

REGIONAL CONFERENCE ON CORPORATE RESPONSIBILITY

Why Responsible Business Conduct Matters

Programme

2-3 NOVEMBER 2009
UNITED NATIONS CONFERENCE CENTRE
BANGKOK, THAILAND

Organised by the OECD and UN ESCAP in co-operation with ILO, UN Global Compact
and the GRI on the occasion of the First Asia-Pacific Trade and Investment Week



"The social responsibility of business is to increase its profits."

Milton Friedman, *The New York Times Magazine*, 13 September 1970

"The globalised market place requires a stronger ethical orientation and more comprehensive understanding, assessment and management of risks. This expanded risk paradigm must include not only traditional business and financial factors, but also material extra-financial issues in the environmental, social and governance realms."

Global Sustainability in the 21st Century
An Action Plan for Business
Global Compact, January 2009

The economic crisis offers an opportunity for the Asia-Pacific region to position itself for the future, for example through...the adoption of principles of corporate social responsibility by domestic companies, which will contribute to sustainable long-term growth and export competitiveness"

Navigating out of the crisis, ESCAP 2009

"We consider that a renewed commitment to responsible business conduct will help to rebuild trust and confidence in markets. We firmly commit to the principles of propriety, integrity and transparency. Thus, we agree on the need to develop a set of common standards and processes regarding the conduct of international business and finance. For this purpose, we welcome the OECD work in relation to the Lecce Framework and a Global Charter for sustainable economic activity. We call on the OECD to strengthen its work on corporate governance and financial literacy. We will continue to promote corporate social responsibility and welcome further consultation on the up-dating of the OECD Guidelines for Multinational Enterprises to increase their relevance and clarify private sector responsibilities."

2009 OECD Ministerial's Conclusions, 25 June 2009
Paragraph 15

PRELIMINARY PROGRAMME

Background

The Asian region is unquestionably one of the most influential powerhouses of the world economy. This can largely be attributed to the unleashing in the last two decades of its unique entrepreneurial dynamism in an increasingly more open, competitive and integrated market-based international economic setting. While Asian firms have been successful in generating impressive economic growth, it is also increasingly acknowledged that this enviable performance will not be sustained unless Asian businesses pay due attention to their broad responsibilities towards the governments and societies in which they operate.

In a way, the recent financial and economic crisis, broadly attributed to public and private governance failures, has strengthened this view. Asian economies have not been able to escape the collapse in international investment in 2008. Political leaders all over the world have publicly expressed their belief that business ethics will be critical to restoring confidence and trust in the international economic and financial system. A sense of urgency has emerged on more effectively tackling climate change and resource depletion. It is also believed that green growth will be an important factor in reversing the global economic downturn. The recent meltdown has, in addition, strengthened the collective consciousness that wealth creation is pointless without the protection and respect of human rights and improvement in social conditions.

Because the concept of responsible business conduct (RBC)¹ or corporate social responsibility (CSR) is deeply rooted in cultural, social and economic factors, and has emerged in the Asian political realm more recently than in the Western Hemisphere, it has not developed the same way in these two parts of the world. What appears increasingly clear, however, is that the Asian RBC/CSR landscape is evolving fast. Various Asian initiatives, at governmental and private, national, regional and multilateral levels have started to develop to guide regional economic actors become more responsible corporate citizens. These initiatives are no longer driven by philanthropy, but are increasingly motivated by self-interest as the “business case” of RBC/CSR becomes stronger.

In a complex RBC/CSR universe, in which Asia is becoming an increasingly important player, calls have recently been made in the UN, G8 and G20 contexts in favour of global standards and processes on the conduct of international business and finance. Corporations have also been encouraged to use government-endorsed corporate responsibility instruments such as the ILO Conventions, the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the UN Global Compact (UNGC) to bring greater coherence, legitimacy and effectiveness to their individual RBC/CSR actions. The Global Reporting Initiative (GRI) has also been cited by governments as a supporting tool for communicating such measures to the public and measuring their contribution to sustainable development. These mechanisms are truly complementary and their synergies can be further developed.

¹ Responsible business conduct (RBC) can be defined as entailing compliance with laws, such as those on respecting human rights, environmental protection, labour relations and financial accountability, even where these laws are poorly implemented. It also involves responding to societal expectations communicated by channels other than the law, *e.g.* inter-governmental organisations, within the workplace, by local communities and trade unions, or via the press. Private voluntary initiatives addressing this latter aspect of RBC are often referred to as corporate social responsibility (CSR).

Main objectives

Against this background, the Conference, organised by the OECD and ESCAP in close cooperation with ILO, UN Global Compact and the GRI, will *inter alia*:

- a) Discuss the respective roles of governments, business and other stakeholders in promoting RBC/CSR in the OECD and ESCAP contexts;
- b) Learn from concrete experiences how firms from OECD and non-OECD Asian countries engage in RBC/CSR activities and relate them to corporate governance, and discuss how the “business case” can be reinforced. A special focus will be given to climate change and financial issues.
- c) Discuss the supporting role of the leading international corporate responsibility initiatives in promoting international responsible business and plans for updating the OECD Guidelines for Multinational Enterprises in 2010.

Expected impact:

- a) Dissemination of good practices and country responses to the main challenges on RBC/CSR, including on climate change and finance and education;
- b) Better understanding of the synergies between major international instruments and initiatives and corporate responsibility initiatives in Asia;
- c) Enhanced awareness of the potential of the leading international corporate responsibility initiatives in promoting RBC/CSR among Asian firms, and a fruitful discussion on a future updating of the OECD Guidelines.

The Conference will benefit from the participation of key players in the field from both OECD and non-OECD Asian countries. It will be divided into four plenary sessions and two-half day parallel sessions. A summary of the proceedings and background papers will be published on the OECD web page www.oecd.org/daf/investment/guidelines by the OECD shortly after the event.

Participation at the Conference requires registration. Further details are available on the OECD web page www.oecd.org/daf/investment/guidelines with cross references to the websites of the other sponsoring organisations.

Request for attendance should be sent to Jennifer MacGillivray jennifer.macgillivray@oecd.org

AGENDA

| REGIONAL CONFERENCE ON CORPORATE RESPONSIBILITY “Why Responsible Business Conduct Matters” Bangkok, 2 (afternoon) - 3 November 2009 | |
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| MONDAY 2 NOVEMBER 2009 – AFTERNOON | |
| 12:30-14:00 | Registration and coffee |
| OPENING SESSION | |
| 14:00-14:30 Conference Room 2 | <p>Welcoming remarks by Are-Jostein Norheim, CSR Ambassador, Ministry of Foreign Affairs, Norway, and Ravi Ratnayake, Director, Trade and Investment Division, ESCAP</p> <p>Key Note Opening Speeches</p> <p>Noeleen Heyzer, Under-Secretary-General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific</p> <p>Issara Somchai, Minister, Ministry of Social Development and Human Security, Thailand</p> |
| PLENARY SESSION ONE – WHAT RESPONSIBLE BUSINESS CONDUCT MEANS | |
| <p>While business ethics have risen to the top of the political agenda, the belief that corporations have obligations toward society has never been absent from the collective consciousness. Expectations on responsible business have, however, evolved over time. The last decade has seen the development of a process of evaluation on the role of business in the context of globalisation and the challenges of sustainable development. Climate change and the economic meltdown have added new variables to this evaluation. But at the heart of this challenge is how the corporate sector should respond to the evolving needs and aspirations of the societies in which they operate.</p> <p>The session will discuss the contours of responsible business conduct in OECD and ESCAP communities and better understand how history, cultural factors and new societal challenges have, and are likely to continue, to shape up societal expectations on corporate responsibilities.</p> | |

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| 14:30-15:30 Conference Room 2 | Moderators: Paul Hohnen, Sustainability Strategies and Filemon A. Uriarte, Jr, Executive Director, ASEAN Foundation |
| | <p><i>“What is responsible business conduct”?</i> Gérald Pachoud, Special Advisor to the UN Secretary-General’s Special Representative on Business and Human Rights</p> <p><i>“The Asian way to longevity and prosperity”</i> Haruo Funabashi, Chief Executive Officer, Sirius Institute</p> <p><i>“ASEAN Blue Print for the Social-Cultural Community – 2008-2015 – Promoting Corporate Social Responsibility”</i> Manasvi Srisodapol, Deputy Director-General, ASEAN Affairs Department, Ministry of Foreign Affairs, Thailand</p> <p>Ricarda McFalls, Head, Multinational Enterprises Programme, ILO</p> |
| | Discussion |
| 15:30-16:00 | Coffee break |
| PLENARY SESSION TWO – FROM THEORY TO PRACTICE | |
| <p>As for many other emerging issues, globalization is a real time laboratory for testing ideas and approaches on RBC. Multinational enterprises not only bring money, technology and know-how to Asia but also their home country values and standards. These collaterals have provided inspiration and created incentives for incorporating innovative RBC practices into Asian business. The Asian landscape is indeed evolving fast. Several governments have taken steps to promote RBC, from voluntary approaches to legal RBC requirements. Private initiatives have started to develop to guide economic actors to become more responsible corporate citizens at home and abroad. The session will assess these emerging trends and discuss the opportunities and challenges facing governments and companies in jumping on board this train. Two country case studies will be presented on Thailand and Vietnam.</p> | |
| 16:00-18:00 Conference Room 2 | Moderators: Paul Wedel, President and Executive Director, Kenan Institute of Asia and Alice Pham, Director, CUTS Hanoi Resource Center |
| | <p><i>“Operationalising RBC”</i> Marinus W. Sikkel, Chief, Private Sector and Development Section, Trade and Investment Division, ESCAP</p> <p><i>“Emerging practices”</i> Richard Welford, Professor, Hong Kong University; Chairman, CSR Asia (CSR Barometer)</p> <p><i>“RBC in Thailand”</i> Pipat Yodprudtikan, Director, Thaipat Institute and Advisory, Corporate Social Responsibility Institute (CSRI), SET</p> <p><i>“RBC in Vietnam”</i> Nguyen Dinh Tai, Director, Management Consulting and Training Center, CIEM</p> <p>Paul Wedel, President and Executive Director, Kenan Institute of Asia Carrie George, Manager, Global Training and Remediation, STR Responsible Sourcing</p> |

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| 18:00-20:00 Conference Centre Ground Floor | Cocktail hosted by Noeleen Heyzer , Under-Secretary-General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific and the OECD for the participants of this Conference and those of the Asia Pacific Trade Economists Conference |
| TUESDAY 3 NOVEMBER – MORNING | |
| 9:00-13:00 | Two parallel sessions |
| PARALLEL SESSION A – THE RESPONSIBILITIES OF THE FINANCIAL SECTOR | |
| <p>The financial crisis has revealed shortcomings in the mechanisms designed to ensure the soundness, integrity and sustainability of financial institutions and markets. Misleading or fraudulent lending practices, inadequate disclosure and excessive risk-taking on the part of both borrowers and lenders are cases in point, as is the failure of regulatory bodies to detect and respond to emerging problems. These shortcomings have put into jeopardy the life-savings of many and weakened the profitability of enterprises all around the world. The crisis thus provides an excellent illustration of the breadth of the financial sector responsibilities towards society. Even if the engagement of financial institutions on environmental, social and governance (ESG) issues has somewhat lagged behind that of other sectors of the economy, the financial industry has more recently taken initiatives to sensitise its constituents about the materiality of extra-financial risks. Some of them have been endorsed by the UN (Principles for Responsible Investment for institutional investors and asset managers) or the World Bank (the Equator Principles and the IFC Environmental and Social Performance Standards for project financing). The OECD has also been at the forefront of efforts to increase financial education and awareness in relation to credit and in developing guidance for strengthening pension fund governance.</p> <p>The morning session will be divided into two parts. Part I will discuss lessons learned from the financial crisis and international initiatives promoting good financial practices while Part II will discuss how Asia can make a difference.</p> | |
| Part I | A Crisis is too Precious to Waste |
| 9:00-10:45 Meeting Room A | Moderators: Michel Doucin , CSR Ambassador, France and Felipe Alfonso , Vice Chairman, Asian Institute of Management |
| | <p><i>“The new Asian power brokers”</i> Alexandra Tracy, Vice-Chairman, Association for Sustainable & Responsible Investment in Asia (ASrIA)</p> <p><i>“Showing the way”</i> Herman Mulder, former Director-General, ABN AMRO Bank, Co-founder of the Equator Principles</p> <p><i>“The business case”</i> Geoffrey Williams, Chief Executive Officer, OWW Consulting in Malaysia and Singapore</p> <p>Hong Deng Jin, Division Chief, China Development Bank</p> <p>Tim Lyons, Trade Union Advisory Committee (TUAC) to the OECD and Assistant Secretary, Australian Council of Trade Unions (ACTU)</p> |
| 10 :45 -11 :00 | Coffee Break |

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| Part II | Making a Difference in Asia |
| 11:00-13:00 Meeting Room A | Moderators: Geoffrey Williams , Chief Executive Officer, OWW Consulting in Malaysia and Singapore |
| | <p><i>“What Asian governments can do”</i> Nataya Niyamanusorn, Director, Corporate Governance Department, Securities & Exchange Commission of Thailand Eiichiro Adachi, Head of ESG Research Center, Japan Research Institute</p> <p><i>“What Asian financial institutions can do”</i> Gustaaf A. Lumiu, Finance and Administration Director, Kehati - The Indonesian Biodiversity Foundation Jaspreet Duhra, Client Relationship Manager, EIRIS Robert A. Kraybill, Managing Director, Impact Investment Exchange Asia</p> <p><i>“Delivering Performance”</i> Rita Benoy Bushon, Chief Executive Officer, Malaysia Minority Shareholder Watchdog Group Nikhil Singh, Chief Investment Officer, Anpha Capital</p> |
| PARALLEL SESSION B – BUILDING A LOW CARBON FUTURE | |
| <p>Country commitments to address climate change are multiplying. The 2009 OECD Ministerial Meeting held on 24-25 June 2009 highlighted the importance of “green growth” as the way forward out of the current crisis. At the G8 L’Aquila Summit of 8-10 July 2009, 15 major economies agreed to “encourage and facilitate the development, dissemination and mutually agreed transfer of clean, low-carbon technologies” and to “reduce carbon emissions and increase energy efficiency from production to consumption.” Further commitments and their related quantitative targets are expected in the run up to the UN Framework Convention on Climate Change Conference in Copenhagen in December 2009.</p> <p>Meeting these commitments successfully will require a more effective harnessing of the efforts of all stakeholders, including from the private sector. It will likely translate into substantial additional efforts requested from companies. Companies need to learn from the practices that are tried elsewhere. This is where the <i>OECD Guidelines for Multinational Enterprises</i>, as a reference set of standards, and the related analytical work on climate change can add value. Likewise the “Environmentally Sustainable Economic Growth” (Green Growth) and low carbon development initiatives of ESCAP can provide guidelines on how companies can contribute to the achievement of the Millennium Development Goals.</p> <p>In particular, the most difficult emission reduction challenge for many companies is managing the supply chain. Tomorrow, an organization could be put at risk by the inability of its suppliers to manage the climate-related risks. The challenge is twofold: collecting the right information throughout the supply chain and putting into practice and monitoring climate change strategies across suppliers and partners.</p> <p>The morning session will be divided into two parts. Part I will focus on recent Asian developments in Government and corporate efforts to reduce emissions. Part II will discuss more specifically the challenge of managing emissions throughout the supply chain.</p> | |

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| Part I | Asia, on the Road to Copenhagen |
| 9:00-10:45 Conference Room 2 | Moderators: Ravi Fernando , Chief Executive Officer, Sri Lanka Institute of Nanotechnology, Focal Point of the UN Global Compact Network in Sri Lanka, and Prasertsuk Chamornmarn , Deputy Executive Director, Thailand Greenhouse Gas Management Organisation |
| | <p><i>“Setting the stage”</i> Josh Carmody, Senior Clean Energy and Climate Change Specialist, Asian Development Bank on the Economics of Climate Change in South-East Asia</p> <p><i>“Low carbon development path: role of the private sector”</i> Hongpeng Liu, Economic Affairs Officer, Environment and Development Division, ESCAP</p> <p><i>“Government Leverage”</i> Kenko Sone, Director, OECD Division, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan</p> <p><i>“Private sector actions”</i> Anusorn Sangnimmuan, President, Bangchak Petroleum Public Company Limited, Thailand and Advisory, Corporate Social Responsibility Institute (CSRI), SET</p> <p>Andy Schroeter, Managing Director, Sunlabob, Laos</p> <p>Mitsuko Tsuchiya, Vice-President, Chief Environmental Affairs Officer, AEON (member of Japan Climate Leaders' Partnership)</p> |
| 10 :45 -11 :00 | Coffee Break |
| Part II | Creating a Positive Domino Effect |
| 11:00-13:00 Conference Room 2 | Moderators: Katherine Miles , Sustainability Reporting Framework Manager, Global Reporting Initiative (GRI), and Joseph Wilde-Ramsing , Researcher, Centre for Research on Multinational Enterprises (SOMO) and Coordinator, OECD Watch |
| | <p><i>“Challenges and lessons learned from the OECD Guidelines and practices”</i> Céline Kauffmann, Project Manager, OECD / Cristina Tébar Less, Senior Policy Analyst, OECD</p> <p><i>“Emissions Disclosure and the Supply Chain”</i> David St. Maur Sheil, Director of Operations, Association for Sustainable & Responsible Investment in Asia (ASrIA) - Carbon Disclosure Project in Asia</p> <p><i>“Company perspective on managing the supply chain”</i> Vimal Kumar, Head of Corporate Responsibility, DiGi Telecommunications Iresha Somarathne, Head of Energy and Environment, Brandix Lanka Sumeth Laomoraphorn, Chief Operating Officer of C.P.Intertrade Co., Ltd John Paul, Managing Director, iCognitive</p> |
| 13:00-14:30 | Lunch |

TUESDAY 3 NOVEMBER – AFTERNOON

**PLENARY SESSION THREE –
THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES**

The OECD Guidelines are recommendations by the 41 adhering governments covering all major areas of business ethics, including corporate steps to obey the law, observe internationally-recognised standards and respond to other societal expectations. They apply wherever enterprises based in the 41 adherent countries operate, be it within and outside the OECD region. They also have a unique implementation mechanism in the specific instance facility, through which the National Contact Points (NCPs) are able to offer their good offices for the mediation and conciliation of disputes arising from alleged breaches of the OECD Guidelines. Some 200 “specific instances” have been brought to NCPs’ attention since the 2000 Review of the OECD Guidelines. 145 of them have been considered and half have been concluded.

The session will be devoted to the unique features and accomplishments of the OECD Guidelines and the envisaged launch of an update of the Guidelines in 2010, ten years after their last Review. At their 2009 Annual Meeting, OECD Ministers welcomed further consultation on the up-dating of the OECD Guidelines to increase their relevance and clarify private sector responsibilities.

**14:30-16:30
Conference Room 2**

Moderators: A high level representative from Thailand and **Kenko Sone**, Vice-Chair of the OECD Investment Committee, Japan

“Unique features and accomplishments”

Are-Jostein Norheim, CSR Ambassador, Ministry of Foreign Affairs, Norway and Chair of the 2009 Annual Meeting of the National Contact Points

“What the OECD Guidelines can do for Asian firms”

Paul Hohnen, Sustainability Strategies

“Why there is a need for the specific instance facility?”

Herman Mulder, former Vice-President of ABN AMRO and member of the Dutch NCP

“The point of view of Asia-Pacific”

Rosauro R. Luntayao, Manager, Community Development, Central Azucarera Don Pedro (CADP) Group Corporation

**CONCLUDING PLENARY SESSION FOUR –
JOINING FORCES AROUND LEADING 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 belong to a set of over-reaching instruments developed or endorsed by governments to promote responsible business conduct worldwide. As expressions of the broader system of governance recognized by the OECD, G8 and in various UN contexts, they can bring greater consistency and clarity to the private-developed corporate responsibility initiatives and enhance their effectiveness and impact. The session will discuss how Asian firms can exploit the synergies and complementarities between these leading instruments and ensure they reflect their own aspirations and needs.

**16:30-18:00
Conference Room 2**

Moderators: **Are-Jostein Norheim**, CSR Ambassador, Ministry of Foreign Affairs, Norway and **Marinus W. Sikkel**, Chief Private Sector and Development Section, Trade and Investment Division, ESCAP

“How leading international corporate responsibility instruments can relate more effectively to each other”

Ricarda McFalls, Head, Multinational Enterprises Programme, ILO

Thomas Thomas, Executive Director, Singapore Compact for CSR, UN Global Compact Singapore Local Network Focal Point

Katherine Miles, Sustainability Reporting Framework Manager, Global Reporting Initiative (GRI)

Yanti Triwadiantini, Executive Director, Indonesia Business Links

18:00-18:15

Concluding Remarks by **Kenko Sone**, Vice-Chair of the OECD Investment Committee, **Are-Jostein Norheim**, CSR Ambassador, Ministry of Foreign Affairs, Norway and **Marinus W. Sikkel**, Chief Private Sector and Development Section, Trade and Investment Division, ESCAP