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For Immediate Release

## Corporate Social Responsibility: What it means in practice

**Kuala Lumpur, Malaysia, 24 August 2009** – The seventh CSR Asia Summit will be held in Kuala Lumpur, Malaysia from 27 - 28 October 2009. Strategies and issues connected with CSR (Corporate Social Responsibility) will be discussed at the upcoming summit.

Richard Welford, Chairman of CSR Asia shares his views on the meaning of corporate social responsibility in practice as follow:

It seems that most businesses I talk to now claim to be doing corporate social responsibility (CSR), or at least they might think they are. Anytime a business does something that is good and or charitable it is too often claimed as CSR. Planting trees, participating in community events, volunteering with marginalised communities, organising corporate fundraisers, and corporate philanthropy are commonly, and at times incorrectly, claimed as CSR. You would think for such a big term, there has to be more to it than just that. So what does it actually mean in a day to day business world?

CSR is about going beyond legal compliance. The fundamental thrust of CSR is to look at how business impacts on four core areas: workplace, marketplace, community, and the environment. CSR addresses responsibility issues around labour relations and practices, health and safety at work, anti-corruption, corporate governance, human rights, customer relations and environmental degradation. CSR is also being aware of how external events or risks will affect one's businesses. The onset of climate change is a prime example of how external events are affecting business operations.

So what do people actually do when they say they are "doing CSR?" Here are six core things that they ought to be doing:

**Review operations and chart materiality:** CSR begins with an in depth review of what and how their business impacts the four core areas. Responsible businesses improve and add value, reduce and mitigate impacts. A review also takes into account what are the most relevant and significant social, environmental and economic impacts on their business and stakeholders. Companies should benchmark themselves against their peers.

A review process requires senior management to be transparent and accountable about their operations and their impacts. Doing a poor job at this stage but claiming to be a responsible business results in negative backlash and accusations of "green-washing".

**Engage with stakeholders:** Consulting key stakeholders allows businesses to understand how and what their impacts are. Identifying key stakeholders is fundamental to understanding their views and aspirations. Businesses are known to engage on a regular basis with regulators, bankers and investors. However, proper stakeholder engagement includes a much wider group which includes employees, customers, social and environmental NGOs, and local communities where businesses operate in. Often these are ignored or forgotten as important stakeholders in how a business operates responsibly.

**Ensure product and service responsibility:** At one time, a company's responsibility for a product ended when it left the company's premises or after the warranty ran out. Responsible companies are now evaluating the long term implications of their products. They are asking questions such as "What materials are being used to manufacture this product? Who is making this product? How will it be packaged? How will it be used? Who will use it?" Choosing to offer customers biodegradable packaging, talking to customers on proper and safe use of products, using recycled material, designing and building with non hazardous materials, introducing take back schemes to ensure proper disposal are examples of product responsibility.

**Invest in the community:** Community investment is different from corporate philanthropy or charitable giving. Community investments involve strategic initiatives and projects which add value to the business and to local communities. There are tools which measure the impacts of investments and how they add value to both the community and business. A property developer working with people who are disabled to design disabled friendly buildings, soft drink manufacturers investing with communities to protect watersheds, financial institutions teaching financial literacy to poor women are examples of strategic community investments. None of these examples involve just writing a cheque.

**Verify and measure:** Doing CSR is not something abstract and fluffy. Proper CSR is measurable, data is collected, targets are set, and impacts are verified. Examples of measurements include greenhouse gas emissions, gender and racial diversity within senior management, fewer customer complaints, reduction in accidents at the work place, reduced fertilizer and pesticide use, improvements in energy efficiency, supply chain compliance and reduction in pollutants.

**Communicate and report:** Business adds value to their CSR by reporting their initiatives in an honest and transparent manner. A CSR report explains how the business performed on key materiality issues, targets achieved, and reasons for not meeting targets. Public listed companies should publish their CSR reports annually, but all businesses can still communicate it relatively cheaply. Designing a leaflet, producing a summary presentation for stakeholders, opening facilities to stakeholders, or uploading information on to corporate websites for access by all are examples of ways companies can communicate and engage.

**About CSR Asia Summit 2009:**

Hosted by CSR Asia, the annual flagship conference will highlight how good CSR practices can sustain businesses in this current economic climate. In its seventh year, the summit will be held in Kuala Lumpur, Malaysia from 27 – 28 October 2009. Themed “*Sustainable business as the road to recovery*”, the summit is targeted at companies operating in the Asia-Pacific region who want to achieve strategic CSR, and effectively communicate such efforts to stakeholders. The conference will feature 18 interactive break-out sessions, over 40 expert speakers, and five pre- and post-Summit training sessions. In addition, this year’s summit will incorporate a CSR Bazaar (selected company presentations) and World Café (interactive roundtables) to allow greater interaction and participation by delegates. Registration is now open. For more information, visit <http://www.csr-asia.com/summit09>

**About CSR Asia:**

CSR Asia is the leading provider of information, training, research and consultancy services on sustainable business practices in Asia. Operating as a dynamic social enterprise, CSR Asia occupies the unique middle ground between civil society organisations and fully commercial consultancies. Through our offices in Beijing, Hong Kong, Kuala Lumpur, Shenzhen and Singapore and partnerships in Vietnam, Thailand and Bangladesh, CSR Asia builds capacity and promotes awareness of CSR in order to advance sustainable development across the region.

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