

# Conference on Corporate Governance & Responsibility:

## *Theory Meets Practice*

20 – 22 July 2016  
National University of Singapore (NUS), Singapore



Centre for Governance, Institutions & Organisations  
NUS Business School

### Post Conference Summary Report

*"We have come a long way since 10 years ago when sustainability in the region was at its infancy stage. Everyone in this room has played a role in moving the region's sustainability agenda forward. For the first time, the principle of sustainable development has been incorporated in the ASEAN new blueprint "ASEAN 2025: Forging Ahead Together. How and whether we continue to do so will result in a stronger or weaker ASEAN in the global stage. Despite gaps in the region, I believe with the private sector and academia coming together, we can seize the opportunity to play a bigger role in shaping the sustainability agenda to build a more sustainable, equitable and inclusive ASEAN and realise a truly rules-based, people-oriented, people-centred ASEAN Community."*

said Minister Masagos Zulkifli, Singapore's Minister for the Environment and Water Resources



Minister Masagos Zulkifli (10<sup>th</sup> from left) and Sweden Ambassador to Singapore His Excellency Håkan Jevrell (7<sup>th</sup> from right) with ASEAN CSR Network Board of Trustees & Advisers and National University of Singapore Business School Management

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## 1. About the Conference

Globally and in the region, corporate governance and responsibility has been recognised by government leaders and other key stakeholders in society as an enabler for inclusive, equitable and sustainable development. However, government policies and resources alone cannot adequately address socio-economic problems.

Other stakeholders also have a role to play. Increasingly, investors, consumers and media are also putting more pressure on companies to act with a strong sense of social responsibility.

On the global stage, the United Nations (UN) published the Sustainable Development Goals (SDGs) – “Transforming Our World: The 2030 Agenda for Sustainable Development” in September 2015. The SDGs offer a renewed commitment towards solving the world’s biggest and toughest problems such as food security, gender equality, productive and decent work, sustainable consumption and production as well as the fight against corruption and bribery.

Here in ASEAN, the new blueprint for fostering regional integration – “ASEAN 2025: Forging Ahead together” – was published in November 2015 and lays down the strategy for realising a sustainable, inclusive and equitable regional community. While ASEAN citizens are technically part of an integrated ASEAN Community, we have yet to fully realise the region’s economic, political and socio-cultural integration. In the new ASEAN Community Blueprint, greater stakeholder engagement and public-private partnerships, better corporate governance, support for small and medium enterprises (SMEs) and social enterprises and promoting sustainable consumption and production were identified as some of the key areas the private sector should support.

Both the global commitments offered by the SDGs and the regional strategy laid down by the new ASEAN Community Blueprint identify an increasingly important role for the private sector beyond just driving economic growth.

Although corporate governance and responsibility is effective in addressing socio-economic issues in society at large, there is a growing number of companies incorporating good governance and responsibility into their core business activities. However, the current state of corporate governance and responsibility is still well below expectations. The understanding and implementation of corporate social responsibility (CSR), for example, is currently largely confined to philanthropic activities.

The increasing importance of corporate governance and responsibility has also seen a rise in demand for academic attention and research, with universities dedicating courses to the topic at undergraduate, graduate and postgraduate levels, e.g., Master of Business Administration. However, the developing field still suffers from a lack of cohesion in definitions and models.

## 2. Event Overview

The Conference attracted close to 260 representatives from the business, government and civil society sectors – with ASEAN member states and over 100 regional and international organisations represented across 20 countries (Please refer to Annex B for the profile of delegates). Through the Conference, delegates contributed significantly to the advancement of responsible business principles and behaviour in ASEAN, especially as we enter a new chapter in the region’s community integration efforts. It is a manifestation of the ASEAN CSR Network (ACN)’s commitment and vision of “A responsible business community making ASEAN a better place to live for all”.

As a strong call to action by delegates, a key outcome of the Conference saw the forming of a network of academics and professionals to promote research, teaching and practice of sustainability and responsible business in the region. Known as Sustainability Consortium of Professionals and Educators (SCOPE), its mandate would be to cultivate and nurture the next generation of leaders in sustainability. Since the formation, there has been a response of over 80 sign-ups.

### 3. Media Coverage

The Conference received coverage from both Singapore (The Straits Times; and The Business Times) and regional media from Malaysia (Bernama), Indonesia (CNN Indonesia), Thailand (The Nation) and Philippines (Philippine Daily Inquirer). Please refer to Annex C for details.

### 4. Corporate Governance and Responsibility: Role of Business in Achieving Sustainable Development

Ms Yanti Triwadiantini, Chair of ASEAN CSR Network (ACN), opened the Conference with her welcome remarks by setting the context that the sustainable, equitable, and inclusive development of a nation as well at a region, relies on concerted efforts by all in the society. While there had been some early successes, e.g., the adoption of ASEAN Guidelines for CSR on Labour by the ASEAN Labour Ministers in May this year, stakeholders are expected to play an enhanced role on the ground more than ever.



In his speech, Guest-of-Honour Masagos Zulkifli, Singapore's Minister for the Environment and Water Resources, spoke on the state of sustainability in ASEAN and shared areas, identified from a joint study of sustainability reporting by ACN and Centre for Governance, Institutions and Organisations (CGIO) at National University of Singapore (NUS) Business School, in which companies have a key role to play. He also shared on efforts by the Singapore Government, Singapore Exchange and Association of Banks in Singapore in influencing environmental sustainability and fighting climate change through sustainable procurement and responsible financing. He concluded with a call for the private sector and academia to complement each other in their efforts to further drive the region's sustainability agenda.

His Excellency Håkan Jevrell, Ambassador to Singapore and Brunei Darussalam, spoke on his vision for enhancing responsible business practices in ASEAN in his opening remarks. He shared that the Sweden Government launched a National Action Plan (NAP), for implementation of the UN Guiding Principles on Business and Human Rights. This demonstrated their committed resolve to sustainable business conduct within ASEAN through continuous dialogue and partnership.





Ms Rodora T. Babaran, Director of Human Development Directorate, ASEAN Secretariat, delivered the keynote speech on behalf of Deputy Secretary-General of ASEAN for Socio-Cultural Community, His Excellency Dr Vongthep Arthakaivalvatee. With continuous and rapid regional economic growth, she highlighted the corresponding increasing importance of sustainable development, especially the need for participation for SMEs and support to be provided to them. She also called for a multi-stakeholder approach as we move towards ASEAN 2025.

Through the keynote lecture “Institutionalizing CSR in the Governance Era: Asian Perspectives”, Professor Jeremy Moon, Velux Professor of Corporate Sustainability, Copenhagen Business School, impressed upon delegates that this notion is becoming the new norm. Regulation, mandates and soft rules continue to interplay and evolve from corporate-centred CSR (e.g., The Nestlé Business Principles) to business-centred CSR (e.g., World Business Council for Sustainable Development, Equator Principles Association) to business and civil society-centred CSR (e.g., stewardship councils) to the institutionalization of the governance era which we see today, such as intergovernmental organisations (IGOs) like UN Global Compact.

Professor Moon further cited ACN to illustrate it as a governance era organisation. From its non-ASEAN government donors to having international membership of business associations and the private sector, to working with governments, IGOs and academia, this multi-stakeholder manner reflects a participatory and value-based purposeful approach towards its activities of discussions, best practices exchange, research, capacity building and advocacy of its current priority areas of business integrity, business and human rights, and food security and sustainable agriculture at the regional level. And while the example of ACN presented a learning opportunity, it is important to build in capacity for renewal and self-evaluation as well as retain the norms of its members.



To encourage SMEs which are deterred by lack of resources, ASEAN-based legal frameworks could be developed and enforced to change their behaviour, however, it is important to take a balance approach with governments endorsing the benefits.

To motivate companies operating across countries which are deterred by potential additional costs of international institutionalization, governments could adopt the accompanying tools as part of enhancing policy and regulatory frameworks.

## 5. Plenary Session 1: Mainstreaming Corporate Responsibility: Implementing a Regional Strategy

Associate Professor Ishtiaq Pasha Mahmood of the NUS Business School Department of Strategy and & Policy moderated the session. The panel comprised of:-

Ambassador Ong Keng Yong

- Former Secretary-General of ASEAN
- Executive Deputy Chairman of the S. Rajaratnam School of International Studies, Nanyang Technological University (NTU), Singapore
- Chairman, Human Rights Resource Centre
- Adviser, ACN

Gil Gonzales

- Member, ASEAN Business Advisory Council
- Vice President, Corporate Governance and Risk Management, SM Investments Corporation, Philippines

Dr. Seree Nonthasoot

- Representative of Thailand, ASEAN Intergovernmental Commission on Human Rights

Rashyid Redza Anwarudin

- Vice President, Head of Sustainability Reporting/Social Performance,
- Sime Darby Berhad, Malaysia

Pensri Suteerasarn

- Deputy Chair, ACN
- President, Thai Listed Companies Association

Ambassador Ong started off the session by highlighting the importance of institutionalizing corporate responsibility to the consumer who has influence in purchasing decision which could contribute as a key in mainstreaming responsible business practices.

Putting forth the business case, Mr Rashyid shared that companies committed to corporate responsibility have differentiated themselves from the competition. To showcase the committed ones, Mr Gonzales encouraged recognition to be given to those who perform well.

While Dr Nonthasoot called on each ASEAN member state to develop its NAP with clear policies to ensure due diligence on the part of companies, he recognised that transnational issues require regional cooperation. Ms Suteerasarn emphasised the need for governments to keep communication channels open with companies and to stress the business case benefits.

Arising from the dialogue, the panel suggested that SMEs' participation could be encouraged by organising them together, combining resources, getting mentored by big companies, and receiving priority consideration for government contracts.



Dr Nonthasoot, Mr Gonzales, Ambassador Ong, Professor Ishtiaq, Mr Rashyid and Ms Suteerasarn

## 6. Plenary Session 2: Building Integrity and Trust in the ASEAN Economic Community

This session was moderated by Associate Professor Eugene Tan, Co-Director for the Centre for Scholars' Department, Singapore Management University (SMU). The panel comprised of:-

Gerard Forlin QC

- Cornerstone Barristers in London, Denman Chambers in Sydney and
- Maxwell Chambers in Singapore

K. K. Hlaing

- Chairman, SMART Group of Companies, Myanmar

Jeann Low

- Group Chief Corporate Officer, Singtel, Singapore

Nguyen Quang Vinh

- Deputy Secretary-General and Director-General, Office for Business Sustainable Development, Vietnam Chamber of Commerce and Industry
- Trustee, ACN

Professor Teo Chee Khiang

- Professor (Practice), Department of Accounting, NUS Business School

Professor Tan set the context for discussion by describing corruption and highlighting that it has been observed to be systemic and perceived as deeply ingrained in the socio-political structure as well as cultural norms within ASEAN.

Ms Low talked about her company (which operates across multiple geographic locations) challenges such as differences in culture and regulations faced by her company which operates across multiple geographic locations. These challenges also included identifying and selecting partners with aligned values as theirs; actively engaging and managing working relationships with local authorities and suppliers; and having a code of conduct to guide employees when dealing with stakeholders. She called on the private sector to stand firm in their ethics which would translate to consumer loyalty and public goodwill, therefore leading to long-term returns.

In sharing about Myanmar's development over the past few years, Mr Hlaing expressed optimism that efforts in tackling bribery are bearing fruits for his country. While it has not disappeared entirely, kickbacks are becoming less prevalent. This is largely due to determination of the emerging political leadership.

With his past background in public service as Deputy Attorney-General in the Singapore Attorney-General's Chambers, Professor Teo spoke on how the country became one of the least corrupt countries today such as having inherited a clean and working system from the British colonial government and setting a strong-willed stand from the political and public service leadership. Such actions create a level playing field that encourages fair competition in the marketplace.

Mr Nguyen felt that ASEAN-wide anti-corruption initiatives are still lacking. Furthermore, while governments take the lead in the anti-corruption cause, long-term success would require commitment from other stakeholders, particularly the private sector. This is needed to continue the momentum of building a culture of integrity to build lasting and positive changes.

Corruption adds up to the total cost of doing business, especially in developing countries where most ASEAN member states are classified. More employees feel that their Chief Executive Officers (CEOs) enter into deals with bribery

risks. Against this background as a major crisis facing the world today, Mr Forlin appealed to the audience to look at it from a global perspective where increasing media attention on irresponsible conduct by a company in one part of the world triggers repercussion for their other offices in other parts of the world. He shared that large corporations are moving towards standards established by the UK Bribery Act, which ASEAN could explore taking reference for harmonising of standards.

During the dialogue, the panel reiterated the importance of tone from the very top, regardless of sectors. Equally important is the need to send a strong signal by taking senior management who does not demonstrate leadership on integrity issues to task in accordance. Social media could also be employed to tackle corruption. The session concluded with the view of benchmarking against current extraterritorial regulatory trends and anti-corruption initiatives together with a multi-stakeholder approach towards stamping out corruption.



Professor Tan, Ms Low, Mr Hliang, Mr Forlin, Mr Nguyen and Professor Teo

## 7. Plenary Session 3: Sustainable Production & Consumption in Supply Chains

Moderated by Professor Rene Van Berkel, Chief Technical Advisor, National Resource Efficient and Cleaner Production Programme Indonesia, UN Industrial Development Organisation (UNIDO). The panel comprised of:-

Faroze Nadar

- Executive Director, Global Compact Network Malaysia

Christophe Rossignol

- Regional Supply Chain Head, Nestle Nutrition, Asia Pacific

Erinch Sahan

- Head of Private Sector Team, Oxfam GB

Jeanne Stampe

- Asia Finance and Commodities Specialist, WWF International

Professor Tan Kok Choon

- Associate Professor, Department of Decision Sciences, NUS Business School



Professor Berkel started the session by defining sustainable consumption and production (SCP) as having resource efficient business models and living within the planet's means.

Apart from describing SCP as “consuming less while producing more”, Mr Faroze added that from the supply chain perspective, factors which come into play, include having transparency from smallholders to consumers to prevent exploitation by powerholders; adopting accepted norms, standards and certifications as a reference to how companies should operate; promoting fair trade to allow for a level playing field; leveraging technology to scale at lower costs; and companies taking into consideration the full impact of their operations by operating beyond their circle of influence.

Mr Rossingol referred to his company's approach of creating shared values to deliver long-term shareholder value and benefit society. This included providing nutritious products through reduction of salt, sugar and trans fat while maintaining the business viability; supporting farmer development in rural areas to help them grow better; achieving water independence via recycling in factory operations; implementing environmental management systems to decrease waste and greenhouse gas emissions; and respecting human rights by monitoring their supply chains.

Despite increasing win-win rhetoric and commercial enlightenment towards SCP, there is growing power inequality between farmers and big companies. While there is the business case for profitable products, Mr Sahan painted the perspective of farmers, who are becoming more and more constrained by resources to work yet are not getting their piece of the cake of the returns from the final products. Therefore, mechanisms should be established to build power of those at the bottom of the supply chain while companies and business models ought to be developed to put the right stakeholders in positions of power.

Ms Stampe described SCP as the consumer making sustainable food choices. However, companies may not practice responsible sourcing or lack understanding of correct sustainable practices. Hence, they have to recognise and communicate the importance of relationship between sustainable development and commercial decisions to their stakeholders. Furthermore, with women making up the majority of the agricultural workforce, it is important to validate their contributions to food security, e.g., free, prior and informed consent, to enhance their ability to carry out their tasks for sustainable agriculture systems.

Professor Tan called on the private sector to engage with universities and research institutions to mitigate issues such as the “buffet syndrome” where companies influence people to consume more than they actually need which deprives others of resources and inefficient supply chain management.

The panel agreed that while there are existing legislation and ethics have to come into play, “light bulb conspiracy” circumstances, where companies engineer their products to fail as part of planned obsolescence to ensure continuous demand and profits, may not be apparent and non-compliance may not equate to criminal consequences. Social media could then be employed to detect and highlight such situations.

The dialogue session concluded with the opinion that civil society should think beyond traditional funding sources such as grants and view increasing demand for socially responsible conduct as business opportunities. Ensuring transparency in stakeholder empowerment, promoting consumer education and enhancing government policies need to come into play as well.



Professor Berkel, Mr Faroze, Professor Tan, Ms Stampe, Mr Rossingol and Mr Sahan

## 8. Plenary Session 4: Business Responsibility to Protect Human Rights

This session was moderated by Professor Mahdev Mohan, Assistant Professor of Law and Director of the Asian Business and Rule of Law Initiative, SMU. The panel comprised

Dr Netithorn Praditsarn

- Vice President, Group Sustainability and Communications, Charoen Pokphand Group (C.P. Group), Thailand
- Secretariat, Global Compact Network Thailand

Christopher Ng

- Regional Secretary, UNI Global Union Asia Pacific

Ray Paolo Santiago

- Executive Director, Ateneo Human Rights Center, Philippines

Jasmine Begum

- Director, Corporate and Government Affairs, Corporate, External and Legal Affairs, Microsoft Malaysia and New Markets

Professor Mohan began the session by sharing on the UN Guiding Principles on Business and Human Rights (UNGPs) which encompass three pillars outlining how states and businesses should implement the framework: the state duty to protect human rights; the corporate responsibility to respect human rights; and access to remedy for victims of business-related abuses.

Dr Praditsarn shared on challenges in his company such as extent of effective integration in their business model and comprehensive communication; level of stakeholder engagement to make it understandable and implementable, especially for SMEs; and promotion of capacity building. He believed that the private sector is receptive to this but would require support to advance the agenda.

Pointing out that governments and companies need to recognise that participation by trade unions is required, Mr Ng called upon the latter to adopt Union Social Responsibility or USR to facilitate the developing of solutions towards social challenges.

Mr Santiago expressed concern that “ASEAN is allergic to human rights” where while all of us are entitled to it, issues arise when governments have different ways and standards of interpretation. Hence, there is a need for governments to develop frameworks to enable the private sector to recognise its impact on society.

Referring to her company’s foundational principles of security, privacy & control, compliance and transparency, Ms Begum highlighted that such processes could help the private sector move from values to action. She emphasised that human rights is non-negotiable in businesses and urged companies to consider adopting CSR not as a feel-good factor, but as a means to make a difference.

The panel agreed that while human rights encompass wide ranging aspects such as economic, cultural, social, civil and political, they are interdependent and interrelated when it comes to business in human right and bores down to responsible business practices.

The dialogue concluded the ASEAN still has a long journey with regards to sustainability. Therefore, there is a need to continuously cultivate understanding among countries and encourage companies to learn from one another, especially from those which have implemented business responsibility to protect human rights.



Professor Mohan, Dr Praditsarn, Ms Begum, Mr Ng and Mr Santiago

## 9. Plenary Session 5: Shaping New Business Models for the Future

Professor Francisco L. Roman Jr, Associate Dean for Research and Publications, Executive Director of the RVR-Center for CSR, Asian Institute of Management was the moderator.

Professor Dr Aung Tun Thet

- Chairman, Global Compact Network Myanmar
- National Contact Point: Organisation for Economic Co-operation and Development (OECD) Responsible Business Conduct

Professor Audrey Chia

- Associate Professor, Department of Management & Organisation, NUS Business School
- Associate Professor, Saw Swee Hock School of Public Health, NUS

**Noke Kiroyan**

- President Director and Chief Consultant, Kiroyan Partners
- Chairman, International Chamber of Commerce – Indonesia
- Vice Chairman, Partnership for Governance Reform in Indonesia
- Adviser, ACN

**Roel Nieuwenkamp**

- Chair, OECD Working Party on Responsible Business Conduct

**Tan Suee Chieh**

- Group Chief Executive, NTUC Enterprise, Singapore

Professor Roman set the context for discussion and spoke on challenges encountered by the private sector in ASEAN in integrating CSR and social innovation within their business models while staying competitive and having sustainable growth in the global stage.

Professor Dr Aung highlighted that while business models in ASEAN's emerging economies ought to be closely linked with national interests, the global commitments offered by the UN SDGs could offer companies a general framework for inclusive growth. He further cautioned that overreliance on export-led growth models by such economies cannot continue long-term and an increasing shift to that of domestic consumption-driven ones, including that of social enterprises, to address pressing social issues is required.

Sharing the growing need for Corporate Social Innovation or CSI, Professor Chia called on companies to explore changing corporate behaviour and practices for socially inclusive yet financially attractive business strategies that enhance their long term competitiveness agenda. Alternatively, they could look at social impact investing.

Mr Kiroyan felt that there may not necessary be a need for new business models, instead existing ones could be adapted accordingly. With the interrelationship between public and corporate governance and therefore stable societies, governments could reward companies which follow international standards. Regardless of models, he cautioned against whitewashing CSR practices in return for pre-known consequences and called on the private sector to hold ethics as the cornerstone of their business philosophy.

While company functions could be outsourced, Mr Nieuwenkamp opined that this would not be the case for responsibility and sustainability impact. He also spoke on the importance of embedding sustainability into the corporate DNA, remuneration framework and value chain to achieve sustainable corporate governance.

Understanding that a sustainable business model is necessary as a framework which "addresses the social needs and concerns of our time", Mr Tan shared that his company, a collective of social enterprises, has to embrace emerging issues such as cost of living, ageing, health and social mobility in today's multifaceted Singapore. He also suggested the private sector look at stakeholder capitalism where all stakeholders are treated similarly as another new norm.



Professor Francisco, Mr Kiroyan, Professor Dr Aung, Professor Chia and Mr Tan  
Mr Nieuwenkamp did a Skype sharing

## 10. Workshop 1: Business Responsibility & Sustainability: Teaching & Researching

As good governance and responsibility continues to flourish, there has also been increasing academic attention. It is progressively developing into a research field in its own right. Universities are also beginning to teach corporate governance and responsibility. Yet, teaching and researching it is still a puzzle because of a variety of definitions, meanings and terms employed.

Together with discussants Dr Isabel Sim, Senior Research Fellow, Department of Social Work, NUS; Director (Projects), Centre for Social Development Asia and Professor Eugene Tan, Associate Professor of Law; Co-Director, Centre for Scholars' Development, SMU, workshop leader Professor Jeremy Moon addressed the topic, its current state of development and emerging trends in ASEAN and the world.

Professor Moon spoke on the need to motivate teaching and researching of CSR and sustainability by generating interest from stakeholders through a bottoms-up, consultative and incremental approach. He also highlighted the challenge of ingraining the educational experience for students such that it would be second nature to our leaders of tomorrow.



Dr Sim and Professor Tan shared their experiences from the ASEAN's perspective. Dr Sim commented that it is important to engage stakeholders to build their capacity when they are students, and thereafter, focus on the various levels within companies; while Professor Tan mentioned that lesser rules may actually facilitate mainstreaming of responsible business practices from the individual's perception.

Delegates shared experiences on teaching and researching CSR and sustainability within their organisations. This provided insights into opportunities and challenges for introducing and mainstreaming education and training as well as producing and using research.

The workshop agreed that the private sector and academia should view the gaps as opportunities to shape the sustainability agenda, e.g., development of education materials with inputs from companies for various levels, including that of professional continuing education and therefore, provides a source of industry-ready employees. Such processes also have the potential to form the core of the evolving architecture for a whole-of-ASEAN capacity-building model in moving towards the sustainability goal.

While there are opportunities, the workshop also deliberated on the challenges. There is a need to build the type of embracing leadership culture and organisation within universities and companies, which can endure leadership transitions. Similarly, this extends to the younger generation having the correct perception and mindset towards the philosophy of CSR and sustainability. Where research is concerned, challenges include lack of priority and resources set aside, unavailability of data from companies, different cultural norms leading to loose interpretation of information, and ability for effective application.

## 11. Workshop 2: Evidence – Based CSR : Advocacy & Implementation

Increasingly, advocacy campaigns are directed towards influencing the behaviour of companies that can lead to achieving improved corporate responsibility. Such change can encompass improvements in company policies and practices, as well as sector and governance-level change.

Using Oxfam’s “Behind the Brands” campaign, which has been successful in achieving improved sourcing policies for the world’s 10 largest food and beverage companies, as a case study, workshop leader Erinch Sahan, Head of Private Sector Team, Oxfam GB, presented lessons and perspectives how change can happen through advocacy, and the tools and strategies that can help bring this about.



Mr Sahan shared the guiding framework of identifying the issue, shortlisting possible solutions, narrowing changes that could be adopted and finally deciding on the specific change down to the extent. This is followed by determining from stakeholders, the role with the most impact and external opportunities to further this impact, e.g., collaborations amongst organisations to ease challenges of exacting change. From there, the organisations to be influenced would emerge.

Mr Sahan also highlighted success factors of the campaign such as leveraging competitive spirit of companies to motivate improvement, communicating and engaging with the public on their efforts and making scorecard results known.

To apply evidence-based CSR to real-life business practices, delegates also went through a power analysis and strategy exercise with food and agribusiness, clothing and apparels and extractives’ sectors as the setting.

Discussant Ms Pidor Chhay, Business Integrity Senior Programme Officer from Transparency International (TI) Cambodia, shared her experiences in managing corruption in Cambodia. In applying some of the framework guidelines, she cited results such as growth of internal system in companies and willingness of business associations to prevent corruption.

## 12. Presentation on Findings of Study on Sustainability Reporting in ASEAN

Mr Thomas Thomas, CEO, ACN, and Associate Professor Lawrence Loh, Director for CGIO, NUS Business School, shared the findings on a joint study on the state of sustainability reporting of the top 100 mainboard companies by market capitalisation as of 30 June 2015 with disclosed information for the period of 2014 to 2015 in Indonesia, Malaysia, Singapore and Thailand.

The Global Reporting Initiative (GRI) G4 guidelines and Code of Corporate Governance of each country were referenced and adopted as a framework of four indicators of Governance, Economic, Environmental and Social and three other areas of Strategy and Analysis, Materiality and Stakeholder Engagement to assess the sustainability reports.

All the Indonesia, Malaysia and Thailand companies communicated their sustainability efforts which is due to in-country mandatory requirements. While not all companies in Singapore did so, this number is expected to increase when it is made mandatory from end of 2107.

Thailand had the highest overall quality of sustainability disclosure, followed by Singapore, Indonesia and Malaysia. Companies who used GRI framework as guidelines for their sustainability reporting had higher level of disclosure than those who used other or no framework. Government-Linked Companies/ State-Owned Enterprises also fared higher level of disclosure. The Environmental Indicator had the lowest level of disclosure across all countries. While Materiality was considered to be the most important out of the three other areas, it was observed to be poorly disclosed, with only a small number of companies doing it.

Most of the companies communicated sustainability through integrating their sustainability report into their annual reports, of which were supplemented either with or without communication on their corporate website. Seeking external assurance of their reporting was not yet prevalent as well.

The overall state and progress of sustainability reporting are fairly healthy in the countries. Indonesia did well in its economic and social aspects, highly due to its national culture and socio-political history. Bursa Malaysia was commended on its forward-looking mentality with its newly-implemented Sustainability Reporting Guide. Singapore would see a higher proportion of companies doing so when its “comply or explain” basis kicks in. Lastly, Thailand was complimented on its business culture that strongly emphasises on compliance.



In concluding the presentation, Professor Loh called on the private sector to look at the business case for sustainability reporting where the returns of investment include cost reduction through operational efficiency; capital access from investor confidence; consumer loyalty and public goodwill as a result of reputation, amongst others.

### 13. Presentation on Findings of Business Integrity Study in ASEAN

Mr Jerry Bernas, Programme Director, ACN, shared the findings on a joint study with CGIO NUS Business School on the state of corporate disclosure on business integrity of the top 50 mainboard companies by market capitalisation as of 31 December 2014 with disclosed information as of 30 April 2016 in Indonesia, Malaysia, Philippines, Singapore and Thailand.

Inspired by TI's "Transparency in Corporate Reporting – Assessing the World's Largest Companies' Transparency in Reporting on Anti-Corruption report", this study adapted certain questions, which were divided into three categories of internal commitment to anti-corruption; external commitment to anti-corruption; and reporting and monitoring, and focused on benchmarking the companies' policies on anti-corruption.

Thailand had the highest overall quality of sustainability disclosure, followed by Singapore, Philippines, Malaysia and Indonesia. Correspondingly, the top 10 companies with the highest disclosure rate came from Thailand and Singapore.

With a newly integrated regional community, it is crucial and pressing for ASEAN leaders to integrate anti-corruption principles into this framework.

In concluding the presentation, Mr Bernas called on delegates to examine and make use of the findings to benchmark against their own company's or country's performance in order to drive improvements in policy and practice.

### 14. Site Visits



After the main conference, close to 30 delegates visited Marina Barrage to learn about Singapore's water management experience through the evolution of its water strategies over the years as the focus shifted from survival to sustainability.

They next visited NTUC Fairprice where Group Company Secretary and Director (Legal) Mr Poh Leong Sim spoke on its social mission to moderate the cost of living in Singapore. Mr Quah Chee Seng, Head, Corporate Affairs for NTUC Social Enterprises. Delegates were provided behind-the-scenes look at real issues and took away with them first-hand perspectives of how policies and ideas can be implemented successfully in their organisations and countries.



Mr Poh Leong Sim



## 15. Closing Remarks: Changing Business, Making a Difference

For the closing remarks, Mr Thomas Thomas, CEO, ACN, touched on ASEAN's development in sustainability and responsible businesses. While good progress has been made, it has been uneven. He called on all stakeholders to continue to play a role in shaping and moving the region's sustainability agenda forward to build a more sustainable, equitable and inclusive ASEAN and realise a truly rules-based, people-oriented, people – centred ASEAN Community.



Please click [here](#) for the Conference materials.

## Annex A

### Organisers

#### About ASEAN CSR Network

The ASEAN CSR Network is the leading regional network of CSR networks. Together with our participating organisations from the ASEAN countries, we have an outreach of over 30,000 companies, business associations and trade unions.

The Network is a private sector, not-for-profit organisation, formed with support from the ASEAN Foundation in line with the achievement of an ASEAN Community in 2015. We advance responsible business principles and behavior in the region by aligning practices in our current priority areas of business integrity, business and human rights, and food security and sustainable agriculture.

We do so by bringing key stakeholders i.e. private sector, government and civil society together through thought leadership, capacity building and research in conferences, forums and workshops. At times, we provide representation for the business community to the ASEAN body and other inter-governmental agencies, think tanks on relevant policy issues under our priority areas.

Since our establishment in 2011, much has been achieved in mainstreaming CSR practices through the Network's efforts in developing and implementing the "ASEAN CSR Vision 2020". For the first time, the principle of sustainable development has been incorporated across the three pillars of "ASEAN 2025: Forging Ahead Together".

For more information on the Network, please visit [www.asean-csr-network.org](http://www.asean-csr-network.org)

#### About National University of Singapore (NUS)

A leading global university centred in Asia, the National University of Singapore (NUS) is Singapore's flagship university, which offers a global approach to education and research, with a focus on Asian perspectives and expertise.

NUS has 17 faculties and schools across three campuses. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Over 38,000 students from 100 countries enrich the community with their diverse social and cultural perspectives.

NUS has three Research Centres of Excellence (RCE) and 26 university-level research institutes and centres. It is also a partner in Singapore's fifth RCE. NUS shares a close affiliation with 17 national-level research institutes and centres. Research activities are strategic and robust, and NUS is well-known for its research strengths in engineering, life sciences and biomedicine, social sciences and natural sciences. It also strives to create a supportive and innovative environment to promote creative enterprise within its community.

For more information on NUS, please visit [www.nus.edu.sg](http://www.nus.edu.sg)

#### About the Centre for Governance, Institutions and Organisations

The Centre for Governance, Institutions and Organisations (CGIO) was established by the NUS Business School in 2010. It aims to spearhead relevant and high-impact research on governance issues that are pertinent to Asia, including corporate governance, governance of family firms, state-linked companies, business groups, and

institutions. CGIO also organises events such as public lectures, industry roundtables, and academic conferences on topics related to governance.

NUS Business School is known for providing management thought leadership from an Asian perspective, enabling its students and corporate partners to leverage global knowledge and Asian insights.

The School is one of the 17 faculties and schools at NUS. A leading global university centred in Asia, NUS is Singapore's flagship university, which offers a global approach to education and research, with a focus on Asian perspectives and expertise. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Over 37,000 students from 100 countries enrich the community with their diverse social and cultural perspectives.

For more information, please visit <http://bschool.nus.edu.sg/>, or go to the Think Business portal, which showcases the School's research

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Global Compact Network Singapore  
Indonesia Business Links  
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League of Corporate Foundations, Philippines  
Union of Myanmar Federation of Chambers of Commerce and Industry  
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Canada-ASEAN Business Council  
Canadian Chamber of Commerce in Singapore  
French Chamber Singapore  
Singapore Business Federation  
Nanyang Technological University, Singapore  
Singapore Management University

## Annex B

### Profile of Delegates

The Conference saw 256 participants from 20 countries and over 100 organisations with an estimated 30% coming each from the private sector/ business association, academia and civil society and remaining 10% from government.

Here are some of the organisations which participated : -

- |             |  |
|-------------|--|
| ASEAN       | <ul style="list-style-type: none"> <li>● ASEAN Commission on the Promotion and Protection of the Rights of Women and Children for Women's Rights</li> <li>● ASEAN Foundation</li> <li>● ASEAN Parliamentarians for Human Rights</li> </ul>   |
| Cambodia    | <ul style="list-style-type: none"> <li>● Cambodian Institute for Cooperation and Peace</li> <li>● Pannasastra University of Cambodia</li> <li>● Securities and Exchange Commission of Cambodia</li> <li>● TI Cambodia</li> </ul>   |
| Indonesia   | <ul style="list-style-type: none"> <li>● BINUS University International</li> <li>● Penabulu Foundation</li> <li>● Prasetya Mulya University</li> <li>● Panin Bank</li> <li>● The Habibie Center</li> <li>● University of Indonesia</li> <li>● Yayasan Sahabat Asia Bianglala (SAHALA)</li> <li>● Yayasan Tambuhak Sinta</li> </ul>   |
| Lao PDR     | <ul style="list-style-type: none"> <li>● Fair Trade Laos</li> </ul>  |
| Malaysia    | <ul style="list-style-type: none"> <li>● Malaysian Institute of Integrity</li> <li>● Monash University (Malaysia campus)</li> </ul>  |
| Myanmar     | <ul style="list-style-type: none"> <li>● Business and Human Rights Resource Center</li> <li>● Grand Guardian Insurance</li> <li>● Myanmar Centre for Responsible Business</li> <li>● Myanmar Mobile Education Project</li> <li>● Myanmar National Human Rights Commission</li> <li>● Shwe Taung Development</li> <li>● SMART Group of Companies</li> <li>● Social Impact Myanmar</li> <li>● Yoma Strategic Holdings</li> </ul> |
| Philippines | <ul style="list-style-type: none"> <li>● De La Salle University</li> <li>● Human Rights Resource Centre</li> <li>● Management Association of the Philippines</li> <li>● Southeast Asia Regional Centre for Graduate Study and Research in Agriculture</li> <li>● University of Asia and the Pacific</li> </ul>   |
| Singapore   | <ul style="list-style-type: none"> <li>● British Council, Singapore</li> <li>● Bumitama Agri</li> <li>● Canadian Chamber of Commerce in Singapore</li> </ul>   |

- Corrupt Practices Investigation Bureau
  - ESSEC Business School (Singapore campus)
  - EU Centre in Singapore
  - Grow Asia
  - Humanitarian Organization for Migration Economics
  - ISEAS-Yusof Ishak Institute
  - Keppel Land International
  - KPMG Singapore
  - Lee Kuan Yew School of Public Policy
  - Life Community Services Society
  - Ministry of the Environment and Water Resources
  - Musim Mas Holdings
  - NTU – Nanyang Business School
  - NTU – Sustainable Earth Office
  - Nippon Life Global Investors Singapore
  - NUS – Energy Studies Institute
  - Republic Polytechnic
  - SATA CommHealth
  - Save the Children South East and East Asia
  - Securities Investors Association (Singapore)
  - SIM University
  - Singapore Exchange
  - Singapore Institute of International Affairs
  - Singapore Management University
  - Singapore National Employers Federation
  - Singtel
  - Sunseap
  - Waste Management & Recycling Association of Singapore
  - Withers KhattarWong
  - Wong Partnership
  - WWF Singapore
- Thailand
- Sasin Center for Sustainability Management
  - Securities and Exchange Commission, Thailand
  - University of them Thai Chamber of Commerce
- Vietnam
- Center for Sustainable Development Studies
  - Ministry of Planning and Investment Central Institute for Economic Management
  - Vietnam Union of Science and Technology Associations
  - Center for Community Support and Development Studies
- Embassy in Singapore  
Asia
- Britain, Cambodia, Canada, Japan, Sweden, Germany, European Union, United States
  - Asia-Pacific Centre for Environmental Law
  - Asia-Pacific Economic Cooperation
  - Birdlife International (Asia)
  - Food Industry Asia
  - Sabre Travel Network Asia Pacific
- International
- Asia-Europe Foundation
  - UN Development Programme Global Centre for Public Service Excellence
- Others
- Copenhagen Business School

- Federation of Indian Chambers of Commerce and Industry
- Hong Kong Foundation for Charities
- Lebanese American University

## Annex C

### Media Coverage

#### Singapore media

1. Singapore firms 'lag behind in sustainability reporting' (The Straits Times, print, 21 July 2016)
2. Singapore lags ASEAN in sustainability reporting study (The Business Times, print, 21 July 2016)
3. Local corporate sustainability reporting falls behind ASEAN countries (Lianhe Zaobao, print, 21 July 2016)
4. [Singapore firms 'lag behind in sustainability reporting'](#) (The Straits Times, online, 21 July 2016)
5. [Singapore firms lag ASEAN counterparts in sustainability reporting: study](#) (The Business Times, online, 21 July 2016)
6. [Local corporate sustainability reporting falls behind ASEAN countries](#) (Lianhe Zaobao, online, 21 July 2016)
7. [Singapore firms lag ASEAN counterparts in sustainability reporting: study](#) (BT Invest, online, 21 July 2016)
8. [S'pore firms 'lag behind in sustainability reporting'](#) (AsiaOne, online, 21 July 2016)
9. [Sustainability reporting growing in ASEAN, but quality lags](#) (Eco-Business, online, 25 July 2016)

#### Malaysia media

1. [Greater commitment to anti-corruption policies needed among ASEAN's top listed firms](#) ([Bernama.com](#), Malaysia, online, 21 July 2016)
2. [Consortium of professionals, educators formed to promote responsible business in region](#) ([Bernama.com](#), Malaysia, online, 21 July 2016)
3. [Greater commitment to anti-corruption policies needed among ASEAN firms](#) (Astro Awani, Malaysia, online, 21 July 2016)
4. [Greater commitment to anti-corruption policies needed among ASEAN firms](#) (Malaysian Digest, online, 21 July 2016)

#### Indonesia media

1. [Quality of CSR activities low among Indonesian companies: Study](#) (CNN Indonesia, online, 21 July 2016)

#### Thailand media

1. [Thai firms top in region for CSR activities](#) (The Nation, Thailand, online, 24 July 2016)

#### Philippines media

1. [Anticorruption efforts in listed firms not sufficient, study shows](#) ([Inquirer.net](#), Philippines, online, 21 July 2016)

#### Others

1. [Greater commitment to anti-corruption policies needed among ASEAN's top listed firms](#) (OANA, Asia-Pacific, online, 21 July 2016)
2. [In Southeast Asia, corporate governance picks up as a norm](#) (Reporting ASEAN, online, 31 August 2016)

# CONFERENCE ON CORPORATE GOVERNANCE & RESPONSIBILITY: THEORY MEETS PRACTICE

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