

Dear all,

The global financial crisis has had an immense effect throughout the world, including Seoul, South Korea, where I currently reside. Korea was one of the countries affected by the financial crisis that swept through Asia in the late 90s. Day by day, I see things are getting worse. Opinions about countermeasures are surging around the globe and words like standardized rules, regulation, intervention and government led capitalism are appearing on the stage. In ASEAN, three Northeast Asian countries, China, Japan and Korea, existing ideas, like instituting a system of financial collaboration or an Asia Fund, are being tabled once again.. In the midst of this confusing crisis, I would like to share my personal reflections based on my field work in CSR, and my thoughts on the meaning of the meltdown for Corporation 20/20 Principles and potential future actions. I look forward to hearing and learning from other Corporation 20/20 experts on this topic.

First, I agree that the influence and implementation of Corporation 2020's six principles of corporate design should be strengthened in many dimensions, especially in the investment and financial sectors. Often I think media companies and financial institutions just sit in the outside seats of fishbowl discussions. Private, state owned and small and medium size enterprises in various sectors are usually fishes in the bowl. Whenever I meet and talk with journalists, they don't seem to realize that they also are employees of the companies that have to comply with ESG (Environmental, Social and Governance) factors. I think now is the time to put ESG into their self analysis portfolios of the financial sector. I agree with Alan Willis' opinion about the world that "compensation of executives and capital market actors such as financial analysts and fund managers does not depend on quarter by quarter or even annual success in 'making the numbers'".

Second, I am concerned that our interconnected resource-scarce global economy is worsening, fueled by a global economic recession and resulting in more fierce competition. Regardless of developed, emerging and underdeveloped economies, corporations continue to give many reasons that supposedly prevent them from keeping CSR or sustainability standards and principles, while some early adopters are finding ways to embrace them as new competitive advantages. Yet, we should not forget there are still vast numbers of untapped groups of corporations out of our CSR circle, in the same way that SRI is not a mainstream investing community yet. Remedies for responsible capitalism with a long term view and internalization of ESG by all kind of corporations, as I mentioned as the first point, might accelerate voluntary, or mandatory, or judicial actions more in order to make them abide by Corporation 2020's six principles of corporate design.

Finally, the 2009 summit of Corporation 2020 with capitalism and capital markets topics might want to find ways to collaborate with UN Global Compact, UNEP Finance Initiative and Principles for Responsible Investment. In a recent joint event titled "Changing Landscapes: Towards a sustainable economy in Asia" www.changinglandscapes.org in Seoul, South Korea in June 17-18, co-hosted by these three organizations, more than six hundred people from financial institutions, institutional investors and corporations adopted "Seoul Declaration (attached below)" to advocate to all global investors, financiers and business people to promote and support the importance of ESG issues into their global finance, investment and business policies and activities. During my project-based work as a coordinator for this joint event, I saw the potential for many strategic collaborations between or among public, private, nonprofit sectors in the global arena. I sincerely hope Corporation 20/20 can be a pioneer to further a new win-win paradigm for a sustainable global economy for current and future generations.

Sincerely,

Angela Joo-Hyun Kang

Seoul Declaration

Asian economies are among the fastest-growing in the world, and they are delivering new prosperity to millions of people each year. However, this growth is also contributing to some of the greatest environmental, social and governance challenges the world has faced, including climate change, resource depletion, pollution, deforestation, urbanisation, labour and human rights practices, and more. Alongside these, there are also many opportunities emerging, including the growth of clean technology and renewable energy, the development of more efficient products and processes, and rapidly growing markets for sustainable goods and services.

It is also clear that addressing the challenges is no longer only the domain of policy makers, but is becoming a core part of mainstream business, finance and investment.

Therefore, today in Seoul, representatives from financial institutions, institutional investors, CEOs and senior executives from leading global companies, joined by leaders from politics, academia, civil society and other organizations, have gathered together as part of a worldwide dialogue and learning process around the issues that are truly changing the landscape of the global economy.

Recognising the increasing importance of environmental, social and governance issues to the way business is done in Asia and globally, we the participants call on investors, financiers and companies to:

- 1) Adopt or further implement policies and measures that are aligned with the goals of the Principles for Responsible Investment, UNEP Finance Initiative and the UN Global Compact.
- 2) Take into account environmental, social and governance issues in financing, business and investment, as long-term fiduciaries and custodians of capital.
- 3) Promote dialogue and collaboration among investors, financiers and businesses about how to address the emerging challenges of the Asian region,
- 4) Put particular emphasis on improving governance structures, increasing the transparency of business and preventing corruption, in order to support investment, increase business confidence and bring long-term stability to the economies of the region.
- 5) Engage constructively with policy makers on key environmental, social and governance issues so they can put in place the required long-term incentives and certainty to stimulate investment and changes in business processes.

In supporting these steps, we believe we can deliver not only a more prosperous economy, but a more sustainable one, and one that is more closely aligned with the long-term goals of society.