

## ESCAP SUSTAINABLE BUSINESS NETWORK (ESBN) TERMS OF REFERENCE

### SECTION 1: ROLE, OBJECTIVE AND MEMBERSHIP

#### A. 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 Agenda for Sustainable Development and associated sustainable development frameworks in the Asian and Pacific region.** As a purpose-driven network, the ESN is a regional platform for convening companies and other relevant actors to work together to push sustainability ambition and action within and beyond their operations collaborative action, policy advocacy and peer-to-peer learning and inspiration.

#### B. Roles and functions

2. To achieve the objective, the ESN shall have the following roles and functions:
- (a) Identify technical and financial solutions for accelerating progress on specific SDGs, propose required actions and initiatives, and gather relevant actors in joint initiatives to advance these actions and initiatives, including by contributing expertise or other in-kind or financial support;
  - (b) Advance sustainability actions among Asian and Pacific businesses through peer inspiration, policy advocacy and collective engagement;
  - (c) Encourage stronger Government action on sustainability by contributing business sector perspectives at ESCAP events.

#### C. Membership

3. ESN membership is open to any entity that is formally registered as a private or public sector business organization, a private sector representative organization such as a Chamber of Commerce and Industry, or a non-governmental organization working with business to address sustainability issues (collectively known as *member organizations*) being located in or having substantive operations in one or more ESCAP member States.

Prior to membership, ESN member companies/organizations will be required to:

- a. Be a signatory to and adhere to the principles of the UN Global Compact (for business and organizations), the UN Principles for Responsible Investment (for investors), the Principles for Responsible Banking (for banks), or equivalent globally recognized standards for socially and environmentally responsible business as determined by the ESCAP Secretariat.
- b. Track and report on sustainability progress in a transparent and verifiable manner, including in its value chains, by issuing annual sustainability reports, in accordance with reporting standards and guidance of the UN Global Compact, Global Reporting Initiative (GRI), the Task Force on Climate Related Disclosures (TCFD), CDP, International Integrated Reporting Council (IIRC), or equivalent reporting standards as determined by the ESCAP Secretariat.

To encourage aspiring companies to take steps in this direction, they can be considered for ESNB observer status until they fulfil the above requirements. Existing members will be requested to fulfil these requirements at the latest by the end of 2021.

4. ESNB member organizations are represented by their CEO, Chairman, Head of sustainability or similar function, formally designated by their organization to represent their organization in ESNB.

5. By joining the ESNB, the member organizations agree to:

- (a) Participate in ESNB and taskforce meetings through their representatives (in-person or virtually);
- (b) Contribute to implementing projects and activities of the ESNB taskforces;
- (c) Advance the implementation of principles for responsible business conduct in their company and its supply chains and to report on progress in doing so (see article 3a&b);
- (d) Advocate for sustainability within their own organization, sector and business networks.

6. ESNB member organizations also agree to undertake all efforts to demonstrate leadership on climate action by 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.

7. Any entity fulfilling the criteria of article 3 can apply for ESNB membership. New members of ESNB can also 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 conducted by the secretariat to screen proposed member companies/organizations on the criteria contained in clause 3, in line with UN guidelines on due diligence for private sector partnerships.<sup>1</sup>

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 two years), use of UN or ESCAP logo without prior permission (see below), withdrawal from the standards or reporting mechanisms in clause 3, or business conduct not aligned with the objective of ESNB.

## **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, in particular with regard to business perspectives on sustainable development issues;
  - (d) Appoint coordinators of ESNB Task Forces.

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<sup>1</sup> UNSDG Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships: <https://esbn.unescap.org/sites/default/files/UNSDG-Common-Approach-to-Due-Diligence-rev-Sep-2019.pdf>

- (e) Represent ESNB at meetings of the legislative bodies of ESCAP, i.e. the Commission and its Committees, and other intergovernmental meetings and events, including the annual Asia-Pacific Forum on Sustainable Development.
- (f) Provide guidance, direction and support to ESCAP on the Asia-Pacific Business Forum (APBF).
- (g) Align ESNB activities and strategic direction with global initiatives of the United Nations to engage with the private sector such as the Global Compact and Global Investors for Sustainable Development Alliance.

2. The ESNB Executive Council shall consist of maximum 20 members, selected from the ESNB membership, and appointed by the ESCAP secretariat. ESNB member companies can propose nominations for the Executive Council for the consideration of the secretariat. Executive Council members are appointed in person and serve on the Council in both a personal and organizational capacity, in principle for a two-year period, with possibility of extension. Executive Council membership can also be granted in a personal capacity to eminent businesspersons who may no longer be active in an executive function, but who provide important leadership on sustainable development issues.

3. The ESNB Executive Council will have a Chair and Vice-Chair who will be elected by the Council on the recommendation of the secretariat for a two-year period with possibility of extension for an additional two years. The election shall proceed on the basis of consensus or simple majority vote in case there are multiple candidates for either post.

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 Trade, Investment and Innovation Division 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 meetings may be held in person or through virtual platforms, as arranged by the ESCAP secretariat. The Council can hold additional formal or informal meetings as appropriate upon the request of the Chair 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 ad-hoc basis for a particular purpose.

6. The ESNB Executive Council Chair and Vice-Chair will be considered Chair and Vice-Chair of the ESNB at large and will chair the meetings of the Council and plenary sessions of ESNB. In addition, the Chair 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 Chair shall assume the duties of and represent the Chair as and when needed. The Chair or Vice Chair 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 meet at least once a year in plenary to discuss emerging issues and opportunities for engagement, and review progress on taskforce activities. ESNB meetings will preferably be held in connection with relevant legislative meetings of ESCAP, or in connection with the Asia-Pacific Business Forum (APBF).

9. ESNB activities and initiatives shall be carried out through designated taskforces. ESNB taskforces may be formed, upon the proposal of ESNB members and the decision of the Executive Council and 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 work of ESCAP, taskforces will work in collaboration with and will be supported by designated ESCAP divisions/ focal points.

11. Taskforces will be established in principle for a one or two-year period and will before establishment identify one or two concrete initiatives or projects with clear objectives, time frame, and indicators, in consultation with the relevant Division of the ESCAP secretariat and in alignment of the work programme of the secretariat. Before establishment, each new taskforce needs to have: (a) a TOR, with clear deliverables, timeframe and KPIs, (b) the right companies engaged, including ones in the relevant sectors, (c) some funding to support the initiative, and (d) one or more companies willing to lead and ensure delivery from the taskforce.

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 Coordinator who will be appointed by the Executive Council. Coordinators serve in this function for a period of two years, or until the end of the taskforce period whichever comes first, with the possibility of extension. Taskforce Coordinators are ex-officio members of the Executive Council of ESNB. The Coordinator 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 Coordinators are encouraged to mobilize new ESNB member companies to join the ESNB and their taskforce, keeping in mind sectoral and geographical balance of the ESNB. A taskforce Coordinator may appoint a Vice-Chair to replace the Coordinator in case the Coordinator is not able to perform his/her duties at any given time.

14. Taskforce Coordinators can appoint advisers to participate as member of the taskforce for the duration of the taskforce. Such advisers must be relevant for the particular issue/project to be addressed and may not necessarily represent an entity as specified in section 1, article 3. Such advisers will be a member of a taskforce in their individual capacity and can participate in ESNB plenary meetings as observers.

15. The Trade, Investment and Innovation Division of ESCAP shall serve as focal point in the ESCAP secretariat 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 coordinators in their work, coordinate internally with other divisions in ESCAP, and maintain a dedicated webpage for the ESNB and its Executive Council under the ESCAP website.

16. ESNB members attend ESNB meetings and participate in taskforce activities at their own cost. The administrative and staff costs associated with the operations of the ESNB secretariat, including ESNB meetings held in Bangkok, is borne by ESCAP.

17. The ESCAP secretariat shall guide and support the smooth functioning of the ESNB, including organizing ESNB meetings, maintain a dedicated website and social media channels for ESNB, perform due-diligence screening of prospective members, keep updated records of members, support taskforce activities and liaise within ESCAP for that purpose, and maintain a dedicated trust fund to which ESNB members can contribute funding for ESNB activities, and initiatives and to projects aimed at promoting responsible business conduct and sustainability in a more generic sense in the ESCAP region. The trust fund shall also be open for contributions by any entity as defined in section 1, article 3.

18. ESNB members are encouraged to make regular contributions to the dedicated trust fund.

19. ESNB membership is free of charge in principle.

### **SECTION 3 LOGO USE, WEBSITES, REPRESENTATION**

1. Use of the United Nations name and emblem is highly restricted. 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.

**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 and agreed to by the ESCAP secretariat and approved by the ESNB Executive Council.

*Adopted by the ESNB Executive Council at its 4th meeting on 29 October 2020 in Bangkok, Thailand*