



Building a Blue Economy: Strategy, Opportunities and Partnerships in the Seas of East Asia
9-13 July



SUBTHEME 4
Good Governance, Good Business

WORKSHOP 2
Corporate Social Responsibility Impacts: Collaborations Towards an Ocean-based Blue Economy

CO-CONVENING AGENCY:



Philippine Airlines (PAL) Foundation



Kyungnam University and Green Gyeongnam 21 Council



ASEAN-GIZ Sustainable Port Development in the ASEAN Region

Chair: **Chief Justice Reynato S. Puno (Ret.)**
 Supreme Court of the Philippines
 Co-chair: **Ambassador Mary Seet-Cheng**
 East Asian Seas Partnership Council



Global Environment Facility



United Nations Development Programme



United Nations Office for Project Services



Partnerships in Environmental Management for the Seas of East Asia



Ministry of Land, Transport and Maritime Affairs



City Government of Changwon, RO Korea

The East Asian Seas Congress 2012
“Building a Blue Economy: Strategy, Opportunities and Partnerships in the Seas of East Asia”
Changwon City, RO Korea, 9-13 July 2012

Subtheme 4: Good Business, Good Governance
Workshop 2: Corporate Social Responsibility Impacts:
Collaborations Towards an Ocean-based Blue Economy

11 July 2012
10:00 am – 4:00 pm

Co-convening Agencies:

Philippine Airlines (PAL) Foundation;
Kyungnam University and Green Gyeongnam 21 Council; and
ASEAN-GIZ Sustainable Port Development in the ASEAN Region

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Ambassador Mary Seet-Cheng, Council Co-Chair, East Asian Seas Partnership Council

1. INTRODUCTION

- 1.1. The 4th East Asian Seas (EAS) Congress, co-organized by the Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), the Ministry of Land, Transport and Maritime Affairs (MLTM) and the City Government of Changwon, was held at the Changwon Exhibition Convention Center in Changwon City, RO Korea from 9 to 13 July 2012. Carrying the theme “Building a Blue Economy: Strategy, Opportunities and Partnerships in the Seas of East Asia,” the EAS Congress 2012 addressed the new opportunities for the ocean economy of East Asia, the range of partnerships that have developed and are required in order to realize the full potential of a blue economy, and the progress and achievements in governance of regional/subregional seas within the framework of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA).
- 1.2. The EAS Congress 2012 featured the Fourth Ministerial Forum, the International Conference on Sustainable Coastal and Ocean Development, the annual meeting of the PEMSEA Network of Local Governments for Sustainable Coastal Development (PNLG), an Environmental Exhibition, the Third EAS Youth Forum, and other activities. More than 1,200 stakeholders from within and outside the East Asian Seas region participated in the Congress.
- 1.3. Five major subthemes comprised the International Conference: (1) Nurturing Coastal and Ocean-based Blue Economies at the Local Level: Opportunities and Challenges; (2) Accelerating Blue Innovations in Support of an Ocean-based Blue Economy; (3) Securing Ecosystem Services through Integrated Coastal Management; (4) Good Governance, Good Business; and (5) Meeting Institutional and Individual Skills and Capacities for Integrated Coastal and Ocean Governance.

- 1.4. The workshop highlighted the growing involvement and the value of the corporate or business sector in sustainable coastal and marine development. In particular, the workshop showed the different strategies applied by corporations through corporate efforts and partnerships between the local governments and the business community for the sustainable development of marine and coastal areas, showcasing how public-private partnerships (PPPs) through corporate social responsibility (CSR) can enhance the region's sustainability as well as discussions on new strategies. The workshop also aimed to build awareness for and encourage multinational and national corporations to integrate sustainability strategies into their organizational policies, programs and practices focused on the specific management issues in coastal and marine areas.
 - 1.5. New approaches for further engaging the business sector through integrated coastal management (ICM) were discussed as well as moving forward with the introduction of a potential corporate network with the aim of supporting sustainability for the seas of East Asia.
 - 1.6. **Ms. Melissa Cruz**, CSR Specialist, PEMSEA Resource Facility, introduced the workshop chair, Chief Justice Reynato S. Puno (Retired), Philippines and welcomed the presenters, panelists and participants to the workshop.
 - 1.7. In his welcoming remarks, **Ret. Chief Justice Puno** stressed the critical importance of oceans and coasts. He recounted that since early in history, nations have recognized the importance of the seas, especially its economic and strategic value that was linked to world power. He added that this importance has been accentuated in recent times as land-based resources are about to reach the exhaustion point. He explained that this looming crisis has inspired universal efforts to regulate the global governance of the ocean and coasts in the form of international conventions that in turn brought rise to regional instruments with more context-specific basis. He stated that these collaborative efforts of developing a new paradigm are attracting national, multinational and transnational corporations which are pursuing business with greater social responsibility. He concluded that these partnerships are flowering all over the region with satisfactory results, as the presentations featured in the workshop would show.
 - 1.8. **Ambassador Mary Seet-Cheng** noted the great relevance of this workshop as building a blue economy is not possible without the participation of the private sector. She stressed that partnerships between the private sector and local communities are very relevant to PEMSEA's programs and activities in the East Asian Seas region. She observed that corporations are increasingly making commitments to become more environment-friendly and CSR has become part of the business process not only because of greater demand from civil society but also because it makes good business sense.
2. **SESSION 1: CSR IMPACTS: COLLABORATION TOWARDS A BLUE ECONOMY — MAKING A DIFFERENCE AGENDA 21 AND OTHER TARGETS**
 - 2.1. **Mr. Tae Sik Yang**, CEO of Future Environment Corporation, RO Korea and co-chair of Changwon Agenda 21, gave a keynote presentation entitled "CSR Impacts towards Agenda 21 and other targets." He began his presentation with a brief history of CSR that had emerged in response to the declining corporate values and corporate credibility after scandals of child labor and hazardous chemical dumping have surfaced. He then mentioned the Global Compact, a network of private enterprises that adheres to its

principles that center on the environment, society and governance, as one of the global CSR initiatives. He also discussed the CSR standardization efforts like ISO 26000 and the Global Reporting Initiative (GRI). He also cited the Dow Jones Sustainability Index as the most reliable and widely used indicator for corporate sustainability.

- 2.2. Mr. Yang then presented the CSR initiatives of various Korean companies which include Samsung Tech One, Samsung SDI, POSCO, Dosan Heavy Industry, SK Telecom, Korean Western Power, Hyundai Motors, CJ Foodville and LG Chemical Company. Their CSR activities ranged from the restoration of ecosystems, medical missions, education programs and community outreaches held in Korea and in their overseas locations. Some of these companies have already been recognized with Best CSR Awards both locally and internationally. He concluded that CSR has become essential and is no longer optional for businesses. He added that all businesses, whether big multinationals or small and medium enterprises, must do their part towards sustainable growth. He noted that these initiatives should not be limited to the locality of business operations but to the global society as well.
- 2.3. **Mr. Renato Cardinal**, Programme Manager for Partnerships Applications, PEMSEA Resource Facility, made a presentation about “CSR through ICM: Private Sector Contributions towards Sustainable Development.” Like the previous speakers, he reiterated that corporations have become more conscious of their environmental footprints and as a result, have implemented their own CSR programs.
- 2.4. He stressed that the private sector has an important role in pursuing sustainable development through community involvement. He explained that CSR has the possibility to contribute to the ICM projects of local communities through the Framework for Sustainable Development of Marine and Coastal Areas through ICM (SD Framework). By applying this framework to CSR initiatives, the corporate sector has the opportunity to align their programs with the goals and programs already being implemented by local governments. He added that these kinds of partnership opportunities are good for local governments as the support from the private sector may ensure the longevity and sustainability of their local programs.
- 2.5. Aside from these benefits, Mr. Cardinal expressed that using the SD Framework in CSR programs would foster coordination between the private sector and local government in a more structured manner wherein each company may select from the Sustainable Development Aspects indicated in the framework. He emphasized that this allows multiple companies to contribute to the development of one area. Joint cooperation among companies can result to synergistic outcomes. He added that this has already been in practice in PEMSEA’s ICM site in Bataan Province wherein the Bataan Coastal Care Foundation (BCCF), which is a network of corporations operating within the area, has helped the provincial government in the formulation of policies and plans and in the implementation of the Bataan ICM Project (BICMP).
- 2.6. Mr. Cardinal also put forward a proposal of setting up a network of corporations that have committed or shown interest in aligning their CSR initiatives in support of building a blue economy. This network could benefit the private sector as it can serve as a platform to share ideas and pool resources to help local governments, allowing the corporate sector to tailor fit their programs according to the needs of local governments.
- 2.7. Mr. Cardinal stressed that PEMSEA will play an important role in facilitating the formation and operationalization of this network. Its SDS-SEA Implementation Plan

(2012-2016) provides a list of CSR-related indicators that can guide corporations on their future CSR endeavors. A PEMSEA corporate network also provides the private sector access to its ICM sites across the region as well as to Large Marine Ecosystems (LMEs).

- 2.8. Mr. Cardinal concluded that the next steps were to secure the interests of the private sector in setting up this network, preparing and agreeing on PPP procedures, expectations and commitments and to identify CSR ICM opportunities.
- 2.9. **Lt. Jg. Pongsaruit Sritip**, R.T.N., Director, Mechanical Handling Equipment Division, Port Authority of Thailand (PAT), presented the initiatives taken by the PAT to enhance its Port Social Responsibility and Sustainable Development Programme.
- 2.10. He enumerated the seven principles that anchor the importance of CSR to the PAT. He stressed that corporate responsibility must be a voluntary effort that will remedy any environmental impact caused by the business. Corporations must be responsible for itself, local stakeholders and the environment. He then listed the PAT's CSR activities that focused on the environment, such as the "Clear Water Day, No Garbage" at Chaopraya River in Bangkok; "Muddy and Fun Mangrove Plantation" and "PAT's Bird Observation Tower" at Bangpu, Samuthprakarn province; "Condominiums for Fish" near the Laem Chabang Port, Chonburi province; and "Love Mangrove with PAT and Coastal Areas Conservation." PAT also had CSR programs that focused on the communities, especially children, such as providing books, libraries, sports tools, jackets, funds and lunch. There are also activities that seek to improve the efficiency and carbon footprint of business operations such as increasing green areas in ports, periodical monitoring of the quality of the port environment, promoting PSHEMS and using alternative energy.
- 2.11. Lt. Jg. Sritip discussed the role of CSR in sustainable port development that the PAT is currently focusing on. He mentioned that there is usually a dilemma whether to minimize the economic costs versus the social costs, in the form of externalities. For example, the releasing of poor quality water will result in low economic costs for the port as it will pay less for water treatment facilities but it will have high social costs. He then shared the PAT Recommended Port Strategy Map and Balance Scorecard that will address these dilemmas. He concluded that these tools have recognized the importance of a high performing and ethical organization in achieving good corporate governance and social responsibility. He added that effective communication and agents of change played a central role in this process, especially in ensuring stakeholder participation.
- 2.12. **Ms. Regina W. Komang** from the Business Development Division of the Bali Tourism Development Corporation (BTDC) presented the progress of BTDC's CSR initiatives. She began her presentation by stressing that BTDC considers CSR to be an integral part of its corporate culture. She then enumerated the threats that the coastal and marine ecosystem in Nusa Dua and Tanjung Benoa face such as destructive coastal development, tourism practices and fishing practices as well as the negative effects of climate change.
- 2.13. Ms. Komang noted that, in cooperation with the Nusa Dua Reef Foundation (NDRF), BTDC's has been implementing Coral Reef Conservation as its main CSR program. The program aims to rehabilitate and restore the ecosystem of coral reefs in the waters of Nusa Dua. This includes dive training, beach cleanup and awareness campaigns. She highlighted the Badung underwater cultural park, an underwater garden that

features artificial reefs sculpted into a Balinese-inspired motif. She added that not only does this park serve as habitat for fishes but as a tourist attraction as well. BTDC is also actively involved in the Coral Triangle Initiative (CTI), which is a multilateral partnership of six countries formed in 2007 to address the urgent threats facing the coastal and marine resources of one of the most biologically diverse and ecologically-rich regions on earth.

- 2.14. **Mr. Mark Mulingbayan**, Environment Manager, Manila Water, Philippines, discussed alignment of the social, environmental and business goals of Manila Water. He began his presentation by providing an overview of the privatization of Manila's water utility. He explained that when Manila Water took over the distribution of water in Manila's East zone, it set three goals, namely, to expand service coverage, to improve service delivery and to increase operating efficiency. He shared what the company's chair, Mr. Fernando Zobel de Ayala, had said that turning the ailing water utility around was "a mission to fulfill not a business to run." This is reflected in the company's vision which is "to become a leader in the provision of water, wastewater and other environmental services which will empower people, protect the environment and enhance sustainable development."
- 2.15. Manila Water has shown significant progress in achieving its corporate goals. In the span of 14 years, its customer base had nearly doubled from 3.1 million to 6.1 million, it had reduced its non-revenue water from 63 percent to 11 percent and increased the service coverage of its wastewater treatment facilities from 3 percent to 23 percent. Aside from its vision, Manila Water's Sustainability Framework has also guided the company's undertakings. Mr. Mulingbayan emphasized that employee development was the central factor of this framework and explained how they transformed their employee's mindsets to internalize the values of the company and to consider their own interests and that of the companies as one and the same. He was proud to share that as a result of these transformative efforts, the company has won the Asian Human Capital Award in 2011. He then provided figures and examples of the other aspects of their sustainability framework, namely building communities, safeguarding health and safety, contributing to local and national economy and protecting the environment.
- 2.16. Mr. Mulingbayan stressed the importance of awareness campaigns. He explained that one of the roles of an environmental and social champion such as Manila Water is to challenge others to also take the lead and champion the environment in their own communities. He then concluded that the Manila Water's business model of "the triple bottomline," which places the objective of financial profitability alongside the equally important goals of being socially responsible and environmentally sustainable, led to solid financial performance that the company continues to experience.
- 2.17. **Ms. Maria Carmen Sarmiento**, Executive Director, Philippine Airlines (PAL) Foundation, shared the wastewater treatment process of Absolut Distillers Inc. (ADI), a sister company of PAL Foundation, and how byproduct waste can be converted into money-saving inputs. She then detailed the process of how sugarcane is converted into alcohol through fermentation and distillation. She explained that the slops left over after the distillation process is processed by an Anaerobic Digester that degrades organic matter in wastewater and recovers Biogas, which is then produced for use as supplemental fuel for steam generation, reducing their fossil fuel consumption by 40 percent. She discussed that distillery effluent was also found to be an effective organic liquid fertilizer for sugarcane and can dramatically increase cane and sugar yield. ADI freely distributes this to the 500 farmers that sharecrop 3,000 hectares of cane fields.

- 2.18. Ms. Sarmiento emphasized that ADI is committed to sustainability as three-fourths of its nine-hectare compound is dedicated to wastewater treatment facilities, with its alcohol distillery plant taking up only a fraction of this land. She added that the distillery is “doing well by doing good.” The ADI annual savings on fuel due to biogas generation totals US\$ 3.7 million. Farmers are able to save US\$ 0.54 million annually on fertilizers and their sugar yield has doubled. She then presented that ADI has won several Philippine and International awards. This includes the International Green Apple Award for Environmental Best Practice 2011 with ADI being the only Asian distillery to have been awarded.
- 2.19. **Mr. Jia Yunfei**, Offshore Oil and Gas Exploration Project Manager, Sinopec Shengli Oilfield Development Center, shared the social responsibility initiatives of his company. He presented a flowchart of their construction process that highlights the importance of consultation, compliance with laws, regulation and policies, environmental assessment and monitoring. He emphasized that Environmental Impact Assessments (EIAs) are conducted for all of its projects and it strictly follows the regulations of health, safety and environment (HSE) facilities. He then provided examples of how the company is minimizing the environmental impact of onshore construction and oil extraction.
- 2.20. Mr. Jia stressed that the company is implementing measures for cleaner production such as utilizing the latest and most technologically advanced monitoring and control systems of oil production, solar powered-lighting and waste recycling. He added that aside from these measures, the company engages in establishing good community relations, ecological restoration and public welfare activities.
- 2.21. Mr. Paul Holthus, Executive Director, World Ocean Council (WOC), began his presentation by praising PEMSEA’s interest in creating a CSR network. He remarked that the timing of this initiative would be very appropriate and a CSR network would create great opportunities to further ocean sustainability. He then stressed that the single most important factor that impacts the oceans is the business use of marine space and resources, which continues to expand. He detailed the various industries that benefit from the ocean namely those that depend on the ocean for extraction or production of goods and provision of services; those that depend on the industries that are direct ocean users and those that enable ocean industries to operate.
- 2.22. Mr. Holthus explained that the ocean industry as a whole must work towards sustaining ocean health through the responsible use and stewardship of the ocean. He emphasized that moving towards change as an industry will bring about benefits for the entire industry as well, especially in the issues of access and social license. This is why an international, cross-sectoral business leadership alliance such as the WOC is essential in promoting ocean sustainability. A network like the WOC can bring together leading companies to work towards a shared goal of sustainable development in the use of oceans by facilitating coordination and collaboration in the ocean business community. He then listed the programs that the WOC is engaged in, like ocean governance, marine spatial planning, operational environmental issues, regional ocean business councils, smart ocean and smart industries, and climate change and sea level rise. He concluded by stating that the WOC is capable and willing to help the East Asian Seas Regional Ocean Business Council become a reality. He added that PEMSEA has already done an excellent job of creating cross-sectoral business alliances on marine and coastal sustainable development that the EAS corporate network can build on and the SDS-SEA framework is an excellent framework that can guide this network.

3. SESSION 2: CSR IMPACTS: COLLABORATIONS TOWARDS A BLUE ECONOMY — THE WAY FORWARD

- 3.1. **Dr. Chan-Won Lee**, Professor, Department of Urban Environmental Engineering, Kyungnam University, RO Korea, discussed the role of local governance for ecosystem recovery of Masan Bay in Changwon City, highlighting the importance of stakeholder collaboration. He discussed the city government's plan, "Vision: 2020 World Environment Capital, Changwon" that contains 4 goals, 8 strategies and 70 projects that aim to provide a balance for human beings and nature. He then provided a brief background of Changwon City and stressed that its rapid economic growth led to serious environmental problems.
- 3.2. Dr. Lee stressed the importance of involving stakeholders in decisionmaking. He enumerated events wherein civil society played important roles such as the protection of the Bongam tidal flat, establishment of eco-education center, civil society organization alliance of Masan Bay and the Masan Bay education program. He explained that the business sector also participates in the ecosystem recovery of Masan Bay through coastal and wetland cleanups and donations. Some of the participating enterprises include retail establishments, food companies and heavy industries (steel, construction and manufacturing). He observed increasing participation from 100 companies to 1,105 in just four years.
- 3.3. **Ms. Peni Susanti**, Chair, Clean Ciliwung River Movement, Indonesia, presented the current CSR initiatives in integrated management in Ciliwung River and Jakarta Bay. She enumerated the factors that have contributed to the decline of water quality of the Ciliwung River, such as illegal housing on the banks, domestic sewerage and garbage into the river and effluent disposal. She also presented the potential waste sources that contribute to the degradation of Jakarta Bay. She enumerated the efforts and initiatives of the local government, private sector and nongovernmental organizations (NGOs). She then detailed the efforts of the Clean Ciliwung Movement (Gerakan Ciliwung Bersih or GCB), an NGO, which is a multistakeholder movement that coordinates and plans the implementation of stakeholder efforts in cleaning up the Ciliwung River as well as supports the government's initiatives by spreading awareness of its policies and mobilizing the communities. She listed the five main program action plans for river restoration in Indonesia and its respective activities that are supported by the various stakeholders. She concluded that while the city government has implemented many programs to address this, a need for integrated management of the coastal area and the tributary rivers still persists. She stressed the importance of cooperation and partnership among stakeholders, especially between the local governments and national government agencies, which can aid the identification and development of environment programs that the private sector can support through their CSR programs.
- 3.4. **Ms. Malu Erni**, General Manager, Petron Foundation, Philippines, shared the Philippine experience of building partnerships and opportunities towards a blue economy. She gave an overview of the Bataan province and its values, concerns and strategies concerning the management of its environment. She then highlighted the pivotal role of Petron Corporation in supporting integrated coastal management (ICM) in Bataan as the company has been a stakeholder in the province for more than 50 years. She added that the corporation has been actively participating in the Bataan Integrated Coastal Management Program (BICMP) and is a founding partner of the Bataan Coastal Care Foundation (BCCF). She stressed that Petron is committed to sustainability in the

province as exemplified in its Vision 2015. She explained that Petron's stake in the use of Bataan's resources and maintaining a mutually beneficial relationship with the province's stakeholders is the rationale on why the corporation heavily invests in programs that support ICM and sustainability.

- 3.5. Ms. Erni emphasized that the success of the BICMP lies in the deep involvement of key stakeholders that played important roles in ICM. Collaboration and cooperation among the local government, the private sector and civil society, with the guidance and assistance of PEMSEA, gave rise to an institutional mechanism, incentives and the eventual promotion and enforcement of a sustainable development strategy for the Bataan coast. She highlighted the fact that the participation of the private sector in the BICMP was extraordinary in the region as the companies themselves came to realize that the issues of the environment was that of their own. She explained that the corporations from different industries that operate within the province formed the BCCF to complement the government's efforts by acting as a catalyst and provide counterpart funding. A significant number of these companies are part of the oil and petroleum industry, showing that even competitors have become partners for sustainable development.
- 3.6. Ms. Erni noted that the BICMP Sustainable Development Coordinating Council is composed of multiple stakeholders, each of which — from the governor to the communities — is interested, committed and is actively involved in the implementation of the BICMP. Twelve years after the start of this program, key milestones and demonstrable improvement in environmental conditions have been achieved. Moreover, the partnerships that have been formed benefited the corporate sector in terms of sharing of corporate experiences and best practices and developing long-term solutions towards sustainable development.

Ms. Erni explained that the factors that contributed to the achievements of the BICMP are program institutionalization, long-term commitment from all stakeholders, CSR as an engine to drive sustainable development and solid public-private partnerships. While the BICMP has been successful, Ms. Erni added that there are some remaining challenges in areas of ICMP implementation, participation from stakeholders, membership and leadership of the BCCF, and number of community-based programs.

- 3.7. Ms. Erni concluded that there is a need to continue nurturing partnerships and creating new ones. She stressed that the corporate sector can offer time, talent and technical skills in these partnerships. Citing her corporation, she stated that Petron Corporation has been relentless in its support of ICM in Bataan. Its experience affirms that CSR works and multi-stakeholder cooperation produced infinitely better results. She ended by encouraging all participants to express their intentions to commit and collaborate on an ocean-based blue economy.

4. PANEL DISCUSSION/OPEN FORUM: CSR IMPACTS: COLLABORATION TOWARDS A BLUE ECONOMY — THE WAY FORWARD — FORMATION OF A CORPORATE NETWORK FOR THE SUSTAINABLE DEVELOPMENT OF THE SEAS OF EAST ASIA

- 4.1. Workshop Co-chair, **Amb. Mary Seet-Cheng** moderated the panel discussion that focused on the possible formation of a corporate network for the sustainable development of the seas of East Asia. The panel was comprised of **Ms. Malu Erni, Mr. Paul Holthus, Mr. Yosthana Siphomsay** from the ASEAN–GIZ Sustainable Port

Development in the ASEAN Region and **Mr. Colin Hubo** of the Center for Social Responsibility of the University of Asia and the Pacific in the Philippines. Amb. Seet-Cheng raised the following questions and concerns:

- What are the factors that can encourage corporate interest to pursue CSR through ICM partnership?
 - What are priority areas that corporations will be interested in to partner with ICM projects?
 - The idea of a corporate Network.
- 4.2. Regarding the factors that can encourage corporations to pursue CSR through ICM partnerships, the panelists had promising responses.
 - 4.3. Mr. Hubo recounted that in his work with Philippine corporations, their common concern was the business case of CSR programs. In the same light, in order to promote ICM as a medium of CSR, its business case must be brought to the fore.
 - 4.4. He noted that the current trend of CSR in the Philippines is that corporations have become concerned not only with profits but with its contribution to society. He explained that corporations consider the total economic value of these projects and try to quantify their impacts that could be shown in financial statements or sustainability reports. He pointed out that Philippine corporations have set aside 0.05 to 1.3 percent of their annual total revenues for these community investments, which in absolute terms amounts to billions of pesos.
 - 4.5. Mr. Hubo stressed that the important task that lies ahead is persuading these corporations to use this fund for ICM. To do this, a clear business case for ICM must be established. Corporations must be made to understand that involvement in ICM projects can enhance their perceived social license to operate, decrease regulatory risks and benefit from the sharing of resources, opportunities and risks that ICM partnerships can bring. Likewise, Mr. Hubo noted that it is important to provide a common vision for stakeholders.
 - 4.6. Mr. Holthus stated that the key factor that can encourage corporations to implement ICM through CSR is by highlighting the opportunities where they can benefit from it. He provided the example of reputational advantage, as ICM through CSR is an opportunity for corporations to improve their reputation. Another opportunity he mentioned was designing regulations that can promote CSR best practices. Corporations are included in the process as they can help identify and respond to an opportunity to design and develop regulations and policy environments based on their own best practices. He stressed that it is important for corporations to move beyond the belief that CSR is just an add-on but instead it should be part of the business process. This is because the more CSR can be linked to business value, the more interested corporations will be in getting and staying involved.
 - 4.7. Ms. Erni emphasized the importance of a basic understanding of the sustainable development framework and its aspects. She stressed that it must be clearly understood at the level of top management, as they are the key decisionmakers. She also mentioned the significance of translating impacts of CSR into more concrete terms that are also in line with the corporation's desired outcomes. She cited as an example the

waste management program of Petron Corporation, noting that her company uses a lot of water in its refineries. Through water conservation measures, Petron saves a lot of water that are otherwise depriving several thousands of families from using this valuable resource.

- 4.8. Ms. Erni stressed that the most basic consideration to generate interest is a good information, education and communication (IEC) campaign. Deeper understanding of ICM can lead to corporations adopting the program for the long term and appreciating the framework in its totality.
- 4.9. Mr. Siphomsay stated that ICM can help with the long-term planning of ports in the East Asian Seas region. He noted that ports in the region have many activities, such as coastal cleanup and mangrove planting, but are rarely linked with one another or followed up. He expressed the need for these projects to be part of a larger and bigger plan. He observed that while overall awareness of CSR is high, it is often misunderstood as charity and donation. He explained that one way to overcome this is through partnerships in the region. He added that ports and the private sector can benefit from sharing best practices. He also stressed the need for CSR at the regional level because the seas are shared by the region as a whole. He added that the lack of regional collaboration would significantly reduce the benefits that would have resulted from CSR.
- 4.10. The panel identified various priority areas that corporations will be interested in to partner with ICM projects.
- 4.11. Mr. Hubo explained that while ICM is broad and encompassing, coastal protection activities are usually the most common area. He noted that one area that may be of interest to corporations, especially in the extractive sector, is to minimize conflict in the multiple use of common resources. He explained that ICM can minimize the conflict on the use of coastal resources within and among sectors as well as between agencies. ICM can lay down the foundation by which we can minimize and put forward a framework that conflict can be minimized. Mr. Hubo added that identifying the priority areas of corporations and determining the feasibility of ICM projects would also depend on the institutional capacity and limitations of the local government unit (LGU) and the community, the absorptive capacity of the community and counter-funding from partners.
- 4.12. Mr. Holthus stressed the important role of science in cross-cutting areas of interests. He explained that companies value comprehensive planning and management and decisionmaking is grounded on science-based knowledge and processes. He added that ICM can identify core functional needs related to the interests or core business aspects of a corporation. Solidifying the linkages between their interests and the benefits of CSR makes ICM more relevant to the core interests of the corporations.
- 4.13. Ms. Erni emphasized that the greatest challenge of capturing the interest of corporations is to be able to sell the idea of ICM. She noted that while the ICM framework is quite clear, the challenge lies in how to get corporations, LGUs and the communities excited and interested in these programs and partnerships. She recommended starting with small activities such as coastal cleanups as this can serve as a good entry point, raises awareness and encourage stakeholder participation. She shared that this is how Petron started in Bataan. She also stressed that the interests of other stakeholders cannot be disregarded. In the case of BICMP, this has been addressed with the development of a Coastal Land and Sea Use Zoning Plan.

- 4.14. Mr. Siphomsay focused on the priority areas that the CSR activities of ports address. He explained that in the process of building a port, ecosystems are destroyed. This is why CSR activities of ports commonly contribute to ecosystem restoration such as mangrove planting and coastal cleanups. He also stressed the importance of starting with simple and practical frameworks as people at the working level may reject too complex frameworks, especially if they have difficulty in understanding it.
- 4.15. On the idea of a corporate network, the panel had unanimously agreed on the importance of establishing a corporate network for the East Asian Seas.
- 4.16. Mr. Hothus remarked that “form follows function” and that if there is a functional need for a multisectoral effort to address coastal and marine issues and management that amounts to business value, companies will be attracted. He added that another way to attract corporations is to package the network as an avenue to contribute to greater good and self-interest, as well as to improve a corporation’s competitiveness. He recommended a strategic framework with its priorities focused on small functional needs and opportunities and identified through science, as this is what companies prefer. He emphasized the need to involve relevant companies through the creation of a compelling business case. He assured that there will be opportunities to develop this network and that this message will really resonate with these companies.
- 4.17. Mr. Hubo explained that corporations want access to perfect information. A network can provide a venue to obtain this, which would have otherwise been very expensive to obtain. He added that aside from the regional level, a CSR network should be replicated at the country level. He gave the example of the Philippines that has strong industry associations and corporate networks, which can be foundations to start with. He noted that to facilitate the exchange of CSR projects and information through a network, the challenge is to come up with enabling arrangements. He recommended GRI regional focal points as a model. He concluded by stressing the importance of the role of development agencies and universities in starting the network.
- 4.18. Ms. Erni recommended PNLG as a model for this CSR network. She expressed that starting a regional CSR network would be the best approach and expressed Petron’s willingness to participate in it. Out of this regional initiative, national and local networks will follow. Ms. Erni stressed the importance of identifying champions, like in the case of BCCF, where the provincial governor of Bataan has played a key role in inviting companies into the corporate network and taking the initiative in further dealings. She noted that the corporate network’s role is to support the activities of local communities. It is also important to have good IEC programs to engage the community. She noted that universities can also be tapped in the process of forming a corporate network.
- 4.19. Mr. Siphomsay also believes that it is important to work towards a regional network. He shared that when port authorities from the region gathered and shared lessons and best practices, it was met with positive response as they obtained information that they would not have gotten otherwise. From this gathering, a desire for a CSR network for ports, which can facilitate the sharing of best practices, was also expressed. He noted that developing and implementing a Port Safety, Health and Environmental Management System (PSHEMS) is one of the most useful CSR programs that ports can have. Corporations do not need to stray far from their business and from the direct impact of their business process in crafting CSR programs.

4.20. Amb. Seet-Cheng concluded that there are a significant number of corporations that have already mainstreamed CSR into their business plans and processes, as exemplified by the presentations throughout the workshop. She added that CSR has become part of their mission, value and system as many of these companies consider it to have business value. She stressed that the challenge that remains is how to exponentially increase the number of companies that will see the same value and will participate in CSR initiatives.

5. Conclusions and Recommendations

5.1. In general, the participants of the CSR Workshop have come to the following conclusions that affirm why ICM is an ideal platform for CSR:

- ICM exposes you to multisectoral partnerships, not just local government or civic society, but all stakeholders allowing corporations to reach a wider audience and have a comprehensive awareness in the region.
- ICM offers a wide range of green/blue issues, such as responsible agriculture, biodiversity, conservation, sustainable fisheries, waste and water management, reforestation, and restoration of ecosystems. This gives a wide range of areas for CSR programs, thereby corporations can choose from several possible CSR projects depending on their business focus.
- Corporations can play a role in supporting ICM and the global goals of the World Summit on Sustainable Development (WSSD) and Rio +20 in response to “Think Global, Act Local” through on-the-ground initiatives.
- ICM provides the opportunity for the corporate sector to align their programs with the goals and programs being implemented by local governments, thereby facilitating common objectives that will produce long-term results.
- CSR and ICM augurs well with the economic progress in the East Asian Seas region as businesses see vast growth potentials in the region and with their increasing focus on sustainability, the ICM approach offers a good pathway that would safeguard companies from making the same mistakes of implementing unsound corporate practices in the past.
- The ICM approach offers synergistic solutions with the CSR objectives of the private sector and the development goals of the public sector.

5.2. The CSR Workshop has likewise produced the following recommendations that can facilitate the creation of a PEMSEA CSR Business Network:

- Establish a corporate network to further engage the business sector through ICM with the aim of supporting the sustainability in the seas of East Asia.
- Advocate the use of the SDS-SEA and ICM for CSR initiatives (CSR through ICM).
- Strengthen awareness of business values for corporations that will entice them to participate in ICM and CSR.
- Information, Education, and Communication is a priority for the corporate sector in terms of knowledge of the SDS-SEA and its impact on their long-term business goals and plans.
- Develop a better system of recognizing CSR successes through awards, which can be a source of major motivation for corporations.

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Annex 2: Workshop Program

DATE/TIME	ACTIVITY/PRESENTATION	
11 July 1000-1015	Welcome Remarks	Chair: Ret. Chief Justice Reynato Puno, Supreme Court of the Philippines Co-Chair: Amb. Mary Seet-Cheng, Singapore
Session 1: CSR impacts: Collaboration towards a blue economy – Making a Difference Agenda 21 and other targets		
1015-1030	Keynote Paper: CSR impacts towards Agenda 21 and other targets	Mr. Tae Sik Yang Chief Executive Officer of Future Environment Corporation, Former Director of Techwin, Co-Chair of Agenda 21
1015-1045	CSR through ICM: Private sector contributions towards sustainable development	Mr. Renato Cardinal Programme Manager for Partnership Applications, PEMSEA Resource Facility
Presentation of Case Studies		
1045-1100	Natural and man-made hazard prevention and management in Lake Shihwa	Mr. Nam Gyun Shin Executive Director of Green Gyeongnam Agenda 21, RO Korea
1100-1115	Port Authority of Thailand: Experiences to enhance the port social responsibility and sustainable programme	Lt. Jg. Pongsaruit Sritip, R.T.N., Director, Mechanical Handling Equipment Division, Port Authority of Thailand
1115-1130	CSR Program BTDC “Coral Reef Conservation”	Ms. Regina W. Komang Business Development Division, Bali Tourism Development Corporation, Indonesia
1130-1145	Alignment of social, environmental and business goals of the water concessionaire in Manila’s East Zone	Mr. Mark Mulingbayan Head, Environment Department, Manila Water, Philippines
1145-1200	How Absolut Distillers turned green for a bluer economy	Ms. Menchu Sarmiento Excutive Director, PAL Foundation
1200-1215	Social responsibility of Sinopec Shengli Oilfield Development Center	Mr. Jia Yunfei Senior Engineer, Offshore oil and gas exploitation Project Manager, Petroleum Development Center (Shengli Oilfield Sinopec China)
1215-1230	Corporate ocean responsibility: The business case for sustainable use of the seas	Mr. Paul Holthus Executive Director, World Ocean Council, USA
1230-1400	Lunch Break	
Session 2: CSR impacts: Collaboration towards a blue economy – The way forward		
1400-1415	Local governance for ecosystem recovery of Masan Bay in Changwon	Dr. Chan-Won Lee Professor, Department of Urban Environmental Engineering, Kyungnam University, RO Korea
1415-1430	Integrated Coastal Management in Ciliwung River and Jakarta Bay with collaboration of CSR activities	Ms. Peni Susanti Chair, Clean Ciliwung River Movement, Indonesia

DATE/TIME	ACTIVITY/PRESENTATION	
1430-1445	Partnerships and Opportunities towards a blue economy: The Philippine Experience	Ms. Malu Erni General Manager, Petron Foundation, Philippines
Panel Discussion/Open Forum:		
1445-1540	CSR Impacts: Collaboration Towards a Blue Economy – The Way Forward – Formation of a corporate network for the sustainable development of the seas of East Asia	Chair: Amb. Mary Seet-Cheng Panelists: Ms. Malu Erni, General Manager, Petron Foundation, Philippines Mr. Paul Holthus, Executive Director, World Ocean Council, USA Mr. Yosthana Siphomsay, Specialist, ASEAN-GIZ Sustainable Port Development in the ASEAN Region, Thailand Mr. Colin Hubo, Elected Representative, GRI Stakeholder Council, Amsterdam; Vice-Chair of the Center for Social Responsibility of the University of Asia and the Pacific (UA&P), Philippines
1540-1550	Intentions to collaborate towards a blue economy	
1550-1600	Wrap up and conclusion	Chair: Ret. Chief Justice Reynato Puno, Supreme Court of the Philippines