

PREFACE

Corporate social responsibility (CSR) has been a well-known concept for some time though the interpretation of this concept differs among countries, companies and stakeholders. In many cases, CSR has been abused as a marketing ploy, masking unsustainable practices of companies, in others it has simply constituted a charity event, again, often to mask the negative impacts of companies' operations. However, the winds of change are blowing, in particular in the wake of the United Nations Conference on Sustainable Development (Rio+20). Increasingly, companies are adopting sustainable business practices as an integral element of their corporate strategies, which is the true meaning of CSR. In fact, some companies have gone beyond the traditional interpretation of CSR and either engage in social or impact investment and/or play active roles in development cooperation, including the provision of disaster relief and humanitarian assistance. In this regard, the concept of CSR has evolved and today is often referred to as "corporate sustainability" or "responsible business practices" to avoid confusion with the narrow (and wrong) interpretation of traditional CSR as charity events.

Various global CSR instruments and sustainability frameworks, such as the Global Compact, Global Reporting Initiative and ISO 26000, have been in existence for some time and have been increasingly adopted by many companies, usually the bigger transnational corporations (TNCs). However, two main issues can be identified which require attention by both policymakers and companies. First, many companies in the Asia-Pacific region, in particular the millions of small and medium-sized enterprises (SMEs), are slow to adopt CSR instruments as they are considered to undermine their competitiveness and belong to the realm of the public sector. Secondly, the increasing number of different CSR instruments and sustainability frameworks has led to a certain level of confusion and imposed cumbersome and duplicative reporting burdens on companies, and therefore some form of convergence is required.

This publication looks at recent developments in CSR with particular attention to the growing role of impact investment and the need for greater convergence of global CSR instruments and provides recommendations to policymakers to enhance the adoption of CSR as an integral part of business strategy and operations.