

## **Attachment A**

### **Some Snapshots of CSR Developments in APEC economies**

#### **Australia**

Companies and listed entities with the Australian Securities Exchange (ASX) are required to provide a statement in their annual report disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them (if not, why not reporting). The Corporate Governance Principles and Recommendations are guidelines, designed to provide listed entities with a focus for re-examining their corporate governance practices. The principles include aspects of corporate social responsibility such as recommending that listed entities promote ethical and responsible decision-making through establishing a code of conduct.

#### **Canada**

In 2006, Canada hosted four National Roundtables on CSR and the Canadian Extractive Sector in Developing Countries. The Roundtables provided a unique opportunity to discuss ways to improve the knowledge and capacity of Canadian companies to operate in a socially and environmentally responsible manner. A number of government departments and agencies participated in the organization of the Roundtables. An Advisory Group, made up of non-government experts from across stakeholder groups (industry, civil society, labour, investment sector and academia) was also established. The Advisory Group recommended establishing a Canadian CSR Framework that, building on the OECD Guidelines for Multinational Enterprises, would include an initial set of standards, incentives, reporting and compliance mechanisms. The Government of Canada is carefully reviewing all of the recommendations of the Advisory Group and will soon announce its course of action.

#### **Chile**

The national definition of Excellence (quality award) was changed and included sustainability measures and guidance through a public institution "*Chile Calidad*". Corfo, the government agency for economic development, in partnership with Industry and *Vincular* (local think-tank) is about to launch a set of subsidies for SMEs to include CSR into their practices, and to large companies to develop their supply chain based on sustainability. Chile has adhered to the OECD Decision establishing the latest version of the OECD Guidelines for MNEs. In the Association Agreement between Chile and the European Union there is also a special mention to the observance of these guidelines. The promotion of CSR is mentioned in the Chile United States FTA, Article 19.10.

#### **China**

State-owned enterprises (SOE) are the backbone of China's national economy and most of them are under the supervision of the State Assets Supervision & Administration Commission (SASAC). The SASAC attaches great importance to corporate social responsibilities undertaken by the SOEs. On 4 January 2008 SASAC promulgated *Guidelines on CSR Undertaken by the Centrally Owned and Managed Enterprises*". It is the first document of its kind introduced by a ministerial agency in China and urges

SOEs to embed corporate social responsibility into their practices and establish a CSR reporting system. Eleven centrally-administered SOEs already release sustainability reports and 3 SOEs produce reports using the GRI Guidelines.

### **Hong Kong, China**

Corporate social responsibility (CSR) awareness is generally high among the business community in Hong Kong, China (HKC). Concerted efforts by the Government, business sector and non-governmental organizations (NGOs) will continue to advance its development. As highlighted by the Chief Executive in his 2007-2008 Policy Address: *“In the coming decade, Hong Kong will remain a balanced, pluralistic, stable and advanced city. We play by the rules of a free market while stressing corporate social responsibility...We pursue economic growth, and care about environmental protection and cultural conservation ...”*

### **Japan**

The general level of activity and interest in CSR within the business community in Japan is fairly high although there are no internationally-standardized criteria to evaluate it. The business community in Japan, through Nippon Keidanren (The Japan Business Federation), developed the Charter of Corporate Behavior early in 1991 in light of the importance of CSR and the growing awareness of CSR in the society. (<http://www.keidanren.or.jp/english/policy/csr.html>)

### **Korea**

In March 2008 the Council of Chairmen of the Federation of Korean Industries (FKI) adopted a “Resolution to Strengthen Enterprises’ Corporate Social Responsibility,” pledging to fully carry out CSR. The resolution set forth a plan to monitor the CSR management of its member companies by setting up a CSR Council in each member company and a Corporate Ethics Council in the FKI. In addition, the Korean Chamber of Commerce and Industry announced that it would assist with capacity building for CSR management of SMEs.

### **Malaysia**

The emergence of corporate responsibility in Malaysia has been closely linked to the development plan -- Vision 2020 -- and to the government’s policy of enhancing standards of corporate governance and business ethics. At a conference on CSR held in Malaysia in June 2004, the Deputy Prime Minister argued that CSR practices should not be mistaken for acts of philanthropy or charity. He argued that: *CSR helps improve financial performance, enhance brand image and increases the ability to attract and retain the best workforce – contributing to the market value of the company by up to 30 per cent. All of these translate into better client and customer satisfaction, improved customer loyalty and ultimately into lower cost of capital as a result of better Risk Management. Finally from a national standpoint, a good reputation for CSR will help Malaysian companies compete in world markets by resolving the potential concerns end users may have in developed markets. (Conference Report of CSR - Creating Greater Competitive Advantage)*

## **Mexico**

The Mexican Government, through the Ministry of Economy, monitors and disseminates information on the OECD Guidelines for Multinational Enterprises. The Guidelines are made available through Internet, they are distributed in printed materials such as brochures, and public briefings are held. The Government's position is that they should not be used for protectionist purposes or in ways that cast doubt on the comparative advantage of any country in which multinational companies invest.

## **New Zealand**

In February 2007, the Government launched the Business Partnerships for Sustainability initiative as part of its programme to encourage more sustainable practices in New Zealand households, communities, businesses, local authorities and central government. Business Partnerships for Sustainability focuses on working with business, government agencies and business support organisations to help firms pursue environmental integrity within their business model. One of the elements of the Business Partnerships initiative is the Building Sustainable Business Capability project which is designed to build the capabilities of business to respond to sustainability by increasing the knowledge, understanding and practice of sustainability within New Zealand firms.

## **Peru**

Peru 2021 was formed in 1994 as a long term initiative to develop and promote social responsibility in business practice to convert firms into agents of change for the sustainable development of Peru. Peru 2021 includes among its key objectives a better quality of life, respect for the law, solidarity, and a sense of social community. The aim is to enable private companies to play a role in development by incorporating social and environmental responsibility into business activities and contributing to the improvement in the quality of life and the environment.

## **United States of America**

While the US federal government does not have a formal role in global corporate social responsibility, there are over 50 programs, policies, and activities at 12 agencies that are related to global CSR. These programs include those that may affect U.S. corporations' CSR efforts overseas, including their supply chains, and those that touch on key components of CSR, such as labor, environment, human rights, community development and corporate governance. Most of these activities can be loosely categorized into the four key roles of governments in global CSR identified by the World Bank: endorsing, facilitating, partnering and mandating. The U.S. government endorses CSR by providing awards to companies, such as the Department of State's Award for Corporate Excellence. Federal programs facilitate CSR by such activities as providing information or providing funding to engage in CSR. For example, a Department of Commerce program facilitates CSR by providing training on corporate stewardship. Some agencies partner with corporations on specific projects related to their core mission. For example, the U.S. Agency for International Development (USAID) partnered with one U.S. corporation operating in post-war Angola to build up the country's business sector and workforce. Other agencies, such as the Overseas

Private Investment Corporation, mandate CSR by requiring companies to meet CSR-related criteria to obtain their services.

### **Vietnam**

The Vietnamese government is now taking up CSR-relevant issues as a public policy area. Public policy instruments so far have focused on awareness raising by creating forums for dialogue and exchange and partnering with national business associations as well as with international donor agencies. There are also indications of increasing legislative activity in the areas of labor law, corporate governance and environmental protection.

[http://www.unglobalcompact.org/docs/news\\_events/9.1\\_news\\_archives/2007\\_10\\_24/CSR\\_Navigator\\_short\\_final.pdf](http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2007_10_24/CSR_Navigator_short_final.pdf)

### **Chinese Taipei**

Based on the international standards, Chinese Taipei published the “*Corporate Social Responsibilities Report*” in 2003 and set up the CSR Website under the Ministry of Economic Affairs to assist our business community to build up the CSR concept. *Common Wealth* and *Global Views*, two noted and important business magazines in Chinese Taipei, have selected the benchmarking enterprises from different industries for the outstanding achievement in the implementation of CSR and granted these enterprises with “*the Corporate Citizen Award*” and “*the Corporate Social Responsibility Award*” every year since 2004.

### **Singapore**

Over 40 Singapore-based companies have taken the lead in incorporating CSR into their business strategies. Singapore has launched a national survey to gauge companies’ awareness, preparedness and needs on CSR. This will allow Singapore to determine how to support our SMEs to become more CSR-compliant. Singapore Compact is a multi-stakeholder NGO that furthers the CSR movement in Singapore. [www.csrsgapore.org](http://www.csrsgapore.org).

### **Thailand**

The government, although not requiring CSR, has been actively supporting it. The Ministry of Labour established a Thai labor standard to help Thai companies meet the expectations of the international labour market. The Ministry of Social Development and Human Security established the CSR Thai Center in 2007 to provide training and guidelines for the private sector that covers all social strategic issues and works with civil society in driving social development strategies. Activities of the center include providing training and guidelines for the private sector; develop database on institutions that conduct CSR policy and activities in all sectors; raise awareness and disseminate information and knowledge about CSR and its impacts; and support the conduct of CSR activities of other institutions in all sectors.