



## **ASEAN RESPONSIBLE AND INCLUSIVE BUSINESS ALLIANCE (ARIBA)**

### **AN INITIATIVE OF THE ASEAN BUSINESS ADVISORY COUNCIL (ABAC) AND THE ASEAN CORPORATE SOCIAL RESPONSIBILITY (CSR) NETWORK (ACN)**

**A Network of businesses promoting Responsible, Inclusive, Sustainable Business Conduct to  
achieve inclusive, resilient, sustainable and equitable growth in ASEAN**

#### **1 What is ARIBA?**

1.1 The ASEAN Business Advisory Council (ABAC) and the ASEAN CSR Network (ACN) is establishing a regional network of businesses that promotes responsible, inclusive, resilient and sustainable enterprises. The proposal of establishing this network was submitted to the ASEAN Economic Ministers at the 50<sup>th</sup> ASEAN Economic Ministers Meeting that was held on 30<sup>th</sup> August, 2018 in Singapore. The Ministers were asked to support responsible and inclusive business in ASEAN to achieve the ASEAN Community objectives.

1.2 This initiative is intended to fulfil the objectives of ASEAN Charter and ASEAN 2025: Forging Ahead Together blueprint as elaborated in the workplans of the Political – Security, Economic and Socio-Cultural Communities.

1.3 Both these organisations are ASEAN Entities. ABAC advises the ASEAN leaders on business related issues, and ACN promotes responsible business in ASEAN.

#### **2 Why create ARIBA?**

2.1 Responsible Business, Inclusive Business and Corporate Social Responsibility (CSR) are interlinked and are increasingly being required of businesses globally. In ASEAN, issues covered by these concepts are clearly listed in the ASEAN 2025: Forging Ahead Together document. They cover cross cutting issues, ranging from good corporate governance, labour, poverty eradication, community development, environmental stewardship, anti-corruption and human rights. It is about the impact a business has on Society and their contributions for the well-being of Society. It is part of a realisation that prosperity of businesses is linked to prosperous Societies. Businesses have to be a force for good.

2.2 Responsible business issues are taking greater prominence in trade agreements between ASEAN, Member States with major trading partners. These include the ASEAN EU Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans Pacific Partnership. This means these issues cannot be ignored by businesses and policy makers.

2.3 Investors and consumers are also pushing for responsible business and socially responsible behaviour from businesses. Stock exchanges are requiring businesses to disclose their non-financial performance in environmental, social and governance factors. There are many global initiatives driving this including the Sustainable Development Goals, UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO's Declaration of Principles concerning Multinational Enterprises and Social Policy, the

Sustainable Stock Exchanges, the ISO26000 International Guidance for Social Responsibility, to name a few.

- 2.4 ASEAN had also been active in addressing these concerns. ASEAN 2025: Forging Ahead Together, workplan of ASEAN and plans of the Sectoral Bodies and Entities cover these subjects. The ASEAN Guidelines for CSR on Labour, the work of AICHR on business and human rights and the CSR recommendations ABAC had been making to ASEAN Leaders are examples of ASEAN efforts. In 2018, ABAC appointed the ASEAN CSR Network as the Sector Champion for Responsible and Inclusive Business. They had also submitted recommendations to the ASEAN Economic Ministers in August 2018 to support responsible and inclusive business to achieve inclusive, resilient and sustainable growth.

### **3 Objectives of ARIBA**

- 3.1 To realise the vision of a responsible and inclusive business community in ASEAN;
- 3.2 To promote and enable responsible and inclusive business conduct among businesses in ASEAN and their stakeholders to achieve sustainable, equitable and inclusive social, environmental and economic development;
- 3.3 To support the thrust of a culture of prevention, in conformity with the principles of ASEAN charter, with specific reference on promoting a culture of good governance at all levels; (ASEAN Declaration on Culture of Prevention for a Peaceful, Inclusive, Resilient, Healthy and Harmonious Society)
- 3.4 To provide a platform to share information, experiences and good practices on responsible business activities of the business partner entities with ASEAN Member States, other international and regional organisations, non-governmental organisations and other relevant bodies, and to find appropriate mechanisms to jointly interact amongst ASEAN member States;
- 3.5 To support businesses, governments and other stakeholders to in implementing and adopting international norms and standards as in the ASEAN Work Plans
- 3.6 To act as the bridge between businesses, ASEAN Sectoral Bodies, Member States and other stakeholders in enabling the adoption of responsible and inclusive business conduct.

### **4 Key Focus Areas**

In the recommendations submitted to the ASEAN Economic Ministers, the focus areas recommended were challenging areas faced by businesses and the ASEAN Community that needed attention to achieve regional and national goals as well as to enable better business performance. They were also areas that were highlighted to ASEAN Leaders in the past and were supported. These include:

- i) Decent Work (based on ASEAN-BAC Report 2015 and ASEAN Guidelines for CSR on Labour 2016)
- ii) Migrant Workers (based on Consensus on Migrant Workers 2017 signed by ASEAN Leaders in 2017)
- iii) CSR and Responsible Business (based on 2015 ASEAN-BAC Report and work of ACN)
- iv) Inclusive Business (initiated by ASEAN BAC in 2017)

- v) MSMEs Development and Financial Inclusion (in 2017)
- vi) Gender equality and equity (Financial Inclusiveness for Women)
- vii) Environmental, Social and Governance (ESG) Sustainability
- viii) Business Integrity

## 5 ARIBA Membership

5.1 The **Participating Members** of the Alliance will be companies operating in ASEAN that agree to be a signatory to the ASEAN Responsible and Inclusive Business Code and demonstrate commitment to uphold this Code, which is based on global standards. There will be 3 classes of **Participating Members – Patron, Charter and Ordinary**.

5.2 **Patron Members** contribute USD40,000 or SGD50,000 as annual contribution to the Network. They will be represented on the Steering Committee as long as they remain as members paying the annual fees at Patron level.

5.3 **Charter Members** contribute USD 16,000 or SGD 20,000 per annum. Charter members will form the Advisory Committee to the Network as long as they contribute and remain as Charter Members.

5.4 Each **Ordinary Member** will contribute an annual fee based on the turnover of the Company.

Annual Revenue in excess of \$500 million	-	SGD 5,000
Annual Revenue between \$100m and \$500m	-	SGD3,000
Annual Revenue between \$50m and \$100m	-	SGD2,000
Annual Revenue between \$1m and \$50m	-	SGD1,000
Annual Revenue below \$1m	-	SGD200

5.5 **Partner Members** are members of the ABAC's Joint Business Council, Regional and International organisations representing business and/or working in the field of responsible and inclusive business. They will make an annual contribution of SGD2,000

5.6 **National Level organisations** representing businesses and/or working in the field of responsible and inclusive business will make an annual contribution of SGD 1,000.

5.7 Each member shall designate a focal point for the purposes of communication of activities through the proposed network.

## 6 ARIBA Steering Committee

6.1 The Steering Committee is the Network's decision-making body and will comprise of:

- i) Representatives appointed by ABAC and ACN
- ii) Patron Members

- iii) Representatives of Members of different categories of members as decided by ABAC and ACN.

6.2 The Committee will have the following tasks:

- i) Develop and implement an annual work plan
- ii) Oversee the process of resource mobilisation for the network work plan.

## **7 ARIBA Advisory Committee**

7.1 The Advisory Committee will comprise of representatives from Patron and Charter members. They will advise the Network on issues and programmes. They will also support the Secretariat in implementing programmes and in resource mobilisation.

## **8 Activities**

To further the objects of this Alliance, the following activities are initially planned:

- 8.1 To promote the adoption, implementation and communication of the Code Responsible and Inclusive Business Conduct in the corporate agenda to contribute towards sustainable socio-economic development in ASEAN Member States. The Code is to achieve inclusive, resilient and sustainable growth in ASEAN
- 8.2 To undertake advocacy and socialisation campaigns for responsible and inclusive business conduct
- 8.3 To increase awareness of Responsible and Inclusive Business in ASEAN towards sustainable relations between commercial activities and communities where they are located, in particular, supporting community-based development
- 8.4 To establish and strengthen the network as a platform for networking and exchange at the regional level
- 8.5 To establish the Network as capacity builder and for peer learning platforms
- 8.6 To undertake research to support evidence-based work and to enable the understanding issues for the adoption of responsible and inclusive business conduct
- 8.7 To develop multi-stakeholder engagement for holistic sustainable and equitable socioeconomic development
- 8.8 To encourage and enable the adoption and implementation of international standards on responsible business
- 8.9 To mobilise resources to carry out activities to realise the objectives of the Alliance
- 8.10 To undertake any other activities to meet the objects of the Network.