

Connecting mutual impact with Environmental, Social and Governance (ESG) standards

Partners Invitation

A new BCCM Capital Project

Over the last two years, BCCM has helped to facilitate new capital raising opportunities for CMEs whilst separately helping them to identify and communicate their mutual value.

By working together, BCCM members have:

- **Delivered the first Federal legislation for mutuals in 20 years, opening up the potential for new capital raising whilst improving relations with government and regulators.**
 - **leading to the first successful issuance of Mutual Capital Instruments into the impact investing market.**
- **Created the world's first framework for quantifying Mutual Impact –Mutual Value Measurement.**

In the next phase of work, we will bring these two projects together, in order to help our members to fully express the sustainability of their businesses, to better engage with customers' expectations and to facilitate the full range of ESG investment opportunities for the sector. This project is designed to give mutuals and co-operatives a leading edge in the burgeoning ESG investment market.

This project is a bridge between the Capital Partners Project and Mutual Value Measurement and comes at a critical juncture in the setting of global standards in the contested space of "Social Impact".

Why this project is required

There is a paradigm shift underway toward environmental, social and governance investment and this is widely accepted to make a long-term impression on how markets and individual companies interact. Businesses issuing either debt or equity will need to work within the new frameworks and standards, which will apply to all types of corporation equally.

Whilst environmental and governance standards are broadly set and cementing around measurement orthodoxy and governmental and regulatory mandates, social impact is still being widely debated and contested.

Why this project is required

As these standards are being established it is likely that dominant shareholder owned firms will be the main focus, with little regard given to mutual business, its different purpose or its particular norms of governance and social impact.

Mutuals have an interest in engaging with the global organisations developing these standards, in order to have the potential to influence, or at least comprehensively understand the way they are being developed and to position themselves as market leaders. As foreshadowed at BCCM's March Sustainability Summit¹ we have designed this proposal to meet this need directly.

Individually, this will be difficult for firms to achieve, which is why we are developing a collective approach. This effort would be founded in Australia with leading CMEs and will then invite international large co-operatives and mutuals to participate in consultation with the founding partners.

Collectively, CMEs will be able to formally engage with the global ESG standard setting bodies through participation in their programs.²

The project will deliver:

- Global engagement with international ESG standard setters
- Work privately with global ESG thought leaders and expert practitioners
- Establish a mutual approach to social impact reporting, taking account of:
 - Existing Australian experience in this space
 - Best practice examples from elsewhere
- Engagement with world leaders in social reporting

Individual firms will benefit from:

- Engagement with leading edge global thinking on ESG
 - The ability to influence how mutuals approach ESG
- Engagement with investors and standard setters
 - The ability to influence the way mutuals are perceived by these
- Access to new social reporting frameworks for internal use
- A draft social report template
- Engagement with peer CMEs internationally



¹ BCCM Purpose Sustainable Business: Co-operative and Mutual Enterprises meeting the challenge of ESG

² Carbon Disclosure Project (CDP), the Climate Disclosure Standards Board (CDSB), the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB), have co-authored an illustration of how their current frameworks, standards and platforms, along with the elements set out by the Task Force on Climate-related Financial Disclosures (TCFD), can be used together to provide a running start for development of global standards that enable disclosure of how sustainability matters create or erode enterprise value.

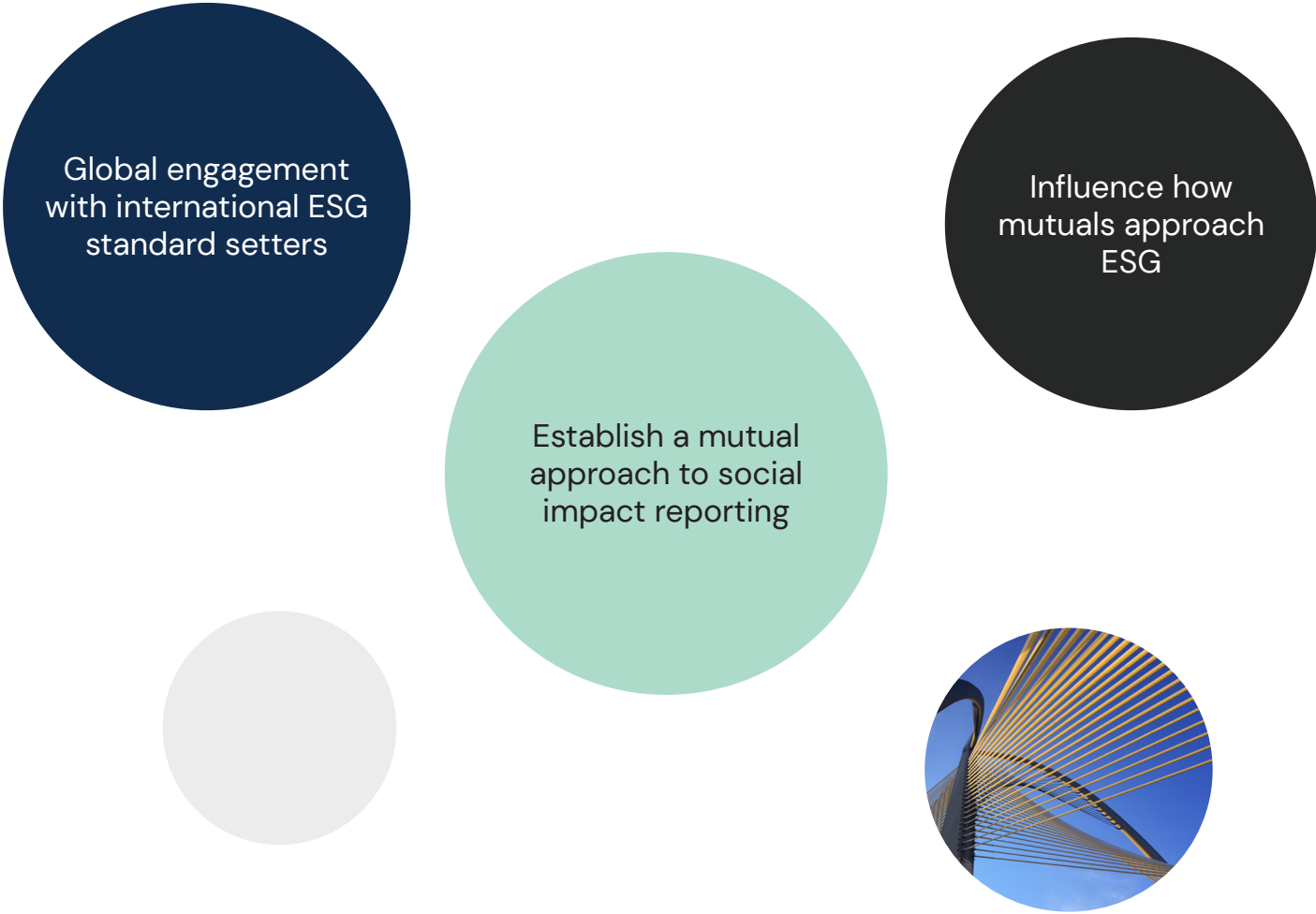
How it will work

This will be an 18-month project which will require the active participation of a number of leading CMEs.

Run along similar lines to the original Mutual Capital Project, a restricted number of individual firms are invited to contribute and join the leadership of the project. We anticipate that the contribution required from each will be in the region of \$35,000, covering all fees, disbursements, and sub-contractor costs.

A detailed work plan is available to firms considering participating in this project.

Phasing of the work plan will enable it to progress in a logical manner, with each phase relying on the success of the previous one before commencement.



Global engagement
with international ESG
standard setters

Influence how
mutuals approach
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Establish a mutual
approach to social
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Contact us

For more information or if you would like to talk to us about participating in this project, please email:

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Project Partners

