

# Corporate Social Responsibility Breakfast Meeting

**24 June 2010**

**FTCC-BTCC-BeluThai-DanCham-NTCC-TNCC-TSCC**

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# Today's Presentation

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- Introduction
- CSR – what are we (not) talking about
- CSR – issues, drivers, essentials
- CSR in Thailand
  - Perceptions
  - Research findings
  - Expectations

# The CSR Asia Center at AIT

- What are we trying to do?
  - Build CSR capacity in Thailand and the Mekong sub-region
  - Engage with the business community around CSR issues
  - Raise awareness of the role of business in meeting global challenges
- How are we going to do it?
  - Leverage on the strength of two reputable brands
  - Research
  - Training (short courses and a Master's degree)
  - Consultancy
- Focus Areas
  - Community Investment
  - Partnerships for development
  - International guidance
  - Climate change adaptation
  - Millennium Development Goals

**12 JULY 2010**  
**Investing for impact:  
tools and approaches for  
community investment**

# What are we talking about?

## CSR Asia's definition of CSR

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**“a company’s commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders.”**

# Converging views

*“We believe that **business cannot succeed in societies that fail**. We believe that globalization can be made to be inclusive and that the leading global companies of the future will be those that do business in ways that address, openly and transparently, the **world’s major challenges**, including poverty and inequity, climate change, pollution, resource depletion, globalization and demographic shifts.”*

CEOs of leading global companies as part of the World Business Council on Sustainable Development (October, 2007)

*“Not only can **corporate and social needs be integrated**, but the success of the developing world in improving prosperity is of **fundamental strategic importance** to almost every company”*

Professor Michael Porter,  
Harvard Business School

# What CSR is not

It is not about:

1. Giving cheques
2. Making employees “volunteer”
3. Planting a few trees
4. PR photo opportunities
5. Being a “caring company”



# CSR is about... responsible business practices and sustainable development

1. The environment and climate
2. Supply chains
3. Human rights
4. Communities and impacts
5. Investment policies
6. Reputation and brand
7. Communications
8. Leadership
9. Return on investments
10. Management systems

**The Future of CSR:**  
CSR Asia's *CSR in 10*  
project  
Emerging trends and  
issues for corporate  
social responsibility  
over the next decade

# CSR Essentials

23 AUGUST 2010  
CSR Essentials  
Training at AIT

1. Resources
2. Buy in from top
3. Management systems
4. Stakeholder engagement
5. Leadership, listening and learning
6. Tackling local and global challenges



# CSR Drivers in Asia

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- Risks
  - Reputational damage to image, brand etc.
  - Litigation and claims
  - Shareholders and corporate governance issues
- Opportunities
  - Trust
  - Differentiation
- The global CSR agenda
  - B2B

# Other drivers.....

**Employees:** Research on MBA students has found that they would seek another job if conflicting values. Looking to get involved in community initiatives.



**Consumers** expectations are changing. People want to know who companies deal with and what they stand for – environmentally and socially.



**Government** is an important stakeholder for CSR and community investment.



# CSR in Thailand

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- Perceptions - What are we talking about in Thailand?
- Recent Research Findings

# Asian Sustainability Rating for Thailand

Thai companies  
in regional  
comparison:  
1 in top 20  
4 in top 100

[www.asiansr.com](http://www.asiansr.com)

Rank	Company	Score		Percentile increase or decrease
		2009	2008	
1	The Siam Cement Public Company Limited	80.4	70.2	15%
2	PTT Exploration and Production Public Company Limited	47.1	39.5	19%
3	PTT Public Company Limited	42.2	37.9	11%
3	Ratchaburi Electricity Generating Holding Public Company Limited	42.2	27.4	54%
5	Krung Thai Bank	33.3	25	33%
6	Thai Oil Public Company Limited	32.4	29	12%
7	Kasikornbank Public Company Limited	30.4	16.1	89%
7	Siam City Cement Public Company Limited	30.4	N/A	N/A
9	PTT Chemical Public Company Limited	29.4	12.9	128%
10	CP All Public Company Limited	28.4	N/A	N/A
11	Siam Commercial Bank	24.5	20.2	21%
11	Banpu Public Company Limited	24.5	14.5	69%
13	IRPC Public Company Limited	22.5	16.9	33%
14	Shin Corporation Public Company Limited	21.6	N/A	N/A
15	PTT Aromatics and Refining Public Company Limited	20.6	30.6	-33%
16	Bank of Ayudhya Public Company Limited	16.7	16.9	-1%
17	Advanced Info Service Public Company Limited	15.7	14.5	8%
17	Bangkok Bank Public Company Limited	15.7	17.7	-11%
17	Total Access Communication Public Company Limited	15.7	12.1	30%
17	Land and Houses Public Company Limited	15.7	11.3	39%

# Breakdown of performance areas in the ASR (Thailand)

Category	Average Score (%)
Governance, Codes, Policies	63.3
Community and Development	25.0
CSR Strategy and Communication	23.2
Workplace and People	17.5
Environment	15.9
Marketplace and Supply Chain	12.0

**Compliance with legal requirements and plans in place but implementation weaker**

# Stakeholders' perceptions of CSR in Thailand

Priority	Factor	Score
1	Good environmental performance	2.38
2	Good health and safety practices	2.25
3	Good corporate governance	2.02
4	Codes of conduct on bribery and corruption	1.94
5	Social and environmental reporting	1.88
6	Support for human rights initiatives	1.85
7	Community investment and volunteering	1.83
8	Good human resources management and employee practices	1.77
9	Ongoing stakeholder dialogue	1.69
10	Codes of conduct on supply chains and factory inspections	1.67
11	Product and service responsibility and responsible marketing	1.65
12	Adherence to international standards and guidelines	1.52
13	Published social and environmental policies	1.42
14	Partnerships with other businesses and NGOs (PPP)	1.10
15	Philanthropy and charitable donations	0.63

Ranking	Explanation
3	Vital
2	Very important
1	Important
0	Neutral
-1	Less important
-2	Not important
-3	Totally insignificant

# Findings and Outlook

Please find the  
full report at  
[www.csrcenter.  
ait.asia](http://www.csrcenter.ait.asia)

1. CSR taking hold fast in Thailand
2. The business case is increasingly recognized (brand, reputation, trust)
3. Thai companies generally conservative in terms of disclosure – missed business benefits of improved reporting
4. Stakeholders increasingly call for strategic CSR
5. Companies and their stakeholders recognizing a new imperative over the environment
6. A strong role for Thai businesses in community involvement and development building on existing strengths
7. Are Thai companies missing out on global opportunities because of their relatively poor approach to value chain issues?

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# THANK YOU

[www.csrcenter.ait.asia](http://www.csrcenter.ait.asia)

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