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**“A Banker’s Role in Sustainability”**

# Sustainability – What does it mean?

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- **ABN AMRO:**

Create sustainable value for clients, employees and shareholders (mindful of ethical, social & environmental considerations)

- **Ecological Resort – Rainforest in Costa Rica:**

Integration and preservation of the environment around us (the need to demonstrate that a standing rainforest is more valuable than one cut down)

- **Annette Austin:**

Managing the current environment and resources to ensure that the needs of future generations can be met.

It is about PEOPLE AND PLANET and our long term survival

# Responsibility – whose?

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## **The Role of the Bank (FI)**

- Internal Influences
  - Management and employees
- External Influences
  - Client and Governments (regulatory bodies)
- Education and Awareness

## **The Role of the Individual (Banker)**

- In the Corporate world or work place
- As a private citizen
  - Setting a good example as a community participant

EVERYONE HAS A RESPONSIBILITY TOWARDS SUSTAINABILITY

# Role of the Banker

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## Internal Influences (within the office)

- Corporate Governance
- Business Principles and Corporate Values
- Environmental Consideration
  - Energy Consumption
  - Use of Resources
- Social
  - Working Conditions

# Role of the Banker

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## External Influences (outside of the office)

- Relationship with Clients
  - Engagement Process (suitability of transaction)
  - Allocation of Capital and Resources
- Responsible Financial Services
  - Carbon Business Strategy
  - Micro Financing
- Equator Principles (evolved to 2<sup>nd</sup> stage)
- Regulatory & Accounting Practices
- Local Community Participation
- Recognize a bank has a responsibility to deliver a profit and shareholder value

# The Changing Nature of Financial Services

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**Ongoing changes and opportunities to facilitate that change via:**

- **Client Relationships**

- Establishment of Sustainable Developments Advisory specialists
- Fund projects that meet the SD criteria
- Allocation of Capital and Resources to continue to be mindful of SD
- Influence client's behaviour in certain transactions/business projects
- Support communities where appropriate funding can have a material benefit to both the individual and environment

- **Government and Regulatory Bodies**

- Tax and accounting treatments for certain investments
- Local government initiatives of recycling and waste disposal
- Licensing requirements for mining, logging, natural gas exploration

# Facilitating Change continued

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- **The Financial Industry**

- Work towards meaningful legislation or protocols
- Ongoing discussion and acknowledgement of sustainable issues
- Level playing field
- Longer term horizon for investments review
- Recognizing the cost of SD approaches and its value to be measured outside of the normal considerations
- Allowing involvement of employees across FIs in community projects as part of their day to day role

# Themes to focus on as a Bank

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## Client Engagement and Product Innovation

- Providing responsible Financial Services
  - This is the changing face of banks and FIs
- Protecting our assets
  - Environmentally & Socially Sensitive Transactions
- Minimise our impact as an Organisation on the environment
- Accountability & Transparency
- Employer of Choice
- Support Local Community

# Themes to focus on as a Banker

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## Integration of Sustainability into our Business

- Operational Excellence Paper
- Reduction in Energy Consumption
- Reuse and Recycle
- SMART Objectives
- Commitment to Local Community Activities
- Support Eco Friendly Initiatives
  - Air travel → carbon credits
  - Car spaces → bike racks

# Sustainability – Engagement Not Targets

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- It is not about policies
  - Although needed to provide a framework and structure
- It is not about tools
  - Although needed to monitor and measure
- It is about behaviour
  - A cultural and personal approach to ourselves and our environment in order to support the long term survival of the planet and its people