

# **Communication on Engagement (COE) UN Global Compact**

## **Period covered by this Communication on Engagement**

From 01.01.2021 to 31.12.2022

### **1) Statement of continued support by the CEO**

To our stakeholders:

I am pleased to confirm that the European Institute for Asian Studies (EIAS) asbl reaffirms that it supports the ten principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption. We continue our commitment to make the principles of Global Compact part of our culture and day-to-day operations.

In order to make most of the engagement of non-business partners, and enhance transparency, in this Communication on Engagement (COE) we describe our actions since becoming a participant of UN Global Compact in May 2011.

Sincerely yours,

Axel Goethals, CEO

### **2) Description of practical actions**

The European Institute for Asian Studies (EIAS) over the past years has been increasingly active in capacity building focused on professionalization of Corporate Social Responsibility in Asia. Especially in India, where with the implementation in 2014 of the New Companies Act amended in January 2021 requiring Central Public Sector Enterprises (CPSEs) and large private companies to spend 2% of their net profit on CSR, there is ample room for improvement. As it provides interesting opportunities for the sharing of best practices and sharing of values on issues related to human rights, labour, environment and anti-corruption, it also marks a framework in professionalizing and better structuring of charity and philanthropy. But also in Europe where from 6<sup>th</sup> December 2016 onwards, EU member states must comply with the new European CSR Directive 2014/95/EU on disclosure of non-financial and diversity information.

In 2001 EIAS initiated a first dialogue between the EU and India on the topic of CSR. The aim was for European companies to better understand the Indian business practices and the needs of the local communities, and for Indian companies to be aware of European best practices in order to meet increasingly higher standards. The legislation of the new Indian 2014 Companies Act amended in January 2021 imposing Indian companies to spend a fraction of their profits on Corporate Social Responsibility creates opportunities to lift the EU-India dialogue to action for a more inclusive socio-economic progress and a cleaner environment in India.

For companies the CSR expenditure can be a burden or a benefit depending on how the money is spent. Still under-explored are initiatives for CSR investment in R&D since innovative eco-technology is the key to allaying environmental concerns about economic growth. It can ultimately help India on the path to sustainable development. EIAS is focussing strongly in initiating research and promotion for CSR investment in India for initiatives in R&D.

But EIAS is giving also strong focus on CSR initiatives in improvement of labour conditions which does not receive the attention it deserves in India under the CSR schemes compared to initiatives for environment and sanitation.

EIAS, in line with UN Global Compact, therefore joins and proposes partnership projects on corporate social responsibility, and through those engages with companies and other organisations in order to improve their understanding and adherence to the ten principles of UN Global Compact and related issues. To further the work of EIAS on social impact assessment and CSR, the EIAS since 2011 until 2015 has been coordinating and implementing two major EU funded projects (EIDHR) in India: 1) “Capacity Building for the Promotion of Labour Rights for Vulnerable Groups of Workers” and 2) “Impacts of the EU-India FTA on Human and Social Rights Issues”. Taking regards of ILO standards, the aim of these projects has been to strengthen the capacity of Indian civil society organisations in improving and developing socio-economic and labour conditions. In addition, the focus has been on strengthening the monitoring, reporting and advisory capacities of CSOs regarding the impacts of the FTA on human, social and labour rights aspects. Since 2016 EIAS has been involved in the sustainability of the outcome of these two projects and therefore is working on preparing new initiatives as follow-up of these projects.

One of these initiatives is the organisation by EIAS of training programmes on CSR with a strong focus on themes such as monitoring and measuring of the outcomes of CSR initiatives; CSR investment in R&D; CSR approaches for improvement of labour conditions. These training programmes are organised in collaboration with our partner organisations. One of these training programmes was organised in November 2016 together with our partner organisation IIPA within the framework of the Advanced Leadership Programme (ALP) for Indian Senior managers of PSUs.

EIAS over the past years has been starting initiatives focused on the professionalization of Corporate Social Responsibility in other regions and countries in Asia, such as South East Asia, Central Asia and South Asia, with a strong focus on themes such as CSR approaches for improvement of labour conditions, the elimination of bonded labour, the protection of children rights (mainly in relation to child labour) and women rights. The purpose of these initiatives is also to strengthen the capacity building of the civil society organisations and in improving the monitoring and measuring of the outcomes of CSR initiatives and reporting.

One of the outcomes of these initiatives for Central Asia was the panel discussion EIAS organised on 1 April 2019 together with the ILO on the topic “How

Uzbekistan is eradicating child and forced labour in the cotton harvest” and on the presentation of the ILO report on the third-party monitoring of child and forced labour in the 2018 Uzbek cotton harvest, a survey project funded by the European Union.

### **3) Measurement of outcomes**

With regard to the two administered EU projects (EIDHR), the activities targeted mainly CSOs with human/social rights as well as socio/economic vocations. The measures that were taken led to a number of outcomes. One major outcome was the strengthening the CSO networks between the involved partner organisations and interactive exchanges of learning experiences and dialogue. Based on the experiences of these two projects, the preparations on new initiatives are in the pipeline. Moreover, it led to stronger, more meaningful participation, awareness and contribution of the involved partner organisations and their networks within Indian civil society in the human rights and social dimensions of the Free Trade Agreement process and that the opinions existing amongst civil society organisations were made more readily available and publicised in order to be taken better into account by policy makers and major economic actors.

EIAS has initiated a number of new partnership agreements of collaboration with institutions and organisations with similar interests and motivation for further professionalising and optimising CSR- practices, with the aim of creating an inclusive platform for partner stakeholders, such as MKI, AILS, FORE, IIPA, PHD, BRICCS, in India.

EIAS is also participating in activities and initiatives of CSR focussed institutions and organisations, such as the ILO Brussels office; the CSR umbrella organisation SHIFT in Brussels and associated members.