

# **APEC Guidelines on Inclusive and Responsible Business and Investment (IRBI)**

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**APEC Investment Experts' Group**

**October 2024**



**Asia-Pacific  
Economic Cooperation**





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# 1. Introduction

This guidelines aims to provide businesses, policymakers, and other stakeholders with a comprehensive resource for understanding and implementing Inclusive and Responsible Business and Investment (IRBI) principles within the Asia-Pacific Economic Cooperation (APEC) region. The guidelines aim to bridge the gap between the principles of IRBI and their practical application, helping users translate these values into actionable steps. By offering insights, examples, and practical actions, the guidelines equips readers with the knowledge and tools to foster responsible business practices, enhance inclusivity, and contribute to sustainable and equitable growth.

The guidelines is structured to provide a holistic view of IRBI, starting with introducing the concept, its historical context, and its significance in the APEC region. It then elaborates on the five overarching principles and three pillars of IRBI, delving into the core values and mechanisms underpinning these principles. This comprehensive framework forms the backbone of the guidelines, offering users an in-depth understanding of the IRBI ecosystem.

The genesis of these guidelines lies in the collective dedication of APEC economies to transform the vision and commitment into to foster the principles of inclusive and responsible business and investment (IRBI) throughout the vast and diverse APEC region a tangible and impactful reality.

This vision was explicitly outlined in the APEC Putrajaya Vision 2040 and the Aotearoa Plan of Action 2021. One of the Pillars of the APEC Putrajaya Vision 2040 emphasises on the responsible business conduct, which characterises a robust, balanced, secure, sustainable, and inclusive growth of the APEC region. The Aotearoa Plan of Action 2021 represents a step in evaluating progress, with individual economies implementing policies to bring responsible business conduct into action.

At its core, IRBI initiative reflects APEC's unwavering commitment to nurturing economic policies, cooperation, and development that bolster the region's well-being and align seamlessly with global efforts to address pressing environmental, sustainability and governance challenges comprehensively. These encompass a broad spectrum of issues, ranging from the ominous threats of climate change to the immediate impacts of extreme weather events and natural disasters. The IRBI initiative, therefore, serves as a tangible manifestation of APEC's pledge to align

regional economic strategies with its profound aspirations for a sustainable and prosperous future.

These guidelines have been crafted to bring clarity and offer practical insights into the intricate dimensions of IRBI. The guidelines acknowledge the ever-evolving landscape of terminology and the dynamic best practices within this space. By doing so, our guidelines aim to give stakeholders a solid foundation to gain a deeper understanding and navigate the complex world of IRBI.

## **2. Background**

Around the world, including within the APEC region, responsible business is emerging as a framework that delineates the fundamental standards for how businesses and investment institutions should perceive and address their risks, and risks of their businesses and investments to other stakeholders. It also outlines the government's role in supporting and encouraging these responsible business practices.

The landscape of IRBI is continually evolving, marked by a proliferation of terms and concepts. These concepts encompass various intergovernmental and market-driven initiatives that advance IRBI, particularly in the environmental, social, and governance (ESG) spheres. Multiple initiatives and standards are being developed to guide and measure corporate practices. This evolution reflects the collective commitment of the global community to foster sustainable and responsible business conduct. Table 1 offers a glimpse of the diverse initiatives and efforts that contribute to the evolving discourse on IRBI:

**Table 1: Inclusive & Responsible Business and Investment Initiatives**

<b>1970s</b>	<ul style="list-style-type: none"> <li>• CSR initiatives since the 1960s – on philanthropy and charitable activities</li> <li>• OECD Guidelines for Multinational Enterprises (1976)</li> </ul>
<b>1997</b>	<ul style="list-style-type: none"> <li>• Global Reporting Initiative (GRI) – sustainability reporting</li> </ul>
<b>2000</b>	<ul style="list-style-type: none"> <li>• Establishment of the United Nations Global Compact (UNGC) – on sustainable and responsible business</li> </ul>
<b>2005</b>	<ul style="list-style-type: none"> <li>• Principles for Responsible Investment (PRI)</li> </ul>
<b>2008</b>	<ul style="list-style-type: none"> <li>• 10 Principles of the UNGP</li> </ul>
<b>2009</b>	<ul style="list-style-type: none"> <li>• Sustainable Stock Exchange Initiative (SSE) – as a UN partnership program with the United Nations Conference on Trade and Development, the UN Global Compact and the United Nations Environment Program Finance Initiative</li> </ul>
<b>2011</b>	<ul style="list-style-type: none"> <li>• United Nations Guiding Principles on Business &amp; Human Rights (UNGP-BHR) (2011)</li> <li>• OECD Guidelines for Multinational Enterprises – fourth vision with the enhanced standards (2011)</li> </ul>
<b>2015-2018</b>	<ul style="list-style-type: none"> <li>• Sustainable Development Goals (SDGs) (2015)</li> <li>• Paris Agreement – United Nations Framework Convention on Climate Change (UNFCCC) (2016)</li> <li>• Implementation of the UNGP-BHR &amp; National Action Plan (NAP) in 21 economies (Chile; Republic of Korea; and the United States have developed a NAP)</li> <li>• Establishment of the OECD’s National Focal Points for Responsible Business</li> <li>• Creation of G20 Inclusive Business Framework (2015)</li> <li>• The proliferation of market-based initiatives (e.g., human rights benchmark; enhanced principles and criteria for Roundtable Sustainable Palm Oil)</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>• Responsible Business Conduct was included in the Putrajaya Vision 2040, Pillar 1.</li> <li>• Responsible Business Conduct became a permanent agenda in the APEC Investment Expert Group</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>• Responsible Business Conduct was addressed in the Aotearoa Plan of Action 2021</li> <li>• Joint APEC Ministers Responsible for Trade (MRT) Statement in 2021 further outlined a stronger commitment of the APEC to boost business recovery and resilience against future shocks, vis a vis, to promote strong, balanced, inclusive, innovative, and sustainable growth in the region.</li> </ul>
<b>2023</b>	<ul style="list-style-type: none"> <li>• OECD Guidelines for Multinational Enterprises on Responsible Business Conduct</li> <li>• Responsible Business Conduct was included in the draft Core Elements of the ASEAN Post – 2025 Vision.</li> </ul>

Source: APEC Hybrid Workshop on IRBI (2023)<sup>i</sup>



While a specific concept regarding IRBI has not been formally established within APEC, it is evident that efforts to address issues related to ESG considerations are progressively taking shape. The initial foray of APEC into this arena can be traced back to the APEC Economic Leaders' Declaration for Action in 1995, which reaffirmed the collective commitment of APEC members to integrate environmental and sustainable development concerns into the fabric of APEC activities.

Building upon this declaration, in 1997, APEC economies were tasked with developing specific initiatives to implement the initial work programs for sustainable development. These initiatives emphasised vital aspects such as the sustainability of the marine environment, the promotion of clean technology and sustainable production, and the creation of sustainable cities.

The year 2001 marked a significant milestone in APEC's journey towards ESG integration and the pursuit of sustainable development. At this juncture, APEC made a robust and collective commitment to contribute actively to realising sustainable development goals. This commitment encompassed vital facets such as enhancing economic growth, fostering human and social development, and safeguarding the environment.

Issues related to IRBI are inherently multifaceted, cutting across various APEC forums and areas of interest. Addressing these complex and emerging issues demands a collaborative approach, one that is fortified by a robust regulatory framework, effective public governance, and the adoption of sound corporate practices across APEC economies. This strategic direction aligns seamlessly with the APEC New Strategy for Structural Reform (ANSSR), initially unveiled in 2010 and later updated as the Renewed APEC Agenda for Structural Reform (RAASR) in 2015.

Notably, Pillar 3 of the RAASR underscores the imperative for APEC economies to fortify their social policies, ensuring they are resilient, well-targeted, effective, and discrimination-free. This highlights the region's collective commitment to fostering inclusive and responsible business practices that contribute to the broader goals of sustainable development, structural reform, and inclusive growth.

Within the expansive domain of IRBI, corporate social responsibility (CSR) emerges as a vital point of focus for APEC. Given the prominence of the Asia-Pacific region as

home to many influential corporations, APEC plays a pivotal role in encouraging CSR practices and cultivating an enabling business environment. Such an environment empowers corporations to embrace sustainable and responsible business and investment practices.

The APEC Business Advisory Council (ABAC), serving as the private-sector arm of the regional economic group, holds a significant position to promote these ideals. ABAC is well-situated to encourage businesses to adopt sound CSR practices, integrating social and environmental considerations into their operations while actively supporting governments to enhance resource governance.

As APEC intensifies its endeavours to address IRBI-related issues, the APEC Bogor Goals progress assessment report in 2018 serves as a critical reference point. It emphasises the urgent need to (i) enhance transparency in government procurement, (ii) fortify the regulatory framework governing business conduct, and (iii) create a business environment that aligns with international standards in safeguarding public health, safety, cultural and moral values, and environmental protection and conservation.

Failure to address these gaps can impede APEC's realisation of its visionary objectives, including sustainable development, structural reform, and inclusive growth. Thus, these guidelines serve as a foundational resource, offering insights and strategies to empower APEC economies in their ongoing mission to foster inclusive and responsible business and investment practices for a more prosperous and sustainable future.

The Putrajaya Vision 2040 and the Aotearoa Plan of Action 2021 explicitly mentions the promotion of responsible business conduct. The APEC Putrajaya Vision 2040, Pillar 1, emphasises on the responsible business conduct, which characterises a robust, balanced, secure, sustainable, and inclusive growth of the APEC region. The concept of responsible business conduct was further expanded in the Aotearoa Plan of Action 2021. Based on the Aotearoa Plan of Action 2021, APEC economies will strengthen multi-stakeholder cooperation to promote responsible business conduct, particularly with the private sector. Economies will develop tools and adopt policies that foster responsible business conduct.

Following Malaysia’s hosting year of APEC in 2020, which first priority was on “Improving the Narrative of Trade and Investment,” the Investment Expert Group (IEG) under the Committee on Trade and Investment (CTI), IEG included IRBI as a permanent agenda item for IEG meetings. Malaysia hosted a Public-Private Dialogue (PPD) on IRBI on 2 November 2020. The PPD’s aims include to provide a platform among policymakers and businesses across the APEC region to exchange views in promoting and implementing IRBI. IRBI is an important component of investment policy in the APEC region, not only to advance the Sustainable Development Goals (SDG) but also to chart the future of business and investment strategies in the APEC economies.

Additionally, the Joint APEC Ministers Responsible for Trade (MRT) Statement in 2021<sup>ii</sup> further outlined a stronger commitment of the APEC to boost business recovery and resilience against future shocks, vis a vis, to promote strong, balanced, inclusive, innovative, and sustainable growth in the region.

### 3. Definition of IRBI

In the journey toward achieving *inclusive and responsible business and investment*, it is essential to recognise that no universally agreed-upon definition neatly encapsulates these intertwined concepts. Instead, many terms and phrases have arisen over time, often employed interchangeably to describe the incorporation of, *environmental, societal and governance* considerations into investment (Table 2).

**Table 2: Main dimensions analysis of the selected frameworks**

	Environmental	Social	Economic	Governance
CSR <sup>iii</sup>	Environmental stewardship	Human resource management	economic responsibility	Corporate governance
		Community outreach and investment		Regulatory compliance
<b>Core concept: sustainability strategies</b>				
ESG <sup>iv</sup>	Environmental criteria	Social: equitable sharing of resources across society	Corporate governance: an internal system of practices	

	<b>Core Concept: Sustainability strategies <i>measure</i></b>		
<b>IRBI</b>	Environmental: sustainable development	Societal: inclusive and social justice	Good governance: transparent, ethical, and accountable business practices
	<b>Core Concept: <i>process and measure of sustainability strategies</i></b>		

Source: (APEC,2005; OECD 2022, APEC Hybrid Workshop on IRBI, 2023)

Table 2 presents a comparative examination of three distinct frameworks: CSR (Corporate Social Responsibility), ESG (Environmental, Social, and Governance), and IRBI (Inclusive and Responsible Business and Investment). The analysis demonstrates that these three frameworks mutually reinforce and enhance each other. Nevertheless, each framework contributes uniquely to the broader landscape of responsible and sustainable business practices.

On one hand, CSR primarily offers a set of sustainability strategies and initiatives. It encourages businesses to proactively address their social and environmental impacts, embracing ethical and responsible conduct. CSR initiatives encompass various activities, from community engagement and philanthropy to environmental stewardship and ethical labour practices.

On the other hand, ESG focuses on measuring the effectiveness of these sustainability strategies. It provides a comprehensive framework for evaluating a company's performance in critical areas, such as environmental stewardship, social responsibility, and governance practices. ESG metrics and reporting enable stakeholders to assess the impact of a company's sustainability efforts.

IRBI, however, places emphasise the processes and approaches businesses and investors adopt to ensure inclusivity. It is mainly concerned with promoting economic policies and practices that are not only responsible and ethical but also inclusive, ensuring that all segments of society benefit from economic development.

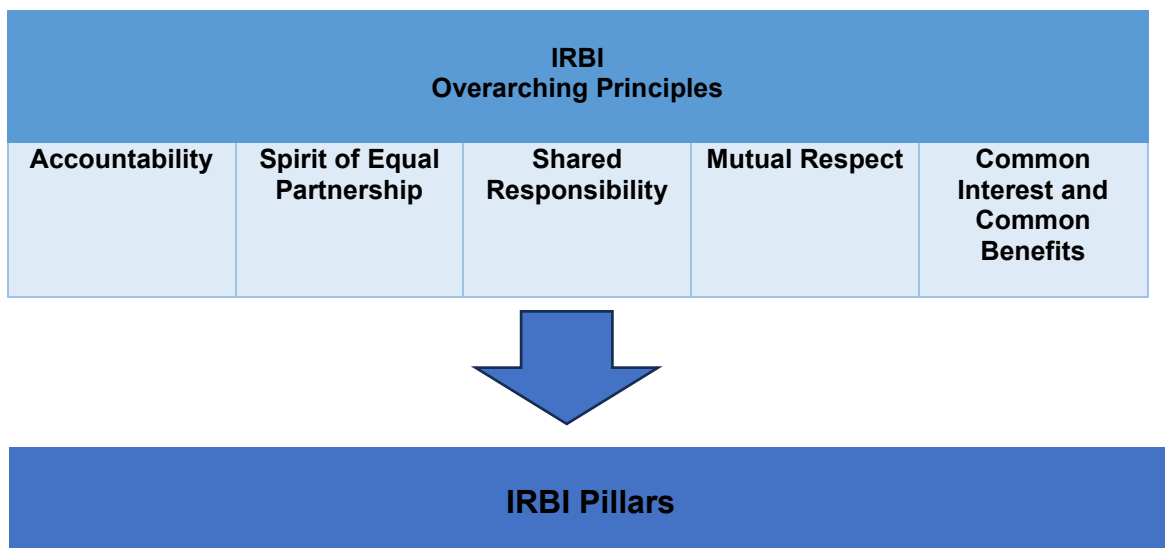
**In essence, these frameworks are not in competition with each other, but rather operate synergistically.** CSR initiates and fosters responsible practices within a business, while ESG evaluates the impact of these practices. IRBI complements this

by focusing on the overarching inclusivity of these practices, ensuring that they benefit diverse communities and populations. **Together, these frameworks create a comprehensive approach to responsible and sustainable business conduct, addressing not only the *what* and *how* but also the *who* in the realm of responsible business and investment.**

#### **4. IRBI Overarching Principles and Pillars**

The following sections provide an in-depth examination of the interplay between the five overarching IRBI principles and the three pillars, which are underpinned by a total of 14 distinct mechanisms. These mechanisms serve as the bridges that transform these fundamental principles and pillars into tangible actions for implementations. To gain a more profound understanding of how these elements coalesce and work in harmony, it is beneficial to conceptualise this intricate relationship as depicted below:

**Figure 1: IRBI Overarching Principles and Pillars**



IRBI Pillar 1: Good Governance	IRBI Pillar 2: Environmental – Fostering Sustainable Practices	IRBI Pillar 3: Societal – Fostering Social Inclusion and Justice
<ul style="list-style-type: none"> <li>• Effective and Transparent Disclosure</li> <li>• Combating Bribery and Any Form of Corruption</li> <li>• Strengthening Public and Consumer Interest</li> <li>• Open, Transparent, and Meaningful Public Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Management System</li> <li>• Stakeholder Engagement</li> <li>• Contingency Planning</li> <li>• Education and Training</li> <li>• Advocating for Responsible Public Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for International Labour Standards</li> <li>• Employment and Industrial Relations</li> <li>• Corporate Respect for Human Rights</li> <li>• Striving for Gender Equality</li> <li>• Digital Inclusion and Freedom of Information</li> </ul>

Source: APEC Hybrid Workshop on IRBI (2023)

### 4.1 IRBI Overarching Principles

Based on the APEC Putrajaya Vision 2040, the Aotearoa Plan of Action, the APEC and CSR and ESG documents, this document identifies five (5) overarching principles forming the foundation for IRBI. Each of the five (5) principles offers a unique perspective and guideline to foster ethical, sustainable, and inclusive economic growth.



**Principle 1 - Accountability:** At the heart of IRBI lies the principle of accountability. This entails upholding transparent, ethical, and accountable business practices. Accountability means that businesses entities must adhere to the highest standards of integrity and responsibility. It involves not only abiding by the rule of law but also actively seeking ways to elevate governance to ensure the well-being of all stakeholders.

**Principle 2- Spirit of Equal Partnership:** The spirit of equal partnership emphasises that IRBI thrives when all stakeholders are regarded as equals, irrespective of their size or influence. This principle champions the idea that the power of collaboration is maximised when diverse voices and perspectives are heard. In this spirit, businesses, governments, and communities unite as partners, each contributing their strengths to foster inclusive and responsible practices.

**Principle 3 - Shared Responsibility:** IRBI embodies the concept of shared responsibility, acknowledging that the pursuit of responsible business and investment is a collective effort. Businesses, governments, and communities share the responsibility to ensure that economic activities are carried out with a deep understanding of their social and environmental impact.

**Principle 4 - Mutual Respect:** Mutual respect is a cornerstone of IRBI, emphasising the importance of recognising the dignity and worth of every individual and organisation involved. The concept of IRBI hinges on respecting all stakeholders and valuing diversity. This principle underscores the need to foster a culture of respect that transcends domestic, cultural, and organisational boundaries.

**Principle 5 - Common Interest and Common Benefits:** At the core of IRBI is the principle of common interest and common benefits. It underscores the idea that inclusive, sustainable and responsible business practices should be aligned with the greater good of society and the environment. This means that business activities should aim, not only to profit, but also to contribute positively to the broader well-being of communities and the planet. It is about businesses recognising their role in achieving common goals for the benefit of all.

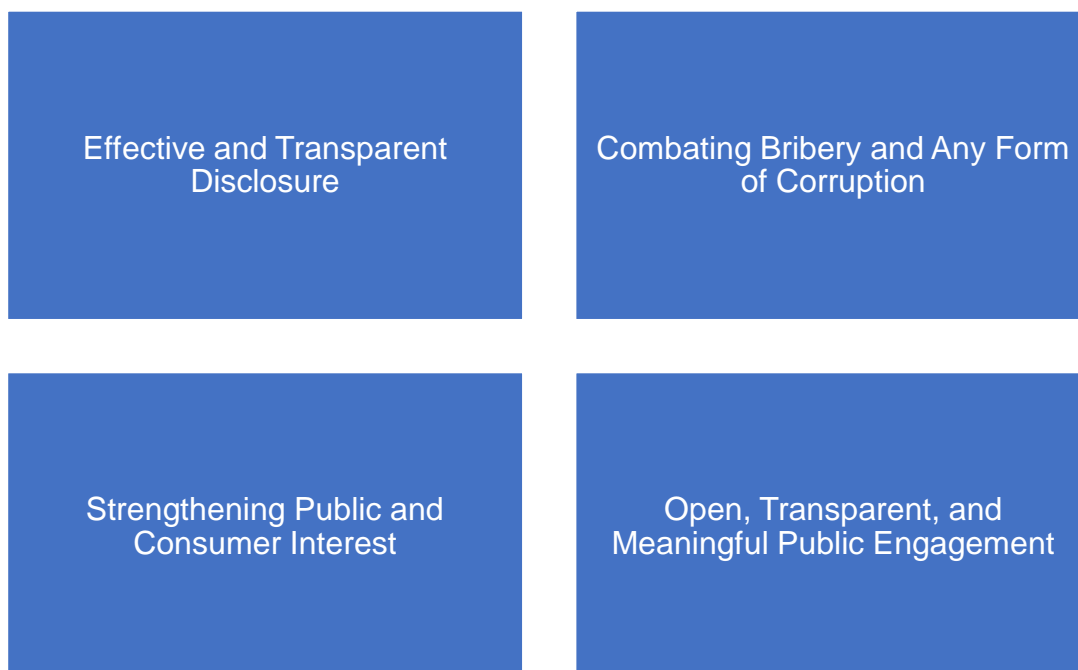
## 4.2 IRBI Pillars

### 4.2.1 IRBI Pillar 1: Good Governance - Fostering Ethical and Effective Business Conduct

The pillar of good governance within the IRBI framework is not an isolated concept but is intricately linked with and complemented by several key APEC documents. These documents, including the Good Practice Guide on Public Sector Governance 2011, the report on Facilitating Investment in APEC 2019, and the Guide on Government Strategies to Encourage Ethical Business Conduct 2020, underline the pivotal role of good governance in enhancing responsible business practices.

IRBI identifies four critical mechanisms within the principle of good governance together with the practical actions of each mechanism. These practical actions are designed to guide businesses in implementing responsible and ethical practices, reflecting the core principles of good governance within the broader IRBI framework.

**Figure 2: IRBI mechanisms within the principle of good governance**





**Effective and Transparent Disclosure:** This mechanism emphasises the importance of businesses providing clear and comprehensive information about their operations, financial practices, and environmental and societal impacts. Transparent disclosure fosters trust and accountability and enables stakeholders to make informed decisions. It aligns with the principles of IRBI by promoting open and honest reporting.

### Practical Actions

- Implement clear and comprehensive reporting mechanisms that disclose relevant information about business operations, financial practices, and environmental and societal impacts.
- Develop standardised formats for disclosure to ensure consistency and comparability across different aspects of business activities.
- Foster a culture of openness and transparency within the organisation, encouraging proactive communication of relevant information to stakeholders.

**Combating Bribery and Any Form of Corruption:** This mechanism addresses one of business's most significant ethical challenges. It involves implementing measures to prevent and combat bribery and corruption. Such actions are essential for maintaining responsible business practices and ensuring that companies operate with integrity. It aligns with the core principles of IRBI by promoting ethical conduct and compliance with legal standards.

### Practical Actions

- Establish and enforce anti-bribery and corruption policies within the organisation.
- Provide comprehensive training programs to employees on the importance of ethical conduct and the consequences of bribery or corruption.
- Implement robust internal controls and monitoring systems to detect and prevent corrupt practices, ensuring compliance with legal standards.

**Strengthening Public and Consumer Interest:** Recognising the significance of public and consumer interests, this mechanism encourages businesses to consider the welfare and rights of these stakeholders. By placing importance on the well-being of the public and consumers, companies align with the principles of IRBI, which promote societal inclusivity and responsible practices. This mechanism also underscores the importance of ethical considerations in business operations.

### Practical Actions

- Prioritise the public's and consumers' welfare and rights in business decision-making processes.
- Conduct regular assessments to identify and address potential impacts on public and consumer interests.
- Develop and communicate policies that demonstrate a commitment to ethical business practices that consider the broader societal implications of operations.

**Open, Transparent, and Meaningful Public Engagement:** Engaging with the public and various stakeholders openly and transparently is integral to building trust and fostering inclusivity. It allows for meaningful conversations and feedback that contribute to better decision-making. This mechanism aligns with IRBI principles by emphasising the need for open dialogue and collaboration with communities and stakeholders.

### Practical Actions

- Establish channels for open and transparent communication with the public and various stakeholders.
- Actively seek feedback and input from communities and stakeholders to inform decision-making processes.
- Participate in public forums, consultations, and collaborative initiatives to foster meaningful engagement and build trust with diverse groups.

These four critical mechanisms and practical actions within the principle of good governance are essential components of responsible business and investment. They help businesses adhere to ethical standards and contribute to the broader objectives of IRBI by promoting transparency, inclusivity, and sustainability.

## **4.2.2 IRBI Pillar 2: Environmental – Fostering Sustainable Practice**

The environmental dimension of IRBI within APEC is deeply rooted in a commitment to manage climate change and protect our planet's resources. APEC leaders articulated this commitment in the Economic Vision Statement 1993. The vision outlined in this statement underlines the critical importance of environmental preservation, including safeguarding air and water quality, preserving green spaces, and effectively managing energy resources and renewables. These principles are seamlessly integrated into the IRBI framework, reinforcing the commitment to combating climate change and addressing biodiversity loss.

The environmental principle underscores the belief that businesses and sustainable development need not be at odds. Instead, the IRBI Guidelines aim to cultivate synergies between them. The interconnectedness of economic, social, and environmental progress is a vital avenue for advancing the overarching objective of sustainable development. This perspective aligns closely with the widely accepted definition of sustainable development from the 1987 World Commission on Environment and Development, also known as the Brundtland Commission: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Within the IRBI environmental principle, five fundamental mechanisms have been identified to guide responsible and environmentally conscious practices. IRBI also has identified a set of practical actions designed to guide businesses in fostering sustainable environmental practices. These actions are grounded in the belief that businesses can play a pivotal role in advancing sustainable development by not only mitigating their environmental impact but actively contributing to global goals.

**Figure 3: IRBI mechanisms within the principle of environmental**



**Environmental Management System:** Establishing and maintaining a comprehensive environmental management system tailored to the businesses' specific operations, products, and services. This system should cover the entire life cycle of these aspects.

### Practical Actions

- Develop and implement a robust environmental management system tailored to the business's specific operations, products, and services.
- Ensure that the environmental management system covers the entire life cycle of the business aspects, from production to end-of-life considerations.
- Regularly review and update the environmental management system to align with evolving business practices and environmental standards.

**Stakeholder Engagement:** Conduct meaningful engagement with stakeholders where it is foreseen they may be subject to adverse environmental impacts associated with the business's operations, products, or services. This engagement helps to address concerns and foster transparency.

## Practical Actions

- Identify and engage with stakeholders affected by adverse environmental impacts associated with business operations.
- Conduct transparent and meaningful dialogues to address concerns, gather valuable insights, and build stakeholder trust.
- Integrate stakeholder feedback into decision-making processes and demonstrate a commitment to environmental responsibility through responsive actions.

**Contingency Planning:** Maintaining contingency plans to prevent, mitigate, and control severe environmental damage from operations, including accidents and emergencies and additionally, implementing mechanisms for immediate reporting to competent authorities in the event of such incidents.

## Practical Actions

- Develop and maintain contingency plans that outline preventive, mitigative, and control measures for potential environmental damage.
- Establish mechanisms for immediate reporting to competent authorities during accidents, emergencies, or severe environmental incidents.
- Conduct regular drills and simulations to test the effectiveness of contingency plans and ensure preparedness for unforeseen circumstances.

**Education and Training:** Providing adequate education and training to workers on environmental, health, and safety matters and equipping the workforce with the knowledge and skills needed to promote responsible practices.

## Practical Actions

- Provide comprehensive education and training programs for workers on environmental, health, and safety matters.
- Equip the workforce with the knowledge and skills to implement and promote responsible environmental practices in daily operations.
- Foster a culture of environmental awareness and responsibility among employees through continuous learning initiatives.

**Advocating for Responsible Public Policy:** Contributing to developing environmentally responsible and economically efficient public policies. This can be achieved through partnerships or initiatives that raise environmental awareness and protection standards.

## Practical Actions

- Actively participate in developing environmentally responsible and economically efficient public policies.
- Collaborate with government bodies, industry associations, and other stakeholders to advocate for policies that align with sustainable development goals.
- Engage in partnerships and initiatives that raise awareness about environmental protection and encourage the adoption of responsible public policies.

These guidelines emphasise businesses' pivotal role in advancing sustainable development, not only by safeguarding the environment but also by actively participating in global goals such as eradicating poverty, preserving the planet, and fostering peace and prosperity for all.

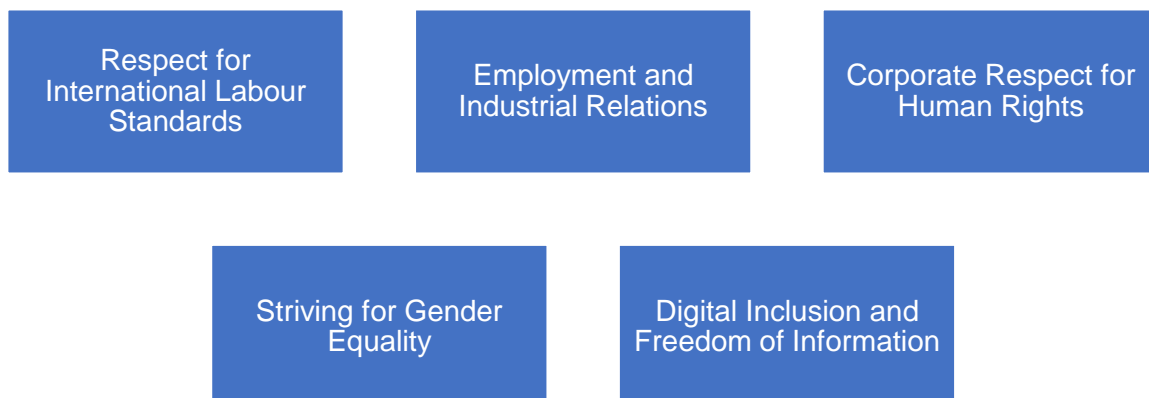
### 4.2.3 IRBI Pillar 3: Societal – Fostering Social Inclusion and Justice

The societal pillar of the IRBI principles centres on the interactions between businesses and the communities where they operate that promote social inclusion and social justice. It is a holistic concept encompassing labour relations, social diversity, and inclusion. These interactions occur within the context of a diverse and multifaceted society, and they have far-reaching implications for businesses and the communities they serve.

APEC recognised the paramount importance of strengthening social protection.<sup>v</sup> Social protection plays a vital role in bolstering the capacity of vulnerable individuals to participate in the labour market, nurturing human capital, and mitigating economic risks faced by those who are economically disadvantaged. This, in turn, fosters a more inclusive form of economic growth, aligning with the goals of IRBI.

A notable development within APEC economies is the adoption of the ILO Recommendation on National Social Protection Floors.<sup>vi</sup> This recommendation is valuable for social protection advocates seeking to build support within economies. The ILO defines these "floors" as nationally defined [sic] sets of basic social security guarantees to prevent or alleviate poverty, vulnerability, and social exclusion. Five fundamental mechanisms underpin the IRBI societal principle:

**Figure 4: IRBI Mechanisms within Societal Pillar**



**Respect for International Labour Standards:** The first mechanism revolves around promoting equitable minimum wages, addressing disparities in public sector pay and fostering a culture of fair compensation. Enhancing the inclusiveness of collective bargaining and agreements is a pivotal strategy for reducing inequality and extending labour protection.

### Practical Actions

- Promote fair and equitable minimum wages that align with international labour standards.
- Address disparities in public sector pay to ensure a more balanced and just compensation structure.
- Cultivate a culture of fair compensation by implementing transparent and inclusive wage policies.
- Actively engage in collective bargaining to establish fair wages and working conditions.

**Employment and Industrial Relations:** The second mechanism ensures that workers are protected against fluctuations in their earned income from job loss. This measure is instrumental in enhancing workers' and their families' overall well-being and financial stability, thereby fostering social inclusion and justice. This mechanism empowers employers, trade unions, and organisations to establish equitable wages and working conditions, contributing to a more just society.

### Practical Actions

- Establish comprehensive measures to protect workers from income fluctuations resulting from job loss.
- Implement social protection programs to enhance workers' and their families' overall well-being and financial stability.
- Empower employers, trade unions, and organisations to collaboratively set equitable wages and working conditions.
- Support mechanisms for workers facing job loss, including retraining and reskilling initiatives.



**Corporate Respect for Human Rights:** The third mechanism specifies how businesses can create a non-discriminatory and decent working environment and help contribute to the respect of human rights in the broader community. By establishing a workplace that respects human rights and fosters inclusivity, businesses contribute to a more just and equitable society where all individuals are treated fairly.

### Practical Actions

- Create a non-discriminatory and inclusive working environment that upholds human rights principles.
- Develop and communicate policies that prohibit discrimination in all aspects of employment.
- Foster a workplace culture that values diversity and ensures equal opportunities for all employees.
- Implement training programs to educate employees on human rights principles, including in the broader community, and the importance of an inclusive workplace.

**Striving for Gender Equality:** The fourth mechanism underscores the imperative of achieving gender equality. By promoting gender equality within the workplace and the broader community, businesses can play a pivotal role in reducing disparities and promoting social inclusion and justice by increasing women's participation in decision-making processes and closing gender pay gaps.

### Practical Actions

- Implement gender equality policies that promote equal opportunities for men and women in the workplace.
- Close gender pay gaps by conducting regular pay equity assessments and addressing disparities.
- Encourage women's participation in decision-making processes at all levels of the organisation.
- Support initiatives that empower women economically and promote gender diversity in leadership positions.

**Digital Inclusion and Freedom of Information:** The fifth and final mechanism emphasises the importance of digital inclusion and freedom of information. In an increasingly digital world, ensuring everyone has access to information and the digital tools needed to participate in society is vital for promoting social inclusion and justice.

### Practical Actions

- Foster digital inclusion by providing all employees access to digital tools and resources.
- Implement training programs to enhance digital literacy and ensure everyone can participate in the digital economy.
- Advocate for policies that promote freedom of information and ensure transparent communication.
- Support initiatives that bridge the digital divide and promote equal access to information and technology.

The societal pillar of IRBI encapsulates the commitment of APEC economies and businesses to foster social inclusion and justice. By implementing these five fundamental mechanisms, companies contribute to a more equitable and just society, aligning with the broader goals of IRBI and the APEC forum. Social inclusion and justice are pivotal components of responsible and inclusive business practices, and by embracing these mechanisms, businesses can actively contribute to these objectives.

## 5. Conclusion

In conclusion, the principles of IRBI stand as a beacon of commitment and collaboration within the APEC region. These principles, established in alignment with the APEC Putrajaya Vision 2020, represent a profound dedication to fostering a future characterised by inclusive, responsible, and sustainable economic development.

The journey towards achieving the ideals of IRBI unfolds in an environment where multiple frameworks and initiatives coexist, each contributing uniquely to the broader landscape of responsible and sustainable business practices. The comparative analysis of three vital frameworks—Corporate Social Responsibility (CSR), Environmental, Social, and Governance (ESG), and IRBI—reveals a harmonious and complementary relationship. CSR lays the foundation for sustainability strategies,

ESG measures their effectiveness, and IRBI centres on the processes that promote inclusivity and responsibility. As APEC economies embark on this collective endeavour, IRBI not only emphasises the necessity of responsible business practices but also recognises the integral role of good governance, transparency, accountability, and social inclusivity in achieving their goals. The APEC region's commitment to the FTAAP agenda reflects its unwavering determination to realise these principles through high-standard, comprehensive regional initiatives.

The significance of these efforts extends far beyond the realm of business. They resonate with the broader global goals to combat climate change, protect the environment, and eradicate poverty. By embracing the principles of IRBI, APEC charts a course towards a brighter, more sustainable future, where prosperity is intricately interwoven with environmental responsibility, and the region stands united in addressing pressing global challenges. The IRBI initiative is a testament to the transformative power of collaboration, a shared vision, and a commitment to ethical and responsible business practices. It represents a promising trajectory towards a future where economic growth is robust, balanced, secure, sustainable, and profoundly inclusive. In this pursuit, APEC economies take a meaningful step towards leaving a lasting and positive impact on their communities and the world.

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