration and Connectivity; and (vi) Trade and Transport Facilitation.

This handbook is a product of the significant efforts and knowledge of the Banking and Finance task force. The core mission of the Banking and Finance task force is to promote and mobilize financial resources for inclusive and sustainable development, as well as encouraging banks and financial institutions to adopt responsible banking practices. The task force also helps promotes crucial access to finance for MSMEs, start-ups, green and social enterprises.

Congruent with the Banking and Finance task force's mission, this handbook aims at identifying and spreading best practices in responsible and sustainable banking and finance, specifically in the fields of corporate governance, corporate social responsibility and corporate sustainability. Raising awareness of these issues and undertaking policy advocacy are also two crucial points this handbook seeks to emphasize to stakeholders, as well as driving capacity development through training and administrative programmes, in order to mainstream these concepts into daily business practices.

To highlight and celebrate SBN's achievements, this handbook is being launched at the 11<sup>th</sup> Asia-Pacific Business Forum in Colombo, Sri Lanka, in November 2014. APBF 2014 revolves around the theme of 'Enhancing regional business sustainability and investment.' Gathering more than five hundred representatives of business, governments, academia and civil society organizations, APBF represents the most appropriate platform to present and reflect on the contents of this handbook, as well as the overall work of the SBN task forces in mobilizing businesses and promoting inclusive and sustainable development in the Asia-Pacific region.

Datuk Seri Mohamed Iqbal Rawther  
*Chairman, ESCAP Business Advisory Council*

# MESSAGE



In recent years, rapidly evolving global political, economic and social conditions have sparked a revolutionary change in the financial sector, and the principle of responsible banking has emerged, setting new standards for banks to create environmentally and socially conscious business practices.

Against this background, an increasing number of financial institutions in the Asia-Pacific region have started to mainstream responsible banking into every aspect of their daily operations and concretely align their corporate activities with a visionary development strategy. By strengthening their corporate governance, by improving their use of funds and risk management and by creating a safe and stable operational environment, banks have striven to achieve results in this field, with the ultimate aim

of improving the quality of their assets, capital efficiency and sustainable profitability.

In this way, banks in Asia and the Pacific are now supporting new forms of development in the industrial, information-technology and agricultural sectors, while also securing the necessary funding for the real economy. Yet, they remain focused on building their own strengths, enriching the customer experience and enhancing their value-adding capabilities. These elements constitute the cornerstones of responsible banking.

With a 30-year track record of solid development, the Industrial and Commercial Bank of China Limited (ICBC) has become one of the world's leading banks, and one of the most prominent financial groups rooted in the Asia-Pacific region. With a diversified business structure, focusing on genuine innovation and competitiveness, ICBC has managed to build a premier client portfolio, spanning more than 300 overseas branches across 40 countries and territories, including Australia, Hong Kong, China, Indonesia, Malaysia, New Zealand, Singapore, Thailand and Viet Nam. ICBC upholds the management tenet of "focusing on the customer and creating value through services," and is constantly seeking to improve its financial services with the aim of enhancing its brand reputation, laying the foundation for an integrated, internationalized and IT-driven commercial banking system.

ICBC was the first domestic commercial bank in China to join the United Nations Global Compact, a strategic policy initiative for socially committed businesses to ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. In this way, ICBC has aligned its economic goals with its social responsibilities, and thereby setting a benchmark in the sector for supporting socio-economic growth, environmental protection and community services. ICBC was also honoured to be the recipient of the Best Social Responsibility Financial Institution Award by the China Banking Association and the Most Responsible Enterprise Award by the *China Newsweek*.

Looking ahead to the new challenges that global economic trends will bring, it is essential that Asia-Pacific banks and financial institutions constantly improve their service quality and drive strategic reform of the sector, while always taking into consideration the promotion and full endorsement of responsible banking principles. By improving our corporate culture and by integrating responsible banking within our core activities, the banking community can build a more inclusive, stable and safer business environment, making people their priority.

The financial sector will also need to focus in part on philanthropy and social development, through the support of cultural and educational programmes, as well as by providing financial education to the public in order to raise their propensity for risk aversion. Increasing the number of charitable activities will help to improve social well-being, and the active support of green and low-carbon development will also help promote a more resource-efficient and environmentally friendly society.

Together, we can deliver on our promise of responsible banking that can propel truly sustainable financial development.

Chen Aiping

*Chairman and Chief Executive, Industrial and Commercial Bank of China (Asia) Limited*

# ACKNOWLEDGEMENTS

Vast and virtually untapped opportunities exist in the banking market in Asia and the Pacific, even after years of development and financial innovation. These opportunities come with risks and volatility on the one hand, but also value creation, prosperity and an enhancement of living standards on the other. More than ever, micro, small and medium-sized enterprises (MSMEs) form the major driving force of economic dynamism, innovation and job creation in the region, and thus serve to underpin the vibrant economies in the Asia-Pacific region.

Succeeding in this thriving but challenging environment requires bankers to fundamentally appreciate the importance of responsible banking, especially after experiencing the Asian Financial Crisis in the late 1990s and the Global Financial Crisis in 2008. Looking ahead, benchmarking best practices in banking services necessarily requires a deep appreciation of varying levels of economic development, cultural and geopolitical considerations and different historical backgrounds. Financial institutions also have to evolve with a new mindset, to go beyond the basic provision of banking services and to embrace their role as socially responsible corporate citizens, and practice the principles of responsible investment.

Promoting this value and setting relevant best practices are quite a tall order for this task force. With a tremendous team and valuable inputs from various parties, I proposed the publication of a handbook called *The 3Cs for Responsible Banking in Asia and the Pacific: Corporate Governance, Corporate Social Responsibility and Corporate Sustainability*. The task force concurred, and ESCAP agreed to assist in developing this book project.

This book serves three purposes, namely: i) to identify best practices in responsible and sustainable banking and finances; ii) to raise awareness and undertake policy advocacy in the area of responsible banking and finance; and iii) to undertake capacity development through training and other pertinent programmes.

Thanks must go to the tireless efforts and dedication of the ESCAP secretariat and its team of superb graduate students — Wisanee Koopthanoj, Yiqun Liu, Inyoung Park, Jeroen Schillings and Stefania Valera (in alphabetical order) — who jointly helped put together core portions of the book. The drafting team was led by Diana Dai and Gordon Israel, who also coordinated the publication process, under the supervision of Masato Abe, Economic Affairs Officer, Business and Development Section, Trade and Investment Division. Marc Proksch, Chief, Business and Development Section, Trade and Investment Division provided overall guidance to this project. Marc Proksch, Marit Nilses and Blanca Isabel Buitrago-Franco provided a number of useful comments and inputs. Administrative support was provided by Pranee Suriyan. Dr. Nick Freeman and Masato Abe edited the manuscripts with substantive inputs. Heartfelt appreciation also goes to the staunch support of ESCAP, including Dr. Shamshad Akhtar, Executive Secretary and the Under-Secretary-General of the United Nations, and Dr. Ravi Ratnayake, Director, Trade and Investment Division.

A contributor board was formed to review the working draft prepared by the secretariat. Thanks must go to fellow members, Peter Leung, Chief Financial Officer (CFO) of the Industrial and Commercial Bank of China (Asia) Limited (ICBC (Asia)), who was recently awarded “CFO of the Year, Hong Kong,” and to Raghu Narain, Managing Director and Head of Sector Advisory, The Royal Bank of Scotland, a highly-respected international banker in Asia and the Pacific, for their invaluable contribution to the contents of the handbook.

My thanks also to Mr. Chen Aiping, Chairman and Chief Executive, ICBC (Asia), for his kind and thoughtful message above, and the bank’s sponsorship of this book project. We also received helpful inputs and feedbacks from other task force members. Last but not least, my wife Elsie and my son Anthony are acknowledged for their support of the project.

George Yuen  
*Chair, SBN Task Force of Banking and Finance*

# CONTRIBUTORS



**George Yuen**, Board Director, Industrial and Commercial Bank of China (Asia) Limited, Hong Kong, China

George Yuen is currently an independent Non-Executive Director of the Industrial and Commercial Bank of China (Asia) Limited, which is the overseas flagship of ICBC, one of the world's largest banks in terms of market capitalization. Mr. Yuen has held the board directorship since 2003. Mr. Yuen obtained his undergraduate degree from the University of Hong Kong and received his postgraduate education in international management and public administration at Harvard, INSEAD, Oxford and Stanford, throughout his career. Mr. Yuen was a directorate member of the Hong Kong Information Services Department, where he led the government's overseas public relations programmes, and served the government for 25 years. Previously, Mr. Yuen held a marketing management position at Nestlé. Mr. Yuen is also a Board Director of Visteon Corporation, which is a leading global automotive supplier and manufacturer, listed on the New York Stock Exchange, and a Fortune 300 company with operations in 30 countries employing 55,000 people.



**Peter Leung**, Deputy Chief Executive and Chief Financial Officer, Industrial and Commercial Bank of China (Asia) Limited, Hong Kong, China

Peter Leung is a Deputy Chief Executive and the Chief Financial Officer of the Industrial and Commercial Bank of China (Asia) Limited. He holds a Bachelor's degree in Accounting and Financial Analysis from the Newcastle University, United Kingdom and a Bachelor's degree in Law from the University of London. He is an associate member of The Institute of Chartered Accountants in England and Wales, and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He was awarded "CFO of the Year, Hong Kong" by *The Asset* magazine in March 2014. He has over 15 years of experience in the banking industry.



**Raghu Narain**, Managing Director, The Royal Bank of Scotland (RBS), Asia

Raghu Narain is a Managing Director and the Head of Sector Advisory for RBS in Asia. Raghu completed his Masters degree from Harvard University and holds MPA, MBA and BA degrees from the United States. Raghu brings over 17 years of experience in banking, corporate and development finance and economic policy advisory. In his career, Raghu's has undertaken over 100 transactions by financing and advising US\$ 60+ billion in deals for global companies. Raghu has also worked in the field of development

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_4832](https://www.yunbaogao.cn/report/index/report?reportId=5_4832)

