CSR in Asia – Top trends 2016
Introduction

As part of our annual *State of Corporate Responsibility and Sustainability* report we reached out to our community to get an understanding of the top trends and issues for 2016. This mini-report highlights some key findings from our community based in Asia pacific.

**SOME KEY FINDINGS**

1. **Sustainability gets CEO buy-in:** 79% of executives polled said their CEO is convinced of the value of sustainability.
2. **COP21 delivered what was needed:** 60% of our respondents felt COP21 delivered the agreement needed to address climate change risk. When asked to give commentary on COP21, many respondents stated it creates the impetus for both businesses and industries to change their behaviours.
3. **CSR is driving revenues:** 66% of executives polled stated that sustainability is driving revenue for their business.
4. **Corporate responsibility and sustainability gaining importance:** 90% of respondents stated that CSR is becoming an increasingly important part of business strategy. To support this move, 56% of respondents stated that they report to their CEO or Board. This indicates that CSR is increasingly integral to mainstream business strategy.
5. **CSR driving internal change in 2016:** With sustainable innovation (17%), embedding sustainability (16%) and creating a culture of sustainability (15%) providing the most exciting opportunities for respondents, it appears internal organisational changes are ahead in 2016.

Liam Dowd
Managing Director
@liamdowd10

The Responsible Business Summit Asia

Leverage value chain opportunities and minimise supplier risks to ensure business longevity.
Join The Body Shop, CDL, AkzoNobel and many others at RBS Asia

More information: [www.ethicalcorp.com/rbs-asia](http://www.ethicalcorp.com/rbs-asia)

25+ sessions  30+ speakers  2 days of insight & networking
Between December 2015 and January 2016 Ethical Corporation surveyed its global community to identify the key issues, opportunities and trends in corporate responsibility and sustainability. More information on the *State of Corporate Responsibility and Sustainability 2016* report can be found [here](#).

This snapshot report features extract insight from the report, that’s specific to ALL respondents based in Asia Pacific. There were **384 respondents** in total.

**Q:** Which of the following best describes where you work?

**Q:** Which of the following best describes the level of your role?

*Majority of the respondents that replied ‘Other’ stated: media or independent.
Importance of CSR

The level to which sustainability is part of the business strategy varies considerably from company to company.

Q: Is CSR becoming an increasingly important part of your business strategy?

- **NORTH AMERICA**: 13% Yes, 88% No
- **EUROPE**: 15% Yes, 85% No
- **ASIA PACIFIC**: 10% Yes, 90% No

Q: Who does the ‘sustainability team’ ultimately report to?

- **Board**: 22%
- **CEO**: 34%
- **Head / Chief of Sustainability**: 17%
- **Head of Marketing / Communications**: 5%
- **Other**: 22%

*Majority of the respondents that replied ‘Other’ stated; Owner or Supply Chain*

Interestingly, CSR is becoming more important to business strategy in Asia Pacific than in Europe and North America. However, this chart does not indicate the level to which sustainability is already part of mainstream business. This will be tracked and analysed with more clarity in 2017’s snapshot reports.

Just over 1/3 of all respondents report to their CEO. When including the Board, this increases to over half of all Asian Pacific respondents. This indicates that corporate responsibility and sustainability has a seat at the top of the organisation and is important to business strategy.
Allocation of finances to CSR

How much money an organisation devotes to sustainable and responsible initiatives gives a true indication of how serious they consider these issues.

Q: What budget does your company have for CSR activity? (in USD)

<table>
<thead>
<tr>
<th>Allocation of finances to CSR</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10,000</td>
<td>24%</td>
</tr>
<tr>
<td>$10,001 - $25,000</td>
<td>9%</td>
</tr>
<tr>
<td>$25,001 - $50,000</td>
<td>5%</td>
</tr>
<tr>
<td>$50,001 - $100,000</td>
<td>6%</td>
</tr>
<tr>
<td>$100,001 - $500,000</td>
<td>7%</td>
</tr>
<tr>
<td>$500,001 - $1,000,000</td>
<td>5%</td>
</tr>
<tr>
<td>$1,000,001 - $2,500,000</td>
<td>4%</td>
</tr>
<tr>
<td>MORE THAN $2,500,001</td>
<td>5%</td>
</tr>
<tr>
<td>WOULD NOT LIKE TO SAY</td>
<td>35%</td>
</tr>
</tbody>
</table>

Q: Will your budget for CSR increase in 2016?

- Yes: 24%
- No: 46%
- I would not like to say: 30%

Unsurprisingly, very few organisations have a CSR budget in excess of $1 million – 9% of our respondents fell into this category. Fewer than a quarter of respondents (24%) have low budgets, under $10,000. This could reflect the lack of budget for CSR activities, or it could be a result of the wide range of organisations responding to the survey.

The Responsible Business Summit Asia
Leverage value chain opportunities and minimise supplier risks to ensure business longevity.
Join The Body Shop, CDL, AkzoNobel and many others at RBS Asia

More information: www.ethicalcorp.com/rbs-asia

25+ sessions  30+ speakers  2 days of insight & networking
There is increasing feeling that sustainability is now becoming a core component of mainstream business. Understanding how professionals feel in terms of which department strategies sustainability should be impacting helps give an indication of where it sits in mainstream strategy and where developments will first occur.

Q: Sustainability should be involved in setting the strategy for...

- Marketing and communications: 92% of respondents agreed that sustainability should be involved in setting supply chain strategy and 88% stated R&D. The emphasis on these two areas indicates a heightened consideration for supply chain innovation.
- Supply and procurement:
- Human Resources:
- R&D:

The full *State of Corporate Responsibility and Sustainability 2016* report outlines the similarities and nuances between the different global regions.
Was COP21 a success?

In December 2015, global leaders met and negotiated the Paris agreement, a global treaty aimed at reducing climate change. We asked our respondents whether they felt it was enough.

Q: In your opinion, did COP21 deliver the agreement needed to address climate change risk?

23% of respondents felt that more could have been done in Paris to tackle climate change.

60% Yes

23% No

17% I don’t know

When asked how COP21 will impact their role, many stated it now puts GHG reduction at the centre of innovation and business strategy, and that it creates the impetus for both businesses and industries to change their behaviours.

The Responsible Business Summit Asia
Leverage value chain opportunities and minimise supplier risks to ensure business longevity.
Join The Body Shop, CDL, AkzoNobel and many others at RBS Asia

More information: www.ethicalcorp.com/rbs-asia

25+ sessions
30+ speakers
2 days of insight & networking
Corporate responsibility and sustainability is the right thing to do, but organisations still struggle to shift their business strategy due to worries that it will negatively affect revenues. The following question ascertains as to whether there is a business benefit to acting responsibly.

Q: Does sustainability drive revenue for your business?

Encouragingly, 65% of respondents stated that CSR is delivering revenue for their organisation. Even more encouraging is that this represents an 18% increase on this exact same question from the 2015 State of Sustainability report. This would imply that either the demand for sustainable products has risen in the past 12 months, or that organisations are a lot better at attributing revenue to CSR activities. The fact that respondents answering “don’t know” to this question has fallen from 37.6% (in 2015) to 27% would indicate it’s a mixture of both.
On the back of COP21 and the UN’s SDG Summit, there are exciting opportunities abound in the world of responsible business.

Q: Which one area holds the single most exciting opportunity for your organisation in 2016?

- Sustainable innovation: 17%
- Embedding sustainability: 16%
- Creating a culture of sustainability: 15%
- Making internal organisational changes: 15%
- Sustainability as a source of competitive advantage: 16%
- Supplier partnerships: 6%
- Resource savings: 7%
- Impact assessments: 6%
- Customer behaviour change: 5%
- Cross-industry collaboration: 9%
- Big data in sustainability: 2%

Sustainable innovation was the most exciting opportunity for 2016 with 17% of all responses. With embedding sustainability receiving 16% and creating a culture of sustainability receiving 15% of responses, it would appear making internal organisational changes underpins the key opportunities for organisations in Asia Pacific in 2016.

These findings represent a small proportion of analysis and insight from the full *State of Corporate Responsibility and Sustainability 2016* report. With over 50 graphs, and with broken down into region, business type and industry, the 2016 report gives a thorough indication of how responsible business is progressing around the world.
The Responsible Business Summit Asia 2016
17-18 May 2016 | Novotel Clark Quay, Singapore
Empowering Suppliers & Engaging Customers

Leverage value chain opportunities & minimise supplier risks in Asia Pacific

- MATERIALITY ANALYSIS: understand your value chain by identifying areas of risk and opportunity
- MOVE BEYOND mere auditing: work with suppliers to build trust and develop capacity building programs that pay off
- ENGAGE procurement colleagues to ensure social and environmental values are part of their decision making process
- RELATE creating shared value to your business and find out where and how your company can make the biggest impact
- ENHANCE brand reputation through strong sustainability and CSR values and communicating the progress

Register before 25 March to save $300 on your pass!

Hear from these sustainability leaders:

Nicolas Debray
Managing Director, Asia Pacific

Frank Haunert
VP Direct Procurement, Asia Pacific

Esther An
Chief Sustainability Officer

Simon Lord
Chief Sustainability Officer

Hope Ewing
Senior Director

William Anderson
VP Social & Environmental Affairs Asia Pacific