

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

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A DECADE OF CSR IN ASIA

It is new but the growth is phenomenal

1990s

- Economic crisis 1998
- Wake up calls on the importance of business ethics
- Establishment of local networks

2001-05

- CSR awareness started but limited (external oriented)
- MNCs championing CSR,
- Local companies slowly follow.

2005-07

- Tsunami created emphasis.
- More CSR conferences took place
- 2007 – Indonesia's **Corporate Law no.40** related to CSR mandate

2008 - now

- CSR becomes more strategic due to Global Economic Crisis
- Increased multi-sector interest on CSR
- Government interest on CSR as one of funding alternatives

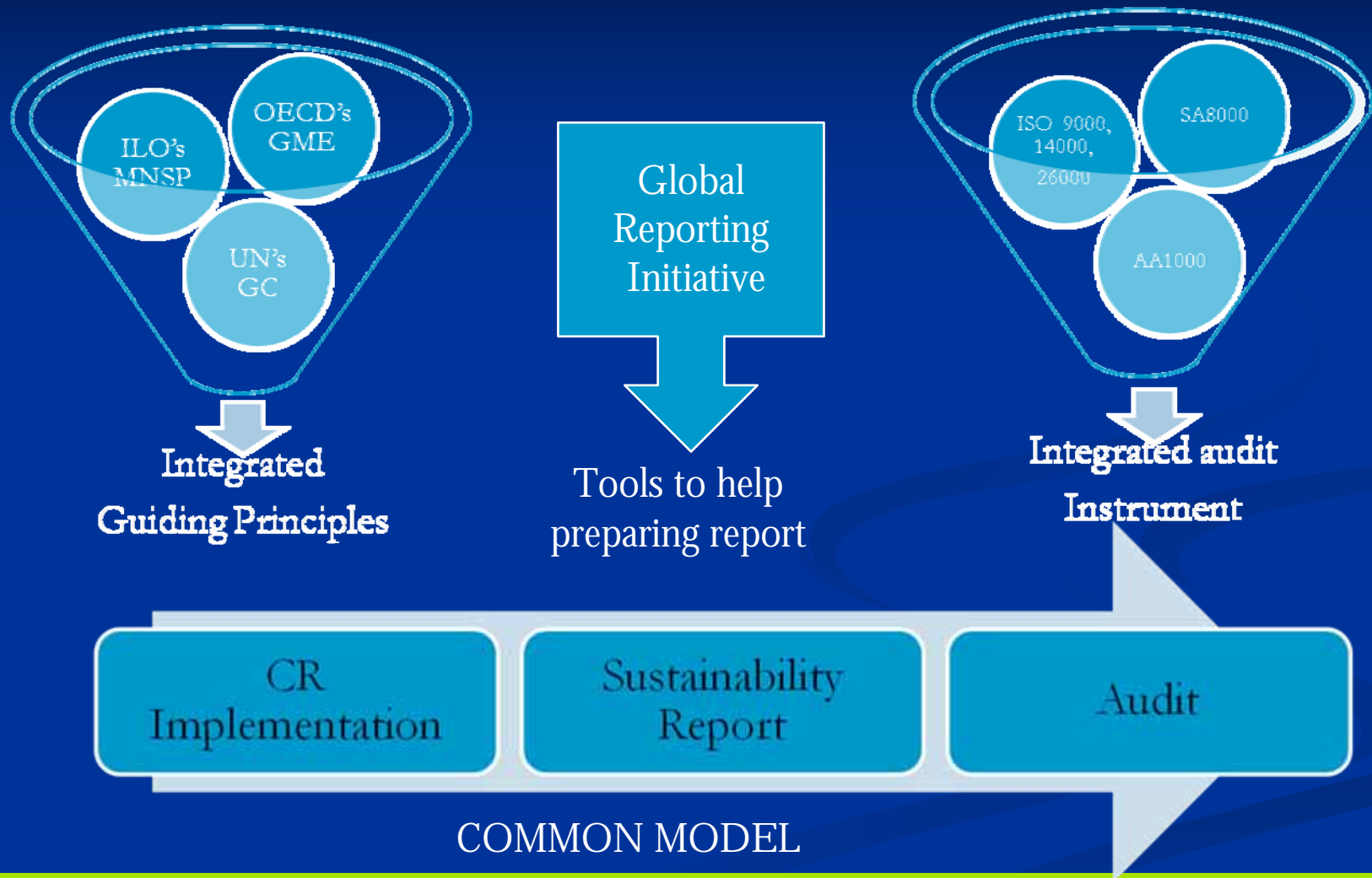
Most important business drivers for CSR reporting and strategic development

- Better brand and reputation;
- Recognized as a good and fair employer;
- Maintained/enhanced market position;
- Trust on the financial market and increase shareholders values;
- Conflict prevention; and
- Genuine concerns

Challenges of CSR Implementation

1. Varying degrees of understanding on CSR definition among Stakeholders.
2. Stakeholders' perception that companies are a source of "cash", and under-estimate non-financial resources.
3. Corporate officers in the fields are often encountered by the communities' never ending demand.
4. Companies must keep up with international standards (expectations) which often are overwhelming and not practical

Logical Relation of CR Instruments



Recommendations

1. Integration for better coordination of :

- ILO Multinational Enterprises and Social Policy
- OECD Guidelines for Multinational Enterprises
- UN Global Compact

2. Corporate Responsibility reporting is important and GRI helps companies in preparing.

3. Audit to integrate existing instruments e.g

- AA1000, SA8000, EIA, ISO 9000, ISO 14000, ISO 18000, ISO26000 (?)

4. Ensure effectiveness, efficiency and practicality.