

CORPORATE SOCIAL RESPONSIBILITY IN ASEAN

Centre for Asian Philanthropy and Society

Commissioned by ASEAN Business Advisory Council Malaysia

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At the Centre for Asian Philanthropy and Society (CAPS), we are committed to understanding and addressing dynamic social needs and philanthropic trends across Asia. Corporate social responsibility (CSR) plays a crucial role in private social investment and helps drive social change and development. This study was commissioned by the ASEAN Business Advisory Council Malaysia (ASEAN BAC Malaysia). It provides insights into the state of CSR in Southeast Asia and offers evidence-based recommendations for the ASEAN Secretariat, individual governments, companies, and other stakeholders to undertake in order to increase the quality and quantity of corporate philanthropy in the region.

We extend our deepest gratitude to ASEAN BAC Malaysia for commissioning this important study. Furthermore, we wish to express our heartfelt thanks to the interviewees and other resource persons who shared their time, expertise, and perspectives for this study. Finally, we thank our Board of Governors—Ronnie C. Chan, Elizabeth Zobel de Ayala, Jamshyd N. Godrej, Daniel M. Tsai and Tae-won Chey—and our friends and donors for their unwavering support of CAPS and our research initiatives.



EXECUTIVE SUMMARY

Businesses in Southeast Asia have a long history of supporting the needs of their local communities. As wealth in the region has increased in recent years, the scope and magnitude of community support have expanded, and community investments by the private sector now play a vital role in the region's development trajectory.¹ In a region where families play an integral role in corporations, the notion of supporting the community has been a long held value worthy of expansion.

This report, commissioned by the ASEAN Business Advisory Council Malaysia (ASEAN BAC Malaysia) and conducted by the Centre for Asian Philanthropy and Society (CAPS), provides an overview of the current state of corporate social responsibility (CSR), also sometimes known as corporate philanthropy or community investments, in the member countries of the Association of Southeast Asian Nations (ASEAN). It maps the policy frameworks, analyzes trends and offers recommendations that can be undertaken by ASEAN as an organization, individual member governments, private companies, and member associations such as chambers of commerce, to increase the quality and quantity of CSR.

Why Is CSR Important for the ASEAN Now?

All ASEAN member countries, except Singapore, are classified as developing economies facing multidimensional development challenges. These challenges include improving livelihoods, access to education and healthcare, and addressing the effects of climate change and natural disasters. At the same time, governments are also faced with fiscal pressures. Historically, overseas development assistance has been a major source of funding that has helped supplement government efforts to address these development challenges. According to the Lowy Institute, between 2015 and 2022, Southeast Asia received approximately US\$255 billion in foreign aid.²

¹ Shapiro, R., Mirchandani, M., & Jang, H. (2018). *Pragmatic Philanthropy: Asian Charity Explained*. Palgrave Macmillan. Retrieved from https://caps.org/work/our-research_pragmatic-philanthropyasian-charity-explained

² Lowy Institute. (2024). *Lowy Institute Southeast Asia Aid Map*. Retrieved March 3, 2025, from <https://seamap.lowyinstitute.org/map/>

However, recent geo-political developments have considerably altered the state of development finance in Southeast Asia. In the United States, President Donald Trump initiated significant cuts to the budget of the United States Agency for International Development (USAID). The agency was a major source of foreign aid to Southeast Asia, with USAID deploying US\$860 million in the region in 2024.³ In addition, the United Kingdom announced reducing its foreign aid budget from 0.5% to 0.3% of gross national income in 2027 to fund an increase in defence spending.⁴ A host of other European nations have also reduced their foreign aid budgets, with the Netherlands cutting its foreign aid budget by 30%, Belgium by 25%, and France by 37%.⁵

Cuts in foreign aid mean that there is a stronger onus on Southeast Asian countries to find domestic alternatives. It is under these circumstances that the Southeast Asian private sector can step up and deploy more and better CSR to address the needs of the time.

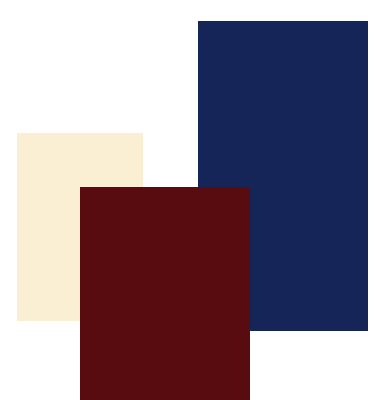
Key Themes of the Report

This report can be broadly categorized into four sections. The first details the current state of policy drivers relevant to CSR in the ASEAN, including regulatory requirements, tax and fiscal incentives, and non-mandatory guidelines. These current policies are compared with relevant examples with other countries in Asia. The report finds that ASEAN lacks a consistent definition of CSR including differing modes of community engagement. The absence of a consistent definition limits the potential for accurate data collection and evidence-based policies and CSR deployment. Where available, current regulations around CSR in the ASEAN are narrow in scope.

³ Hale, E., & Duangdee, V. (2025, February 7). Trump's Gutting of USAID Sends Chill through Southeast Asia. *Al Jazeera*. Retrieved March 3, 2025, from <https://www.aljazeera.com/news/2025/2/7/trumps-gutting-of-usaid-sends-chill-through-southeast-asia>

⁴ Nevett, J., Francis, S., & Beale, J. (2025, February 26). Starmer Cuts Aid to Fund Increase in Defence Spending. *BBC News*. Retrieved March 4, 2025, from <https://www.bbc.com/news/articles/clyrkkv4gd7o>

⁵ Sheldrick, M. (2025, February 25). Foreign Aid Is Shrinking—What Happens Next? *Forbes*. Retrieved March 4, 2025, from <https://www.forbes.com/sites/globalcitizen/2025/02/25/foreign-aid-is-shrinking-what-happens-next/>



Most countries have introduced ESG reporting requirements yet ESG metrics do not necessarily account for or require companies to engage in community support. Even when specific mention is made of CSR requirements, it is often limited to companies operating in specific sectors (e.g., Indonesian companies operating in natural resource extraction). Although domestic regulations around CSR are limited, some companies in Southeast Asia are required to report their CSR activities due to the requirements of global supply chains or because they export directly to the European Union and thus governed by regulations such as the Corporate Sustainability Reporting Directive (CSRD). The level of tax incentives for corporate giving also vary considerably between ASEAN member states and the report identifies room for improvement.

The second section discusses the state of ecosystem enablers that may promote greater philanthropic flows, such as CSR awards, national volunteering initiatives, and public-private-philanthropic partnerships. Encouragingly, CSR awards are available in almost all ASEAN member countries. Nevertheless, governments can play a more active role in endorsing and supporting such awards. Government endorsement and support is especially important in the region, since corporations prefer to align their philanthropic pursuits with government priorities. The report also finds that only two ASEAN member countries (Indonesia and Singapore) have national giving days or weeks. Moreover, while all ASEAN countries, except Myanmar, have national volunteering schemes only the Philippines and Singapore have established a government-led platform or entity to coordinate volunteerism.

The third section discusses trends in how the private sector deploys CSR resources in the region. The analysis identifies a clear shift in corporate focus towards “sustainability.” However, whether this relates to sustainable development, environmental sustainability, or corporate sustainability differs from company to company. Moreover, based on published sustainability and annual reports, this report finds that education and healthcare are the two most prominent sectors for CSR spending. Notably, there is a low prevalence of cross-border philanthropy even when the company is operating outside its home market. A high level of overlap between the company’s CSR activities and their sector of work, and the use of several types of CSR instruments (monetary donations, in-kind donations, employee volunteerism, etc.) could also be observed.

Finally, based on an analysis of these insights, the fourth section introduces several recommendations for a range of stakeholders to facilitate more CSR.

These recommendations cover five key themes:

1. Standardizing the definition and disclosure of CSR
2. Measures to improve oversight of CSR in the ASEAN
3. Enabling policies and incentives that can be introduced at the regional and national level
4. Increasing the quantity of CSR capital, and
5. Deploying CSR capital more strategically and improving the impact of CSR spending

Based on these insights, we hope that this report helps catalyze decisions that will increase the level of CSR in the region. By doing so, not only will the region reaffirm its commitment to CSR and community, but the ASEAN can also become a leader in this space for fellow Global South nations.



INTRODUCTION

The ASEAN (Association of Southeast Asian Nations) region is one of the fastest growing regions in the world economically.¹ Yet, it continues to face development challenges such as rural development, access to education and healthcare, and climate change.² Addressing these challenges requires a multitude of financial and non-financial resources, which governments alone are unable to deliver. As wealth increases and ASEAN members become less reliant on foreign aid, domestic and regional philanthropy will play an important role in Southeast Asia's development trajectory.

In the United States, corporate philanthropy accounts for approximately 0.14% of gross domestic product (GDP).³ If the ASEAN matches this figure, we estimate that corporate philanthropy in the region could generate **US\$5.3 billion** each year for societal needs.ⁱ

Asian societies have a long-established history and culture of philanthropic giving. In recent years, Asians have engaged more in formalized giving, and corporate philanthropy has played a leading role in this trend. However, to increase giving even further, a more enabling ecosystem needs to be built through policy and regulatory reforms, capacity-building, and knowledge-sharing efforts.

This research project was commissioned by the ASEAN Business Advisory Council Malaysia (ASEAN BAC Malaysia) to provide policymakers, government officials and business leaders with a comprehensive insight into the state of corporate social responsibility (CSR) in the region. **It aims to achieve the following objectives:**

- Provide an overview of CSR activities in the region.
- Map out the policy frameworks relating to CSR among ASEAN members.
- Develop recommendations for governments and companies to respond to community needs and new sustainability imperatives.

The methodology used for this research is outlined in Appendix 1.

The report aims to help create a path toward a dynamic and robust philanthropic ecosystem for corporate philanthropy in the ASEAN region. It comprises four main sections.

ⁱ Based on the World Bank Group's GDP figures. See <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

Section 1 offers a detailed discussion about the nature of policies and regulations affecting corporate philanthropy in ASEAN, with comparisons to related policies outside the region. **Section 2** provides an overview of other nonpolicy enablers facilitating a vibrant philanthropic ecosystem. **Section 3** details seven trends we identified through our analysis of corporate social responsibility (CSR) spending by selected ASEAN companies, namely:

- There has been a clear shift in focus toward sustainability over the past 10 years.
- There is a high level of overlap between a company's CSR activities and its sector of work.
- Monetary donations and service provision are the most common forms of CSR.
- Education and health care are the two most prominent areas of CSR spending.
- Corporate volunteerism is an underutilized tool.
- Cross-border philanthropy in the ASEAN region is low, even among companies with international business operations.
- ASEAN lacks a clear CSR reporting standard.

Finally, **Section 4** offers policy and programmatic recommendations covering four major stakeholder groups: (a) the ASEAN Secretariat and affiliated regional bodies, (b) national governments, (c) individual companies, and (d) chambers of commerce and other similar networks/intermediary organizations.



Box 1 Key Terms

Philanthropy: The making of a donation or grant without the expectation of financial returns. Unlike charity, philanthropy is a formalized and systematic process of being charitable that often considers long-term solutions to social and environmental problems.⁵

CSR: There is no single definition of CSR. Drawing from existing definitions, for this report, CSR refers to company activities undertaken to address societal needs through community investments. These may include:

- Corporate philanthropy—donations or grants usually given to existing accredited social delivery organizations (SDOs).
- Technology transfer—deployment of employee skills and experiences to build the capacity of local nonprofit organizations.
- Pro bono goods and services—provision of goods and/or services by a company to a local group at no cost.
- Volunteering—opportunities for employees to spend time helping to address a community need.
- “DIY” (“Do-it-yourself”) philanthropy—utilization of corporate systems and expertise to address a community need without necessarily working through a third-party SDO.

The terms CSR, community investment, and corporate philanthropy are often used interchangeably.

ESG: Environmental, social, and governance (ESG)—these three pillars represent the main areas companies should report on in an ESG framework. ESG’s goal is “to capture all the non-financial risks and opportunities inherent to a company’s day-to-day activities.”⁶

Impact investing: Purposive investments into a business or social enterprise that creates products or services addressing unmet needs. Impact investors look to contribute toward social/environmental causes while simultaneously receiving a financial return. Different investors seek different returns, from recouping the cost of investing to returns at full market rates.

Impact-first investing: A subset of impact investing in which investors primarily seek to maximize the social or environmental impact of the investment. Financial returns, if any, are a secondary goal. It sits in the middle ground between market-rate impact investing and philanthropic grants.

Box 1 Key Terms

Sustainability: To make development sustainable means ensuring “it meets the needs of the present without compromising the ability of future generations to meet their own needs.”⁷ This report discusses several types of sustainability, namely environmental and corporate.

- Environmental sustainability is “the ability to maintain an ecological balance in our planet’s natural environment and conserve natural resources to support the well-being of current and future generations.”⁸
- Corporate sustainability “entails companies integrating environmental and social considerations into a company’s business strategy and operations. It fosters sound governance and decision-making and helps investors better understand a company’s long-term risks and opportunities.”⁹



WHY IS CSR IMPORTANT?

Various studies on the impact of CSR highlight its significant benefits, including:



Enhanced financial performance, adjusted for company size and other factors.^{10,11,12,13}



Improved reputation among diverse stakeholders.^{14,15,16}



Increased employee engagement and loyalty.^{17,18,19,20,21}



Better professional relationships, leading to improved teamwork.^{22,23}



Greater appeal to younger generations seeking impactful employers.²⁴

The majority of these studies focus on Western economies, primarily in North America and Europe, with a much smaller number assessing the CSR landscape in the ASEAN region or Asia more broadly. Yet, the above benefits of CSR to a company can be observed regardless of geography.

NOTABLE DEVELOPMENTS IN ASIAN PHILANTHROPY AND CSR

Asian Philanthropy

The rapid growth of Asian economies over the past three decades and the resulting accumulation of wealth have led to a rise in Asian philanthropy.

Previous research by the Centre for Asian Philanthropy and Society (CAPS) identified three characteristics of Asian philanthropy relevant to this study.

1 **Overlap of individual and corporate giving**

Nearly 75% of conglomerates in Southeast Asia are family-owned, compared to 50% globally.²⁵ This concentration of family ownership often leads to overlap between individual and corporate philanthropy as decisions about corporate donations often rest with one person or a small family group.²⁶

2 **Focus on local giving**

In Asia, philanthropy tends to focus domestically with cross-boarder giving occurring much less than in the United States and Europe.²⁷ This focus stems from the significant developmental challenges requiring financial support in most Asian countries. Additionally, declining foreign funding in recent years as a result of increased regional affluence and tightening of regulations on incoming donations, have made domestic giving even more vital.²⁸

3 **Alignment of philanthropy with government priorities**

Governments play a much more prominent role in Asia than in Western countries. Since philanthropic giving and business interests are closely connected, philanthropists in Asia take a pragmatic perspective and align their giving with government policy priorities. This helps them build relationships and goodwill with the government, which is considered imperative to those running companies.²⁹

Views on CSR and Sustainability

In recent years, companies have increasingly considered CSR to be a function of their broader sustainability initiatives. However, the reference to and interpretation of “sustainability” differ from one company to another. Some focus more narrowly on environmental sustainability while others refer to corporate sustainability or their contributions to sustainable development.³⁰

Three notable developments have influenced the shift in focus toward sustainability:

1 Increased international focus

The introduction of the United Nations Sustainable Development Goals (UN SDGs) has emphasized sustainability as a key global focus.³¹ In addition, new regulations and more specific reporting requirements related to environmental sustainability, such as the Task Force on Nature-related Financial Disclosures and carbon emissions reporting, have emerged worldwide.³²

Sustainability standards now heavily shape corporate behavior, affecting access to capital (e.g., Glasgow Financial Alliance for Net Zero) and international supply chains (e.g., European Union Carbon Border Adjustment Mechanism).^{33,34} However, there is no such global pressure on corporations to invest in community investment.³⁵

2 Increased domestic focus

First, domestic policies and regulations have focused more on the environment and climate change. In order to meet their individual net-zero commitments, governments have passed numerous laws and guidelines promoting private sector response.³⁶ Moreover, a growing number of national stock exchanges in the ASEAN region have introduced ESG reporting requirements for listed companies (discussed further in Section 1).³⁷

Second, companies are adjusting their own policies and practices on their own. Asia is one of the most vulnerable regions to climate change, necessitating corporate planning for climate risk and disaster response.³⁸

3 Growing misperceptions

There is a common misunderstanding about the relationship between CSR and ESG. Many believe that CSR is integrated into the “S” of ESG. However, there are significant distinctions:

- The ESG framework is for assessing investor risk. Therefore, the “S” (including community indicators) is understood and framed in terms of risk rather than looking at how a company can help improve society/societal needs. In many instances, indicators under the “S” in ESG focus on internal metrics such as employee issues and labor conditions. As a result, companies can fulfill their ESG requirements under the “S” component without necessarily engaging in CSR.
- ESG indicators and metrics are based on investor-led language and shareholder maximization, while traditionally CSR is a more stakeholder-centric endeavor. Framing a company’s community investment in terms of risk and returns skews the outcomes being discussed.





1 Policy Drivers of CSR

The corporate social responsibility (CSR) policy landscape within and outside Southeast Asia continues to evolve, particularly in recent years. This section looks at the various regulatory and tax instruments adopted by governments of the Association of Southeast Asian Nations (ASEAN) to promote CSR, with some policies and regulations in countries outside ASEAN provided for comparison.

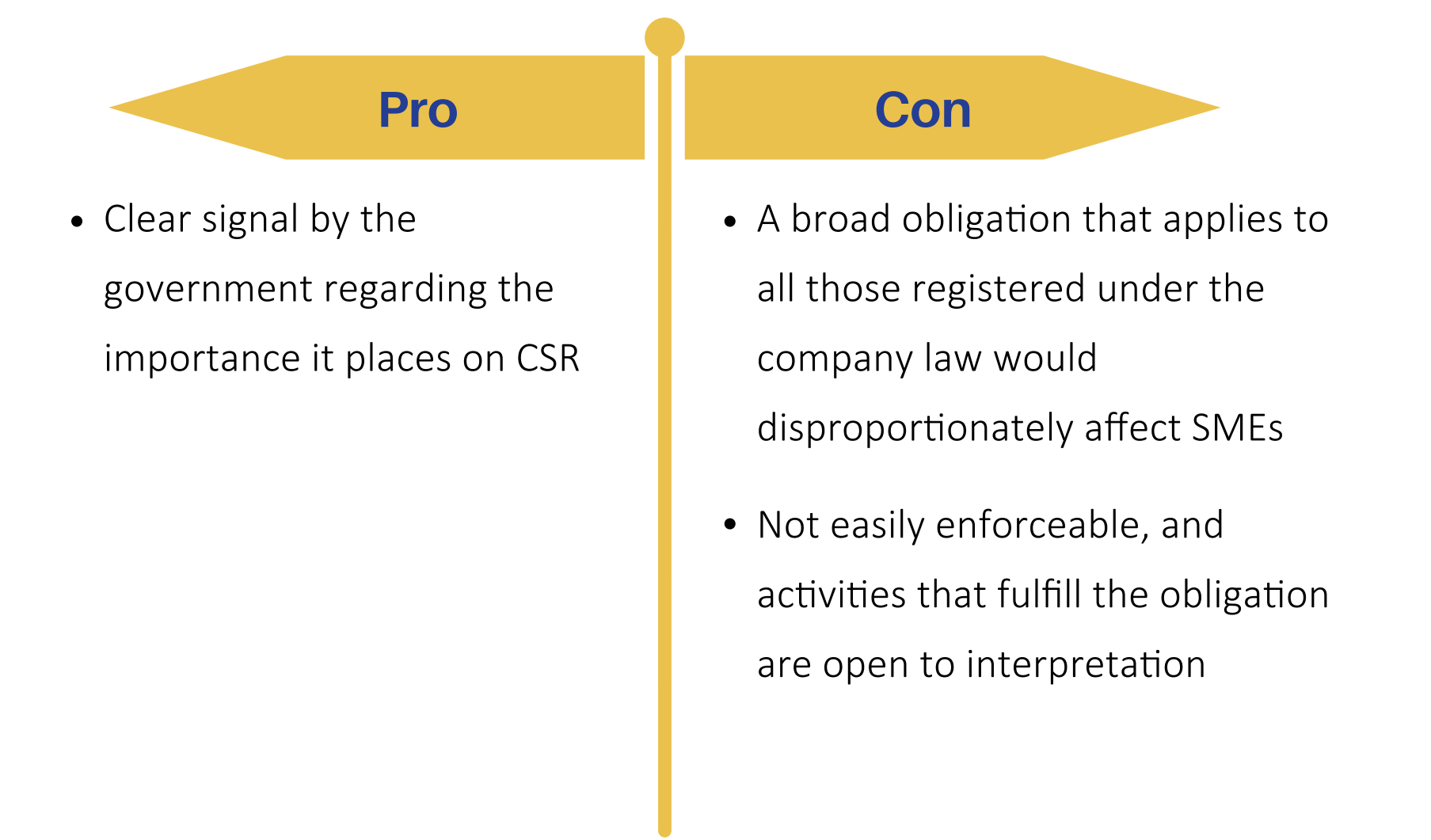
1.1. REGULATORY REQUIREMENTS

Governments around the world have introduced several types of regulatory requirements for CSR. Two types can be observed in the ASEAN region: CSR obligations incorporated into law and reporting requirements for listed companies. Outside of ASEAN, there is a greater variety of governance and reporting requirements.

1.1.1. Duty to Engage in CSR Incorporated into Law

Several ASEAN governments have introduced an obligation or a general duty for certain companies to engage in CSR. For instance, **Indonesia** places an obligation on state-owned enterprises and limited liability companies operating in natural resource extraction.^{39,40} Meanwhile, the **Philippines** has introduced a similar duty targeting state-owned or state-controlled corporations.⁴¹ In practice, research finds that such obligations or duties for CSR enshrined in law are difficult to enforce.⁴² Both these ASEAN examples target a particular sector (e.g., natural resource extraction) or type of company (e.g., state-owned enterprises). Governments have refrained from applying such obligations more broadly due to concerns over placing an undue financial and administrative burden on small and medium-sized enterprises.^{43,44}

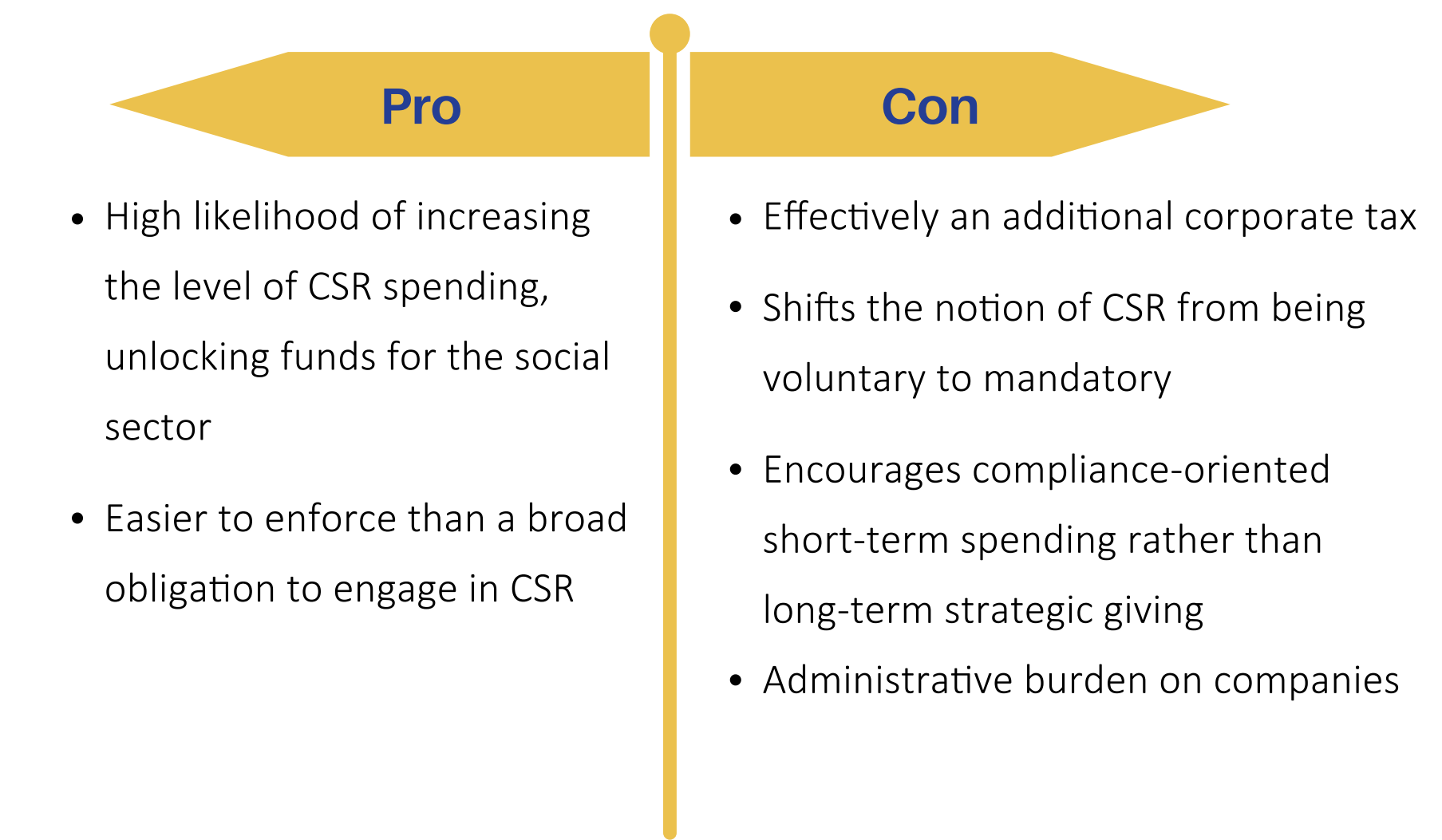
Policy/ Regulation	Embedding an obligation to engage in social/community and environmental responsibility into company law
Examples	Indonesia, Philippines



1.1.2. Mandatory CSR Spending Requirement

Within Asia, India provides the most prominent mandatory spending requirement, where companies above a certain threshold of profitability or net worthⁱⁱ must spend at least 2% of their average net profits (before tax) made during the three preceding years on qualified CSR activities.⁴⁵ Approximately ₹217,000 crore (approximately US\$26 billion) has been spent through CSR in India since the introduction of the requirement in 2013.^{iii,iv,46} Similarly, **Nepal** requires companies with an annual turnover of more than 150 million (approximately US\$1 million) and all banking and finance institutions to set aside 1% of their net profits in each fiscal year toward CSR.^{v,47} In **Mauritius**, all companies, barring a few exceptions, are required to devote 2% of their profits to CSR or invest these funds in social and environmental projects.⁴⁸

Policy/ Regulation	Mandatory CSR spending requirements
Examples	India, Nepal, Mauritius



ⁱⁱ Companies with a net worth of ₹500 crore (approximately US\$60 million), a turnover of ₹1,000 crore (approximately US\$120 million), or a net profit of ₹5 crore (approximately US\$600,000) or more.

ⁱⁱⁱ A more detailed discussion of this policy can be found on page 19.

^{iv} As of 22 November 2024 (and similarly hereinafter), ₹1 = US\$0.012.

^v As of 22 November 2024, ₹1 = US\$0.007.

Box 2 Decoding India’s CSR Framework: Key Features, Achievements and Challenges

India is one of the first countries to mandate CSR spending and reporting for companies that meet specific financial thresholds. By embedding CSR into corporate governance, the government wanted to leverage private resources to meet national priorities. This shift in India’s corporate governance framework broadens the focus from investor protection to emphasizing CSR and ESG principles, establishing businesses as key contributors to societal development.⁴⁹

Key features of the mandate include:



Scope and applicability of CSR spending obligation

Companies with a net worth of ₹500 crore (approximately US\$60 million), a turnover of ₹1,000 crore (approximately US\$120 million), or a net profit of ₹5 crore (approximately US\$600,000) or more are required to spend at least 2% of their average net profits from the last three years on prescribed CSR activities (e.g., poverty alleviation and education, as listed under Schedule VII of the Act).⁵⁰ Unspent amounts must be transferred to a CSR bank account or a specified fund.



Establishment of a CSR committee

Companies that fall within the scope of the mandate must establish a CSR committee with a minimum of three directors, including one independent director. The committee, which must be housed in the executive office, is responsible for formulating a CSR policy, recommending activities and overseeing the implementation and reporting of CSR initiatives.



Continuous reporting and disclosure

Companies must report details of their CSR activities and fund allocations (including unspent amounts) in their annual reports, according to the CSR Rules 2014. Subsequent amendments to the rules require companies to submit a separate form (CSR-2) to the Ministry of Corporate Affairs to enhance transparency and government oversight.

Box 2 **Decoding India’s CSR Framework: Key Features, Achievements and Challenges**



Penalties for noncompliance

Failure to comply with CSR provisions can result in fines up to ₹1 crore (approximately US\$120,000).

Since its introduction, the CSR law has generated ₹217,000 crore (approximately US\$26 billion) for India’s social sector.⁵¹ Companies have also formed dedicated CSR teams to plan and execute their respective CSR programs.⁵² Some critics, however, argue that the mandate shifts the focus of CSR from long-term strategic giving to short-term compliance-based spending and places an administrative burden on smaller companies.^{53,54}

Moreover, notable challenges remain within India’s CSR landscape. Companies tend to spend their CSR within their operational footprint, resulting in CSR spending being disproportionately concentrated in wealthier states such as Maharashtra and Karnataka, leaving poorer regions like Bihar and other northeastern states with less financial support. Similarly, projects in areas such as education, health care, and environmental sustainability account for a large proportion of CSR spending, while innovative projects in other sectors, such as those related to marginalized communities (e.g., disabled, elderly, indigenous), are funded less.⁵⁵



1.1.3. Mandatory ESG Reporting Requirement

Integrating environmental, social and governance (ESG) metrics into reporting requirements has gained prominence in many stock exchanges worldwide, including in ASEAN. Six ASEAN stock exchanges (**Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam**) have introduced mandatory ESG reporting. Except for **Singapore**, all others require companies to disclose community impact under their listing rules or reporting guidelines.^{vi} ESG reporting requirements have significantly increased the level of disclosure around relevant business practices.⁵⁶ Yet, such metrics relating to community impact or community engagement do not necessarily include CSR and community investment, as defined on page 10. Only the **Philippines** explicitly mentions CSR as an example of “investments to community.”⁵⁷ Therefore, in their current form, ESG reporting requirements in most ASEAN countries do not require companies to engage in CSR.⁵⁸

Policy/ Regulation	Community-focused metrics under ESG reporting requirements
Examples	Indonesia, Malaysia, the Philippines, Singapore (through the recommendation of GRI Standards), Thailand, Vietnam

Pro

- Requires companies to consider and report on the external impact of their activities, and not just internal factors (e.g., labor rights, working conditions)
- Codifies the importance of businesses within the community and encourages the private sector to establish mechanisms for community engagement

Con

- Community impact/engagement metrics do not necessarily include community investment—therefore, ESG requirements do not necessarily stimulate CSR spending

^{vi} Although national guidelines do not mention community, the Singapore Stock Exchange recommends using the Global Reporting Initiative (GRI) Standards to assess and report on environmental, social, and economic impacts, which include reference to community impact. For details on the GRI Standards, visit <https://www.globalreporting.org/standards/>

1.1.4. Governance Requirement

Governments have also introduced regulations on corporate governance to encourage and improve CSR. In addition to India (see Box 2), South African state-owned enterprises, listed public companies and “companies that meet the public interest standard” are required to set up a Social and Ethics Committee consisting of three directors. The committee is required to monitor the company’s performance in five main areas, including economic development and good corporate citizenship, and prepare a social and ethics report annually for shareholders.⁵⁹

A benefit of a dedicated CSR committee set up at the highest level of corporate governance is that CSR strategies become more easily embedded in the company’s overall strategy and design.

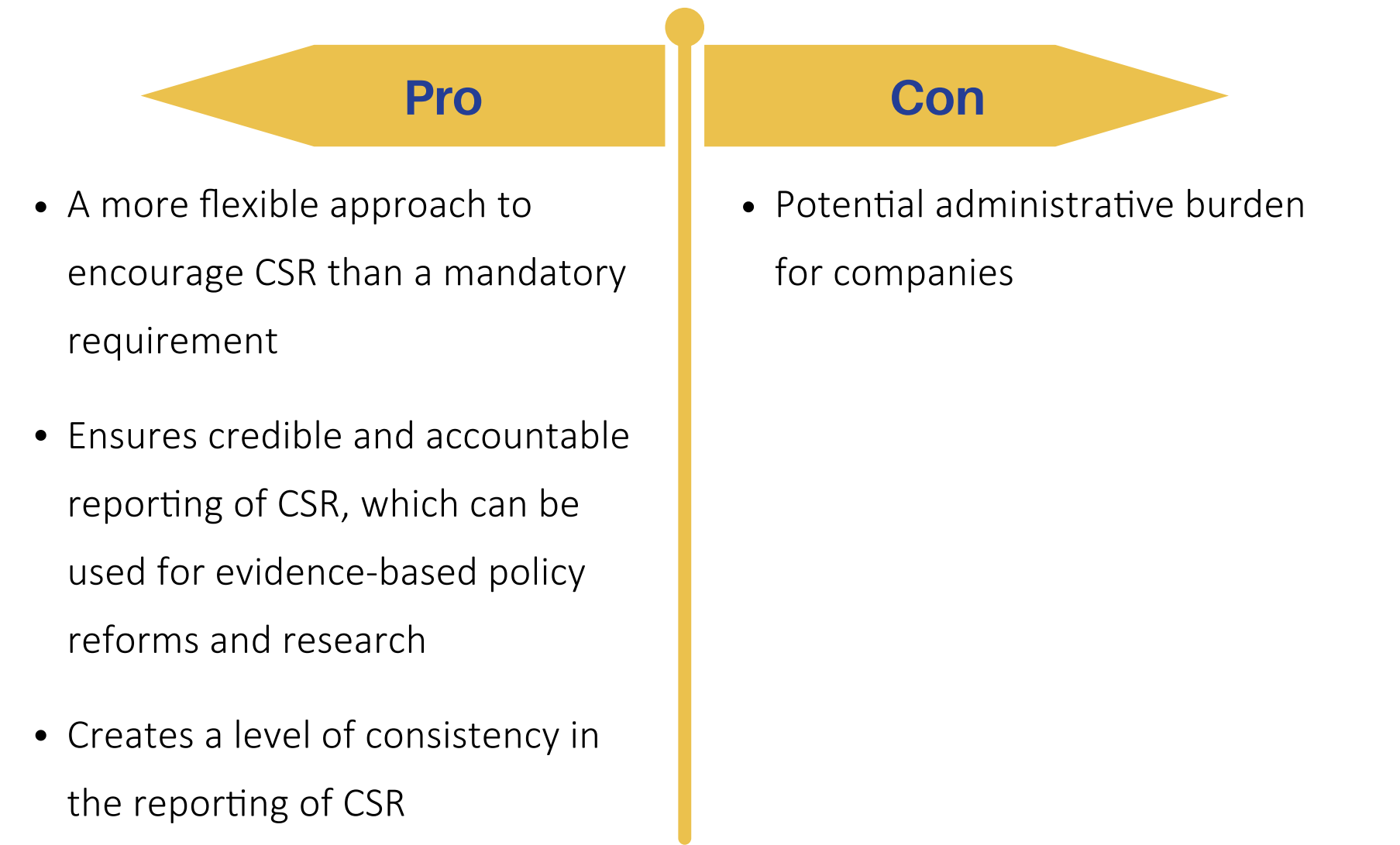
Policy/ Regulation	Governance requirements
Examples	India, South Africa



1.1.5. CSR Reporting Requirements for Non-Listed Companies

In certain countries, mandatory CSR reporting extends to non-listed companies. For instance, **India’s** CSR law requires both listed and non-listed companies to report their CSR activities. The **European Union (EU)** also extends its reporting requirement beyond listed companies. All large companies are required to publish regular reports on the social and environmental risks they face and on how their activities impact people and the environment under the Corporate Sustainability Reporting Directive (CSRD).^{vii,60} The directive is geared toward helping investors, civil society organizations, consumers and other stakeholders evaluate the sustainability performance of companies, as part of the European Green Deal.⁶¹ The requirement is relevant to ASEAN since many ASEAN companies are part of supply chains or export to the EU market.⁶²

Policy/ Regulation	CSR reporting requirements for non-listed companies
Examples	India, EU



^{vii} Companies fulfilling two of the following conditions are considered “large”: (a) balance sheet total of €25 million (approximately US\$26 million); (b) net turnover of €50 million (approximately US\$52 million); (c) average number of employees of 250 or more during the financial year. (As of 22 November 2024, €1 = US\$1.04.)



Table 1 Summary of CSR Regulatory Requirements in ASEAN and Selected Non-ASEAN Countries and Economies

Types of Regulatory Requirements

General duty to engage in CSR	CSR spending	ESG reporting (mandatory or recommended “community” indicator(s))	CSR governance structure	CSR reporting for non-listed companies
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ASEAN Members

Brunei				
Cambodia				
Indonesia	X	X		X
Laos				
Malaysia		X		
Myanmar				
Philippines	X	X		X
Singapore		X (Through recommendation of GRI Standards)		
Thailand		X		
Vietnam		X		

Selected Non-ASEAN Asian Countries and Economies

China	X	X		X
Hong Kong ^{viii}		X		
India		X	X	
Nepal		X	X	
Chinese Taipei		X		

^{viii} Hong Kong refers to Hong Kong Special Administrative Region, China.

Table 1 Summary of CSR Regulatory Requirements in ASEAN and Selected Non-ASEAN Countries and Economies

Types of Regulatory Requirements

	General duty to engage in CSR	CSR spending	ESG reporting (mandatory or recommended “community” indicator(s))	CSR governance structure	CSR reporting for non-listed companies
Others					
EU			X (Major stock exchanges)		
Mauritius		X			
South Africa			X	X	



1.2. TAX AND FISCAL INCENTIVES FOR CSR IN ASEAN

Taxes are a valuable tool to incentivize CSR. Tax incentives not only offer a direct financial incentive to donors but also signal government support for charitable giving. This is especially important in Asia, where companies and individual philanthropists tend to work aligned with government. According to the Centre for Asian Philanthropy and Society (CAPS)’s Doing Good Index 2024, 99% of Asian nonprofits and social enterprises, say that tax incentives are important to corporate donors.⁶³ The good news is that **all ASEAN members** provide tax incentives for corporate donations.

However, most governments place some restrictions on tax incentives. Except for **Singapore** and **Vietnam**, all other countries limit the amount of income/profit eligible for the tax incentive. Furthermore, **Indonesia, Myanmar, and Vietnam** only offer tax incentives for donations to specific sectors (see Table 2). Limiting tax incentives for giving limits their incentivizing potential.⁶⁴ This is especially disheartening as ASEAN countries strive to widen the scope of private sector financing to fight climate change.⁶⁵ Finally, 40% of surveyed social delivery organizations (SDOs) in Asia say that donors find it difficult to claim CSR tax incentives.⁶⁶ Difficulties in claiming tax incentives are likely to dampen the effect of these incentives.

Policy/ Regulation	Tax incentives for corporate giving
Examples	All ASEAN members

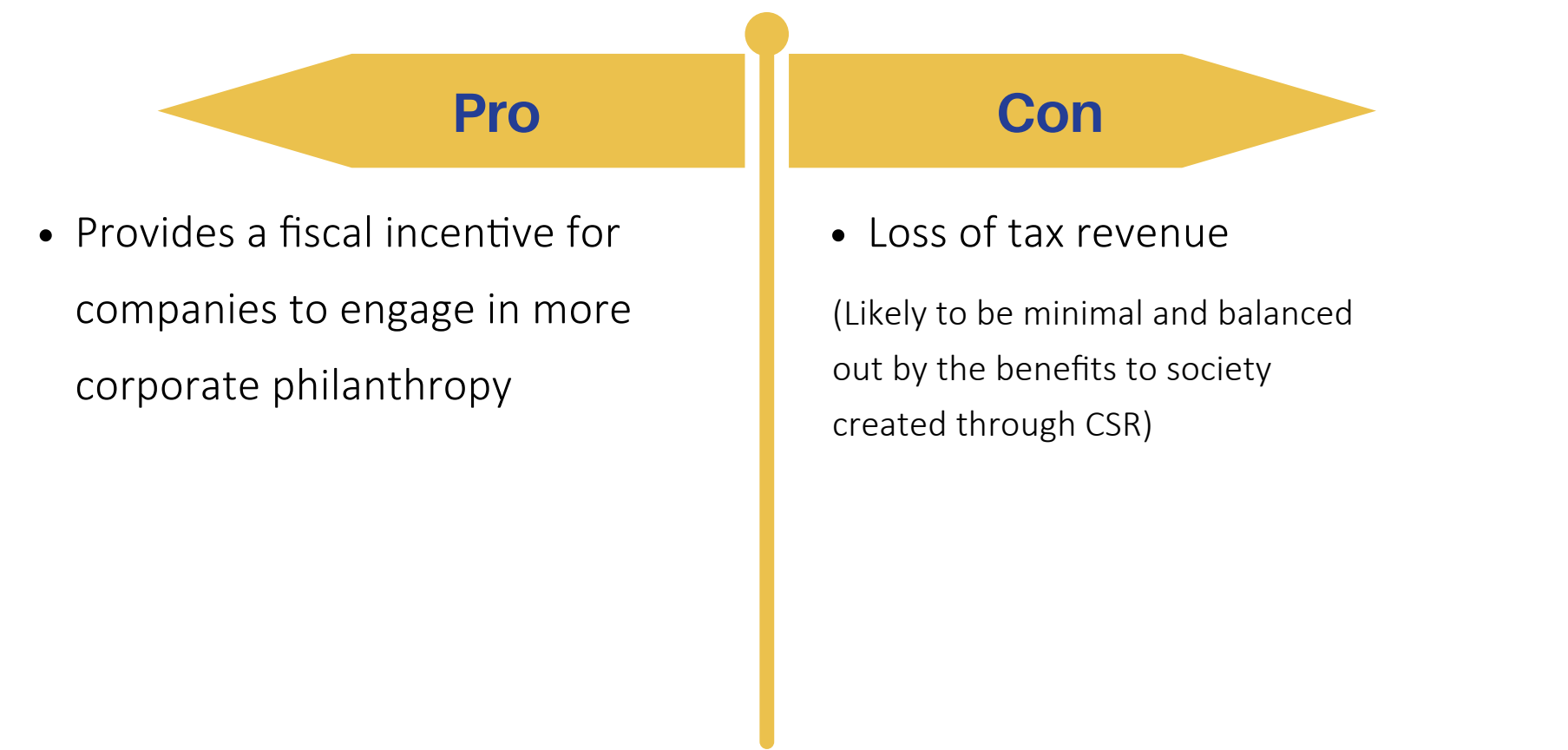


Table 2 Tax Incentives for Corporate Giving in ASEAN

Country	Rate	Limit	Restrictions to Specific Sectors
Brunei	100%	16.67%	N/A
Cambodia	100%	5%	N/A
Indonesia	100%	5%	Disaster relief, research and development, and the development of social infrastructure, education facilities and sports ^{ix}
Laos	100%	0.3%	N/A
Malaysia	100%	10%	N/A
Myanmar	100%	25%	Education, health, relief for the poor and affected persons by natural disaster
Philippines	100%	5%	N/A
Singapore	100%	100%	N/A
Thailand	100%	2%	N/A
Vietnam	100%	100%	Education, vocational training, health, culture, sports and environment

Source: CAPS’ *Doing Good Index 2024* and additional desk research

^{ix} In early 2024, the Indonesian government also announced an additional tax deduction for businesses supporting vocational training, research and development, and the establishment of social facilities in Nusantara, the new capital city, to catalyze its development.

Innovative Tax Incentives in ASEAN

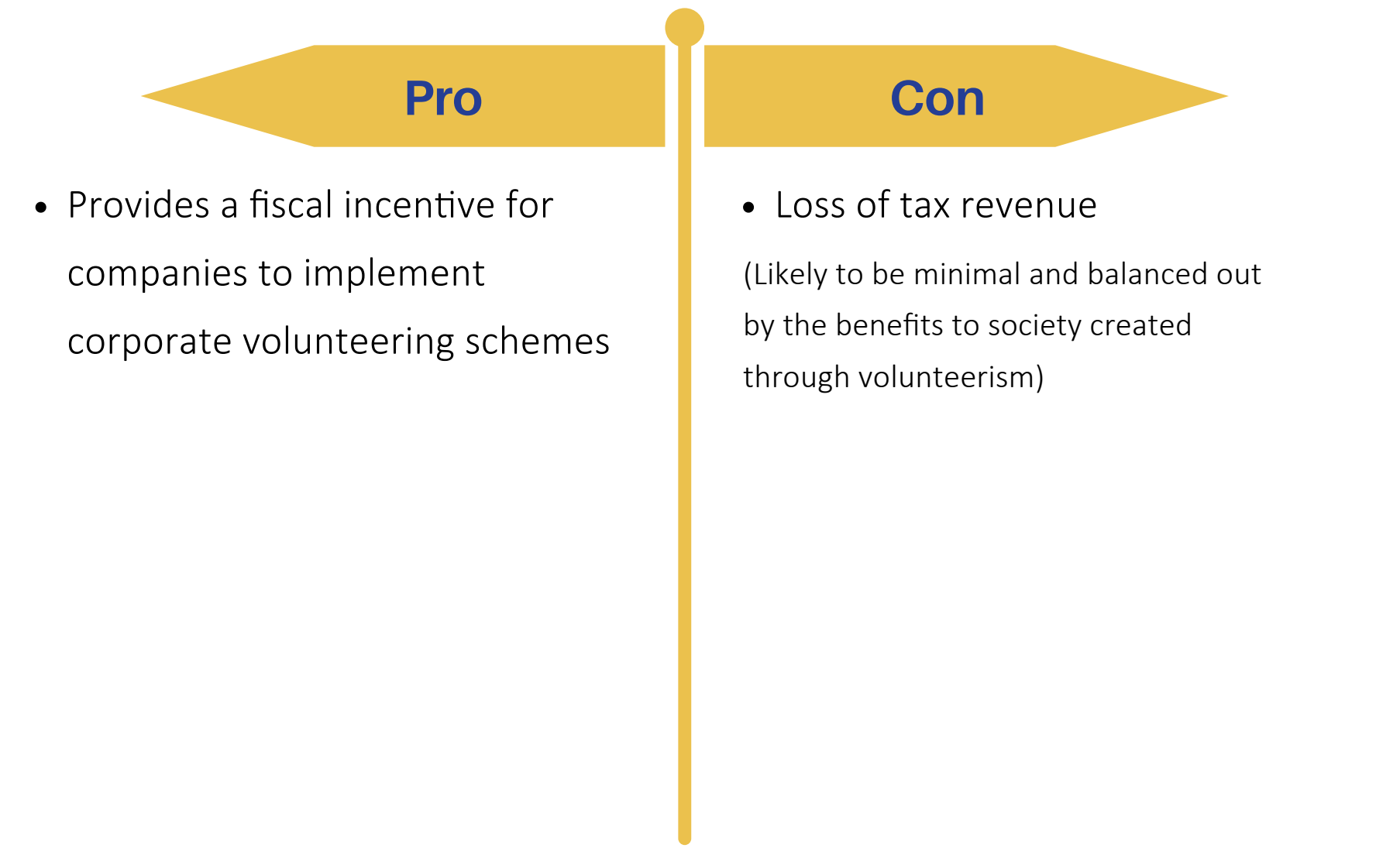
In ASEAN, there are some innovative tax incentives to encourage CSR.



Corporate Volunteer Tax Incentive

In addition to the 250% tax deduction rate for corporate giving, **Singapore** has a tax incentive to encourage companies to engage in corporate volunteerism. Formerly known as the Business and IPC Partnership Scheme, the Corporate Volunteer Scheme (CVS), introduced in 2016, grants eligible businesses a 250% tax deduction on qualifying employee volunteering activities per year.⁶⁷ Details are provided in Box 3.

Policy/ Regulation	Tax incentives for corporate volunteerism
Examples	Singapore



Box 3 Singapore’s Corporate Volunteer Scheme (CVS)^x

The CVS was introduced in Singapore as a pilot scheme under the 2016 Budget and recently extended until 31 December 2026.⁶⁸ It offers a 250% tax deduction on qualifying expenditures—basic wages and other related expenses—incurred by companies that send their employees (including part-time staff) to volunteer at Institutions of a Public Character (IPCs).^{xi,69}

Key features include:

 Volunteer Hour Valuation

Companies can claim wages either as a fixed rate of S\$10/hour (approximately US\$7.41) for general volunteering or S\$20/hour (approximately US\$14.82) for skills-based volunteering, which involves providing specialized knowledge or services (e.g., IT services by employees of an IT company).^{xii,70}

 Streamlined process

Companies must coordinate with the IPC on the type of service and expense before the volunteering commences. After the service, the company must seek the IPC's endorsement for the actual costs before submitting their claims to the Inland Revenue Authority of Singapore via the myTax portal.

Starting 1 January 2024, eligible activities have been expanded to include virtual volunteering and those conducted outside the IPC’s premises. Moreover, the annual cap for qualifying expenses per IPC has been increased to S\$100,000 (approximately US\$74,100). The qualifying expenditure cap remains at S\$250,000 (US\$187,250) per business per year.⁷¹

^x Please see page 50 for list of volunteer program benefits.
^{xi} An IPC is an organization approved by the Singapore Commissioner of Charities to receive tax-deductible donations.
^{xii} As of 22 November 2024 (and similarly hereinafter), S\$1 = US\$0.741.



ESG Expenditure Tax Deduction

Under its 2024 Budget, the **Malaysian** government introduced a tax deduction for ESG-related administrative expenditures to effectively subsidize compliance costs and promote corporate sector buy-in toward ESG standards. Up to RM50,000 (approximately US\$11,200) for each assessment year is given for ESG-related expenses, including those incurred by listed companies to fulfill their ESG reporting requirements.^{xiii}

Policy/ Regulation	Tax incentives for ESG-related administrative costs
Examples	Malaysia

Pro	Con
- Eases the fiscal burden associated with administrative compliance - Incentivizes more local companies to embrace ESG reporting, minimizing the compliance gap with global requirements (e.g., Scope 3 carbon emissions reporting)	Loss of tax revenue (Likely to be minimal and balanced out by the benefits of greater ESG disclosure)

^{xiii} As of 22 November 2024, RM1 = US\$0.224.

1.3. NON-MANDATORY CSR GUIDELINES IN ASEAN

The ASEAN Secretariat and four individual ASEAN member governments have published non-mandatory guidelines on CSR. Upon review, key findings from these guidelines are noted below.

The ASEAN Secretariat's guidelines focus exclusively on matters relating to labor rights and working conditions.

It provides guidance on themes such as forced labor and child labor, employment and employment relationships, human resources development and training. It does not include any guidelines on community investment.⁷²

Guidelines introduced at the national level are limited in scope.

These guidelines are either sector-specific (e.g., tourism, banking) or only relevant to certain types of companies (e.g., state-owned enterprises, listed companies). For example, Laos' CSR guideline includes recommendations on how tourist companies can record key performance indicators such as the number of staff participating in volunteer activities, internal child protection policies and practices, and the level of job creation.⁷³

Guidelines are lacking implementation tools.

None of the guidelines provide comprehensive insights into the policies and practices that incentivize more corporate giving, an assessment of tools available to a company to deploy its CSR resources, and how CSR can be deployed across multiple sectors.

Table 3 CSR Guidelines Issued by ASEAN and ASEAN Governments

Association /Country	Guidelines	Year of Publication	Publisher
ASEAN	ASEAN Guidelines for Corporate Social Responsibility (CSR) on Labour	2017	ASEAN Secretariat
Indonesia	CSR Manual on Environment	Unavailable	Ministry of Environment
	Technical Guidelines for Banks on the Implementation of OJK Regulation 51/POJK.03/2017	2017	Indonesian Financial Services Authority (OJK)
Laos	Corporate Social Responsibility Guideline for Tourism Sector in Lao PDR	2021	Investment Promotion Department
Malaysia	The Silver Book—Achieving Value Through Social Responsibility (For government-linked companies)	2006	Putrajaya Committee on Government-Linked Companies High Performance (PCG)
Thailand	CSR Guidelines for Listed Companies and Other Companies	2012	Stock Exchange and Securities and Exchange Commission

Source: Respective government websites and published documents



2 Ecosystem Enablers

Beyond specific government policies and private sector activity, several factors can contribute to a more vibrant corporate social responsibility (CSR) ecosystem.

2.1. CSR AWARDS

Awards recognizing CSR initiatives from a prestigious organization, popular media outlet or the government enhance a company's social standing.⁷⁴

Research also finds that winning a CSR award can help increase the firm's value.⁷⁵

This recognition can motivate more companies to engage in CSR. CSR awards can also stimulate a higher degree of disclosure by companies.⁷⁶

Encouragingly, major CSR awards are available in **all ASEAN countries except Brunei**. These are primarily organized by private sector actors such as chambers of commerce and media outlets. Currently, the government is directly involved in organizing high-profile awards for CSR or CSR-related initiatives only in **Singapore** through the President's Volunteerism and Philanthropy Awards.⁷⁷

Even if the government is not the organizer, government endorsement of CSR awards is likely to be seen in a positive light by the private sector and society. This is particularly true in Asia, a region where corporations prefer to align their philanthropic pursuits with government priorities.⁷⁸



Table 4 Examples of CSR Awards in ASEAN

Country	Example	Organizer
Cambodia	EuroCham CSR Awards	Private sector —European Chamber of Commerce in Cambodia
Indonesia	Nusantara Awards	Private sector —La Tofi School of Social Responsibility
	Indonesian SDGs Award (ISDA)	Private sector —Corporate Forum for Community Development
	Top CSR Awards	Private sector, media —TOPBUSINESS magazine
Laos	Laos CSR Awards	Private sector —Laos National Chamber of Commerce and Industry
Malaysia	Sustainability & CSR Malaysia Awards 2024	Private sector, media —CSR Malaysia (RHA Media)
	Golden Heart Award	Private sector, media —Star Media Group
Myanmar	CSR Excellence Recognition Program	Private sector —American Chamber of Commerce Myanmar



Table 4 Examples of CSR Awards in ASEAN

Country	Example	Organizer
Philippines	CSR Guild Awards	Private sector —League of Corporate Foundations
	Nusantara Awards	Government —Department of Environment and Natural Resources
Singapore	President’s Volunteerism & Philanthropy Awards	Government —National Volunteer and Philanthropy Centre with support from the Ministry of Culture, Community and Youth
Thailand	CSR Excellence Recognition Awards	Private sector —American Chamber of Commerce
Vietnam	CSI Award (2018-2022)	Private sector —Vietnam Chamber of Commerce and Industry

Source: Respective institutional websites

2.2. NATIONAL GIVING DAYS

A national giving day is a specific day dedicated to philanthropic activities that helps to mobilize donations and support toward the social sector. In some instances, this could span several days or a week. Formalized giving events are often multistakeholder initiatives involving the government, private and social sectors. 70% of social delivery organizations (SDOs) in Asia surveyed for the Doing Good Index 2024 believe such events will lead to increased giving.⁷⁹

Only two ASEAN members have formal national giving days. In **Indonesia**, HARDOLNAS (National Online Donation Day) has been organized annually since 2019 by Kitabisa, an online crowdfunding platform. By November 2024, the initiative had collected over Rp1 trillion (approximately US\$63 million).^{xiv,80} In **Singapore**, the SG Cares Giving Week is held each year from 1 to 7 December, organized by the SG Cares movement.⁸¹ In 2023, the event raised over S\$8 million (approximately US\$5.9 million).⁸²

2.3. NATIONAL VOLUNTEERING SCHEMES

Nation-wide or large-scale volunteering days serve as an effective catalyst for encouraging volunteering. Volunteers play an important role in supporting SDOs and providing social services. This is particularly important in Asia, where the social sector is facing an acute talent shortage.⁸³

It is a positive development that **all ASEAN members except Myanmar** have national volunteering schemes. Some are organized by government entities, while others are carried out by nonprofits and other community groups. For example, Brunei Volunteers is an initiative for social media users in **Brunei** to share information and recruit volunteers. The platform has seen the participation of government agencies, nonprofits, private sector organizations and individuals.⁸⁴ In the **Philippines**, iVolunteer Philippines was established in 2009 following Typhoon Ketsana. The online platform helps connect volunteers with nonprofits that suit their needs and expertise.⁸⁵ In **Laos**, the Huam Jai Asasamak Association (HJA—United in Volunteer Association) established the first national youth volunteer program, focusing on volunteers from rural areas and ethnic minorities aged 15-35.⁸⁶

^{xiv} As of 22 November 2024, RP1,000 = US\$0.063.

Still, enlisting volunteers is getting harder. According to the *Doing Good Index 2024*, 62% of Asian SDOs found it hard to recruit volunteers, compared to 43% in 2020.⁸⁷ One measure that can help connect the social sector with volunteers is establishing a government-led national platform or entity for volunteerism. Thus far, only two ASEAN members have such initiatives, with regular activities organized: the **Philippines** (Philippine National Volunteer Service Coordinating Agency) and **Singapore** (National Volunteer and Philanthropy Centre).

2.4. PUBLIC-PRIVATE-PHILANTHROPIC PARTNERSHIPS

Public-private-philanthropic partnerships (PPPPs) have emerged as a growing collaborative model in Asia. They bring together the public, private and philanthropic sectors to address pressing social and/or environmental issues. With thoughtful planning and execution, these partnerships can deliver win-win-win outcomes for government, businesses and communities.⁸⁸ Greater access to private capital and expertise helps the government improve service reach, quality and innovation. Through PPPPs, companies can accelerate social capital with the government and communities and potentially expand their customer base. When the public and private sectors join hands in creating impact at greater speed and scale, society reaps the benefits.



Box 4 Examples of Successful PPPs in Asia

India's Maharashtra Village Social Transformation Foundation (MVSTF)

embodies the essence of a PPP. Initiated by the Government of Maharashtra in 2017 with a clear vision of transforming 1,000 rural villages grappling with development challenges, MVSTF accomplished this in collaboration with over 20 of India's leading corporates and philanthropic foundations.⁸⁹ With government backing and the assistance of the Chief Minister's Rural Development Fellows, MVSTF effectively identified development priorities within these villages.⁹⁰ Subsequent implementation is facilitated by thematic partners utilizing their social capital and connections. In just a few years after its establishment, MVSTF expanded to 25 districts, 484 gram panchayats (village-level governing bodies) and 905 villages in Maharashtra, with the potential for replication in other states.⁹¹

Within the ASEAN region, the **Philippine Disaster Resilience Foundation**

(PDRF) is another example of an impactful PPP. It was established in response to an executive order from the government's Special National Public Reconstruction Commission, which called upon the private sector to help with recovery efforts after three devastating typhoons in 2009.⁹² In 2014, PDRF made a strategic shift in direction from disaster response to disaster preparedness and resilience, focusing on four common types of natural hazards and disasters in the Philippines (typhoons, earthquakes, volcanic eruptions and the pandemic). Supported by leading corporates and foundations in the archipelago, such as Ayala Corporation, PLDT and the Peace and Equity Foundation, PDRF provided disaster relief (e.g., ready-to-eat meals and hygiene kits) to over 18,000 individuals and trained more than 3,000 individuals in preparedness and climate resilience in 2023.⁹³

In Malaysia, the **Trust School** program is a collaborative effort between Yayasan Amir (funded by Yayasan Hasanah) and the Ministry of Education to improve the quality of learning experiences for students in Malaysian schools. Trust Schools operate with regular government funding and resources, but undergo a comprehensive five year transformation plan overseen by Yayasan AMIR through its service provider LeapEd Services, a bespoke social enterprise providing capacity building for teachers and school leadership.

A more detailed overview of PPPs across Asia is available in the Centre for Asian Philanthropy and Society (CAPS)'s *Public-Private Partnerships for Social Good and DECODED: Collaborative Giving in Asia*.^{94,95}

POLICY DRIVERS AND ECOSYSTEM ENABLERS—SUMMARY OF KEY INSIGHTS:

The prominence of mandatory community engagement disclosure under stock exchange ESG requirements:

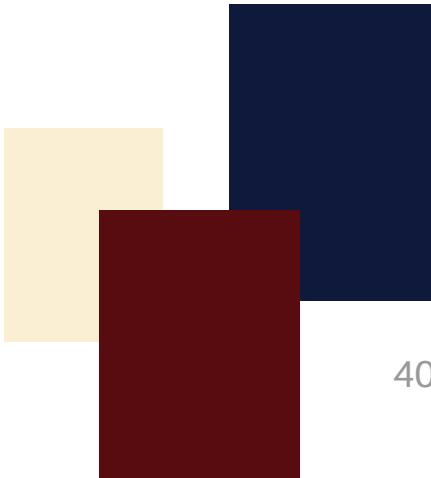
ASEAN economies more integrated into global supply chains and financial markets—Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam—have mandated ESG reporting for listed companies. More crucially, all these countries, except for Singapore, have included community engagement (or a similar term) as a required or recommended metric. However, only the Philippines specifically mentions CSR.

Limits on tax incentives for corporate giving and volunteerism restrict the potential for CSR in ASEAN:

While it is encouraging that all ASEAN members offer tax incentives for corporate donations, the majority have restricted how much is claimable, and a few have even limited such incentives to certain areas. The result is a disproportional allocation of CSR capital to some sectors, while others face severe funding needs.

Policy tools other than tax benefits and ESG reporting are underutilized in ASEAN:

Around the world, governments use a range of other tools to increase the level of CSR. These policies include governance requirements, CSR spending requirements, and national volunteer and CSR initiatives. However, only two ASEAN governments, the Philippines and Singapore, use one or more of these tools, which are linked to national volunteer initiatives and giving days.





3 CSR Spending Trends in ASEAN

This section examines how the top 10 companies by market capitalization in six ASEAN member nations (ASEAN-6)—Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam—engage in corporate social responsibility (CSR).^{xv,xvi} Our analysis, drawn from annual reports, CSR/sustainability reports and company websites, highlights seven key trends.

^{xv} of September 26, 2024. Source: <https://companiesmarketcap.com/>

^{xvi} Please refer to Appendix 1 for a list of companies reviewed.

Trend 1: A Clear Shift in Focus Toward Sustainability.

The language used in corporate communications, especially those by senior executives, reflects a shift in companies' priorities toward sustainability. Analysis of the frequency of words used in messages in annual reports and/or CSR/sustainability reports by C-suite executives of selected companies in the ASEAN-6 illustrate that the term sustainability gained much prominence during the 10 years between 2014 and 2023 (see Figure 1).

We also observe an increase in the frequency of words associated with the environment, such as climate, environmental, social and governance (ESG) and energy. This is in line with a global trend whereby the private sector is responding to policies and regulations related to climate change and the environment (see page 14).

Figure 1 Word Frequency Analysis of C-Suite Messages of Selected ASEAN-6 Companies

2014



2023



The focus on sustainability can also be observed through the establishment of dedicated ESG/CSR working groups within business chambers. For instance, **five out of 10 national business chambers in ASEAN have a working group or task force dedicated to sustainability and/or ESG.** All these working groups or task forces have a similar mandate—to help design a relevant sustainability or ESG strategy for their membership and support capacity-building initiatives on related topics. The Indonesian Chamber of Commerce and Industry (KADIN) uniquely combines both functions within its ESG task force.⁹⁶

Meanwhile, only the Thai Chamber of Commerce (TCC) has established a separate CSR working group. Both its CSR and sustainability working groups are under its Strategic Committee.⁹⁷ However, the Singapore Business Federation (SBF) set up the SBF Foundation in 2013 to act as its social impact arm, with a mandate for policy advocacy and capacity building as well.⁹⁸



Table 5 **Overview of ASEAN Business Chambers’ Working Groups and Task Forces**

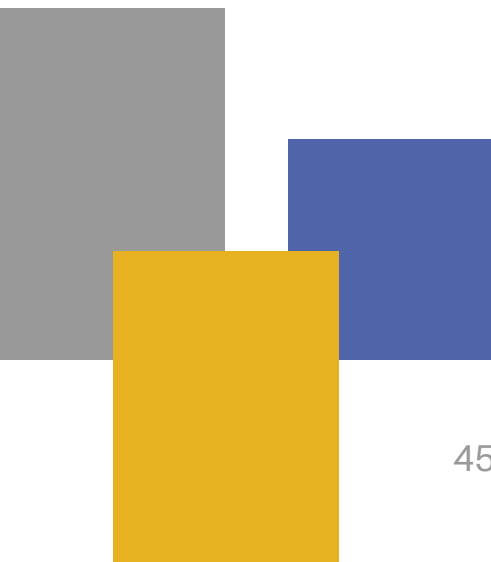
Country	Chamber of Commerce	Working Group or Task Force		
		CSR	ESG	Sustainability
Brunei	National Chamber of Commerce and Industry Brunei Darussalam (NCCIBD)	No	No	No
Cambodia	Cambodia Chamber of Commerce (CCC)	No	No	No
Indonesia	Indonesian Chamber of Commerce and Industry (KADIN)	No	Yes	Yes
Laos	Laos National Chamber of Commerce and Industry (LNCCI)/Laos Business Forum	No	No	No
Malaysia	National Chamber of Commerce and Industry of Malaysia (NCCIM)	No	Yes	No
Myanmar	Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)	No	No	No
Philippines	Philippine Chamber of Commerce and Industry (PCCI)	No	No	No



Table 5 **Overview of ASEAN Business Chambers’ Working Groups and Task Forces**

Country	Chamber of Commerce	Working Group or Task Force		
		CSR	ESG	Sustainability
Singapore	Singapore Business Federation (SBF)	Separate foundation set up	Yes	No
Thailand	Thai Chamber of Commerce (TCC)	Yes	No	Yes
Vietnam	Vietnam Chamber of Commerce and Industry (VCCI)	No	No	Yes

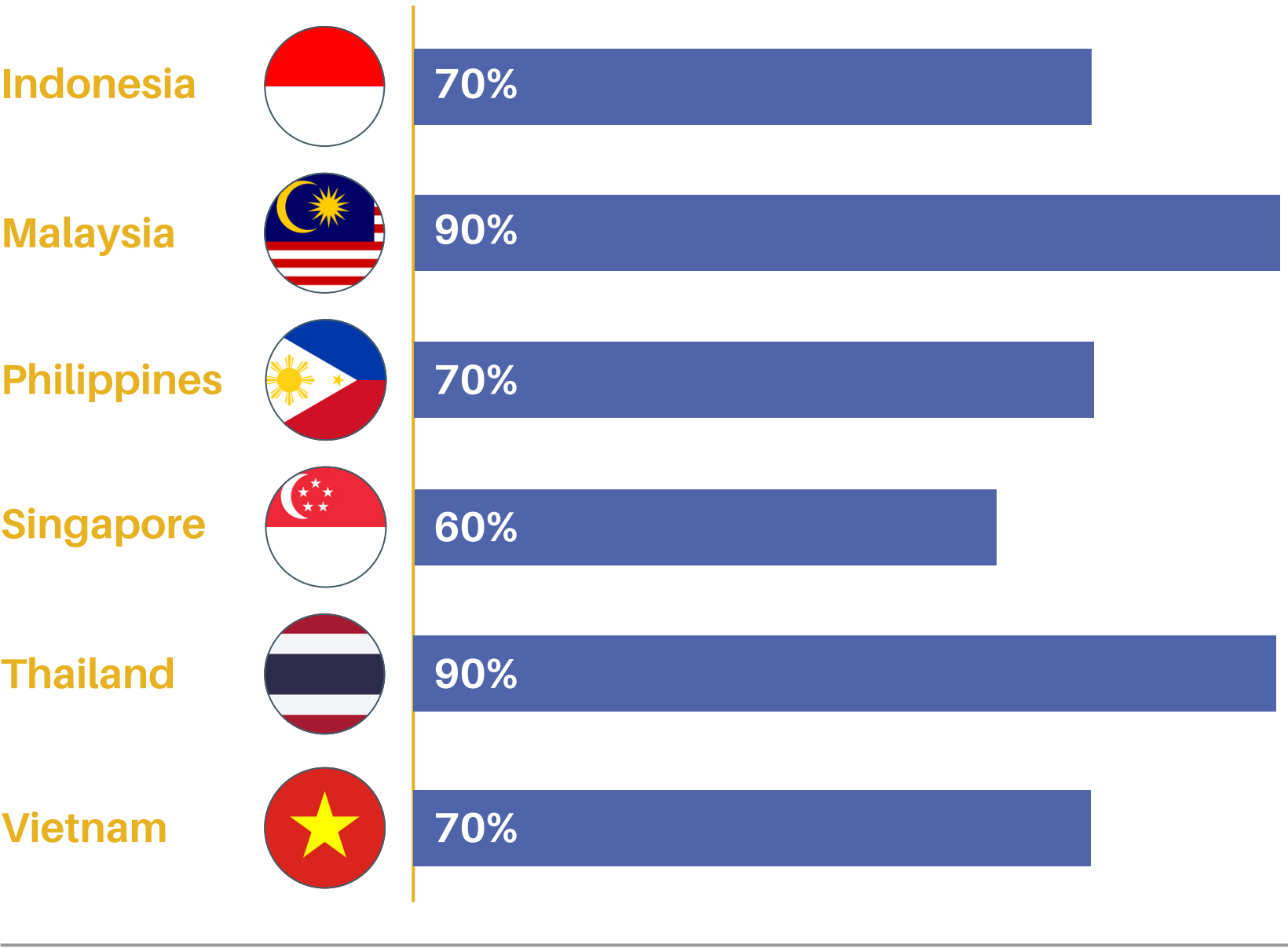
Source: Websites of the chambers of commerce



Trend 2: High Level of Overlap Between the Company’s CSR Activities and its Sector of Work.

Our analysis shows that **75% of CSR activities undertaken by ASEAN-6 companies overlap at least partially with the company’s sector of work.** For example, most (82%) banking and financial institutions have implemented CSR programs related to finance, the most prominent of which is financial literacy education. This is expected as there is a high degree of “DIY” philanthropy in Asia, with companies using their internal resources and expertise to deliver services directly.^{xvii,99}

Figure 2 Percentage of Selected ASEAN-6 Companies Whose CSR Activities Overlap with Their Sector of Work



Source: Centre for Asian Philanthropy and Society (CAPS)’s compilation of CSR activity data from selected ASEAN-6 companies

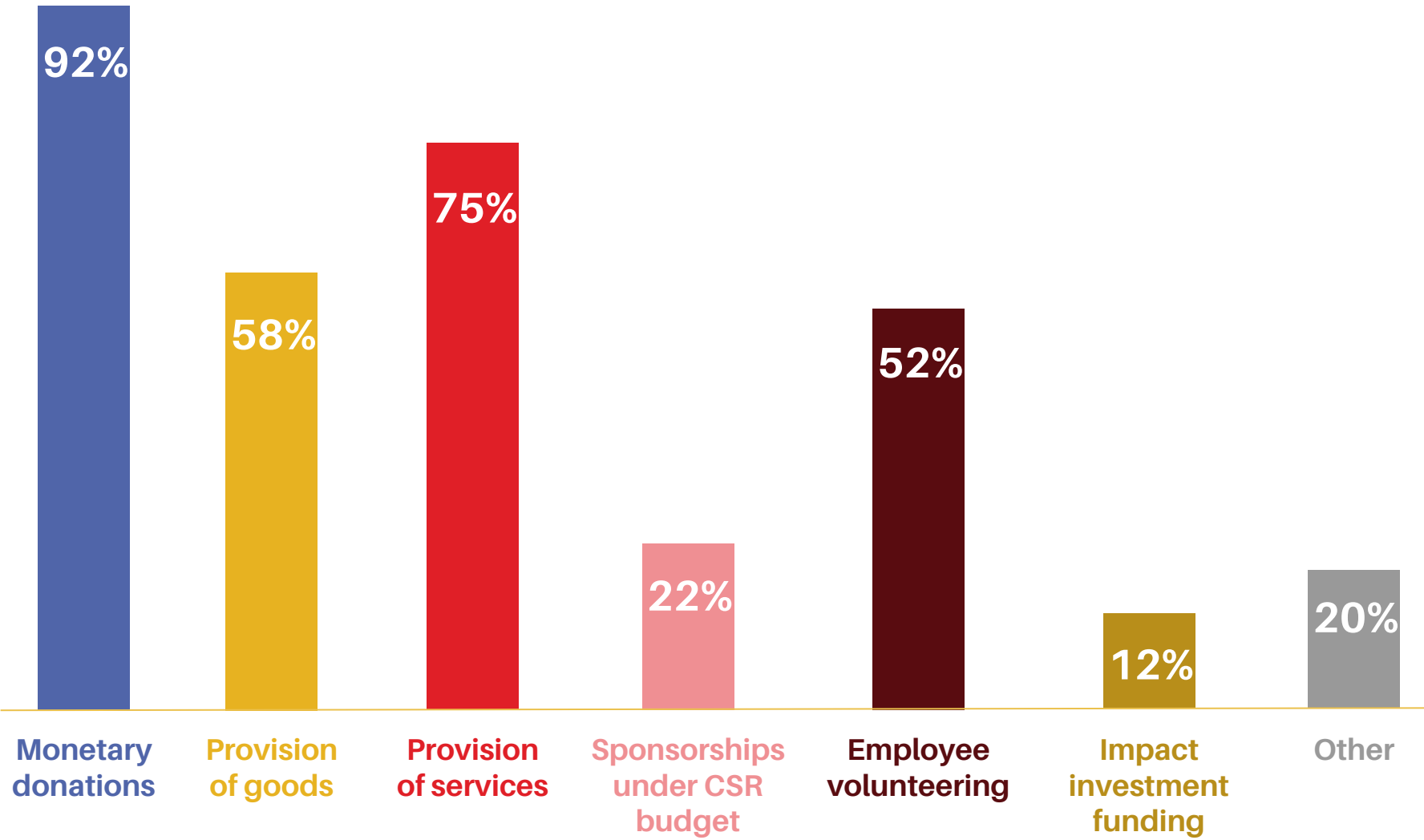
^{xvii} “DIY” philanthropy is when a company engages in philanthropic activities without relying on external support or directing resources through other organizations like local nonprofits or charities. See our definition of key terms in the Introduction.

Trend 3: Monetary Donations and Service Provision are the Most Used Forms of CSR.

Among our sample of ASEAN-6 companies, 95% engage in more than one type of CSR activity (see Box 5). The most common is a monetary donation (92% of companies), often as direct donations to charities or as a grant or scholarship, followed by the provision of services (75%) and the provision of goods (58%).

A handful of companies (12%), primarily based in Thailand and Singapore, have also introduced hybrid funding mechanisms, such as impact-first investment funds, by blending a portion of CSR funding with investment capital. These types of funds help de-risk investments and target social enterprises. Companies, however, are not deploying these tools in lieu of charitable donations. Our analysis shows that all companies using hybrid finance tools also separately provide monetary donations.

Figure 3 CSR Activities Among Selected ASEAN-6 Companies^{xviii}



Source: CAPS’ compilation of CSR activity data from selected ASEAN-6 companies

^{xviii} Due to inconsistencies in CSR reporting, CAPS individually categorized each reported CSR activity into one of the seven types.

Box 5 Types of CSR Activities



Monetary donations: Direct financial contributions, primarily through donations, grants and scholarships, to support, social delivery organizations (SDOs), communities or individuals in need.



Provision of goods: Donating products or resources commonly for disaster relief, education and medical needs.



Provision of services: Offering services to assist community members for free, which tends to require skills and knowledge in a specific field, such as:

- Training and workshops for skills development
- Health care services (e.g., free medical check-ups)
- Educational support (e.g., mentorship and curriculum development)
- Product development (e.g., electronic donation and learning platforms)
- Knowledge-sharing initiatives (e.g., open access resources)
- Public outreach programs (e.g., awareness campaigns)



Sponsorships under CSR budget: Funding events or programs—often related to arts, culture or sports—that align with the company’s CSR goals.



Employee volunteering: Creating opportunities for employees to volunteer their time to community projects, often during work hours (e.g., CSR/volunteer days).



Impact investment funding: Investment support for entities or projects generating positive social and/or environmental outcomes, budgeted under the company’s CSR portfolio (e.g., funding for social enterprises and preferential interest rate loans for women-led businesses).



Other: Includes activities such as employee contributions (e.g., blood drives and monetary donations) and socially responsible procurement.

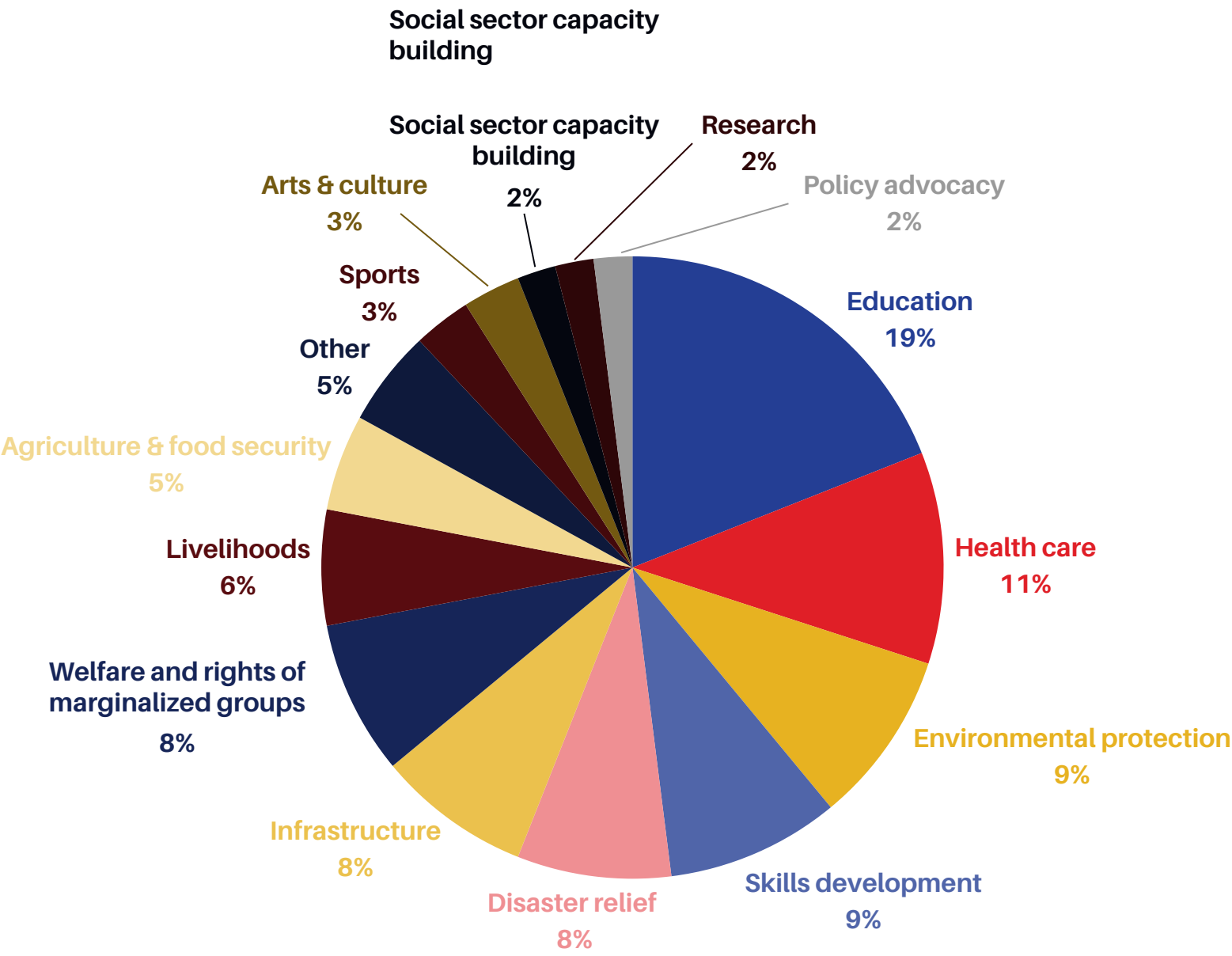
Trend 4: Education and Health Care are the Two Most Prominent Areas of CSR Spending.

About one-fifth (19%) of all reported CSR activities by selected ASEAN-6 companies focus on education, with health care spending accounting for 11%. Environmental protection receives 9% of all CSR spending (Figure 4). The focus on education and health care is similar to other developing countries. In India, health and education accounted for over half of mandatory CSR expenditure between 2018 and 2022.¹⁰⁰

Past research by CAPS has identified several reasons why the education and health care sectors tend to receive most of the Asian philanthropic capital. First, education and health care access and quality remain major development challenges in the region. Moreover, projects in these focus areas can provide tangible benefits through initiatives such as scholarships, medical equipment donations, building hospitals, etc.^{101,102}

We can also observe variations at the national level, where companies are likely influenced by state development priorities. For example, given the **Philippines’** susceptibility to natural disasters, it is intuitive that disaster relief is the second most common focus area in the archipelago. Meanwhile, in a developed economy with a robust welfare system like **Singapore**, companies spend more on issues such as workforce training for skills development.

Figure 4 CSR Spending of Selected ASEAN-6 Companies by Focus Area



Source: CAPS’ compilation of CSR activity data from selected ASEAN-6 companies

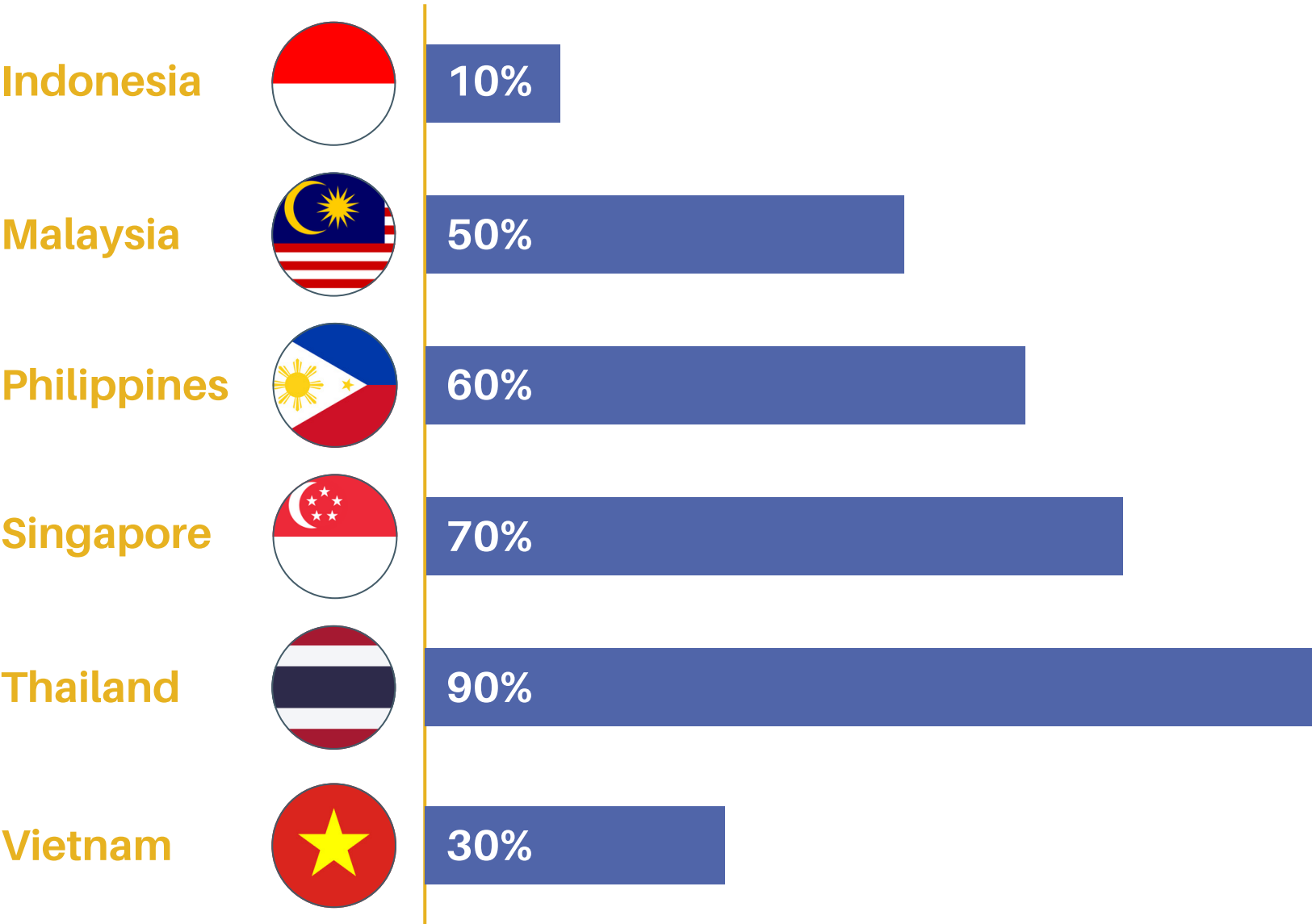
Trend 5: Corporate Volunteerism is an Underutilized Tool.

Only half (52%) of the companies reviewed have corporate volunteering initiatives with variations across the ASEAN-6. For example, 90% of companies from **Thailand** have employee volunteering programs, while the percentage in **Indonesia** is only 10%. (Figure 5).

Although actual data is unavailable, interviewees indicate that employee volunteerism is not a popular CSR tool in the four ASEAN countries not included in this analysis (**Brunei, Cambodia, Laos and Myanmar**).

Corporate volunteering schemes can increase employee satisfaction, improve coordination between colleagues, and result in better employee retention and recruitment.^{103,104,105} Meanwhile, recruiting volunteers has become more challenging. In 2024, 62% of SDOs in Asia found it difficult to recruit volunteers, compared to 43% in 2020.¹⁰⁶ As such, creating more corporate volunteering opportunities in ASEAN will undoubtedly lead to win-win outcomes for the region’s companies and social sector.

Figure 5 Percentage of Selected ASEAN-6 Companies Engaging in Corporate Volunteerism



Source: CAPS’ compilation of CSR activity data from selected ASEAN-6 companies

Box 6 Case Study: Alibaba’s Endeavors to Shape a Participatory Philanthropy

Alibaba Group, the Chinese multinational tech company, is known not only for its successful Taobao and Tmall e-commerce marketplaces, but also for its employee-led philanthropic initiatives. In 2015, Alibaba founder Jack Ma announced the launch of the Three Hours for a Better World initiative in a staff newsletter, calling on every employee to dedicate three hours to voluntary service every year. The initiative remains impactful, with full-time employees clocking over 260,000 hours of voluntary service in the 2023-24 financial year, according to the group’s latest ESG Report.¹⁰⁷

Aside from individual volunteering, Alibaba encourages its employees to form Hugs and Help groups, volunteer groups based on common interests, skills and expertise. Over 200 Hugs and Help groups spanning diverse sectors have been established, running an average of more than eight volunteer activities daily. One example is the Alibaba First-Aid Responders Group, which offers first-aid training internally and emergency services for sports events in the community. Its work was recognized by the Red Cross Society of China in the first-ever National Red Cross Competition for Volunteer Service Programs in May 2024.¹⁰⁸

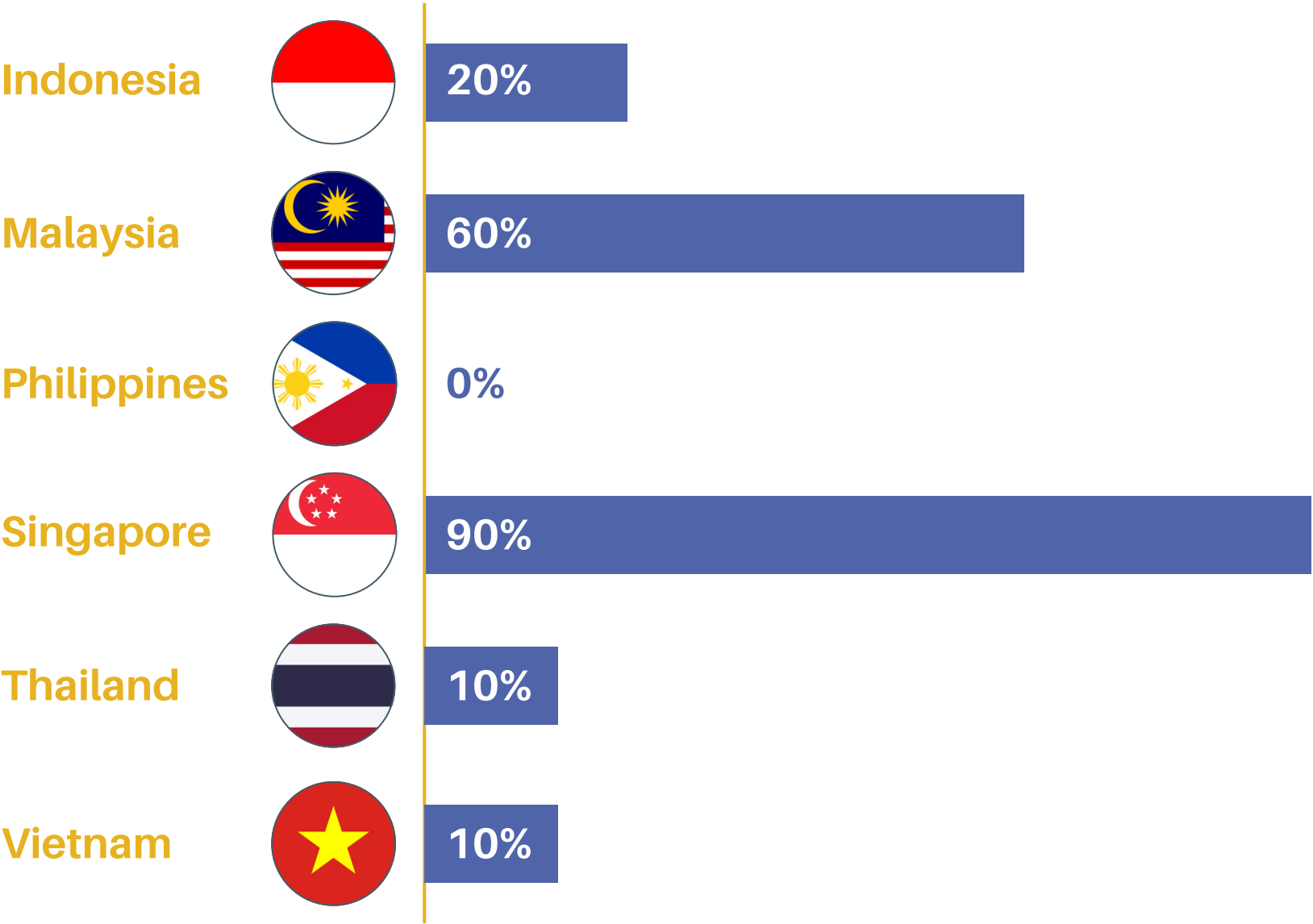
Since 2017, Alibaba has recognized outstanding Hugs and Help groups and other social projects through the Alibaba Philanthropy Awards. Selected by thousands of Alibaba employees, the awardees often leverage collaboration and technology such as artificial intelligence (AI) to create greater impact.¹⁰⁹



Trend 6: Cross-Border Philanthropy in ASEAN is Uncommon.

While 80% of reviewed companies have business operations outside their home market, **only about one-third (32%) engage in cross-border CSR**. Singapore is the outlier, with 90% conducting cross-border philanthropy.

Figure 6 Percentage of Selected ASEAN-6 Companies Engaging in Cross-Border CSR



Source: CAPS’ compilation of CSR activity data from selected ASEAN-6 companies

Currently, **five out of 10 ASEAN countries have restrictions on receiving foreign philanthropic funding, and five regulate sending capital abroad.** Regarding receipt, restrictions include prior government approval for receiving funds, capping the amount and limiting the activities for which this funding can be used. When sending money overseas, restrictions vary from complete prohibition to clearances for sending to capping the amount that can be sent. Companies can navigate around such restrictions if their corporate philanthropy abroad is directed through their respective entity registered in the host country.

Table 6 Restrictions on Foreign Funding Flows in ASEAN

Country	Receiving foreign funding	Sending money abroad ^{xix}
Brunei		
Cambodia		
Indonesia		
Laos		
Malaysia		
Myanmar		Information unavailable
Philippines		
Singapore		
Thailand		
Vietnam		

 : without restrictions

 : with restrictions

Source: *Doing Good Index 2024*

^{xix} Restrictions include complete prohibition, clearances for sending, and limiting the amount that can be sent overseas.

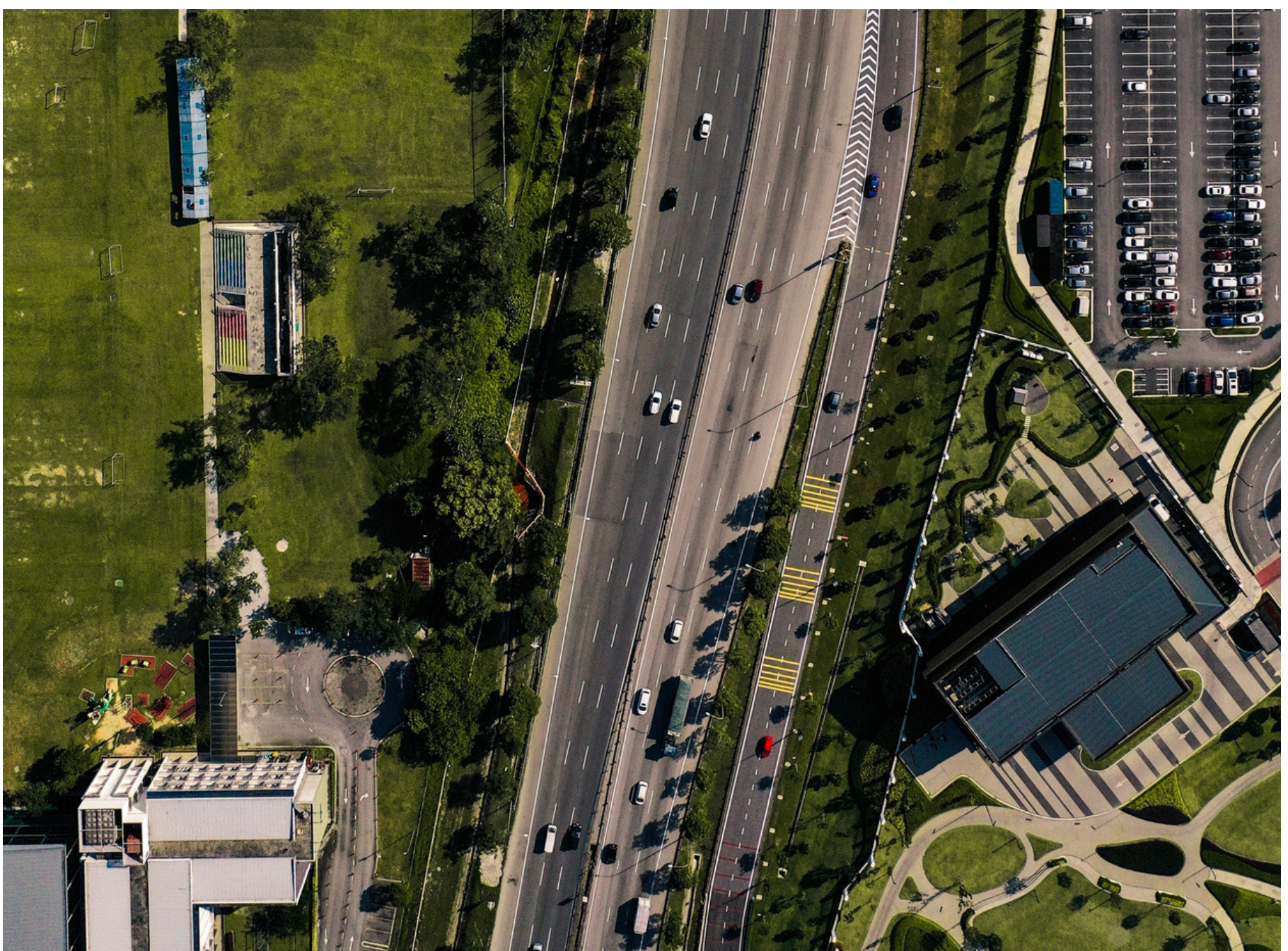
Trend 7: ASEAN Lacks a Clear CSR Reporting Standard.

There are vast differences in CSR reporting across the ASEAN region, even between companies within the same country. These differences include how companies define CSR, how they report their activities and the level of detail. Many companies do not disclose the monetary value of their CSR and only provide brief descriptions. Some companies provide insights into the types of CSR activities and relevant sectors served, while others do not. Furthermore, there is also variation in how CSR is reported across different years by the same company.

Inconsistencies in CSR reporting create several challenges for ASEAN companies:

- Accurate assessment of CSR in the region is difficult, likely leading to underreporting (see pages 14-15).
- Benchmarking against national, regional and global peers becomes a challenge.
- Lack of data can hinder long-term CSR strategies, affecting company reputation among future employees and society.
- Insufficient information weakens private sector's efforts to lobby governments for supportive policy reforms (e.g., tax incentives).

In contrast, globally recognized “best in class” companies such as Microsoft and Nestlé are more consistent and detailed in reporting their CSR activities.¹¹⁰ While they may not excel in CSR itself, their reporting helps shape public perception.





4 Recommendations

This section offers recommendations to increase the quality and quantity of corporate social responsibility (CSR) in the Association of Southeast Asian Nations (ASEAN) region. The recommendations are organized by the stakeholders responsible for implementation: 1) the ASEAN Secretariat and other affiliated regional bodies; 2) governments; 3) companies; and 4) other private sector actors such as chambers of commerce.

4.1. ASEAN

4.1.1. Introduce a Set of ASEAN CSR Guidelines for Community Investment.^{xx} [REF: Pg. 17-32]

Elements to include:

- An updated definition of CSR that is relevant to the ASEAN region’s unique characteristics and values and accurately encompasses elements of modern CSR, with a focus on community investment.
- Policies and regulations that individual governments can implement to encourage more CSR spending in their respective countries (e.g., tax policies, subsidies, reporting requirements).
- Measures that the private sector can undertake to increase the amount of community investment made through CSR and maximize its impact (Public-Private-Philanthropic Partnerships).
- Reporting and impact assessment guidelines and tools.
- Best practices from within ASEAN and outside the region.

Format:

- This set of guidelines can be designed similarly to the ASEAN Guidelines for Corporate Social Responsibility on Labour.¹¹¹

4.1.2. Introduce a Common ASEAN CSR Voluntary Reporting Framework.^{xxi} [REF: Pg. 54]

Elements to include:

- Type of CSR activity (e.g., monetary donations, provision of goods, provision of services, volunteering)
- Focus areas of CSR activity (e.g., education, health care, environmental protection)
- Monetary value of CSR (the total value of all CSR and value by type of activity)

^{xx} If commissioned, the Centre for Asian Philanthropy and Society (CAPS) can support the ASEAN Secretariat in developing these guidelines.

^{xxi} If commissioned, CAPS can support the ASEAN Secretariat in developing this framework.

Format:

- Reporting framework and guidelines should be broad enough to be incorporated into existing sustainability reports or sustainability sections of annual reports to minimize compliance burden.
- Definitions of each type of CSR activity and focus area, as well as guidance on calculating the monetary value of CSR, should be included.

4.1.3. Establish a CSR Working Group. [REF: Pg. 17-54]

Objectives of the CSR working group:

- Facilitate the effective implementation and continuous development of the ASEAN CSR Guidelines for Community Investment and CSR reporting framework as proposed above.
- Coordinate relevant policies at a regional level.
- Support capacity-building efforts to increase CSR in the ASEAN region (e.g., by identifying and sharing best practices and funding research).

Thematic areas of focus (non-exhaustive):

	Tax and regulatory policy		Reporting
	Capacity building		Knowledge-sharing initiatives and convenings
	Research and innovation		Subject matter discussions (e.g., education, healthcare, environment)

Format and composition:

- The working group can be established under the ASEAN Socio-Cultural Community and structured similarly to the ASEAN Working Group on the Culture of Prevention.^{112,113}
- The working group should comprise a mix of senior government officials, corporate leaders and sector experts.

4.2. GOVERNMENTS

4.2.1. Mandate CSR Reporting for Companies above a Certain Revenue Threshold to Report their CSR Activities Annually. [REF: Pg. 21, 23]

- ▶ The reporting requirement should be included in company/enterprise law.
- ▶ The reporting metrics can be determined using the ASEAN CSR reporting framework recommended under 4.1.2.
- ▶ The relevant revenue threshold, which will vary between ASEAN members, should be set by the respective government according to the type and size of companies it wants to include.

4.2.2. Establish a National Portal for CSR Data Collection. [REF: Pg. 54]

- ▶ Data collected through the online portal should be the same as required under mandatory CSR reporting, as discussed under 4.1.2.

4.2.3. Fully Leverage Tax Incentives for Corporate Giving. [REF: Pg. 26-30]

- ▶ Remove limitations on specific policy themes eligible for tax benefits (applicable to three ASEAN members: Indonesia, Myanmar and Vietnam).^{xxii}
- ▶ Make information about corporate tax incentives for giving easily accessible and streamline the process of applying for tax benefits.

^{xxii} Where fiscally prudent, it is recommended the tax benefit rate and applicable limit for corporate giving be raised.

4.2.4. Introduce a Tax Incentive for Corporate Volunteering Programs. [REF: Pg. 28-29]

Elements to include:

- Rate of tax deduction
- Scope of qualifying businesses (we recommend all registered businesses)
- Scope of qualifying activities (an efficient way to define this would be the volunteer time dedicated to a registered charity or nonprofit)
- Scope of qualifying expenditures and the level for an expenditure cap

4.2.5. Establish a National Platform/Agency to Promote and Coordinate Individual and Corporate Volunteering Initiatives. [REF: Pg. 37-38]

Focus activities (non-exhaustive):

- Publish information about ongoing volunteering programs.
- Create a mechanism to match charities and nonprofits with volunteers or volunteering programs.
- Provide recognition for volunteerism (individual and corporate) by hosting awards and other promotional activities.
- Provide capacity-building support to stakeholders that require help designing or developing volunteering schemes.

4.2.6. Promote Public-Private-Philanthropic Partnerships (PPPPs). [REF: Pg. 38-39]

Establish one or more of the following to encourage more PPPPs:

- Government entity to facilitate, manage and regulate PPPPs^{xxiii}
- Public platform to promote opportunities for private sector actors to collaborate with national and subnational government institutions in PPPPs
- Tax incentives

Refer Box 4 for more information on successful PPPPs in Asia.

^{xxiii} Some countries already have an established government entity for public-private partnerships; however, they are focused on return-seeking investments such as infrastructure projects, utilities and state-owned enterprises. For such countries, a subdivision focused on PPPPs can be established instead of creating a separate entity.

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4.2.7. Clarify Language Around Community Investment under Environmental, Social and Governance (ESG) Reporting Requirements for Listed Companies. [REF: Pg. 21, 23]

The flowchart below gives guidance on what to consider when issuing the clarification of community engagement versus community investment:

Is community investment included under community-focused metrics?
(Note: community engagement does not always include community investment.)

↓ **Yes**

No further action required, but if needed, give examples of community investment to help clarification.

↓ **No**

Update community-focused metrics to include community investment as a reporting requirement for listed companies with examples to help clarification.

4.2.8. Introduce Ecosystem Enabling Events. [REF: Pg. 34-37]

Possible events include:



A national giving day (or period)



A national volunteering scheme



CSR awards



Where such initiatives already exist, the government should consider endorsing these events/initiatives.

4.3. INDIVIDUAL COMPANIES

4.3.1. Establish a Dedicated CSR Committee.^{xxiv} [REF: Pg. 22]

Responsibilities:

➤ To guide the company’s interaction within the triple context in which it operates (economic, environmental and social) and oversee its CSR/community investments.

Format and composition:

➤ The committee should be structured as a board committee and/or management committee under the leadership of an executive at the C-suite or V-suite (vice president) level.

The committee can be standalone or integrated into a sustainability committee but should have a clear CSR mandate.

4.3.2. Introduce Formal Corporate Volunteering Schemes. [REF: Pg. 50-51]

Elements to include (non-exhaustive):

➤ Paid time off for volunteering

➤ Matchmaking initiative to pair an employee with a nonprofit or cause that aligns with their interests/expertise

➤ Mechanisms for employees to contribute ideas and feedback on the company’s CSR initiatives

^{xxiv} Some countries (e.g., India and South Africa) already require companies of a certain type and size to establish a dedicated CSR Committee.

4.3.3. Introduce a Donation-Matching Program. [REF: Pg. 47-49]

Possible formats (non-exhaustive):



Matching dollar for dollar



Matching donations to a capped amount



Matching donations to a capped amount

4.3.4. Adopt Measures to Increase Cross-Border CSR Presence. [REF: Pg. 52-53]

Possible measures:

- ▶ Establish regional initiatives, such as scholarships and impact funds (e.g., CIMB ASEAN Scholarship).¹¹⁴
- ▶ Direct resources to regional collaborative philanthropic funds, impact investments (e.g., Co-Axis) or donor-advised funds.^{115,116}
- ▶ Give to local nonprofits with cross-border reach or those working on cross-border issues.



4.4. OTHER PRIVATE SECTOR ACTORS (CHAMBERS OF COMMERCE AND SIMILAR ENTITIES)

4.4.1. Provide Capacity-Building Support to Help Companies Engage in CSR and Community Engagement. [REF: Pg. 43-45]



Reporting



Impact measurement



Effective communication of CSR (e.g., how to communicate CSR initiatives in a manner that helps develop a company’s public reputation)

Format:



Through coordinating bodies and intermediaries such as national and regional business chambers



Through PPPs and/or collaborative initiatives between stakeholders (e.g., government, private sector, nonprofit)

A regularly updated platform/website can be set up to publish information about ongoing and planned CSR initiatives by members to facilitate opportunities for collaboration.

4.4.2. Facilitate More Research on Best Practices and Effective CSR Strategies Relevant to Companies in the Country. [REF: Pg. 43-45]

Types of research to include (non-exhaustive):



Research on current CSR trends (the national data portal recommended above would be a rich source of information)



Case study research (spotlighting innovative and successful CSR models implemented by companies)



Research to identify welfare needs underserved by CSR



Comparative research to benchmark the state of CSR (broadly or focused on a specific theme) against regional and global counterparts

Potential resources/ partners:

In-house research units

Research institutes and think tanks



Universities

Regional/global research and advisory organizations

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APPENDIX 1: RESEARCH METHODOLOGY

The report is based on qualitative and quantitative research methods. It included a broad literature review of studies on the state and impact of corporate social responsibility (CSR) in the Association of Southeast Asian Nations (ASEAN) and outside the region. In addition, desk research was conducted to map out the current scope of CSR-related policies among ASEAN member states at the wider regional and national levels.

The reviewed ASEAN policies were benchmarked against those of non-ASEAN governments. For further insights, the annual reports and sustainability or CSR reports of the top 10 companies by market cap in six ASEAN member states (ASEAN-6)—Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam—were analyzed to identify trends. The small sample size used was primarily due to limitations in data availability. While cognizant of the constraints of these insights, we believe that the analysis provides useful indicators of how the largest companies in ASEAN engage in CSR. For a more comprehensive perspective, it was supplemented with data from over 2,000 surveys conducted for the *Doing Good Index 2024* and interviews conducted with important stakeholders in Asia.

List of Companies Reviewed

In alphabetical order

Indonesia

Alfamart

Astra International

Bank Central Asia

Bank Mandiri

Bank Negara Indonesia

Bank Rakyat Indonesia

Bayan Resources

Chandra Asri Petrochemical

Indofood CBP

Telkom Indonesia

Malaysia

Celcomdigi

CIMB Group

Hong Leong Bank

IHH Healthcare

Maybank

MISC

Petronas Chemicals Group

Press Metal Aluminium

Public Bank

Tenaga Nasional

List of Companies Reviewed

In alphabetical order

Philippines

Ayala Corporation

Ayala Land

BDO Unibank

Globe Telecom, Inc.

International Container Terminal Services

Jollibee

Metropolitan Bank

PLDT

SM Investments Corporation

SM Prime Holdings

Thailand

Advanced Info Service

Airports of Thailand

Bangkok Dusit Medical Services

CP All

Delta Electronics (Thailand)

Gulf Energy Development Public Company

PTT Exploration and Production

PTT Public Company Limited

Siam Commercial Bank

True Corporation

Singapore

CapitaLand Investment Limited

DBS Group

Flex

Grab Holdings

OCBC Bank

Sea (Garena)

Singtel

Singapore Airlines

UOB

Wilmar International

Vietnam

Asia Commercial Joint Stock Bank

BIDV (Bank for Investment and
Development of Vietnam)

FPT Corporation

Hoa Phat Group

Petrovietnam Gas

Vinamilk

VinFast Auto

Vingroup Company

Vinhomes

VPBank (Vietnam Prosperity Joint Stock
Commercial Bank)

List of Interviewees and Resource Partners

Indonesia

Fazlur Rahman Hassan

Principal – Policy & Program, Indonesian Business Council

Mercy Simorangkir

Vice Executive Director, Indonesian Chamber of Commerce and Industry (KADIN)

Malaysia

Raja Nor Dianna Raja Harum

Head of Partnership – Strategy and Partnership, Yayasan Hasanah

Myanmar

Adam Castillo

President, American Chamber of Commerce Myanmar

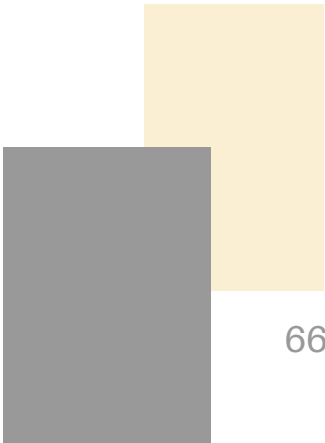
Danny Kyaw

Executive Director, American Chamber of Commerce Myanmar

Philippines

Celine A. Santillan

Executive Director, League of Corporate Foundations



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