

# ASEAN CSR VISION 2020

## 1 BACKGROUND

---

- The ASEAN region, both individual countries and as a whole, has experienced sustained relatively high economic growth in recent years. However, many problems still exist – such as high poverty incidence, pervasive corruption, inadequate human rights and labour standards, and high rate of environmental degradation. In many instances, business activities contribute to these problems, or fail to address them.
- Moreover, while the process of regional economic, socio-cultural and political-security integration promises to bring about numerous benefits (i.e. a single market and production base, free movement of goods and labour, greater intra-ASEAN investment and trade, etc.), there is the potential for integration to also create wider income/wealth gaps, displace vulnerable communities, and put migrant workers at risk.
- The practice of CSR has the potential to help address these problems. However, there is a lack of awareness and common understanding on CSR throughout the ASEAN region. This includes stakeholders in business, government and civil society and is evident both between countries in the region and within each country. Often, CSR is misinterpreted as simply another term for corporate philanthropy or charity, a narrow definition that limits the potential of CSR to help address regional problems.
- From the perspective of the poor, vulnerable and marginalized, CSR can only be relevant if it translates to concrete actions or policies that impact their everyday lives. This includes, among many others, better working conditions, protection of basic rights, and decent wages and benefits. International CSR instruments, if understood and implemented correctly, enable businesses to address these issues in a strategic and comprehensive manner that provide mutual benefits to both businesses and their direct stakeholders by enabling respect for human rights, greater labour standards.
- Further, CSR has the potential to give businesses a competitive advantage by introducing more environment-friendly and cost-efficient practices, reducing risks of corruption, and spurring innovation that leads to better quality of life and sustainability.
- While the ‘promotion of CSR’ has been specifically mentioned as a strategy under the ASEAN Socio-Cultural Community blueprint ‘to contribute to sustainable socio-economic development’, there is no specific body within the ASEAN system that holds the responsibility to drive the agenda forward and coordinate efforts. Even within the ASEAN system different bodies have different interpretations of what CSR means and how it relates to ASEAN Community-Building.
- The ASEAN Economic Community blueprint and its declaration state the goal of becoming ‘a region of equitable economic development’ and a determination to achieving ‘sustained prosperity’ and ‘inclusive growth’. However, CSR is not specifically mentioned as a strategy that supports these goals. This is contrary to global trends that recognize CSR as the nexus between economic, social and environmental development.

- As a result, the state of CSR practice in ASEAN falls short of international norms and standards. CSR's contribution to ASEAN goals in equitable and sustainable development is underutilized, unmeasured and uncoordinated. Without a regional cooperation strategy to guide stakeholders in raising CSR standards, building capacity, developing policy and measuring progress ASEAN risks falling even further behind in the global arena.

## 2 OVERVIEW: VISION, MISSION AND KEY PILLARS

---

ASEAN CSR Vision 2020 was initiated and launched by the ASEAN CSR Network in June 2014 with the support from the Swedish International Development Cooperation Agency (SIDA).

**Vision:** A responsible business community making ASEAN a better place to live for ALL

**Mission:** To promote and enable responsible business conduct in ASEAN to achieve sustainable, equitable and inclusive social, environmental and economic development

### Three key pillars:

- Creating and adopting a shared vision
- Building capacity
- Enabling collective action



## 1 – CREATING AND ADOPTING A SHARED VISION

The ASEAN Socio-Cultural Community Blueprint has identified the promotion of CSR as a key component for Social Justice and Rights in ASEAN, helping address regional problems and contributing towards sustainable socio-economic development.

However, as we approach the aspirational target date for an integrated ASEAN Community, there is still much to be done to promote CSR. There is a large variance in how CSR is defined, practiced and measured across the different ASEAN countries and between companies/organizations within each country. Often, CSR is misinterpreted as corporate philanthropy or charity, a narrow definition that limits the potential of CSR to help address regional problems.

ACN believes there is now a need for multi-sector collaboration in crafting and adopting a shared vision on CSR that will guide multi-sector collaboration in capacity-building and policy development. This strategy must be in line with international standards while being cognizant of ASEAN goals and realities. With the support from SIDA, ACN intends to play a coordinating role in the formulation of this vision.

## 2 – BUILDING CAPACITY

Despite increased awareness and interest on CSR in the private sector in recent years, best practices can only be found in more established companies, mostly large multinational corporations, with many SMEs and ASEAN-based companies still lagging behind.

As ASEAN continues its economic integration, more than ever homegrown ASEAN companies need support in formal training on how to adopt and implement CSR standards. Other stakeholders, such as NGOs and government agencies, also need support in capacity-building so that they can advocate and develop the right policies and engagement strategies.

This support will be provided through various training workshops, forums and consultations organized by ACN in partnership with national-level partners and international agencies such as the UN Global Compact, the UN Office on Drugs & Crime, and the UN Industrial Development Organization. Reference will be made to international CSR standards and frameworks including the UNGC Ten Principles, ISO26000 Guidance on Social Responsibility and the OECD Guidelines for Multinational Enterprises and other internationally accepted principles and norms.

## 3 – ENABLING COLLECTIVE ACTION

As interest in CSR increases across all stakeholders in the region, there is a danger of too many fragmented initiatives clouding the landscape and creating unnecessary competition, to the detriment of the goal of creating a shared vision on what CSR is and how it can be implemented effectively. ACN can play a critical role in harmonizing CSR efforts at the regional level by providing a platform for coordination, cooperation and information exchange.

Currently, ASEAN CSR Network is supporting collective action in three areas:

- Business and anti-corruption
- Business and human rights
- Food security and sustainable agriculture

## BUSINESS & ANTI-CORRUPTION

The UK Foreign & Commonwealth Office is supporting ACN's work on anti-corruption and business integrity. In partnership with the UN Office on Drugs & Crime, the UN Global Compact and local partners, ACN aims to provide a regular platform for regional knowledge-sharing, peer learning and partnership-building. ACN believes corruption can be effectively fought through collective action.

### What have been done?

- In partnership with national business groups, ACN organized various forums and workshops on business integrity and anti-corruption in some ASEAN countries in 2013-2014. ACN also leveraged on a number of partners' activities to introduce and promote collective action initiatives on anti-corruption.
- On 18 Sept 2014, ACN and 5 national business networks signed an MOU to establish the Working Group on Business Integrity in ASEAN. These 5 national networks are: Integrity Initiative (Philippines), Indonesia Business Links, International Chamber of Commerce – Malaysia, Singapore Compact for CSR, Vietnam Chamber of Commerce and Industry. On 11 Nov 2014, Thailand's Private Sector Collective Action Coalition against Corruption joined the Working Group as the 7<sup>th</sup> member. ACN serves the Working Group as the Secretariat.
- Visioning "a corruption-free ASEAN", the Working Group commits to work "to promote and achieve the highest standard of business integrity through collective action on advocacy, capacity-building, and stakeholder engagement." In order to achieve its vision and mission, the Working Group has developed a Guiding Framework for Regional Collection Action as well as an Action Plan for its future work.

### What are the next steps?

- ACN continues to work with national, regional and international partners to promote collective action on anti-corruption, including collective effort by the Working Group on Business Integrity in ASEAN.

## BUSINESS & HUMAN RIGHTS

ACN supports the adoption and implementation of the UN Guiding Principles on Business and Human Rights. ACN also supports the ASEAN Intergovernmental Commission on Human Rights (AICHR)'s work related to its baseline study on the nexus between CSR and human rights.

### What have been done?

- ACN worked with partners and experts to promote a common understanding of the business-human rights nexus through a number of advocacy and consultation activities: Business and Human Rights Reporting and Assurance Frameworks Initiative (RAFI) Consultation and Conference (6 Nov 2014, Jakarta, Indonesia), the 14<sup>th</sup> Informal ASEM Seminar on Human Rights (18-20 Nov 2014, Hanoi, Vietnam).
- ACN CEO Thomas Thomas led the AICHR's baseline study on CSR and human rights, and ACN supported as the Secretariat for the AICHR's workshop on the outcome of the study (13-14 Jun 2014, Singapore).
- On 4-5 Feb 2015, ACN in partnership with the Singapore Management University SMU's Asian Business and Rule of Law Initiative and with support of the Human Rights Resource Centre for ASEAN, organized the ASEAN/Asia Consultation on National Action Plans for Business and Human Rights (NAPs) in Bali, Indonesia (Bali Workshop) to seek views on what NAPs mean for various stakeholders in the Asian context, especially in relation to ASEAN, contributing towards the final guidance documents on the development and implementation of NAPs which is being prepared by the UN Working Group on Business and Human Rights.
- In Apr 2015, to follow up the AICHR's baseline study and the Bali Workshop, ACN has developed and submitted a concept note to the AICHR on *Promoting Business and Human Rights in ASEAN through CSR*.

### What are the next steps?

- ACN continues to work with partners and experts to promote the awareness and understanding of the CSR and human rights linkages, including the development of NAPs.

## FOOD SECURITY AND SUSTAINABLE

### AGRICULTURE

In partnership with the UN Global Compact, ACN is supporting the development of the Food and Agriculture Business Principles (FABs Principles), formerly the Sustainable Agriculture Business Principles, in an effort to enhance food security, environmental sustainability and agribusiness competitiveness in the region and globally. ACN intends to work with key stakeholders in the agricultural sector to promote the adoption of the principles in ASEAN.

### What have been done?

- On 13 Sept 2013, in Singapore, ACN convened the Consultation for FABs Principles that commenced at the Corporate Sustainability Forum at Rio+20. The Consultation for FABs Principles address business as a critical partner for governments and other stakeholders in designing and delivering effective, scalable and practical solutions to make food systems secure and agriculture sustainable.
- In Sept 2014, in Nay Pyi Daw, Myanmar, the ASEAN Senior Officials for Agriculture and Forestry endorsed the proposal jointly submitted by ACN and the UN Global Compact on *Leveraging Business in ASEAN for Food Security and Sustainable Agriculture (LAB)*, a three-year program, using the FABs principles.
- At the Sustainable Agriculture Working Group Meeting on 6 Feb 2015, in Bali, Indonesia, ACN with the support of the UN Global Compact introduced the *Integrated Sustainable Agriculture Program (ISAP)* to create an evidence-based global registry to measure the sustainable development of farmers and SME agribusinesses.

### What are the next steps?

- ACN continues to work with the UN Global Compact and partners to promote the sustainable agriculture agenda through the implementation of LAP and ISAP.