



Annual Report 2015

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1. Message from the Chair



Dear friends and partners,

2015 was a significant year for the promotion of corporate social responsibility (CSR) and responsible business.

On the global front, the UN launched the Sustainable Development Goals (SDGs) in September 2015. It highlighted 17 goals to be achieved by 2030. Countries and citizens, including businesses and civil society, are being mobilised to end poverty, protect the planet, and ensure prosperity for all.

In December 2015, an unprecedented 195 countries adopted the first universal legally binding global climate deal at the COP 21 Climate Change Summit in Paris. The agreement which aims to keep global warming below 2°C further highlights the importance of partnerships and the increased role of businesses in reducing the risks and impacts of climate change.

On the regional scene, ASEAN rolled out its next 10-year workplan – ASEAN 2025: Forging Ahead Together, and committed to meeting the SDGs. Responsible business/CSR was incorporated in all three pillars of the ASEAN Community as one of the strategic measures for sustainable, equitable and inclusive development in ASEAN, realising a truly rules-based, people-oriented, people-centred ASEAN Community.

ASEAN CSR Network (ACN) aims to support businesses in ASEAN through its networks to meet the expectations for achieving a sustainable, equitable and inclusive ASEAN, which also meets the SDGs.

Since 2011, my colleagues and I have worked to meet these goals. Much has been achieved in mainstreaming the practice of CSR in ASEAN, including the ongoing implementation of the “ASEAN CSR Vision 2020” which we launched in June 2014. My special thanks go to the ASEAN Secretariat, ASEAN bodies, funders, donors, sponsors and partners for working with us to move the CSR agenda forward.

In 2015, we welcomed our first advisers to be on board - Ambassador Ong Keng Yong, former ASEAN Secretary-General, Mr. Rafendi Djamin, former Representative of Indonesia to the ASEAN Intergovernmental Commission on Human Rights and current Director of Amnesty International South East Asia and the Pacific Regional Office, and Mr. Noke Kiroyan, one of the founders of Indonesia Business Links and a prominent Indonesian business leader. I thank them for their invaluable advice and insights.

Last but not least, I would like to thank my colleagues in the Board of Trustees and the Secretariat for their wholehearted dedication and passion to realise our plans.

This report covers the work we did and are doing in the region. Together we can do more. I invite more businesses, business organisations, governments, civil society organisations to work with us to realise the vision of nurturing a responsible business community, making ASEAN a better place to live for all.

Thank you and best wishes for a better future.

Yanti Triwadiantini
Chair, Board of Trustees

2. CEO's Message



CSR is not about how money is spent, but is about how money is made. When we talk about CSR, we do not talk about how we can maximise short-term profits, but about how we can maximise long-term values to enable trust and achieve sustainability.

However, CSR and sustainability is never an easy journey. A successful journey relies on the concerted efforts by all people and stakeholders to tackle numerous challenges head-on. In ASEAN, with recent cases on the violation of human rights, widespread corruption scandals, and haze issues amongst other irresponsible business practices making headlines, it's imperative that we step up efforts to encourage multi-stakeholders – governments, civil society, trade-unions, academia, media, ordinary citizens, and especially businesses – to collaborate and promote responsible business practices.

In 2015, we are proud to have made much progress in realising our ASEAN CSR Vision 2020 of mainstreaming responsible business conduct in ASEAN. This includes giving our inputs to the ASEAN Secretariat and ASEAN sectoral bodies on the significance of responsible business and the need to include CSR in the regional post-2015 development agenda – ASEAN 2025 Blueprint.

Awareness raising and capacity building on CSR for practitioners and relevant stakeholders continue to be strengthened. The two regional events – the ASEAN Next Generation CSR Forum held in Bali, Indonesia in February, and the ASEAN Responsible Business Forum held in Kuala Lumpur, Malaysia in October, together with a host of various in-country consultations and training workshops as well as the launch of the Small Grants Fund programme enabled us to expand and enhance our relationships with local, regional and international partners.

Our work on collective action also received positive outcomes with specific progress made in the areas of business and human rights, business integrity, and inclusive and sustainable agriculture which can be found out more in this report.

2015 was also a successful year for ACN in strengthening our internal capability and building our networks, including corporate partnerships with ASEAN-based multinational companies, board of advisers, and academic networks.

While we are proud of the achievements and significant progress to date, we are aware that much needs to be done. We will continue working with our networks and partners to create more meaningful impacts and mainstream responsible business practices for sustainable, equitable and inclusive development in ASEAN.

Thomas Thomas
CEO, ASEAN CSR Network

3. Brief Profile of ACN

3.1. Context and History

The ASEAN CSR Network Ltd. was incorporated on 8 December 2010 as a company limited by guarantee and without share capital in Singapore. The Company was registered as a charity under the Charity Act, Singapore, on 1 July 2014.

It was formed in line with the ASEAN Community 2009 – 2015 Blueprint. Under the ASEAN Socio-Cultural Community blueprint 2009 – 2015, ‘promoting CSR’ is identified as an integral strategy in ensuring sustainable and inclusive socio-economic development in ASEAN.

It started operations with support from the ASEAN Foundation and the Japan-ASEAN Solidarity Fund.

As a regional organisation, ACN provides a platform for networking and cooperation at the ASEAN level, supports capacity-building and training activities, helps catalyse collective action on key issues, and provides a link with regional and international bodies interested in supporting the advancement of CSR in the region.

Its objective is to mainstream CSR in ASEAN according to International Standards by working with business organisations and other stakeholders within and outside ASEAN.

ACN developed the “ASEAN CSR Vision 2020” and in 2015, received support from the Swedish Government through its Embassy in Thailand, the ASEAN Foundation through the Japan-ASEAN Solidarity Fund, the UK’s Foreign & Commonwealth Office through its Prosperity Fund, the Canadian Government through its Canada Fund for Local Initiatives together with other organisations.

3.2. Vision

A responsible business community making ASEAN a better place to live for all.

3.3. Mission

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

3.4. Defining CSR

ACN uses international standards from the UN Global Compact and the ISO26000 Guidance on Social Responsibility to guide its work. CSR is companies’ responsibility not only for the economic consequences of their activities, but also for their social and environmental implications. It encompasses not only what companies do with their profits, but also how they make them.

3.5. Board of Advisers

ACN’s Board of Advisers was set up in 2015 and the current members are:

Ambassador Ong Keng Yong is the former ASEAN Secretary-General and the current Executive Deputy Chairman of the S. Rajaratnam School of International Studies at the Nanyang Technological University in Singapore, Ambassador-at-Large at the Singapore Ministry of Foreign Affairs, non-resident High Commissioner to Pakistan and non-resident Ambassador to Iran.

Mr. Rafendi Djamin is the former Representative of Indonesia, ASEAN Intergovernmental Commission on Human Rights (AICHR), and the current Director of Amnesty International South East Asia and the Pacific Regional Office.

Mr. Noke Kiroyan is one of the founders of Indonesia Business Links and a prominent business leader in Indonesia. Currently, he is the President Director and Chief Consultant, Kiroyan Partners; Vice-Chairman, KADIN Indonesia (Indonesian Chamber of Commerce and Industry); Chairman, Indonesia National Community; and Advisory Board Member, Bain & Company.

3.6. Board of Trustees

The Board of Trustees provides guidance to further the objectives of ACN. The participating organisation in each country nominates one Trustee to the Board. The Board of Trustees in 2015 are:

Ms. Yanti Triwadiantini, Executive Director, Indonesia Business Links. She is also the Chair of the Board

Ms. Pensri Suteerasarn, President, Thai Listed Companies Association, the Deputy Chair of the Board

Ms. Elaine Tan, Executive Director, ASEAN Foundation

Mr. Frederick Ho, Secretary, Global Compact Network Singapore

Mr. Nguyen Quang Vinh, Deputy Secretary-General, Vietnam Chamber of Commerce and Industry; Director General, Office for Business Sustainable Development, Vietnam Chamber of Commerce and Industry

Ms. Tengku Ida Adura bte Tengku Ismail, Board Member, International Chamber of Commerce, Malaysia

Ms. Helen Orande, Executive Director, League of Corporate Foundations, Philippines

Ms. Khine Khine Nwe, Joint Secretary-General, Union of Myanmar Federation of Chambers of Commerce and Industry

3.7. Secretariat

The Secretariat is housed within the premises of the Singapore Business Federation (SBF).

Mr. Thomas Thomas, CEO

Mr. Jerry Bernas, Programme Director

Ms. Angela Tan, Senior Manager, Communications and Partnership

Ms. Ester Tjahjadi, Office Manager

Ms. Nguyen Thi Phuong Thao, Project Coordinator

Mr. Bryan Khoo, Project Executive (left on 30 November 2015)

3.8. Auditors

PricewaterhouseCoopers LLP, Singapore

3.9. Bankers

OCBC Bank Ltd

3.10. Company Secretary

Ramdas & Wong, Advocates and Solicitors

4. Highlights of 2015

4.1. Setting the direction

“ASEAN 2025: Forging Ahead Together”, the ASEAN workplan for the next 10 years has CSR/responsible business issues covered in the three pillars of the ASEAN Community – Economic, Political–Security and the Socio-Cultural. ACN gave inputs to the Plan and will work with the ASEAN Secretariat, sectoral bodies and other partners in implementing the plan.

4.2. Two major conferences

ASEAN Next-Gen CSR Forum

3 - 7 February 2015, Bali, Indonesia

Guest-of-Honours:

H.E. Puan Maharani, Coordinating Minister for Human Development and Culture, Indonesia

H.E. Le Luong Minh, Secretary-General of ASEAN

Keynote Speaker: John Elkington, Co-founder & Executive Chairman, Volans

Over 250 participants attended the Forum.

ASEAN Responsible Business Forum

27 - 29 October 2015, Kuala Lumpur, Malaysia

Guest of Honour:

YB Senator Datuk Paul Low Seng Kuan, Minister for Governance and Integrity, Prime Minister's Department, Malaysia

Over 250 participants attended the Forum.

4.3. Small Grants Fund

The ASEAN CSR Vision 2020 Small Grants Fund is offered by ACN with the support of the Government of Sweden through its Embassy in Bangkok. It is designed to provide access to supplementary funding to local and regional organisations who are engaged in work to promote CSR and with an interest to link their work to regional objectives.

In 2015, we supported nine projects totalling S\$88,000.

4.4. Capacity building

Conducted 10 training sessions reaching out to more than 400 participants in 10 countries.

4.5. Partners

In 2015, ACN worked with:

- 6 Funding agencies
- 5 ASEAN sectoral bodies
- 8 UN agencies
- 3 International NGOs
- 1 Regional think tank
- 3 Universities in ASEAN
- 10 Corporate sponsors
- 3 Corporate partners

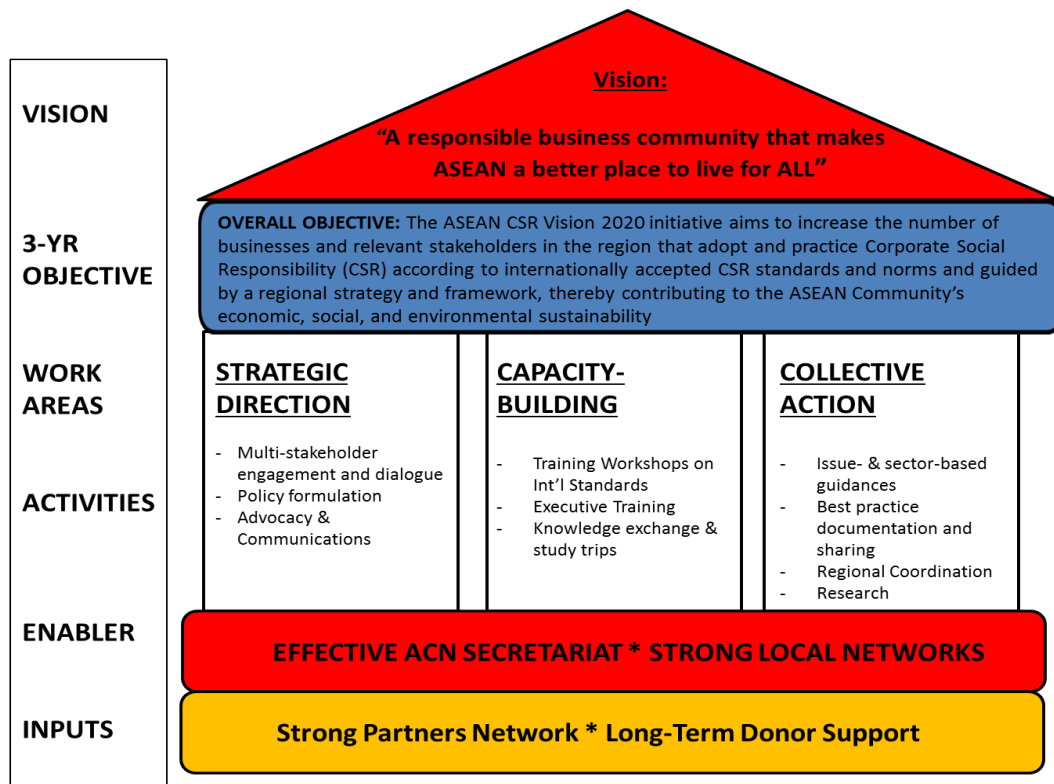
In 2016, ACN will continue to build its resources, increase the organisational capacity and increase our efforts to work with more partners to have bigger and better impact in charting the CSR journey in ASEAN.

5. ASEAN CSR Vision 2020

5.1. About the Vision

The work we do stems from the ASEAN CSR Vision 2020, a three-year programme launched by ACN in June 2014 to support ACN’s Vision and Mission. The vision is based on three key pillars:

- Creating and adopting a shared vision;
- Building capacity; and
- Enabling collective action.
 - Currently our focus areas are in:
 - Business and Anti-Corruption;
 - Business and Human Rights; and
 - Food Security and Sustainable Agriculture



To drive the ASEAN CSR Vision 2020, the leadership from the Board of Trustees provides strategic directions for our short-term and long-term plans. The Board of Trustees includes representatives of key business and CSR organisations and we leverage these networks for our outreach programmes.

The biggest supporter to realise this Vision is the Swedish Government through its Embassy in Bangkok.

This Vision complements ACN's Strategic Vision and Mission.

5.2. Implementing the ASEAN CSR Vision 2020

One of ACN's key pillars is to create a shared vision on CSR through the formulation and adoption of a regional framework and strategy on CSR. In 2015, we continued to deepen our ties with participating networks and potential members across the region by offering increased opportunities for CSR advocacy and support for local and regional events.

Simultaneously, ACN is strengthening its relationship with the ASEAN Secretariat and relevant bodies. ASEAN Secretary General Le Luong Minh graced ACN's regional forum held in Bali in February 2015 as the guest of honour. Communication channels for follow-up and cooperation has remained open with the ASEAN Secretariat.

The partnership with the ASEAN Intergovernmental Commission on Human Rights (AICHR) continues to grow, building on the thematic baseline study on the nexus between CSR and Human Rights co-authored by ACN and launched by AICHR in 2014. The strength of the partnership is evidenced by the numerous occasions throughout 2015 where ACN and AICHR mutually supported each other's initiatives.

In 2015, ACN was invited to make presentations at various ASEAN official meetings, paving the way for greater cooperation and the eventual accreditation of ACN. This will be key in further strengthening ACN's mandate and relevance in post-2015 ASEAN.

5.2.1. Impact and progress report of our work

ACN has Participating Organisations in seven of the 10 ASEAN member-states



5.2.2. Expanding membership

ACN is in contact with business networks in Brunei, Cambodia and Laos to enable networks in these countries to join ACN. We have organised joint activities in Cambodia and Laos to raise awareness of CSR.

5.2.3. Organising and supporting CSR events to raise awareness

ACN organised two successful high-level regional forums on CSR to raise awareness of issues relating to our collective action in 2015, with each gathering about 250 high-level representatives from key stakeholder groups:

- ASEAN Next-Gen CSR Forum, Bali, 3-7 February 2015
- ASEAN Responsible Business Forum, Kuala Lumpur, 27-29 October 2015

a. ASEAN Next Gen CSR Forum

From 3-7 February 2015, ACN in partnership with the Canadian Embassy in Jakarta and the ASEAN Foundation organised the ASEAN Next-Gen CSR Forum in Bali, Indonesia, where we discussed the role of business and the CSR implementation challenges for the private sector and its partners. The 5 day-event was an opportunity for ACN and participants to discover innovative approaches, share insights, and generate ideas and form new partnerships.



The Guest-of-honours were H.E. Puan Maharani, Coordinating Minister for Human Development and Culture, and H.E. Le Luong Minh, Secretary-General of ASEAN. The keynote speaker was John Elkington, Co-founder and Executive Chairman of Volans.

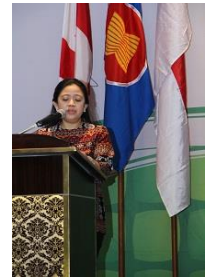
More than 250 delegates from companies and business associations, civil society and government bodies attended the event. Apart from ASEAN countries, delegates also came from Australia, Canada, China, India, Japan, Korea, the Netherlands, Sweden and the USA.

At the Main Forum on 5 February, ASEAN Secretary-General Le Luong Minh underscored the need to fulfill the provisions in ASEAN's Socio-Cultural Community Blueprint 2015 on ensuring that CSR, as defined and practiced in line with international standards and norms, be in the region's corporate agenda. He emphasized the vital role of the business sector in achieving inclusive, equitable and sustainable development, especially in addressing issues of human development and social protection in ASEAN.



ASEAN Secretary General Le Luong Minh

Coordinating Minister for Human Development and Culture of Indonesia Puan Maharani believed that CSR can leverage both social development of the community and opportunities for the companies. She also reiterated the importance of partnerships between government and the businesses sector in solving problems, especially at the community level.



Minister Puan Maharani



Mr. John Elkington

Keynote speaker John Elkington, a renowned thought leader on CSR and creator of the “Triple Bottom Line” approach to sustainability, described CSR as the “art of the possible”, while stressing that we should constantly push the agenda and find breakthroughs to achieving a new way of doing business. Companies can enjoy various benefits such as risk management, cost-savings, access to capital, customer relationships, human resources potential, and innovation capacity if they subscribe to CSR and innovation.

Speakers and participants also joined a number of high-level plenary sessions at the Main Forum to discuss the role of business in fighting corruption, ensuring sustainable agriculture, natural resource management, respecting and promoting human rights.

Side-events:

1. Masterclass on CSR and Stakeholder Engagement (3 February) aimed to help participants understand the meaning of sustainability and how it can be enabled in organisation. 61 participants attended.



2. Business and Human Rights Consultation (4 February) sought views on what National Action Plans (NAPs) based on the UN Guiding Principles on Business and Human Rights means for various stakeholders in the Asian context, especially in relation to ASEAN. 113 participants attended the event.

3. Sustainable Agriculture Working Group Meeting (6 February) served as consultation and project kick-off for the Food and Agriculture Business Principles partnership between the UN Global Compact and ACN with the introduction of the Integrated Sustainable Agriculture Programme (ISAP). The programme will be piloted and rolled out in phases over five years and ASEAN’s 10 Member States are part of the ISAP pilot. 70 participants attended.



4. Business Integrity and Anti-Corruption Meeting (6 February) focused on the development of Regional Framework for Collective Action in ASEAN with three priorities of actions: (i) increasing the awareness and understanding of corruption; (ii) building skills and capacity to combat corruption; and (iii) harmonising existing strategies and programmes on business integrity and anti-corruption. 86 participants attended.



5. Workshop on Creating Shared Value in the Extractive Sector (6 February) examined how companies can align shared value with operations, overcome potential obstacles, and as a result, gain a competitive edge.

6. Dialogue on Extractive Sector Models: Finding the Right Balance in the O&G and Mining Sectors (6 February) analysed core issues from policy to legislation, contracts and fiscal regimes, and presented the pros and cons of various models, with the objective of illustrating that getting the right balance between attracting investment and optimising a country's benefits is often an art rather than a perfect science.



b. ASEAN Responsible Business Forum

From 27-29 October 2015, ACN, Oxfam, the Federation of Malaysian Manufacturers and the ASEAN Foundation organised the ASEAN Responsible Business Forum in Kuala Lumpur, Malaysia.

The Forum brought together over 250 key representatives of companies, government, trade unions, and civil society to engage in high-level dialogues and interactive consultation workshops, unpacking what responsible business practices mean for the ASEAN Economic Community (AEC) as ASEAN strives for inclusive, equitable and sustainable growth post-2015.





YB Senator Datuk Paul Low

At the Main Forum on 28 October, Guest-of-Honour Senator Datuk Paul Low Seng Kuan, Malaysian Minister for Governance and Integrity, Prime Minister's Department committed Malaysia to be a test bed for CSR. He also proposed that social enterprises work closely with businesses for funding, and that businesses could play a part in helping social enterprises build good management capacity to enable social action and benefit society.

Specific topics of plenary discussions at the Main Forum focused on business and human rights, business integrity and anti-corruption, and inclusive and sustainable agriculture.

Side-events:

1. Consultation on Harmonisation of Business Integrity Standards and Programmes in ASEAN (27 October) discussed possible solutions to overcome the challenges of collective action against corruption and explored possibility of harmonising integrity standards in the ASEAN business community.

The Consultation was followed by a Training Workshop on criminal corporate liability for corruption offences and how to design and implement an effective anti-corruption/ethics compliance programme.



2. Consultation on Inclusive Policy-Making in Agriculture and Investment (27 October) explored the successes and failures from existing public-private partnerships and multi-stakeholder coalitions in ASEAN in making agriculture and investments inclusive for women and small family farmers.

3. Workshop on Driving Gender Transformative Agricultural Investment (27 October) addressed critical questions and proposed practical, innovative and transformative solutions to drive gender transformation in agriculture.



4. Consultation on Implementing the UN Guiding Principles on Business & Human Rights (29 February) was designed to gather inputs from government, business and civil society stakeholders on how developing national and regional strategies on business and human rights can help create an enabling environment for the greater protection and respect of human rights in the context of ASEAN economic integration.



c. Other events

In addition to these two major events, ACN also supported other organisations to raise CSR awareness. Details of the events are in the Collective Action on Page 15.

d. Building capacity

In 2015, ACN continued to support capacity-building efforts of its members and partners on adopting and implementing international CSR standards. Workshops and knowledge-sharing forums were held in eight of the 10 ASEAN Member States - Lao, Cambodia, Vietnam, Philippines, Malaysia, Singapore, Thailand and Indonesia.

A significant development in 2015 was ACN's more focused activities on building capacity in addressing core issues related to CSR, such as human rights and business integrity. ACN partnered with Singapore Management University and the UN Working Group on Business and Human Rights to help develop the guiding framework for National Action Plans and convene relevant stakeholders for consultation and training. ACN also partnered with the UN Office on Drugs and Crime (UNODC) and other partners to deliver more in-depth training for members and partners of the Regional Working Group on Business Integrity.

In an effort to raise its visibility as a regional network, ACN continued to support selected regional conferences and events. This has yielded increased awareness on ACN and its mission and opened up opportunities for partnerships.

In 2016, ACN will focus on developing and implementing more long-term training programs in the form of fellowships and/or certificate courses.



Training at the ASEAN Responsible Business Forum (October 2015)



Training at the Lao Responsible Business Forum (June 2015)

e. Collective Action

ACN continued to focus on strengthening its work in three priority areas – Business Integrity and Anti-Corruption, Business and Human Rights, and Food Security and Sustainable Agriculture – where significant progress has been made.

Impact of our work in Business Integrity

With regards to Business Integrity, the Regional Working Group on Business Integrity in ASEAN adopted its Framework for Collective Action during a strategic planning meeting on 24 March in Bangkok. ACN also strengthened its partnership with UNODC and Transparency International. This was supported by various meetings and training events. ACN's anti-corruption work has been financially supported by the UK Foreign & Commonwealth Office's Prosperity Fund since 2013.



Working Group Members discussing Regional Framework for Collective Action

Other activities included launching the “Integrity Has No Borders” website and developing an Advocacy Campaign strategy in preparation for Phase 2 of the implementation plan.



Screengrab of Integrity Has No Borders website – <http://integrityhasnoborders.com/>

The other major events on Business Integrity that ACN co-organised or participated in 2015 included:



High-level focused session and workshop on Business Integrity as part of the ASEAN Next-Gen CSR Forum (3-7 February, Bali, Indonesia)



High-level focused session and workshop on Business Integrity as part of the ASEAN Responsible Business Forum (27-29 October, Kuala Lumpur, Malaysia)



The 16th International Anti-Corruption Conference (2-4 September, Putrajaya, Malaysia), where ACN also held special meetings with Southeast Asia Parties Against Corruption (SEA-PAC) and UNODC



Panel discussion to mark International Anti-Corruption Day co-organised with the UN Development Programme Global Anti-Corruption Initiative (UNDP GAIN) and Global Compact Network Singapore (9 December, Singapore) and the launch of the video contest to encourage youth to take a stand against corruption

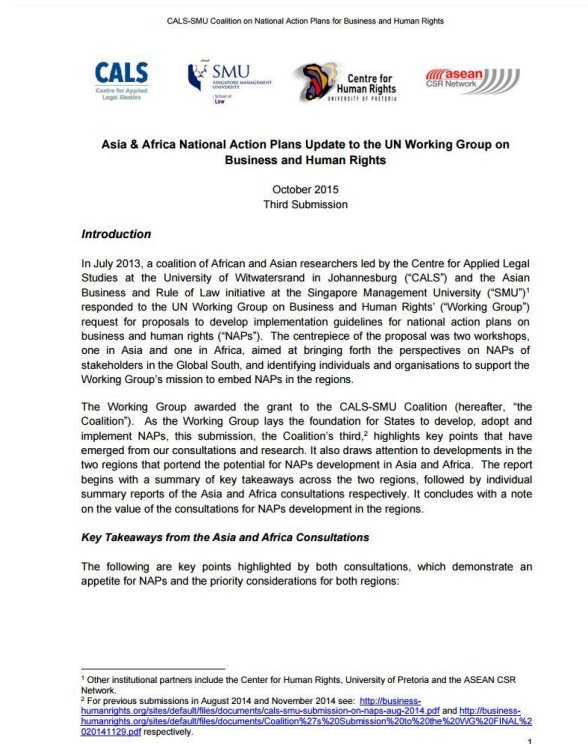
- Launch of the ASEAN Integrity Community Report by Transparency International, 24 April, Kuala Lumpur
- National Conference on Business Integrity, 27 May, Phnom Penh; organised by Transparency International Cambodia
- Indonesia Integrity Forum, 30 September, Jakarta; organised by Indonesia Business Links
- The Integrity Summit, 9 December, Manila; co-organised with Integrity Initiative Inc. (Philippines)
- Indonesia Responsible Business Forum and Workshop on Anti-Corruption, 17 December, Jakarta; co-organised with Indonesia Business Links

These events were well attended by local, regional and international delegates, giving us the opportunity to raise our profile with various key stakeholders and push the business integrity agenda forward.

ACN will continue to explore programmes and activities to collaborate with other parties to further this work.

Business and Human Rights

ACN organised the ASEAN Next-Gen CSR Forum in Bali from 3-7 February in which one of the focus areas was on Business and Human Rights. A consultation focused on the development of National Action Plans (NAPs) based on the UN Guiding Principles on Business and Human Rights. At the end of the consultation, Indonesia, Malaysia and Myanmar committed to pursuing the development of NAPs.



This consultation was a consortium comprising ACN and the Singapore Management University (SMU) for a project commissioned by the UN Working Group on Business and Human Rights on the development of NAPs for the UN Guiding Principles implementation.

The resulting report was completed and presented to the UN Working Group's Annual Forum on Business and Human Rights, an event in which ACN's CEO also spoke at a panel from 17-19 November in Geneva.

ACN continued to work with the ASEAN Intergovernmental Committee on Human Rights (AICHR). In addition, ACN's CEO was also a keynote speaker at the Children's Rights and Business Principles Asia Regional Event, in Kuala Lumpur in October 2015.

ACN's CEO also sits as a member of the 'Eminent Persons Group' that has been tasked to provide advice to the development of the Reporting and Assurance Framework Initiative (RAFI) led by SHIFT. The framework was launched in 2015.

Other notable milestones in 2015 on Business & Human Rights included our participation at these events:

- HRRC Summer Institute on Human Rights, 11-14 August, Bali
- AICHR Training of the Trainers for Journalists, 25-29 July, Bangkok
- AICHR Regional Workshop on the Role of Youth in Promoting Human Rights in ASEAN: Making Rights A Reality, 30-31 October, Kuala Lumpur

We have an ongoing relationship with SMU's Asian Business and Rule of Law Initiative (ABRLI) and are exploring further projects on Business and Human Rights with the school.

Sustainable & Inclusive Agriculture

The ‘Leveraging Business in ASEAN for Food Security and Sustainable Agriculture’ proposal was endorsed by the ASEAN Ministerial Meeting on Agriculture and Forestry (AMAF) in September 2014. The project was to pilot the Global Compact’s Food and Agriculture Business Principles (FAB). This is now being promoted by the International Trade Centre (ITC) under a “Blue Number” project.



The Blue Number is a specific Global Location Number (GLN) which identifies a farm or SME in any part of the food and agriculture value chain. The Blue Number provides the holder with a universal identifier that has additional information for use in international registries, databases and other information storage infrastructures.

The idea is for farmers and agribusiness to register and volunteer information about themselves and create a sustainability profile on their products, services and capacity, including for trade or export. This information can be shared with stakeholders and when farmers and agribusiness’s declare they are ready, they will be able to receive support in capacity building from national stakeholders, governments and various UN agencies. The objective is to use the blue numbers to demonstrate supply chain traceability in the palm oil sector and to tangibly demonstrate that “clean” supply chain products do not contribute to transboundary haze.

ACN is also a partner of Oxfam’s GRAISEA project, which aims to improve livelihoods of small scale producers in ASEAN through responsible gender transformative value chain and private sector investments. The promotion of CSR is an integral part of the programme.

Other significant milestones included:

- Workshop on implementing the Food and Agriculture Business Principles, 6 February, Bali
- Meeting with SOM-AMAF Chair and Philippine Agriculture Undersecretary, 16 July, Manila
- A Progress Report was presented by UNGC Malaysia on behalf of ACN and UNGC to ASEAN AMAF, at its meeting in August, Nay Pyi Daw
- Workshops on Public-Private Partnership and Gender Empowerment in Agriculture, 27 October, Kuala Lumpur, co-organised with Oxfam

f. Research

There is a need for more research on CSR issues in ASEAN. ACN seeks conduct research on an ASEAN wide level to help us achieve our goal of mainstreaming CSR in the regional business community. The research we undertake will serve as a benchmark for ASEAN businesses to progress in the adoption of responsible business practices. It also provides a good opportunity for us to assess the effectiveness of our strategies to find workable and practical approaches to push the CSR agenda.

In 2015, we started working closely with the Centre for Governance, Institutions and Organisations, National University of Singapore Business School (CGIO) on a number of research projects. These include:

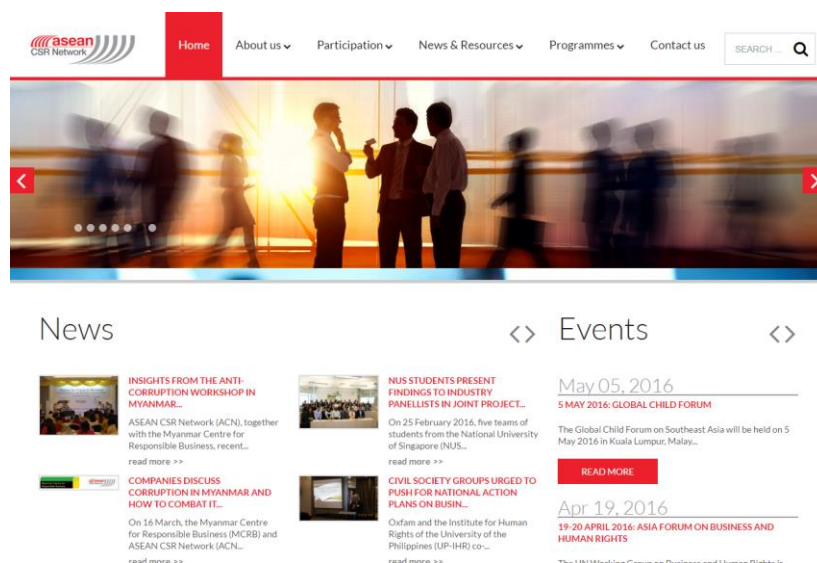
- A study on corporate integrity initiatives in six ASEAN countries to determine the level of compliance to the UN Convention against Corruption's relevant provisions on the private sector.
- A study on transparency and corporate reporting on anti-corruption programmes of the top 50 companies in six ASEAN countries.
- A study on the state of sustainability reporting among listed companies in Indonesia, Malaysia, Singapore and Thailand.

In 2016, we are co-organising with NUS CGIO the "Conference on Corporate Governance and Responsibility: Theory Meets Practice" (20 to 22 July). We hope the outcome would be an increase in academic interest in CSR and responsible business conduct in the region. We plan to release the results of our research projects during this Conference.

g. Communications

In communications, ACN ramped up its efforts by putting in more resources in social media in the following ways:

- ACN started to revamp its website in 2015 and launched the new version at the end of January 2016. Apart from the visuals, the content has also been re-organised and categorised to make it easier for web visitors. In addition, we have added social media sharing icons, simple form for newsletter signups and follow us buttons on our social media sharing platform.
- We have been sending regular monthly newsletters to inform and educate our stakeholders on our activities and developments in CSR.
- On the use of social media, ACN had only a Twitter account till August 2015. In August, we added our own Facebook, LinkedIn and Youtube accounts. We gained the most traction on Twitter and Facebook with some success on LinkedIn. Apart from ACN's own updates of its own events and news, we also sourced for interesting CSR articles and have shared them with the public on social media platforms, resulting in an increase in followers on these accounts.
- On media coverage, we made good progress in building up contacts with media in the region. This is reflected by the increased coverage of our ASEAN Responsible Business Forum held in October in Kuala Lumpur compared to the ASEAN Next-Gen CSR Forum held in February in Bali.



5.3. Enablers of the ASEAN CSR Vision 2020

5.3.1. Effective secretariat and leadership

a. Organisation and Governance

ACN is registered as a company limited by guarantee in Singapore and is subject to the Companies Act of Singapore and its regulations. It is also registered as an International Charity Organisation in Singapore and must also comply with the Charities Act governing charities in Singapore. ACN therefore submits annual reports and audited accounts to the Accounting and Corporate Regulatory Authority (ACRA) and the Charities Commissioner. ACN's constitution is framed to meet the requirements of both legislations. Our accounts are audited to meet the requirements of both regulations and regulators.

ACN has a set of governance procedures and systems set in place to ensure that we operate based on high standards of governance with rules on disclosures, conflicts of interest and third parties.

Staff terms and conditions are covered by the Employee Handbook which complies with Singapore laws.

As a signatory of the UN Global Compact, we work to comply with the UNGC's 10 Principles both within ACN and with our partners on various programmes. Employees are not discriminated based on gender, age, race, religion, nationality or any other criteria. Our employees come from four ASEAN countries. There is gender balance among the employees.

Board of Trustees

The Board of Trustees from the participating organisations are:

- Chair: Ms. Yanti Triwadiantini, Executive Director, Indonesia Business Links
- Vice Chair: Ms. Pensri Suteerasarn, President, Thai Listed Companies Association
- Ms. Elaine Tan, Executive Director, ASEAN Foundation
- Mr. Frederick Ho, Secretary, Global Compact Network Singapore
- Mr. Nguyen Quang Vinh, Deputy Secretary-General, Vietnam Chamber of Commerce Industry; Director General, Office for Business Sustainable Development, Vietnam Chamber of Commerce and Industry
- Ms. Tengku Ida Ismail, Board Member, International Chamber of Commerce, Malaysia
- Ms. Helen Orande, Executive Director, League of Corporate Foundations, Philippines
- Ms. Khine Khine Nwe, Joint Secretary-General, Union of Myanmar Federation of Chambers of Commerce and Industry

Each trustee member is elected for a three-year renewable term. The election of the Board is rotated such that each year one third of the Board is subject to elections. The Chair is elected from among the Trustees. The BOT provides broad direction for ACN to realise its objectives.

Board of Advisers

ACN's Board of Advisers was set up in late 2015 to:

- Provide strategic advice and guidance to ACN, including advice and guidance on priorities, programmes, strategic budget and annual work plan in order for ACN to achieve its objectives;

- Raise awareness of ACN and promote its strategies at national, regional and global levels; conduct advocacy and outreach on behalf of ACN; mobilise key stakeholders (industries and businesses, policy makers, civil society groups, trade unions, academic and educational institutions, media) and their commitments; and
- Encourage collaboration between ACN and other relevant bodies and initiatives.

Current members of the Board of Advisers are:



Ambassador Ong Keng Yong, former ASEAN Secretary-General and the current Executive Deputy Chairman of the S. Rajaratnam School of International Studies at the Nanyang Technological University in Singapore, Ambassador-at-Large at the Singapore Ministry of Foreign Affairs, Non-resident High Commissioner to Pakistan, non-resident Ambassador to Iran.



Mr. Rafendi Djamin, former Representative of Indonesia, ASEAN Intergovernmental Commission on Human Rights (AICHR), and the current Director of Amnesty International South East Asia and the Pacific Regional Office.



Mr. Noke Kiroyan, one of the founders of Indonesia Business Links and a prominent business leader in Indonesia. He presently is the President Director and Chief Consultant, Kiroyan Partners; Vice-Chairman, KADIN Indonesia (Indonesian Chamber of Commerce and Industry); Chairman, Indonesia National Community; Advisory Board Member, Bain & Company.

Code of Conduct

ACN is a signatory of the UN Global Compact since 2012. We adopt the 10 UNGC Principles supporting the fundamental rights and obligations of employees and businesses in the areas of labour, human rights, environment and anti-corruption.

ACN also has a Code of Conduct for its employees. This spells out ACN's commitment to workplace health and safety, rules on conflict of interest, etc. All employees have to read and sign the Code of Conduct as a commitment to fully comply with the Code.

We have internal processes for financial control. We have procedures and processes for procurement in accordance with internationally accepted standards. Our accounts are audited annually by PwC, the international accounting firm.

Our expenses drawn from the various donors are accounted for and supported by relevant invoices and receipts and a report is filed and sent to the donors and sponsors as part of our financial accountability. We conform to the highest standards required by our international donors.

Strong local networks

ACN has local networks in seven of the 10 ASEAN member states as our participating organisations. We support these organisations to carry out its mission in raising awareness of CSR and encouraging companies to embed CSR practices in their business operations.

ACN's local networks are:

- Indonesia - Indonesia Business Links
- Malaysia - International Chamber of Commerce - Malaysia
- Myanmar – Union of Myanmar Federation of Chambers of Commerce
- Philippines – League of Corporate Foundations
- Singapore – Global Compact Network Singapore (formerly Singapore Compact for CSR)
- Thailand - CSR Club of the Thai Listed Companies Association
- Vietnam – Vietnam Chamber of Commerce and Industry
- ASEAN - ASEAN Foundation

5.3.2. Strengthening networks

a. Working with ASEAN

- Gave feedback on ASEAN 2025 Blueprint to the Singapore government, and gave inputs on the ASEAN Business Advisory Council's Recommendation Paper to ASEAN Leaders on responsible business, contributing to lift up CSR on official regional agenda. CSR is now covered in the 3 pillars.
- Participated in a number of events organised by the ASEAN Secretariat and ASEAN Sectoral Bodies. For example,
 - 9th ASEAN Ministerial Meeting on Rural Development and Poverty Eradication and related meetings (13-17 October, Vientiane, Laos)
 - 11th Meeting of the Senior Officials for Social Welfare and Development (8-9 September, Kuala Lumpur, Malaysia)
- Updated the ASEAN Ministers for Agriculture and Forestry on work being done on pilot project to implement the Global Compact's Food and Agriculture Business Principles.
- Continued to work with the ASEAN Intergovernmental Commission on Human Rights (AICHR)
 - AICHR representatives regularly attend ACN's activities and recognise ACN's role in pushing the business and human rights agenda in ASEAN.
 - ACN is working with Singapore's representative to AICHR and the Singapore Ministry of Foreign Affairs in co-organising a follow-up workshop to the AICHR Baseline Study on the nexus between CSR and human rights in November 2016 in Singapore.
 - ACN supported AICHR's events with our participation.



ACN CEO Thomas Thomas delivering lecture on CSR and the UN Guiding Principles on Business and Human Rights at the AICHR Training of the Trainers for ASEAN Journalists 25-29 July, Bangkok, Thailand

b. Working with UN agencies

ACN works directly with the following agencies in these areas:



Capacity Building



Business Integrity Collective Action



Working with ESCAP and ESCAP Business Advisory Council. ACN is represented on the Council



Promotion of CSR Principles and standards, including the Food & Agriculture Business Principles



Partnership on implementing the Global Compact's Food and Agriculture Business Principles



Co-organised International Anti-Corruption Day 9 December 2015 in Singapore and video contest on anticorruption for young people in Southeast Asia

UN Working Group on Business & Human Rights

ACN, together with the Singapore Management University, has been engaged by the UNWG to provide input and lead regional work on the development of National Action Plans on the UN Guiding Principles on Business and Human Rights. We also participated in their annual Forum and worked on follow up plans with members of the Working Group

c. Working with other organisations

ACN has also strengthened its relationship with key international NGOs:



*Partner in the Business Integrity's collective action.
An MOU to formalise the relationship is being developed.*



*Co-organised the ASEAN Responsible Business Forum.
A partnership agreement is being prepared to work together on other areas.*



ACN is exploring with WWF the possibility of forming a multi-stakeholder alliance to promote sustainable agriculture and palm oil

5.3.3. Donors, Corporate Partners and Sponsors

These are important partners without whose support the CSR Vision for ASEAN will never be realised. We acknowledge their contributions with gratitude.

We thank the following donors for their support.



The Swedish Government through its Embassy in Thailand



The UK FCO through its Prosperity Fund



The ASEAN Foundation through the Japan-ASEAN Solidarity Fund



Besides funding from these donors, ACN also received in-kind donations. The Singapore Business Federation provided office space and IT support.

ACN launched its Corporate Partners programme in 2015. To date, we have three corporate partners:



ACN also received generous support from sponsors and partners for the Regional Forums held in Bali and Kuala Lumpur. They are:



5.3.4. Supporting Partners

These are some of the partners that ACN has worked with in the past or currently. The Supporting Partners include:





UN Working Group on
Business and
Human Rights

6. Financial status

Funding is essential for an organisation to survive and fulfil its vision and mission, and ACN is no exception. We are grateful for the support we received and the opportunities to raise financial resources and build our capabilities to carry out our mission.

A summary of our finances since we started operations is as follows:

Items	2015	2014	2013	2012	2011
Revenue (S\$)	1,650,175	537,379	223,777	101,945	49,270
Expenses (S\$)	1,346,292	664,422	218,502	84,670	69,740
Surplus/(Deficit) (S\$)	303,883	(127,043)	5,275	17,275	(20,470)
Staffing	6	5	1	1	0

We have made progress in enhancing our financial resources thanks to the support from donor countries like Sweden, UK, Japan and Canada. We also acknowledge the support of Singapore Business Federation in providing us office space without charge. We are also grateful for the companies that have come forward to support our activities.

We will continue to be prudent in managing these financial resources and ensure that our activities are effective and efficient in meeting our objectives.

7. Challenges and Opportunities

There is more work to be done which requires additional resources. We are hoping for continued support from our existing funders and for new ones. We hope these will include ASEAN governments, ASEAN dialogues partners, businesses and other organisations.

Without funds, we will not be able to do our work. Building our financial viability will remain a priority for ACN's leadership.

The other challenge is that in many countries, businesses continue to be driven by one dimension – maximise profits at all costs. Fortunately, as reflected by the new ASEAN workplan, ASEAN governments are realising that growth at all costs would not give their people a better life. ASEAN's plan for a people centred

and people orientated ASEAN with inclusive, equitable and sustainable growth is the way forward. We will continue to work to achieve this with our partners. Awareness raising will continue as an important element of our advocacy work.

Stock exchanges in ASEAN are also requiring greater accountability from listed companies. The increase in requirements for non-financial disclosures will push companies to embed sustainability and responsible business conduct into their business practices.

The businesses that want to move forward would need help in capacity to embed CSR in their organisations. We will have to focus on providing the skills, knowhow and tools in 2016.

8. Conclusion

The state of CSR in ASEAN has moved forward. This would not have been possible without the support of our funders and partners. We have recognised many of them in this report. Going forward, the greater realisation on the importance of CSR and sustainability will make companies change and meet changing expectations of their stakeholders.

We thank our funders and partners for another successful year. We look forward to continued collaboration with our funders and partners to do well, do better and do more together.

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