

Mainstreaming Sustainability and promoting Innovation in SMEs: A Time for new Chances!

A brief “How-to” directly from business practice
@ UmweltBank AG, Nuremberg, Germany.



Würzburg International Business Forum - THE 6th INTERNATIONAL BUSINESS CONFERENCE 2023

International Business with New Challenges and Entrepreneurial Opportunities

Impulse Speech - [Harald Bolsinger](#), Germany

Agenda

1	Starting Point	A Confession	3
2	Sustainability	17 Chances for Global Change	8
3	The exemplary SME in Context	Umweltbank AG, Germany	10
4	The Road to Sustainability for SMEs	Basic Steps to Corporate Change	14
5	The Way to Success & Innovation	Corporate Change tackling Global Challenges	17

Agenda

1	Starting Point	A Confession	3
2	Sustainability	17 Chances for Global Change	8
3	The exemplary SME in Context	Umweltbank AG, Germany	10
4	The Road to Sustainability for SMEs	Basic Steps to Corporate Change	14
5	The Way to Success & Innovation	Corporate Change tackling Global Challenges	17

Starting Point

There is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits.

Starting Point

There is one and only one
responsibility of business
to use its resources and engage
in activities designed to
profitably serve people & planet!



Global Alliance for
Banking on Values

COMMUNITY

LOG IN

We put finance at the service of people and the planet

The Global Alliance for Banking on Values (GABV) is a network of independent banks using finance to deliver sustainable economic, social and environmental development.



Global Alliance for Banking on Values



Agenda

1	Starting Point	A Confession	3
2	Sustainability	17 Chances for Global Change	8
3	The exemplary SME in Context	Umweltbank AG, Germany	10
4	The Road to Sustainability for SMEs	Basic Steps to Corporate Change	14
5	The Way to Success & Innovation	Corporate Change tackling Global Challenges	17

Sustainable Development Goals

- ▶ 17 globally recognised goals ...
- ▶ ... to transform our world.

- ▶ Politically fixed, ...
- ▶ ... to harmonise sustainability efforts, ...
- ▶ ... to operationalize them based on 169 targets...
- ▶ ... and to realise them together with an action plan.

Modern understanding of sustainability:

People, planet, prosperity,
peace & partnership - realised
in freedom!



15-16301 (E)



Resolution adopted by the General Assembly on 25 September 2015

[without reference to a Main Committee (A/70/L.1)]

70/1. Transforming our world: the 2030 Agenda for Sustainable Development

The General Assembly

Adopts the following outcome document of the United Nations summit for the adoption of the post-2015 development agenda:

Transforming our world: the 2030 Agenda for Sustainable Development

Preamble

This Agenda is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. We recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.

All countries and all stakeholders, acting in collaborative partnership, will implement this plan. We are resolved to free the human race from the tyranny of poverty and want and to heal and secure our planet. We are determined to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind.

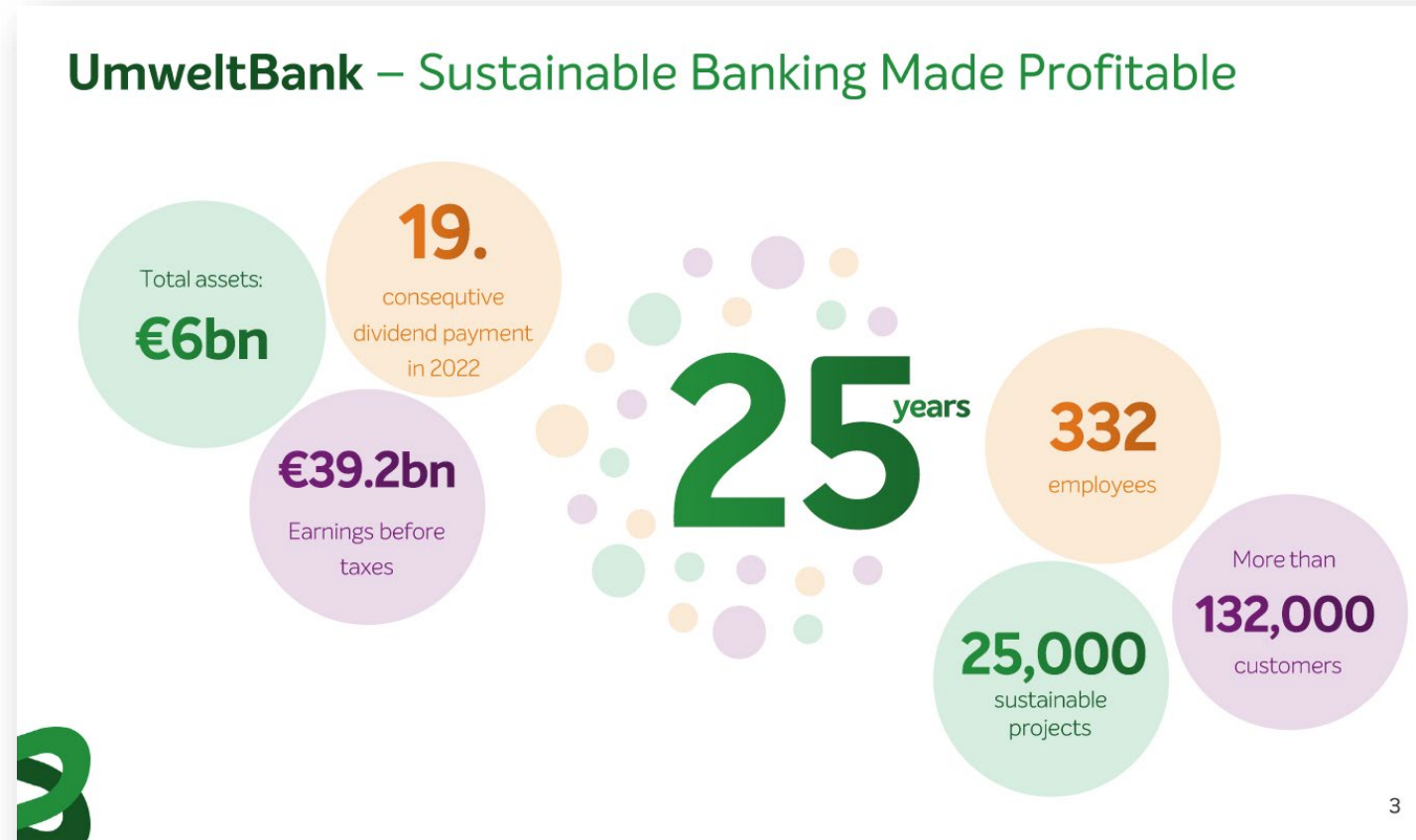
The 17 Sustainable Development Goals and 169 targets which we are announcing today demonstrate the scale and ambition of this new universal Agenda. They seek to build on the Millennium Development Goals and complete what they did not achieve. They seek to realize the human rights of all and to achieve gender equality and the empowerment of all women and girls. They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.

The Goals and targets will stimulate action over the next 15 years in areas of critical importance for humanity and the planet.

Agenda

1	Starting Point	A Confession	3
2	Sustainability	17 Chances for Global Change	8
3	The exemplary SME in Context	Umweltbank AG, Germany	10
4	The Road to Sustainability for SMEs	Basic Steps to Corporate Change	14
5	The Way to Success & Innovation	Corporate Change tackling Global Challenges	17

Background Info of the SME UmweltBank



Sustainability and Annual Report 2022:

https://www.umweltbank.de/_Resources/Persistent/9/1/9/b/919b0978738aef5f66661f0c57b9571844cb73b8/230531_Geschaeftsbericht_2022_en.pdf

Germany's greenest bank

UmweltBank combines **finance with ecological and social responsibility**. It has financed many thousands environmental projects, from wooden houses to solar parks. It bases its business activities on the **sustainability goals of the United Nations** and has even anchored environmental protection in its statutes from the beginning on.

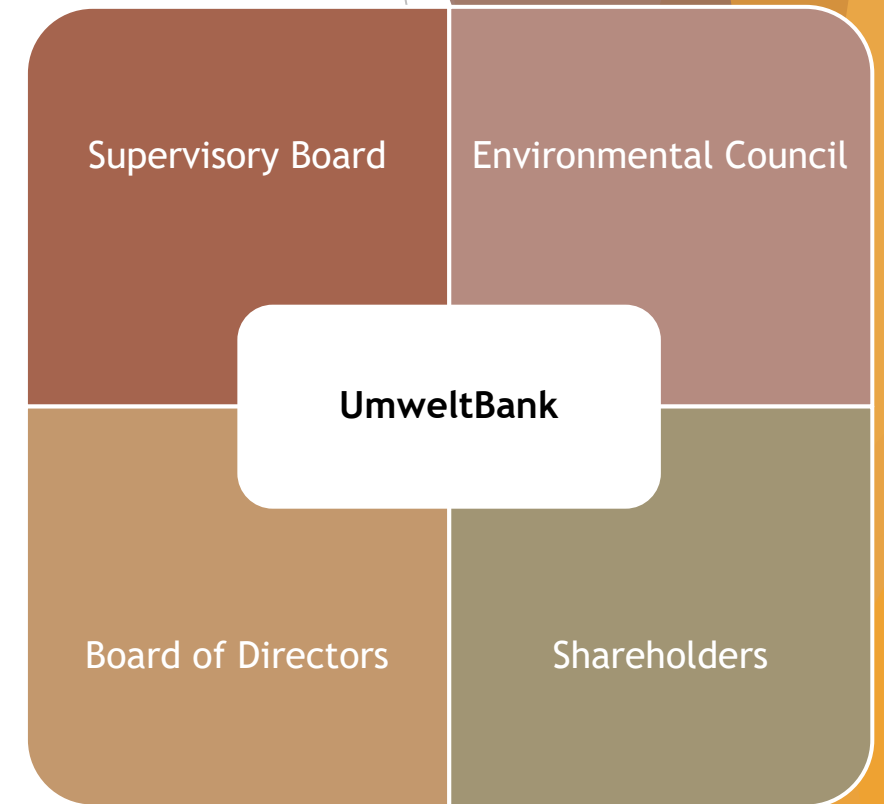
Germany's greenest bank promotes the sustainable development of society with the aim of preserving and creating a **world worth living in for future generations**.



The Environmental Council: an ecological supervisory board

The Environmental Council is a guarantor of the Bank's high level of competence in sustainability issues. It performs the function of an **independent sustainability control body** and is thus the **counterpart to the Supervisory Board**. In addition to ecological issues, it deals with the entire range of **sustainability-related issues in the core business**.

The members discuss, among other things, positive and exclusion criteria, to which **all the Bank's activities are** geared. The Environmental Council, like the Supervisory Board, can directly take up and control individual processes and projects in the Bank. This ensures that the Bank consistently **complies with its own strict sustainability guidelines**.



Agenda

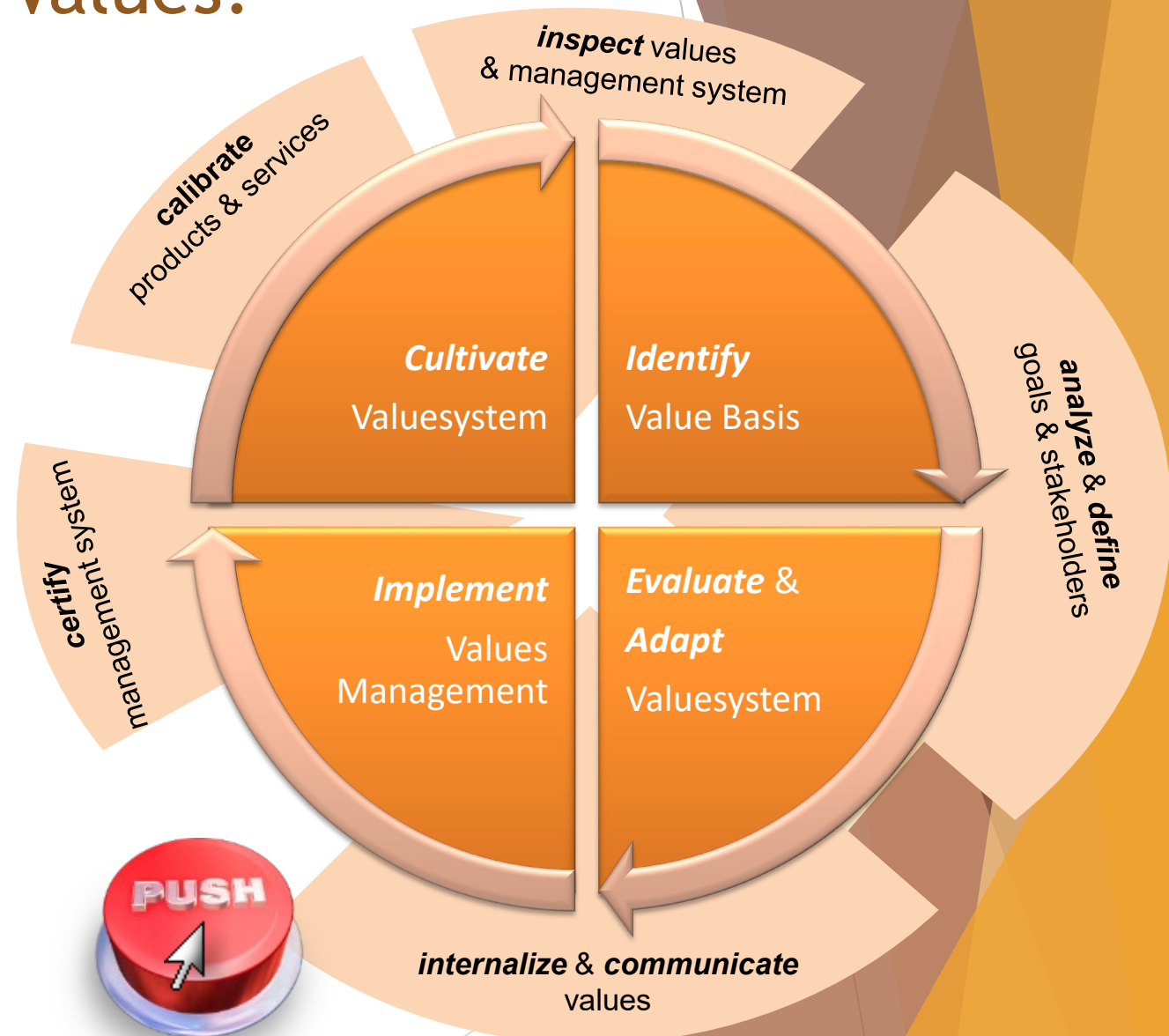
1	Starting Point	A Confession	3
2	Sustainability	17 Chances for Global Change	8
3	The exemplary SME in Context	Umweltbank AG, Germany	10
4	The Road to Sustainability for SMEs	Basic Steps to Corporate Change	14
5	The Way to Success & Innovation	Corporate Change tackling Global Challenges	17

Corporate Culture: The Right Values!

Professional values management ...

- ▶ ... links personal experience ...
- ▶ ... and individual values ...
- ▶ ... to the vision and culture of the company ...
- ▶ ... to produce responsible business activity with added value.

A purpose-supporting values portfolio requires a targeted design, active management and consequent implementation!



Communication
Collect case studies,
define target groups
and communication events



Reports
Define reporting standards
and build a management dashboard

Implementation
Anchor target tracking
in the existing organizational structure



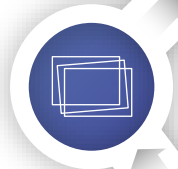
Target figures
Select indicators,
implement measurement and fix scales

Priorities
Stay business model related
and select a sensible targets bundle



Potential
Analyze options for promoting
sustainability in the core business

Sustainability Competence
Build understanding and discuss SDGs
in the whole company with everyone

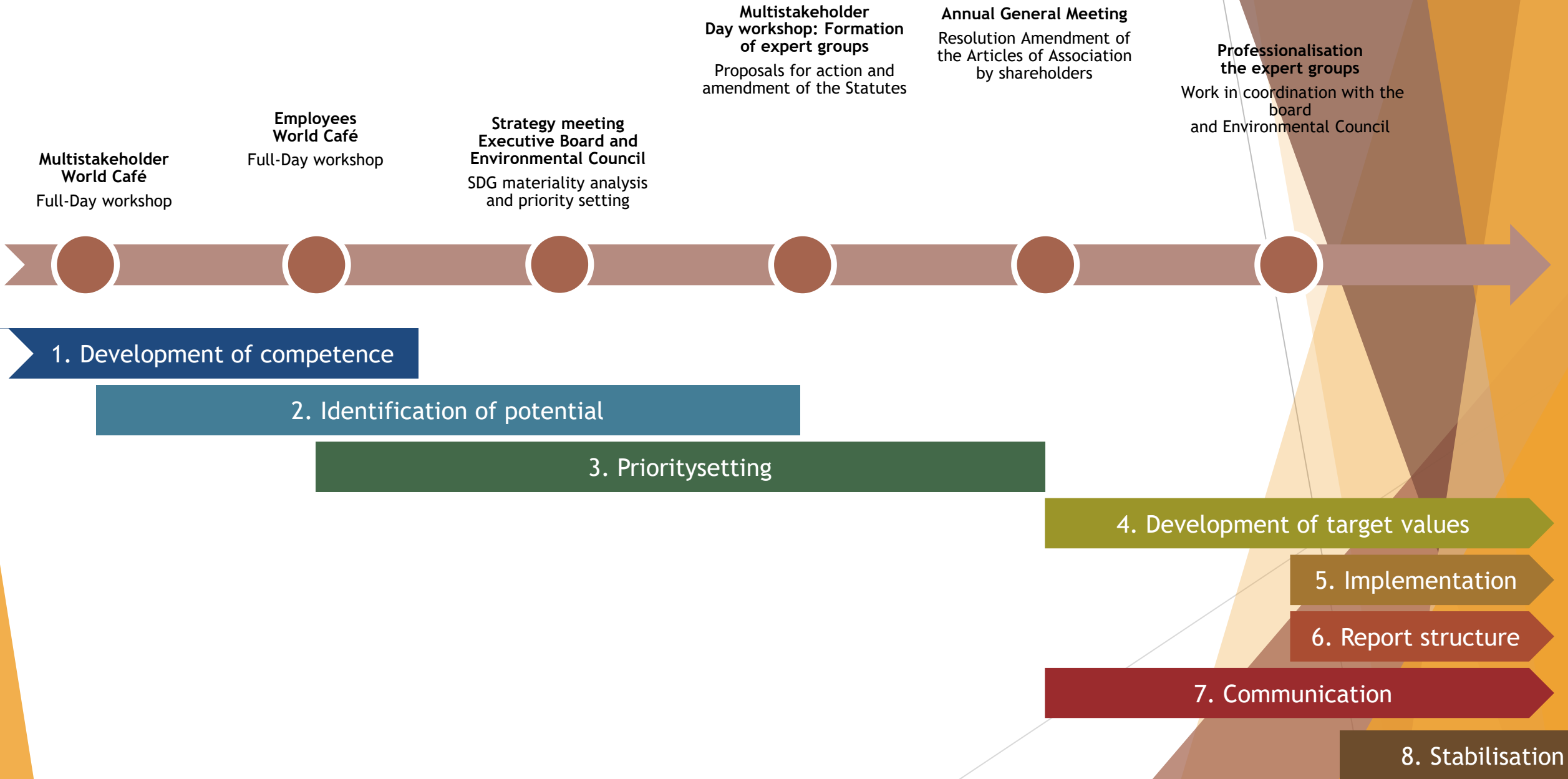


Corporate Culture
Define your purpose, corporate responsibility
and implement values management

Agenda

1	Starting Point	A Confession	3
2	Sustainability	17 Chances for Global Change	8
3	The exemplary SME in Context	Umweltbank AG, Germany	10
4	The Road to Sustainability for SMEs	Basic Steps to Corporate Change	14
5	The Way to Success & Innovation	Corporate Change tackling Global Challenges	17

Chronology of Change



The Right Priorities

Target:

Prioritising materiality for the business model

Setting of strategic priorities through a joint materiality analysis by the Executive Board and the Environmental Council on the basis of the results of the previous workshops

Result:

- ▶ UmweltBank is committed to all 17 SDGs of the United Nations. Its core business focuses on the SDGs 7, 11 and 13.
- ▶ SDGs 5 and 12 should also be included in the internal business operations and receive special attention. *SDG 4 was added in 2021 after a follow-up materiality assessment.*



UmweltBank's contributions to the prioritised SDGs in the core business



- ✓ e.g. promotion and self-procurement of renewable energies



- ✓ e.g. promotion of social-ecological housing



- ✓ e.g. promotion of climate-protecting business practices



- ✓ e.g. promotion of gender balance



- ✓ e.g. funding for sustainable business

Amending the Statutes

UmweltBank was the **first bank in Europe** to include the **Sustainable Development Goals** in the preamble of its **statutes**. The shareholders passed the resolution with a **majority of over 99%**.

“UmweltBank promotes the sustainable development of society with the aim of preserving and creating a world worth living in for future generations. The bank bases its business activities on the United Nations' Sustainable Development Goals. In particular, it contributes to the realization of sustainable cities and communities, affordable and clean energy, and climate protection. In doing so, it pays attention to sustainable production and consumption as well as gender equality. Honesty, transparency and a focus on people are the values that guide our actions. A stable economic foundation is the prerequisite for successful work.”



Results at a glance

- ▶ **Definition of a sustainability-related Vision and Mission** based on the Bank's values
- ▶ **Amendment to the articles of association:** SDGs become an integral part of the bank's identity
- ▶ Strengthening the **sustainable corporate culture**
- ▶ Implementation of **permanent expert groups** as **Sustainability Innovation Incubators** for further change projects
- ▶ Permanent **further development of reporting benchmarks**
- ▶ Continuous **expansion of integrated sustainability reporting** and economic efficiency

OBERZIEL: VISION

GG
Bayern

- Nachhaltige Entwicklung fördern
 - ökologisch / sozial / kulturell
 - natürliche Lebens- & Gesellschaftsgrundlagen

SCHWERPUNKTTÄTIGKEITEN:

MISSION

- Nachh. Städte & Gemeinden
 - " Energie
 - Klimaschutz
- +X in Anlehnung an SDGs

VERFAHREN:

WERTE

- Transparenz
- Ehrlichkeit
- Beteiligung
- Wirtschaftl. erfolgreich (durch Kerngeschäft)
- Menschenorientiert (Kundeninteresse, Mitarbeiter)
- philanthrop. Engagement?

Further Reading

- ▶ Bolsinger, H., Bašić, G. (2023).
Financing Sustainability Change in Germany: SDG Implementation in UmweltBank AG.
In: Leal Filho, W., Dinis, M.A.P., Moggi, S., Price, E., Hope, A. (eds) SDGs in the European Region . Implementing the UN Sustainable Development Goals - Regional Perspectives. Springer, Cham. https://doi.org/10.1007/978-3-030-91261-1_5-1
- ▶ Full Case Study freely available:
<https://www.wirtschaftsethik.biz/umweltbank>