



ASEAN CSR NETWORK LTD

ANNUAL REPORT

2018 and 2019

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MESSAGE

**MS YANTI TRIWADIANTINI , CHAIR OF BOARD OF TRUSTEES AND
MR THOMAS THOMAS ,CEO
ASEAN CSR NETWORK**

2018 had been a challenging year of hope and disappointments. 2019 had been a year of introspection, trying to survive and rebuild.

We had submitted plans to our main funder for the next phase of advancing the Responsible Business Agenda in ASEAN in 2017. Discussions with funders were progressing well with plans and contract being fine-tuned and implemented. Towards the end of 2018, we were told that the funders would not be supporting us. This caused us much hardship.

This development was unexpected. We had been using our reserves to carry on the activities while waiting for funds to be remitted. When we got the news, we had to cut costs drastically, which included laying off staff, giving up office space and revamping our activities.

During these challenging times, while being handicapped without resources, we persisted and continue to contribute towards advancing the CSR and responsible business agenda. We have adopted new ways of working. We continued to collaborate with our member organisations, ASEAN Bodies and other organisations and businesses. We are grateful for the support we continue to enjoy from many.

We thank the ASEAN Business Advisory Council (ABAC) for appointing us as their Responsible and Inclusive Business Champion in the ASEAN Joint Business Council in 2018 and in 2019 we launched the ASEAN Responsible And Inclusive Business Alliance (ARAIBA). We thank YCH and their chairman Mr Robert Yap for office space. We thank the many who still had trust in us to deliver.

The new platform of ARAIBA will be a key driver for enabling businesses to adopt responsible and inclusive business conduct. Now countries and businesses have realized the importance of sustainable development and their need to contribute toward the Sustainable Development Goals. Drawing on the SDGs, UN Global Compact Principles, the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, UN Guiding Principles on Business and Human Rights and other global standards, ARAIBA developed a Code for ASEAN. Members indicate their support and desire to go on the journey to achieve responsible and inclusive business conduct. It is an aspiration that we work to realise.

We believe difficult times will not last forever. There will always be a dawn a the dark night. There will be sunshine after a storm. We will continue to work with likeminded partners to realise the vision and mission for a responsible and inclusive ASEAN.

Do join us to achieve the Vision of "A responsible business community that makes ASEAN a better place to live for ALL."

ABOUT THE ASEAN CORPORATE SOCIAL RESPONSIBILITY (CSR) NETWORK LTD

ASEAN CSR Network (ACN) is an accredited ASEAN entity acting as the region's network for responsible and inclusive business. We aim to create change by influencing and working with different actors, ranging from ASEAN bodies, ASEAN member states to the private sector, civil society and international organisations, who can influence the way businesses operate.

ACN provides a platform for networking and cooperation, support capacity building and training activities, help catalyse collective action on key issues including business integrity and anti-corruption, business and human rights, gender equality and women's empowerment, sustainable agriculture and environmental sustainability, as well as provide linkages to regional and international bodies in supporting the advancement of CSR in the region.

ACN is registered as a public company limited by guarantee in Singapore on 8 December 2010 and as an International Charitable Organisation.

ACN is an accredited ASEAN entity under Annex 2 of the ASEAN Charter.

ACN is also the Responsible and Inclusive Business Champion with the ASEAN Business Advisory Council and on their Joint Business Council.

VISION

A responsible business community that makes ASEAN a better place to live for all

MISSION

To promote and facilitate the adoption of responsible business conduct in ASEAN to achieve a sustainable, equitable, and inclusive ASEAN community

COMMITMENTS

- ✓ The UN Global Compact (UNGC) 10 Principles, as a signatory
- ✓ Ethical and anti-corrupt practices, as stated in the Code of Conduct of ACN's Employee Handbook
- ✓ Fair Employment Practices, as a signatory of the Singapore Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)

OFFICE BEARERS

BOARD OF TRUSTEES

Chair: Ms. Yanti Triwadiantini, Associate Sustainability Adviser, Indonesia Business Links (IBL)

Deputy Chair: Ms. Pensri Suteerasarn, President, Thai Listed Companies Association

Trustees:

- Ms. Elaine Tan Executive Director, ASEAN Foundation
- Mr. Frederick Ho, Deputy Director, Singapore National Trades Union Congress replaced by Mr Wilson Ang who resigned in Feb 2019
- Ms. Helen Orande Executive Director, League of Corporate Foundations (LCF), Philippines
- Ms. Khine Khine Nwe, Joint Secretary-General, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
- Mr. Nguyen Quang Vinh, Secretary General of Vietnam Chamber of Commerce and Industry (VCCI), Director General, Office of Business Sustainable Development, VCCI
- Ms. Tengku Ida Adura Tengku Ismail, Vice Chair of International Chamber of Commerce (ICC)-Malaysia

BOARD OF ADVISORS

Ambassador Ong Keng Yong

- Former ASEAN Secretary-General
- 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

Mr. Rafendi Djamin

- Former Representative of Indonesia, ASEAN Intergovernmental Commission on Human Rights (AICHR)

Mr. Noke Kiroyan

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

CEO: Mr Thomas Thomas

FOUNDING MEMBERS OF THE COMPANY

Mr Frederick Ho, Deputy Director, Singapore National Trades Union Congress

Mr Thomas Thomas, CEO ASEAN CSR Network Ltd

ORGANISATIONAL UPDATES

STAFFING

With increase in activity, our staff numbers went up to 9 in 2018. With the lost of funding, we had to release our staff and used pro bono work from the CEO, Trustees and member organisations.

In November 2019, we signed a Memorandum of Understanding with Brands For Good (a company limited by guarantee in Singapore) to provide administrative and marketing support in managing the membership of the ASEAN Responsible And Inclusive Business Alliance (ARAIBA).

OFFICE BEARERS

Changes in office bearers include:

- Ms Elaine Tan left ASEAN Foundation in January 2019 at the end of her contract and was replaced by Ms Yang Mee Eng, her replacement as Executive Director of ASEAN Foundation.
- Mr Wilson Ang resigned from the Board following his departure from Global Compact Network Singapore.

OFFICE REMOVE

With the reduction in staffing levels, we closed our office at Keppel Towers. The CEO started working from home and used our accountant's office as the administrative premises.

In 2019, the YCH Group offered us free office space at their Supply Chain City in Singapore. We started using the premises from June 2019. They also provided facilities to operate from their premises. Thanks to Mr Robert Yap the Executive Chairman of the Group.

ACKNOWLEDGEMENTS

We thank all our supporters, funders (past and Present) and all you assisted us in the journey of advancing responsible business and CSR in ASEAN.

We look forward to support. Please contact us as follows:

thomas@asean-csr-network.org

info@asean-csr-network.org

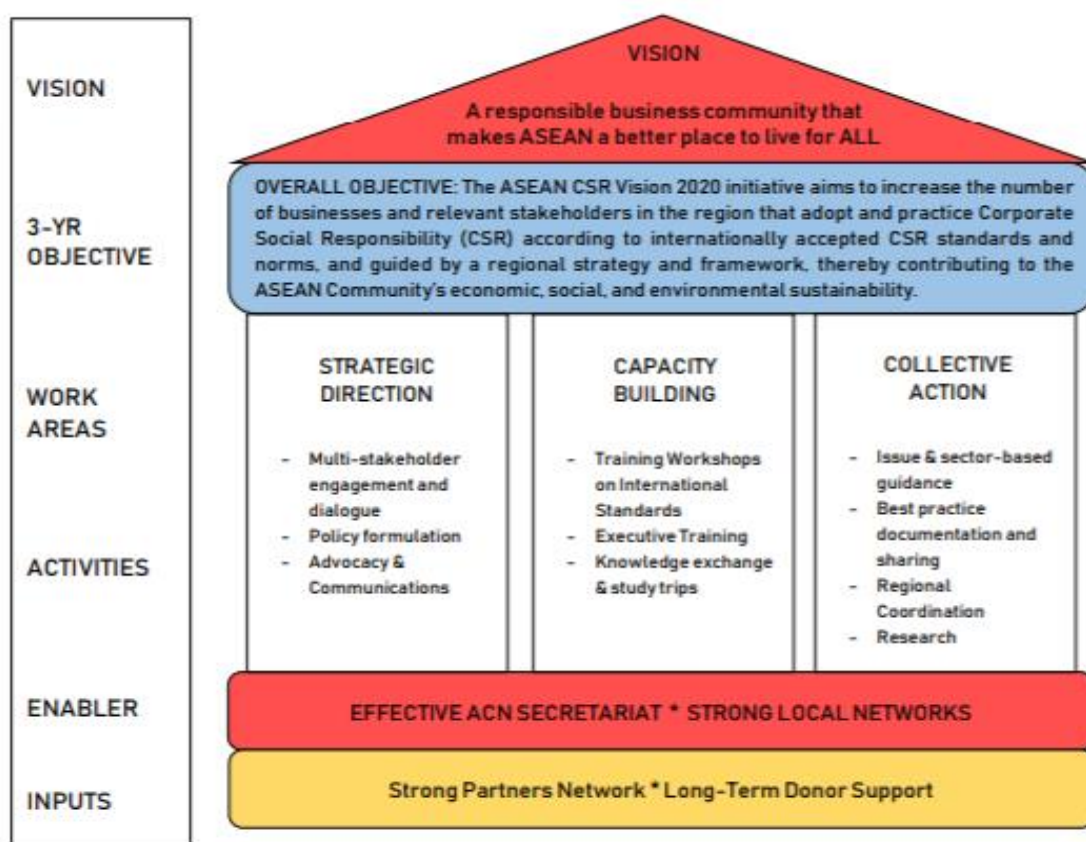
websites:

www.asean-csr-network.org

www.araiba.org

www.integrityhasnoborders.com

ACN CSR VISION 2020



ASEAN CSR Vision 2020 identified three **work areas** for ACN's work:

Work Area 1	Formulation and adoption of a regional framework and strategy on CSR – ASEAN CSR Vision 2020
Work Area 2	Awareness raising and capacity building on how to implement international principles, frameworks and standards on CSR by businesses operating in ASEAN, supported by key stakeholder from governments and civil society
Work Area 3	Initiating and coordinating implementation of regional collective action initiatives to address key challenges facing ASEAN

Work Area 1: The Formulation and Adoption of A Regional Framework and Strategy on CSR-ASEAN CSR Vision 2020

To achieve the realisation of the ASEAN CSR Vision 2020, ACN worked to earn buy-in and support from key CSR players at national, regional, and international levels. ACN works to ensure that the CSR dialogue is open to all relevant stakeholders that align with the ASEAN CSR Vision 2020. It appreciates the different capacities and experiences that are brought by a wide range of stakeholders and seeks to synergise the efforts.

Built partnerships at the national level

At the national level, ACN works in strengthening partnerships with eight (8) participating organisations who are key business and CSR organisations in seven (7) ASEAN countries. ACN communicates with network members regularly through meetings, monthly updates and newsletters. These meetings and communication have not only provided members with informed dialogues where members can discuss their own priorities for the production plans and share their experience, but also enabled ACN to align its work plan to the need, interest and priorities identified by network members, and encouraged them to participate and implement relevant activities in order to best support the regional CSR work. Through network members, ACN is able reach out to over 30,000 companies, and increasingly attract more participation, facilitating favourable institutional changes at the local level.

ACN, has relations with business networks in all the ASEAN countries, even without formal membership we do work together.

We supported and participated in country level events.

We supported the Global Compact Network in Myanmar by covering the cost of a staff to promote the Network. We had to stop the support when our funding was lost. The Myanmar network was the fastest growing and had the highest number of signatories in the ASEAN region.

Regional efforts

To drum up interest in our responsible business agenda and to help us achieve better results, we initiated multi-stakeholder dialogues and meetings of key CSR players in the ASEAN states to explore opportunities for collaboration and collective action. These included events and dialogue and meetings.

ACN also initiated and coordinated the implementation of regional collective action initiatives to address key challenges facing ASEAN, particularly in business integrity, human rights, food security and sustainable agriculture.

Some of these events are:

- **Fostering CSR in the Philippines: Conference on Responsible Business, 17 January 2018, Manila**

In an effort to promote responsible business practices that looks beyond only monetary profits, the Embassy of Sweden in Manila together with the ASEAN CSR Network and the League of Corporate Foundations co-hosted a CSR event. 150 participants attended the event.

- **ACN's Corporate Engagement Dialogue, 2 February 2018, Singapore**

This meeting was held with ACN's corporate partners. The overall objectives of the meeting were to (a) share ACN's vision for sustainable development in the region through Responsible Business Introduction to ACN's team, workplan, and different pillars of work (b) facilitate an open dialogue to explore how ACN and its corporate partners can move the Responsible Business agenda together and (c) identify other ways ACN can bring value to our corporate partners' responsible business practices

- **ASEAN Human Rights Resource Centre Summer Institute, 29 and 30 Jan 2018, Bali**

The theme of the Institute was Trade, Investment and the Rule of Law in ASEAN. Thomas was a speaker.

- **Business and Human Rights Workshop, 5-6 Feb 2018, Jakarta**

This event funded by the EU, was organised by the Indonesian Ministry of Foreign Affairs, Indonesian Global Compact Network, Oxfam and attended by Global Compact Networks, UN Agencies. Thomas shared the Regional Strategy on CSR and Human Rights developed with the ASEAN intergovernmental Commission on Human Rights (AICHR).

- **Consultation on Rules Based ASEAN – Process of Forging Legal Instruments, 16 and 17 May 2018, Singapore**
- **Consultation Conference on the Socio Cultural Community, 24-25 May 2018**
- **AICHR Inter-Regional Dialogue: Sharing Good Practices on Business and Human Rights, 4-6 June 2018, Bangkok**
- **ILO Global Business Network on Forced Labour and Human Trafficking, 11-12 June 2018, Singapore**
- **Roundtable on Financial Inclusion, 27 June 2018, Singapore**

It was organised with Oxfam and funded by the Rockefeller Foundation.

- **ASEAN Senior Officials Meeting for Rural Development and Poverty Eradication PPP Forum, 18 July 2018, Singapore**
- **Thai/UNODC Anti-corruption Regional Seminar on Effective Measures for Private Sector to Prevent Bribery, 2-3 August 2018, Pattaya**
- **Regional Multi Stakeholder Forum: Responsible Business Conduct for Safe Labour Migration in ASEAN, 19-20 Sept 2018, Manila**

We organised this event with the ASEAN Secretariat, Philippines Department of Labor and Employment (DOLE), ILO, IOM and UN Women. It involved trade unions, employers and other stakeholders to discuss the ASEAN agreements on migrant labour, ASEAN Guidelines for CSR on Labour and the Regional Strategy on CSR and Human Rights.

- **9th ASEAN Regional Tripartite Social Dialogue Conference: Strengthening Social Partnership in the Digital Age, 9-10 October 2018**
- **ASEAN Entities Forum, 15-16 October 2018, Jakarta**
- **Seminar on Business Ethics and Integrity organised with ICC Malaysia and Federation of Malaysian Manufacturers, 8 November 2018, Kuala Lumpur**
- **AICHR Business and Human Rights workshop, 10-11 June 2019, Bangkok**
- **OECD UN Responsible Business and Human Rights Forum, 12-13 June 2019, Bangkok**
- **Sub Regional Conference on CSR and ASEAN Integration, 20-21 June 2019, Manila.**

ACN delivered one of the keynote speeches on CSR and good labour management relations. The event was organised by the Philippine Employers Federation, Federation of Free Workers and the government.

- **National High Level Dialogue on Business and Human Rights: Towards a Malaysian National Action Plan on Business and Human Rights, 24 July 2019. Putrajaya, Malaysia**

This was an invitation from the Malaysian Prime Minister's Department for ACN inputs for their proposal to draft a National Action Plan on BHR. Also participated in a closed door discussion on their NAP.

- **ASEAN Social Welfare Development Sectoral Body, workshop on CSR and Social Welfare Development, 5-7 July 2019, Bangkok**

The workshop was organised by the Thai Ministry of Social Development and Human Security for ASEAN. ACN Board members participated together with our Thai Member. The recommendations to have focal points to address CSR as it is a cross cutting issue and to support our agenda were adopted.

- **ASEAN Secretariat and Vietnamese Ministry of Labour, Invalids and Social Affairs organised validation workshop of a "regional study of the changing nature of employment relationships as the impact of the use of ICT and outsourcing and the adequacy of legislations in regulating employment relationships", 29-30 July 2019, Hanoi.**

We were invited to give inputs to the issue

- **Consultation meeting with Indonesian Businesses on Responsible and Inclusive Business, 13 September 2019, Jakarta**
- **ASEAN Workshop on CSR, 30 Sept to 2 Oct 2019, Balikpapan, Indonesia.** Organised by the Indonesian government for the mining sector
- **Engaging Business Against Corruption in Cambodia, 2 Oct 2019.**

This was organised by UNODC, Anti-corruption Unit Cambodia and Eurocham.

- **ASEAN Economic Community Forum, 3-4 October 2019, Jakarta**
- **ASEAN Inclusive Business Summit, 1 November 2019, Bangkok**
- **Triple Bottom Line International conference, organised with the Singapore Management University, 7 November 2019**
- **Union Network International – Asia Pacific Regional Conference, 21 November 2019, Kathmandu.** Thomas was invited as a keynote speaker on CSR and Labour
- **ASEAN Disability Forum, 2 December 2019, Bangkok**
- **Asian Development Bank's International Anti-corruption Day commemoration, 9 December 2019.**

Yanti Triwadiantini was the keynote speaker at the event.

Representations

ILO Global Business Network on Forced Labour

ACN is represented on their Steering Committee by the CEO Thomas. The GBNFL is working on addressing the issue of forced labour. The ASEAN region has many challenges regarding this.

Stakeholder Advisory Council of amfori

Thomas Thomas represents ACN on this council.

AMEN – ASEAN Mentorship for Entrepreneurs Network

Thomas provided consultancy services for this legacy project of the ASEAN Business Advisory Council Philippines. This was to support MSMEs with mentors to build up the knowhow. This is part of helping them with money, markets and mentors. The 2017 study done on MSME challenges provided useful background for this initiative.

The study developed training templates for entrepreneurs and mentors. One of the modules will be on CSR and responsible and inclusive business.

Working with ASEAN Business Advisory Council (ABAC)

ABAC is a high level body of business leaders from all the ASEAN countries to advise the ASEAN Leaders on business matters. Since 2015, ACN had collaborated with ABAC and gave inputs for the recommendations made to the leaders. They had included responsible business issues like labour rights, sustainability, anti-corruption, human rights, etc.

In March 2018, this working relationship was formalised with the appointment of ACN as the Sector Champion for Responsible and Inclusive Business and as a member of their Joint Business Council. In August 2018, we jointly made recommendations to the ASEAN Economic Ministers to support responsible and inclusive business agenda. As part of our efforts to drive this agenda, we have jointly developed a Code on responsible and inclusive business, which is reproduced at the end of this report. We established the ASEAN responsible and Inclusive Business Alliance (ARAIBA) to encourage businesses of all sizes to adopt the Code. The Code is drawn from global standards like the UN Global Compact, UN Guiding Principles on Business and Human Rights, UNILO MNE Guidelines, OECD Guidelines and the ISO26000 international standard on social responsibility.

The ARAIBA network was launched in January 2019. Initially the progress was slow and the lack of resources to promote it is major problem. However, progress is being made with numbers growing.

ASEAN Responsible Inclusive Business Forum

This was held on 27 and 28 August 2018 with 180 participants from all ASEAN Member States and representing a wide range of stakeholders.

The Guest-of-Honour was Mr Liang Eng Hwa, Chairman of Government Parliamentary Committee for Finance and Trade, Singapore. Leaders from ABAC and other networks contributed to the success of the event.

The report of the Forum is available at:

http://www.asean-csr-network.org/c/images/ARBF2018_Report.pdf

Work Area 2: Awareness Raising and Capacity Building on International Principles, Frameworks and Standards on CSR by Business Operating in ASEAN

ACN contributed to increased awareness and capacity on CSR among target groups. Well-received flagships programmes such as the Small Grants Funds, the ASEAN CSR Fellowship and SCOPE have helped ACN reach out to and support more organisations and CSR professionals with the required knowledge and skills to embed CSR. ACN took the lead in facilitating the momentum, and shape the responsible business agenda at the regional level, especially through continuous engagement with ASEAN bodies, business networks and international partners. With these, ACN is able to contribute significantly to the promotion of responsible business in the region, which has benefited its partners

ASEAN CSR Fellowship Programme

It was participated by 23 Fellows, representing 9 out of the 10 ASEAN member states. Most of the Fellows were employed in the private sector (90 percent), and 10 percent of the Fellows comprised of professionals who work in the third sector and academia. With contribution from the UK FCO and the National Youth Council of Singapore, a total of 20 fellows were granted full bursary covering their accommodation, registration fees and subsistence allowance.

The Fellowship programme covered 3 modules in 3 countries as follows:

Module 1 – From 3 to 9 March 2018 in Malaysia

Module 2 – From 2 to 6 July in Ho Chi Minh City, Vietnam

Module 3 – From 1 to 5 October in Yangon

The modules introduced the Fellows to CSR and responsible business in various countries and how local needs and priorities shape the implementation of programmes. They covered the basics of CSR and subjects covering business integrity, business and human rights, labour relations, gender issues, environmental sustainability and community development. The sharing of experiences enabled mutual understanding and friendship among future CSR leaders of ASEAN.

The Fellows also developed Capstone projects. The most outstanding was funded from the Small Grants Fund.

Empowered Relevant Organisations through the Small Grants Fund

In May 2015, ACN launched the ASEAN CSR Vision 2020 Small Grants Fund (SGF) Programme. With the goal of pushing the responsible business agenda, the SGF empowers relevant organisations by funding projects that have high potential in making an impact to the sector, creating a healthier environment for groups to further understand and pursue CSR initiatives in the region.

The programme continued in 2017, with a significant increase in the number of applicants from across ASEAN. As of 31 December 2017, all projects supported under SGF Round 3 which started in November 2016 have been completed.

In December 2017, we approved 9 projects for \$81, 828. However, after doing due diligence \$40,000 was paid out in 2018 and the scheme has been discontinued as we were unable to get funding support.

Web-based outreach (Webinars)

In April 2018 ACN kick-started our first webinar, with a series of '101s' on responsible business (BHR, Environmental sustainability, business integrity, gender equity). These one (01) hour webinars gave an overview of the key pillars of responsible business and an introduction to ACN's work.

The webinars were open to all and overall received good response from participants from all sectors including, governments, UN agencies, companies, non-profits as well as private individuals from ASEAN region and beyond. In May 2018, the webinar was on carbon pricing as a tool in tackling climate change, with Singapore as a case study. Other topics covered included Inclusive business and Micro, Small and Medium Enterprises (MSMEs), Sustainability and Palm Oil and Gender Equity. Through these webinars, ACN managed to reach out to new circles of stakeholders especially to our regional stakeholders. We had to stop the webinars as we lost our funding.

Training and Capacity Building

Capacity building was done through our website, the research studies we published and the events we organised with our member organisations. Some of the events we participated are listed in the earlier section.

Work Area 3: Initiating and Coordinating the Implementation of Regional Collective Action Initiatives to Address Key Challenges and Issues Facing ASEAN

ACN also initiated and coordinated the implementation of regional collective action initiatives to address key challenges facing ASEAN, particularly in business integrity, human rights, food security and sustainable agriculture.

Research on Towards Inclusive and Sustainable Growth in the ASEAN Economic Community

In an attempt to present the findings of the aforementioned research conducted in 2017, a set of five infographics / factsheets were created and published in 2018 to present the content in a format that is more easily accessible for a wider audience. The report provided comprehensive information on the opportunities and challenges MSMEs in ASEAN face, especially with regards to:

- Access to finance: Dedicated traditional and non-traditional financial access for SMEs. Traditional sources include, inter alia, national banks, venture capitalists and angel investors, while non-traditional sources include, inter alia, venture philanthropy.
- Technical support: Acceleration and incubation services, and other relevant services
- Enabling environment: Conduciveness of policy landscape, incentives for public investment

Business Integrity

ACN pioneered work in this field from 2014, with support from the UN Global Compact, UK Prosperity Fund and professionals in this field. We launched the “Integrity Has No Borders” programme. From April 2017, we continued to develop this programme without funding as the donor expressed interest in continuing to support our work.

Improvements in businesses disclosing their anti-corruption position are reflected in the studies (done in 2016 and 2018) on Business Integrity Disclosures we did National University of Singapore Business School’s Centre for Governance, Institutions and Organisations (CGIO). These improvements are in disclosure. Generally, standards and public perceptions on corruption have not changed significantly.

We had no funding for this activity from April 2017. However, we carried on in promoting business integrity and participated in events and studies with UNODC, APEC, TI and other organisations. We are now working with partners on a new approach to raising standards of integrity by businesses.

Business and Human Rights

ACN CEO Thomas Thomas was the lead author of the baseline study on CSR and Human Rights in ASEAN in 2014 for the ASEAN Intergovernmental Governmental Commission on Human Rights (AICHR). In 2016, AICHR, the Ministry of Foreign Affairs of Singapore and ACN organised a regional seminar as a follow up on CSR and human rights. A regional strategy on CSR and human rights was an outcome of the seminar. This was the approach we believed would yield results considering the diverse state of human rights respect in the region.

However, there were difficulties in moving the strategy forward although it is not rejected by ASEAN. ACN continues to work with AICHR and other ASEAN bodies.

ACN is currently working with ILO and ASEAN bodies and stakeholders on labour and CSR. It is a follow up from the ASEAN Guidelines for CSR on Labour, which ACN actively participated in. Thomas is working with ILO on a White Paper on CSR and Labour in ASEAN. The report was completed in 2020.

ACN is also involved in forced labour issues and CEO Thomas is participating in the Steering Committee of ILO's Global Business Network on Forced Labour. ACN had participated in the ILO Consultation on addressing Forced Labour and Human Trafficking issues in Kathmandu (26 Mar 2018) and Bali (27-29 Mar 2018).

In 2019, we did a study on Business and Human Rights Disclosure of ASEAN businesses. We measured the top 50 companies by market capitalisation of 5 ASEAN economies against the UN Guiding Principles on Business and Human Rights. The performance of ASEAN companies below the expectations of UNGPs. Details are at: https://www.asean-csr-network.org/c/images/190506-upload/Human_Rights_Disclosure_in_ASEAN-Full_Report.pdf.

Sustainable Consumption and Production (SCP)

With funding support from the Hanns Seidel Foundation, ACN and the Centre for Governance, Institutions and Organisations (CGIO) of the National University of Singapore Business School did a study on the sustainable consumption and production from the perspective of climate change and the consumer. The 2019 study focused on three topical areas deemed critical to change consumers' and producers' perception awareness and behaviour.

1. CO2 footprinting for consumer goods.
2. Energy efficiency classification of consumer appliances.
3. Guidance on recycling for consumer goods (recyclability)

The report has been completed and presented to ASEAN. However, due to Covid restrictions we are not able to follow up with the events recommended.

The report can be accessed here: <https://bschool.nus.edu.sg/cgio/wp-content/uploads/sites/7/2021/01/CGIO-ACN-Sustainable-Consumption-and-Production-Report-November-2020.pdf>.

Support Asia for Sustainable Palm Oil (SASPO)

ACN is a founding and Associate Member of SASPO has been involved in the steering committee and board meetings.

The formation of Support Asia for Sustainable Palm Oil (SASPO) was prompted by the public outcry over 2015's prolonged haze pollution. The members represent a great mix of small and medium-sized enterprises (SMEs), local and regional chains, and multinational corporations (MNCs), accounting for 81 brands and 200 food and beverage companies who are working to fulfil the vision of SASPO

SASPO promotes sustainable palm oil which is certified by the Roundtable on Sustainable Palm Oil (RSPO).

Research

ACN had done the following research studies in 2018 and 2019:

2018

- Sustainability Reporting Disclosure in ASEAN with CGIO, National University of Singapore
- Business Integrity Disclosure in ASEAN with CGIO, National University of Singapore
- Voice of ASEAN Business Report with OECD and ASEAN Business Advisory Council on Responsible and Inclusive Business

2019

- Business and Human Rights Disclosure in ASEAN with Mahidol University in Thailand
- SUSTAINABLE CONSUMPTION AND PRODUCTION Baseline Research for ASEAN with CGIO, National University of Singapore and funded by Hanns Seidel Foundation



ASEAN RESPONSIBLE AND INCLUSIVE BUSINESS ALLIANCE (ARAIBA)

A JOINT INITIATIVE OF ASEAN BUSINESS ADVISORY COUNCIL AND THE ASEAN CSR NETWORK

To promote responsible business conduct in ASEAN to meet the objectives of the

ASEAN 2025: Forging Ahead Together.

CODE ON RESPONSIBLE AND INCLUSIVE BUSINESS

1. Introduction / Objectives / Rationale

1. This Code seeks to outline the expectations the ASEAN community has of businesses operating in the region, regardless of size, sector, ownership, structure and origin. While acknowledging that Small and Medium Enterprises (SMEs) may not have the same capacities as larger enterprises, the Code nevertheless encourage them to observe these Guidance to the fullest extent possible.
2. This Code draws inspiration and guidance from internationally-accepted standards on responsible and inclusive business, in particular the Sustainable Development Goals (SDGs), G20 Inclusive Business Framework, ISO26000 Guidance on Social Responsibility, UN Global Compact 10 Principles, UN Guiding Principles on Business and Human Rights, OECD Guidelines on MNEs, as well as ASEAN's documents, such as the ASEAN Human Rights Declaration, ASEAN CSR Guidelines on Labour, ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers.
3. This Code does not seek to replace or reduce existing standards, but instead complement them by presenting the ASEAN perspective.
4. While it is intended to be a useful starting point for an understanding on responsible and inclusive business, companies are encouraged to conduct further stakeholder consultations and materiality assessments, as well as seek out other comprehensive international guidelines for specific issues material to their operations.

2. Definition of Responsible and Inclusive Business

Responsible Business - adopts the definition of responsible business (or CSR) according to the ILO Governing Body (2006), which is a way in which companies give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law¹.

Inclusive Business – According to the G20 Framework, inclusive business provides goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people at the Base of the economic Pyramid, making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers. IB models combine economic growth and empowerment with

¹ Taken from the ASEAN CSR Guidelines on Labour

positive social impact by providing income opportunities and affordable products and services to millions of people at the base of the economic pyramid.

Corporate Social Responsibility is also the firm's contribution to sustainable development – to ensure that the needs of the present generation are met without compromising the ability of future generations to meet their needs. It is the responsibility of business for their impacts on Society.

3. Principles for Responsible and Inclusive Business

Businesses should conduct themselves with the following principles for following right and good behavior:

1. Accountability
2. Transparency
3. Ethical Behaviour
4. Respect for stakeholder interests
5. Respect for the rule of law
6. Respect for international norms of behavior
7. Treat people with respect, dignity and fairness

4. Subject Areas for Responsible and Inclusive Business

Businesses should seek to contribute to achieving the United Nations 17 Sustainable Development Goals (SDGs).

That can be achieved with the following subject areas that businesses in ASEAN should address after engaging with stakeholders and based on materiality to the Organisation.

1. Governance

Business should be committed to:

- Complying with the relevant national Code for Governance, as applicable
- Having a robust corporate governance structure that successfully integrates sustainability and integrates it into the business
- Effective management of sustainability through committed leadership, clear direction to implement sustainability strategies across the business

The Management will ensure that the business

- Recognises that successful integration and effective management of sustainability in a business requires clear direction, good leadership and strategic influence.
- Has accountability procedures that have been established and are communicated clearly, ensuring that sustainability is integrated with other business goals.
- Aligns its governance structures with its existing business models such that it is complementary, allowing for successful organizational structures that do not compete or create redundancy.

2. Environment

Businesses should be committed to:

- Support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility;

- Encourage the development and diffusion of environmentally friendly technologies.

The Management will ensure that the business reduces the environmental impact of the Company by:

- Developing and implementing awareness-raising activities and emergency response procedures to reduce and mitigate environmental, health and safety impacts caused by accidents
- Reducing materials, water and energy use
- Implementing sustainable procurement in its purchasing decisions
- Assessing the environmental impact prior to the execution of a new project
- Using environmentally sound technologies and practices
- Continuously monitor and improve the environmental management
- Raising the awareness of the climate change within the organisation and take steps to mitigate and adapt to counter negative effects.

3. Labour

Businesses should be committed to:

- Uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Eliminate all forms of forced and compulsory labour;
- Eliminate child labour;
- Eliminate discrimination in respect of employment and occupation.

The Management will ensure that the business

- Recognises the importance of secure employment to both the individual worker and to Society.
- Ensures equal opportunities for all workers and not discriminate either directly or indirectly in any labour practice.
- Pays wages at least adequate for the needs of workers and their families.
- Respects the right of workers to adhere to normal or agreed working hours established in laws, regulations or collective agreements.
- Develops, implements and maintains an occupational health and safety policy based on the principle that strong safety and health standards and organizational performance are mutually supportive and reinforcing.

4. Anti-corruption

Businesses should be committed to work against corruption in all its forms, including extortion and bribery.

5. Human Rights

Businesses should be committed to:

- Support and respect the protection of internationally proclaimed human rights such as the UN Guiding Principles on Business and Human Rights;
- Ensure that they are not complicit in human rights abuses.

The Management will ensure that the business

- Respects all individual civil and political rights including life of individuals, freedom of opinion and expression, the right to own property and freedom of peaceful assembly and of association.
- Facilitates access to, and where possible providing support and facilities for, education and lifelong learning for community members.
- Regularly assesses the impact of its policies and activities on promotion of equal opportunities and non-discrimination.
- Do human rights due diligence through their value chain and have in place process for remedies for victims.

6. Consumer Protection

Businesses should be committed to:

- Developing, strengthening and maintaining a strong consumer protection policy, and in doing so, set its own priorities for the protection of consumers in accordance with the economic, social and environmental circumstances

The Management will ensure that the business

- Recognises that consumer trust is a critical success factor for any business, and is a key route for building such success.
- Deals fairly and honestly with consumers at all stages of their relationship, so that it is an integral part of the business culture, and will avoid practices that harm consumers, particularly with respect to vulnerable and disadvantaged consumers.
- Will not subject consumers to illegal, unethical, discriminatory or deceptive practices, such as abusive marketing tactics, abusive debt collection or other improper behaviour that may pose unnecessary risks or harm consumers.
- Will protect the health and safety of consumers.
- Promote sustainable consumption.

7. Community Engagement and Development

Businesses should be committed to:

- Considering itself as part of the community and to contributing to the well being of the Community through wealth creation, decent work and adopting inclusive business practices.
- Adopting an external outlook and understand the social and environmental issues of most relevance to their business.
- Responsible business conduct, that achieves and promotes the Sustainable Development Goals and where businesses meet their “responsibility to respect” human rights as described by the UN Guiding Principles on Business and Human Rights.

The management will ensure that the business

- understand, engage in and act upon critical workplace, marketplace and environmental issues through community engagement, to address business objectives.
- Is a good neighbour, making positive contributions to the Community by supporting local initiatives and local enterprises.

5. Commitment and Continuous Improvement

Every employee in the business is expected to give their full commitment to the above principles in their activities at work. Partners, vendors and suppliers are also expected to respect such principles. The effectiveness of the Policy Statement will be reviewed at least annually by the Management to monitor the business' continuous compliance with any relevant legislation and to identify areas in need of further improvement and revision.

6. Reporting and Communicating

The business will ensure that this Code and all related areas are communicated among individual staff as necessary. The business will ensure that there are appropriate reporting and accountability mechanisms in place within the organization. Businesses will share their sustainability reports with stakeholders.

7. References

This Code for Responsible and Inclusive Business proposes the following relevant international and regional instruments as key references for responsible and inclusive business conduct:

- Universal Declaration of Human Rights (1948);
- ILO Declaration on Fundamental Principles and Rights at Work (1998);
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (2017);
- Ten Principles of the UN Global Compact (2008);
- UN Guiding Principles on Business & Human Rights (2011);
- ASEAN Human Rights Declaration (2012);
- Sustainable Development Goals (2015);
- G20 Inclusive Business Framework (2015)
- ASEAN Guidelines for CSR on Labour (2016);



SUSTAINABLE DEVELOPMENT GOALS

Businesses are key players in socio-economic progress, as their actions continue to contribute greatly to how the world works. However, traditional corporate practices have been solely profit-driven, and globalisation has not ushered in prosperity for all. In the context of ASEAN, despite growing GDP figures, deep-seated challenges continue to persist – including land-grabbing, forced labour practices, poor working conditions, corruption, rising inequality, the depletion of natural resources and climate change. Much of this impact was caused by the unbridled pursuit of profits by companies at the expense of communities and the environment.

For this reason, ACN stands firm in its belief that responsible business conduct is imperative in achieving global development goals. This is a view that is currently being widely accepted as society's

understanding on responsible business grows, and as companies and investors become more informed about their role in development. Businesses around the world must look beyond their bottom line, beyond charity and philanthropy, and instead look inward to how their business operations affects communities and the environment.

Thus, we have structured our work plan with the United Nations Sustainable Development Goals (SDG) in mind. ACN believes that making businesses conduct themselves more responsibly will lead to better corporate practices and to more effective solutions towards issues that concern human rights, the environment, gender equality, and governance. We want to put more pressure on businesses to take responsibility for some of the world's largest development issues.



AS PART OF OUR WORK, WE COVERED THE FOLLOWING SUSTAINABLE DEVELOPMENT GOALS



ACN's work on developing a strategy on gender equality and women empowerment focuses on pushing for equal access to resources for all genders at work and across different contexts. Through our efforts to push for women's empowerment, we hope to break structural and cultural barriers that continue to hamper the advancement of women's rights. ACN hopes that our promotion of responsible business practices would pave the way for the fair treatment of all women at work; safer work conditions; and better security for women in all sectors. We continue to support the integration of gendered perspectives into the core values of the private sector as a whole. We also endorse the [Women Empowerment Principles](#) in order to align their companies to the interest of women in the workplace, marketplace, and the community.



ACN continues to push for labor rights, believing that everyone deserve fair labour practices and decent work conditions. This is why we continue to tailor fit our initiatives with the standards indicated in the UN Guiding Principles on Business and Human Rights and other related principles, such as the Regional Strategy on Promoting CSR and Human Rights, and the ASEAN Guidelines for CSR on Labour.



ACN urges responsible business from all stages of production up to the consumption of the targets. We advocate for responsible consumption and production that are all mindful of human rights and the environment. Our work on environmental sustainability and sustainable agriculture help address this goal, with initiatives like SASPO that advocates for the responsible production and use of ethically-sourced palm oil.



ACN's work on climate action is geared towards encouraging companies to make their business operations more environmentally sustainable. We are also making certain progress on food security and sustainable agriculture programme, particularly in promoting sustainable palm oil to ensure the environment and livelihoods are protected, and in enhancing women's position at the farmers' level and ensuring financial inclusion for smallholders in agribusinesses.



ACN pushes for business integrity to foster good governance, and we are also advocating to uphold human rights in the work setting and in how companies conduct their business processes. We also have a strong human rights programme that continues to push for the adoption of the United Nations Guiding Principles on Business and Human Rights among companies. We also support training programmes for the promotion of human rights practices in business, such as the RWI workshop.



ACN is a business network that opens up platforms for collaboration between groups from different sectors in order to work towards the goal of promoting responsible business conduct. Our work on SCOPE allows us to reach out to experts, professionals and advocates of sustainability and responsible business from the academe and civil society, and open up platforms for these groups to share ideas and collaborate. Furthermore, through the ASEAN CSR Fellowship, we also young professionals to learn by peer-sharing and to join other aspiring leaders for responsible business.