

ESCAP SUSTAINABLE BUSINESS NETWORK (ESBN) TERMS OF REFERENCE

SECTION 1. BACKGROUND AND OBJECTIVE

A. Background

In 2015, UN member states adopted two key agreements with clear implications and role for business - the 2030 Agenda for Sustainable Development, which includes the 17 Sustainable Development Goals (SDGs), and the Paris agreement, the first-ever universal, legally binding global climate deal that aims to address climate change and its negative impacts.

Agreed by all UN member states, the SDGs form a blueprint and global roadmap for achieving sustainable development by 2030 in its three dimensions – economic, environmental and social. The 17 SDGs and related 169 targets address the global challenges we face – ranging from poverty and inequality to climate, environmental degradation, prosperity, peace and justice. Achieving the SDGs by 2030 will require substantial scaling up of action by all actors. It will require dramatic changes in water, energy and transportation systems, in social services, education systems, and in consumption and production patterns. This will require changes in how companies operate, including how they work with suppliers and customers, how they weigh social and environmental impact vs profit in their decision making. And it will require companies and financial system actors working to redirect financial flows towards sustainable purposes.¹ While Governments set the rules of the game, clearly the SDGs cannot be achieved by Government effort alone.

Similarly, the Paris agreement, signed by 195 UN member states, aims to substantially reduce global greenhouse gas emissions to try to limit the global temperature increase in this century to 2 degrees Celsius above preindustrial levels, while pursuing efforts to limit the temperature increase to 1.5 degrees Celsius.

With only 10 years to go to 2030 - the target date for the SDGs - and with only one year to go to 2020 when global emissions need to start reducing according to science-based targets², it is clear that the challenges are great, and they can only be achieved if all actors start pulling in the same direction, and fast. Given the urgency for action, many companies are now starting to commit to aligning their operations to be in line with the science-based targets, to increase the chance of limiting climate change to 1.5 degrees.³

The ESCAP Sustainable Business Network was set up in 2012 to advance joint action to advance sustainable development in the Asia and Pacific region through collaboration with the private sector. The aim of the network is to involve companies from the Asia-Pacific region in collaborative projects and initiatives to accelerate SDG progress, and to push for increased sustainability of business in the region.

¹ ESCAP (2018) estimates that developing countries of Asia and the Pacific would need on average \$1.5 trillion in additional annual investments - equivalent to 5 per cent of GDP in the region – to achieve the SDGs. Of this, about \$698 billion annually will be needed to address social goals, and \$590 billion to reach environmental goals.

² https://www.unescap.org/sites/default/files/Final%20Action%20Agenda%202019_Text_4.pdf
² <https://www.wri.org/our-work/project/science-based-targets-initiative> and
<https://sciencebasedtargets.org/wp-content/uploads/2019/04/foundations-of-SBT-setting.pdf>

³ As of 8 October 2019, a total of 672 companies have announced they are taking science-based climate action and 276 companies have approved science-based targets. <https://sciencebasedtargets.org/companies-taking-action/>.

B. Objective

1. The objective of the ESCAP Sustainable Business Network (ESBN) is to **scale up business ambition and action to accelerate the achievement of the 2030 Sustainable Development Agenda and associated sustainable development goals in the Asian and Pacific region**. As a purpose-driven network, the ESBN is a platform for convening companies and other relevant actors to work together to push sustainability ambition and action in the region through collaborative action, policy advocacy and peer-to-peer learning and inspiration.

ESBN in short

What? Purpose-driven network to advance sustainability among business in the Asia-Pacific region.

Who? Asian and Pacific business executives and representatives who want to contribute to driving sustainability in the region.

How? Taskforces for collective action on specific SDG challenges, and peer-learning events.

Why? The global sustainability challenges are too big and too urgent to be addressed in isolation. For sustainability to advance quickly enough, companies – in particular the larger ones - policy makers and NGOs need to work in tandem, pushing in the same direction.

C. Roles and functions

2. To reach the objective, the ESBN shall have the following roles and functions:
- Establish ad-hoc task forces to identify potential technical and financial solutions for accelerating progress on selected SDGs, propose required actions, and gather relevant actors in joint initiatives to advance progress, including contributing expertise or other in-kind or financial support to advance the initiatives.
 - Advance sustainability action among Asian and Pacific business through peer inspiration, advocacy and collective action.
 - Encourage stronger Government action on sustainability by contributing business sector perspectives at ESCAP events, including providing speakers from within the company/organization or help link to other relevant experts within its networks.

D. Membership

3. ESBN members participate in their capacity as representative of a company or private sector organization operating in one or more ESCAP member state. While the majority of ESBN members shall be made up of representatives of companies and private sector representative organizations, selected NGO and individual experts may also be invited to join to support the work of the ESBN and its taskforces. Each ESBN member organization may designate a primary representative and an alternate.

4. ESNB membership is open to application by prospective members fulfilling the following criteria:
 - (a) They represent a private sector business or state-owned enterprise conducting business in a member state of the ESCAP region, a private sector representative organization such as a Chamber of Commerce and Industry, or an NGO working with business to address sustainability issues.
 - (b) They are at the level of CEO, Chairman, Head of Sustainability or designated official with a function relevant for the work of the ESNB.
 - (c) Members should show an active interest in conducting their business in a responsible and sustainable way, as exhibited through participation in the UN Global Compact and/or adopting internationally recognized principles and standards of responsible business conduct, such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines on MNEs, ISO 26000 standards or sector-specific standards, and issuance of sustainability reporting, preferably in accordance with Global Reporting Initiative or UN Global Compact, or related actions showing the engagement of their company in sustainability issues in a transparent and verifiable manner.

5. By joining the ESNB, members agree to:
 - (a) Participate in ESNB and taskforce meetings (in-person and virtual).
 - (b) Contribute to implementing projects and activities by the ESNB and its taskforces.
 - (c) Take steps to advance the implementation of principles for responsible business conduct in their company and its supply chains (ref. article 4.c), and to report on progress in doing so.
 - (d) Advocate for sustainability within own company/organization, sector and business networks.

6. ESNB member companies/organizations should also undertake all efforts to demonstrate their ambition to be a leader on climate action by joining other leading companies in committing to set science-based emission reduction targets, i.e. targets consistent with the level of decarbonization required to keep global temperature increase to well below 2°C, preferably in line with a 1.5°C trajectory.⁴

7. New members of ESNB can be proposed by the ESCAP secretariat, ESNB Executive Council, or other ESNB members. New members will be considered for approval following a due diligence process to screen proposed member companies/organizations/experts on their sustainability ambitions and track record.

8. ESNB membership is in principle continuous but may be discontinued at the recommendation of the Executive Council or the ESCAP secretariat. Reasons for such discontinuation may include resignation, inactivity (non-participation in ESNB meetings or task force activities for more than two years), use of UN or ESCAP logo without prior permission (see below), or irresponsible or unethical business conduct of the member or the company represented.

⁴ As of 8 October 2019, a total of 672 companies have announced they are taking science-based climate action and 276 companies have approved science-based targets. <https://sciencebasedtargets.org/companies-taking-action/>.

SECTION 2. STRUCTURE AND GOVERNANCE

A. Executive Council

1. The ESNB shall be governed by an Executive Council, the role and function of which is to:
 - (a) Oversee and provide direction to the work of the ESNB and its taskforces in collaboration with the ESCAP secretariat.
 - (b) Conduct ESNB meetings and related events.
 - (c) Provide guidance and advice to the ESCAP secretariat on its programmes and projects, upon request.
 - (d) Provide business perspectives on sustainable development issues upon request.
 - (e) Represent the business sector at meetings of the legislative bodies of ESCAP, i.e. the Commission and its Committees, and other intergovernmental meetings and events upon request, including the annual Asia-Pacific Forum on Sustainable Development.
 - (f) Provide guidance, direction and support to the Asia-Pacific Business Forum (APBF).
 - (g) Align its activities and strategic direction with global initiatives of the United Nations to engage with the private sector.
2. The ESNB Executive Council shall consist of maximum 20 members elected by the ESNB. Members are nominated upon the recommendation of ESNB Executive Council members or the ESCAP secretariat in principle for a two-year period, with possibility of extension.
3. The ESNB Executive Council will have a President and Vice-President who will be elected by the ESNB Executive Council for a two-year period with possibility of extension.
4. As a standard practice, ESNB Executive Council meetings will be co-chaired by a senior official from the ESCAP secretariat, in principle the Executive Secretary or Deputy Executive Secretary, or in their absence, the Director of TIID or Chief TIID/IEDS or any other senior official depending on the topic to be discussed.
5. The ESNB Executive Council will normally meet twice a year, of which at least once in connection with a meeting of the full ESNB. The Council can hold additional formal or informal meetings as appropriate upon the request of the President or any Executive Council member or the ESCAP secretariat. Members of the Council can request the presence of other ESNB members in its meetings on an exceptional basis for a particular purpose
6. The ESNB Executive Council President will be considered President of the ESNB at large and chair the meetings of the Council and plenary sessions of ESNB. In addition, the President shall perform the following duties:
 - (a) Undertake correspondence with Council members on issues that require their attention upon the request of and in collaboration with the ESCAP secretariat.
 - (b) Undertake liaison and networking activities with other prominent business advisory councils and forums in the Asia-Pacific region.
 - (c) Work with the ESCAP secretariat in expanding and diversifying ESNB membership
 - (d) Identify new and emerging issues in collaboration with the ESCAP secretariat for consideration by ESNB including the possible phase-out and/or establishment of task forces as necessary.
 - (e) Represent ESNB and make a statement on behalf of ESNB in major meetings organized by the secretariat, in particular the Asia-Pacific Business Forum, Asia-Pacific Forum on Sustainable Development, Commission and the Committee on Trade and Investment.

7. The Vice President shall assume the duties of and represent the President as and when needed. The President or Vice President can nominate another member of the Council to perform selected duties on their behalf on an ad-hoc basis as and when needed.

B. ESNB operations

8. The ESNB will normally meet twice a year in plenary to discuss emerging issues and opportunities for engagement, and review progress on taskforce activities. ESNB meetings will normally be held in Bangkok, preferably in connection with relevant legislative meetings of ESCAP, or in connection with the Asia-Pacific Business Forum (APBF). Meetings may also be held outside Bangkok subject to the availability of co-sponsorship and funding from the ESNB Executive Council or a local host. In between meetings, discussions among members may take place through email and conference/video calls as needed.

9. ESNB activities and initiatives shall be carried out through designated ad-hoc taskforces. ESNB taskforces may be formed, upon the recommendation of the Executive Council or the ESCAP secretariat, to review emerging/critical issues related to sustainability and bring business together to identify actionable options and bring relevant actors together to work on addressing the issue.

10. To ensure increased impact and links with ongoing analytical, intergovernmental and capacity-building work of ESCAP, taskforces will work in collaboration with and will be supported by designated ESCAP divisions/ focal points.

11. Taskforces can be proposed and organized on the initiative of any member. Decisions to establish taskforces will be taken by the Executive Council in consultation with the ESNB secretariat. Taskforces will be established in principle for a two-year period with possibility of extension and will identify one or two concrete initiatives or projects with clear objectives and time frame in consultation with the relevant Division of the ESCAP secretariat and in alignment of the work programme of the secretariat.

12. Taskforces normally meet prior to ESNB plenary meetings but may also meet in between ESNB sessions, either virtually or in person, to advance the implementation of their initiatives.

13. Each taskforce will have a Chair who will be appointed by the Executive Council. Chairs serve in this function for a period of two years, with the possibility of extension. Taskforce Chairs are ex-officio members of the Executive Council of ESNB. The Chair will lead the work of the taskforce and will report on the progress of taskforce work to the ESNB and Executive Council as appropriate. ESNB task force Chairs are encouraged to mobilize new ESNB member companies to join the ESNB and their taskforce, keeping in mind gender and geographical balance in the task force membership.

14. The Trade, Investment and Innovation Division of ESCAP shall serve as focal point in ESCAP to the ESNB and its Executive Council and provide overall secretariat support. The secretariat will organize the regular meetings of the ESNB and the Executive Council, maintain updated membership lists, screen new proposed members for approval, support taskforce chairs in their work to coordinate meetings and inputs, coordinate internally with other divisions in ESCAP, and maintain a dedicated webpage for the ESNB and its Executive Council under the ESCAP website (www.esbn.unescap.org).

15. ESNB members attend ESNB meetings and participate in taskforce activities at their own cost. The cost of operations of the ESNB secretariat is borne by ESCAP.

16. A trust fund will be established at ESCAP to which ESNB members can contribute funding for ESNB activities and initiatives.

SECTION 3 LOGO USE, WEBSITES, REPRESENTATION

1. The United Nations name and emblem as well as related logos are guarded by strict copy rights. The UN name and emblem may not be used by any external party without prior written authorization from the Office of Legal Affairs of the UN Secretariat. As such, ESNB members are not permitted to use the UN emblem or ESCAP logo or to present themselves in a way that could be perceived as being part of the UN (including ESCAP) in any way.

2. ESNB members may display their engagement with ESCAP and the ESNB on business cards and websites as follows (in writing, without logo): “Member, United Nations ESCAP Sustainable Business Network”, or “Member, Task force on XX, ESCAP Sustainable Business Network”, or “Member of the United Nations ESCAP Sustainable Business Network, Taskforce on XX”. (Please take care to ensure that the ESNB is clearly in the title, and not shortened to ESCAP).

3. An ESNB logo has been developed for use at ESNB supported initiatives and activities. The ESNB logo can be used in connection with activities relating to ESNB and its taskforces, subject to prior approval of the ESNB Secretariat at ESCAP.

4. The ESNB logo may not be used on business cards, badges, clothing or any type of apparel, physical displays or any object or product that is typically used in connection with organizational identification. Any exceptions must be approved by both the ESCAP secretariat in writing prior to use.

5. ESNB members and taskforces shall not create their own logo, name, or website in reference to or in representation of ESNB without prior approval of the ESNB secretariat.

6. The rights and obligations associated with ESNB membership shall be further developed by the ESNB secretariat and adopted by the Executive Council as and when appropriate.

LOGO RULES
<p>CANNOT: ESNB members are not allowed to use the UN or ESCAP name or emblem or present themselves as part of the UN in any way.</p> <p>CAN: ESNB members may display their engagement with ESCAP through mentioning their role in the ESNB on business cards as follows (in writing, without logo): “Member, United Nations ESCAP Sustainable Business Network”, or “Member (Chair), Task force on XX, ESCAP Sustainable Business Network”, or “Member of the United Nations ESCAP Sustainable Business Network, Taskforce on XX”.</p> <p>ESNB taskforces may use the ESNB logo, upon prior permission by the ESCAP Secretariat, for events organized by the taskforce or where the taskforce plays a substantive role (e.g. involvement of several taskforce members).</p>

SECTION 4 FINAL PROVISIONS

1. The provisions laid out in this document shall apply as of the date of issuance, until further notice.
2. This document will be reviewed and amended when deemed necessary. Proposals for amendments can be made by any ESNB member. Proposals for revisions will be reviewed by the ESCAP secretariat and approved by the ESNB Executive Council.

Adopted by the ESNB Executive Council at its 2nd^h meeting on 30 October 2019 in Bangkok, Thailand