



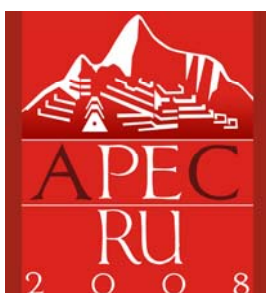
**Asia-Pacific  
Economic Cooperation**

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## **Corporate Social Responsibility & APEC**

Purpose: Information  
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Ministerio de Relaciones Exteriores del Perú

## Corporate Social Responsibility & APEC



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## What is Corporate Social Responsibility?

Corporate social responsibility is the commitment of business to contribute to sustainable economic development—working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development.

*The World Bank's working definition of corporate social responsibility*



## The business case for CSR

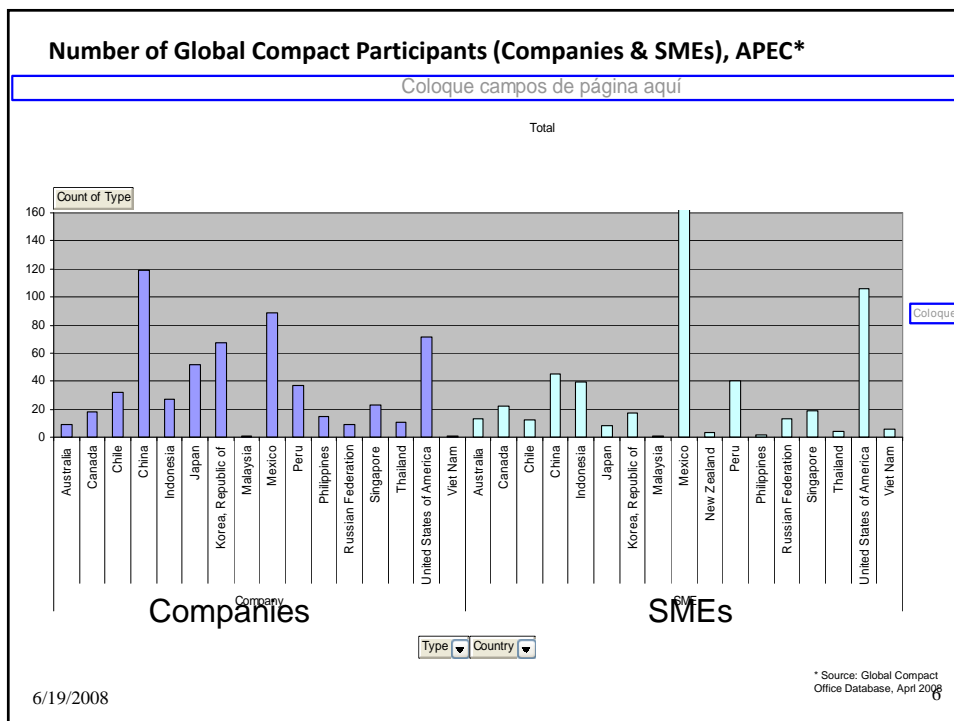
- The business case for investment in CSR activity can be linked to a range of issues including the pursuit of new business opportunities through social and environmental innovation, reputational risk management, campaign pressure from nongovernmental organizations (NGOs) or trade unions, media exposure to the practices of individual companies or sectors, regulation, and litigation.

Source: Ward, Halina (2004) 'Public Sector roles in Strengthening CSR: Taking Stock' (World Bank).

## CSR in the Asia Pacific

- The results of a SOM survey among member economies revealed that CSR has been developing at different speeds and in different directions within all APEC economies over recent years with each approach reflecting local factors, distinct business cultures and economic structures.
- The strong level of CSR activity and interest through-out the region is being driven by individual companies, especially MNEs but also SMEs, business associations, national governments and local authorities, international bodies, intergovernmental organizations, civil society and NGOs.

APEC Economy	UN Global Compact	GRI Reporters	GRI 2007 Registered Reports	UN PRI Signatories	UN PRI Investment Managers	OECD Declaration on Investment
Australia	30	83	21	21	25	Yes
Brunei Darussalam	0	0	0	0	0	
Canada	49	50	27	4	6	Yes
Chile	47	34	14	0	0	Yes
China	180	9	7	0	0	
Hong Kong, China	0	3	1	0	1	
Indonesia	93	6	2	0	0	
Japan	62	177	38	3	9	Yes
Republic of Korea	102	37	25	0	5	Yes
Malaysia	3	2	0	0	0	
Mexico	356	8	6	0	1	
New Zealand	3	18	4	7	0	Yes
Papua New Guinea	0	1	0	0	0	
Peru	94	3	1	0	0	In process
Philippines	41	3	1	0	0	
Russia	27	11	7	0	0	
Singapore	46	1	0	0	1	
Chinese Taipei	0	0	0	0	0	
Thailand	18	3	1	1	0	
USA	245	144	57	17	21	Yes
Viet Nam	10	0	0	0	0	
<b>APEC Total</b>	<b>1406</b>	<b>593</b>	<b>212</b>	<b>53</b>	<b>69</b>	<b>7</b>
<b>World Total</b>	<b>5298</b>	<b>1490</b>	<b>665</b>	<b>131</b>	<b>149</b>	<b>39</b>
						<b>5</b>



# Global Compact Local Network Management

Country	Launch	Focal Point	Formal Structure
Australia .....	Emerging .....	TBD.....	
Brunei.....	No Network .....	TBD.....	
Canada.....	Emerging .....	TBD.....	
Chile.....	2001.....	Academic.....	✓
China.....	2001.....	Association/ UNDP.....	
Indonesia .....	2004.....	Association/ UNDP.....	✓
Japan .....	2003.....	Company.....	✓
South Korea.....	2007.....	Company/ UNDP.....	✓
Malaysia .....	Emerging.....	CSR Organization	
Mexico .....	2006.....	UNDP.....	✓
Peru .....	2003.....	CSR Organization.....	
Philippines.....	Emerging.....	Association/ UNPD.....	
Russia .....	2003.....	Company/ UNDP.....	✓
Singapore .....	2005.....	CSR Organization.....	✓
Thailand.....	Emerging.....	Employer's Conf./ UNDP....	
USA .....	2001.....	Company/ Business School.	
Vietnam .....	2007.....	UNDP.....	

## Rationales for Public Policy Interest in CSR

<b>Economic</b>	<ul style="list-style-type: none"> <li>•Enhance international and national competitiveness (eg. aligning national investment strategies with the CSR interest of foreign investors)</li> <li>•Promote local export-oriented business – developing a competitive advantage from the market access aspects of CSR such as the CSR factor in international supply chains and FDI.</li> <li>•Achieve equitable and sustainable growth</li> </ul>
<b>Political/ Government</b>	<ul style="list-style-type: none"> <li>•Respond to pressure from/influence of external actors</li> <li>•Enhance international political influence and reputation</li> <li>•Address gaps in government capacity</li> </ul>
<b>Social/ Developmental</b>	<ul style="list-style-type: none"> <li>•Address challenges in socioeconomic development</li> <li>•Build upon traditional values while establishing a modern economy</li> <li>•CSR can help form partnerships between the complementary skills of public, private and civil society actors to promote sustainable development.</li> </ul>

## Relevance of CSR to the APEC Agenda

- market access & trade and investment facilitation
- corporate governance & international standards
- corporate networks
- codes of conduct
- government procurement
- sustainable development & capacity building
- education and human resource development
- mining, tourism, SMEs, anti-corruption etc.



## CSR & Market Access

- CSR considerations can be included into global supply chains as market entry requirements (eg. labeling requirements, certification schemes etc.).
- Such conditions can increase the costs of doing business and impact on a firm's entry into export markets.
- APEC is well designed to help coordinate some of the linkages between CSR, regional competitiveness and trade and investment promotion.
- These linkages often not be apparent as many government actions that enable or drive CSR are not described as such.

## Conclusions of APEC Survey

- CSR activity is strong and growing in APEC but the level of awareness and the application of CSR principles in both the private and public sectors is far from universal.
- CSR is of relevance to public sector agencies as they can often lead the way in setting standards for good corporate practice such as managing relations with stakeholders (including with employees and suppliers), promoting sustainable development and transparency.
- APEC could play a facilitating role in promoting CSR awareness and capability in both the public and private sectors.

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## Voluntary strategies to promote CSR by public, private and civil society actors

- **Ensuring transparency:** To identify voluntary programs to certify processes or products, and ensure transparency in the processes in which SMEs are involved.
- **Facilitating:** To enable or increase the adoption of management tools such as voluntary product labeling schemes and guidelines for company management systems or reporting. It may include fiscal incentives or specific procurement procedures.
- **Improving Promotion and Advocacy:** To enhance CSR awareness through conferences, workshops, training programs, baseline indices, etc.
- **Partnering:** To tackle complex social issues by initiating and managing public and private stakeholder partnerships that combine complementary skills.
- **Endorsing:** To include CSR in the political agenda and demonstrate the success of CSR management by recognizing the efforts of companies, for instance, through awarding schemes.

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**Some possible elements of an APEC Agenda on CSR could include the following:**

- A strong political commitment to CSR from APEC Leaders in 2008 including recognition of relevant APEC and ABAC work in this area.
- Diagnostic of APEC structure to identify areas of expertise in committees and working groups to include in an APEC CSR framework.
- Mapping of CSR linkages across the APEC agenda.
- APEC CSR Resource Centre (through ABAC) including an inventory of resources on CSR practices and the most relevant CSR principles & standards for the Asia-Pacific.
- APEC CSR regional network of business organizations and experts.
- Survey of APEC CSR public policies and possible capacity building needs.
- Business outreach and promotion of CSR best practices in APEC.

