

2003 Taiwan CSR Survey

Executive Summary

A nationwide corporate social responsibility (CSR) survey has been conducted recently. There were more than two thousands CEOs and top management personnel of Taiwan's companies were involved. This survey was part of a CSR study, commissioned by the Industrial Development & Investment Center (IDIC), Ministry of Economic Affairs, and its aim was to explore the difference of the attitude and willingness to implement CSR practices between Taiwan's business leaders and those leaders of global multi-national companies (MNCs). The objective of this survey has four folds. First, thoroughly review the concept and practices of global development of corporate social responsibility. Second, through questionnaire to investigate the recognition of Taiwan's business leaders on the OECD Guidelines for Multinational Enterprises and their willingness to implement those practices of OECD Guidelines. Third, conduct factor analysis to explore how the attributes of enterprises (sectors, scale, etc.) affect the attitude and willingness. Fourth, provide suggestions and strategic recommendations for government in promoting CSR in Taiwan.

The questionnaire consisted of two parts, questions on companies' background and practices of OECD's Guidelines. The results of the survey, based on 161 CEOs responded, could be summarized as follows:

- More than three quarters (78.6 %) of the CEOs have very strong confidence on next year's economic prospects.
- However, more than half of the CEOs (54.1%) think government does not pay too much attention on their needs. They think to improve the investment environment is not a priority of government (52.2%). Moreover, they think business and government did not get along well during last 12 months

(57.5%).

- There are more than 90% of CEOs can fully understand the meaning of sustainable development, which includes three aspects of economic, environmental and social.
- More than half of CEOs think the domestic pressure is primarily comes from regulations (57%), community (54.6%), shareholders (51%), and suppliers (49.7%).
- Based on this survey, the most important five elements of CSR are employee rights and industrial relations (88.1%), corporate governance (63%), environmental protection (69.4%); consumer interests (53.8%), and harmonize with community (38.8%).
- About two-thirds of CEOs (67.5%) said their companies have gradually complied with the international CSR practices or code of conducts. The most common practices include sponsoring community activities (54.1%), donating money or goods (44.1%). About one-fifths of CEOs (21.9%) consider CSR has no standard, and it is enough just do whatever it is right.
- There are more than half of CEOs (55.7%) considered to integrate their companies' sustainability information into financial annual report. About the same percentage of CEOs (5.7%) said they are willing to publish CSRs following international standard or they are not interesting in this issue.
- Most of the companies have adopted “sustainable development” and “support and adopt good corporate governance practices” as their general policies when they invest oversea.
- More than 70% of CEOs consider the importance of information disclosure, however, only less than 30% of CEOs are willing to reveal their non-financial information (such as environmental information).
- Most of the CEOs (85%) value the employment and industrial relations, as

same as their willingness and actual implementation (75%).

- Most of the CEOs think environmental, health and safety (EH&S) is very important, and they are willing and have already implemented it.
- Most of the CEOs despise the bribery, and they are agree with the practices of OECD Guidelines
- All CEOs value the importance of consumer interest, and and they are willing and have already implemented it.
- Regarding the science and technology development, most of CEOs are willing to do the technology transfer and know-how diffusion with local universities and research institute.
- Most of the CEOs think fair competition is very important, and they are willing and have already implemented it.
- CEOs all consider paying tax honestly is very important, and they are willing and have already implemented it.

Most CEOs have positive response to the OECD guidelines and they are willing to implement those guidelines, however, only thirty percent of CEOs said they have fully adopted the general policies of OECD guidelines. Hence, improvements still can be make in the future. Based on this survey, it is suggested that government should develop proper managing mechanism to combat bribery and uphold sound corporate governance structure. Meanwhile, government should provide some incentives or momentum to help business willing to transfer science and technology to their host developing countries. Besides, government should help business to understand the whole picture of CSR. Finally, government should help financial sectors and small and medium enterprises (SMEs) to build up their EH&S and CSR practices.