

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Committee on Trade and Investment

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Bangkok

**FIRST ASIA-PACIFIC TRADE AND INVESTMENT WEEK
OECD/ESCAP REGIONAL CONFERENCE ON CORPORATE
RESPONSIBILITY**

“Why responsible business conduct matters”

Bangkok, 2-3 November 2009

Summary of key findings

The conference was the first OECD-ESCAP joint conference on Responsible Business Conduct (RBC) or Corporate Social Responsibility (CSR), organized in collaboration with ILO, the UN Global compact and the Global Reporting Initiative. It brought together 200 key players from government, business and civil society from both Asian and OECD countries to exchange their perspectives, experiences and practices in implementing CSR/RBC initiatives.

The meeting discussed the contours of responsible business conduct in OECD and Asian communities; emerging trends in CSR and the opportunities and challenges facing governments and companies in implementing the CSR agenda in Asia; lessons learned from the financial crisis and international initiatives promoting good financial practices; recent Asian developments in government and corporate efforts to reduce emissions, including the challenge of managing emissions throughout the supply chain; as well as how Asian firms can exploit the synergies and complementarities of the leading international CSR instruments (the OECD Guidelines, the UN Global Compact, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy and the Global Reporting Initiative).

Key outcomes

- In this first OECD-ESCAP exchange on CSR/RBC, participants acquired new knowledge of good business practices and country responses to challenges on the CSR agenda, such as climate change and finance.
- Participants gained better understanding of the synergies between major international instruments and initiatives and corporate responsibility initiatives in Asia.
- The Conference enhanced awareness of the potential of the leading international corporate responsibility initiatives in promoting CSR/RBC among Asian firms, and formulated recommendations for actions by

governments, business and civil society in promoting CSR/RBC both in Asia and the OECD.

- Participants agreed that time had come to develop a common positive agenda on responsible business conduct. Drawing on the lessons from the financial and economic crisis and its discussion on climate change, they considered that the issue was no longer whether responsible business conduct made sense but how to ensure that the vital forces of the private sector could be most effectively harnessed to drive long term economic growth, environmental sustainability and social progress.

Additional outcomes, observations and recommendations

- The concept of responsible business practice is dynamic and evolving. Global sustainable development challenges require the full engagement of the business community in reducing its adverse impacts and increasing its positive contribution.
- In strategic terms, responsible business conduct can be a powerful tool to better assess both risks and potential market opportunities, as well as to improve reputation among employees, investors, regulators and other stakeholders.
- The OECD MNE Guidelines, the UN Global Compact and the Global Reporting Initiative (GRI) are among the most popular voluntary frameworks and instruments to implement CSR/RBC, as they embed many of the key international human rights, environment and labor standards, as well as other concerns, and can help users understand the complex and changing business landscape.
- CSR/RBC implementation is particularly challenging for small and medium sized enterprises, the overwhelming majority of the Asia-Pacific enterprise population.
- Asia-Pacific companies often complain they have no clear view of what is expected from them and that they are confused by the co-existence of various benchmarks and corporate responsibility tools. A strong call was made for different players to agree on common principles and common tools, including a simpler set of standards.
- A broader base of participation in CSR/RBC instruments was called for. It was suggested that the G20 could be a starting point. It was also pointed out that business, NGOs and the investor community all need to be involved to help governments come to good solutions.
- Government Pension funds and other institutional investors are key drivers for change.
- Disclosure needs to be improved in Asia. To achieve it, there is a need for active watchdog groups that can ensure non-complacency.
- Effective emission reduction requires taking a holistic approach, comprising the entire supply chain. Involving stakeholders in these strategies, including suppliers, consumers, employees and local communities, has proven to be essential.

- Driven by cost reduction objectives, many companies are reducing energy consumption thereby lowering greenhouse gas emissions. However, more consistent government policy regarding emissions was called for to support long term investments by business.
- Verification and monitoring of corporately stated policies is crucial. However, this activity is still underdeveloped in Asia.
- Companies are taking a variety of approaches when measuring and reporting emissions. Harmonised mechanisms would help in assessing and comparing data.
- As the expressions of the broader system, the OECD Guidelines, the UN Global Compact, the ILO Conventions and the Global Reporting Initiative can bring greater consistency and clarity to private corporate responsibilities initiatives and enhance their effectiveness and impact. For this to happen, however, they must exploit their complementary synergies and send clear, consistent, and self reinforcing messages to the business community.
- The forthcoming update of the OECD Guidelines for Multinational Enterprises in 2010 provides a unique opportunity for Asian-Pacific actors to contribute to the relevancy of the Guidelines and extend their geographical cover.

Participants welcomed the recent UNGC statement on the intensification of its cooperation with the National Contact Points responsible for the Guidelines. They also welcomed ESCAP and OECD intention to pursue the cooperation launched in Bangkok.

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