

Mobilising Business into Action for the Circular Economy in ASEAN



WHERE WE ARE

Circular economy speaks to the imagination as an alternative to the prevailing linear take – make – use – throw away economy that continues to drive rapid increases in the extraction and use of natural resources. The resulting high resource use intensity of the economy is a principal cause for the current triple planetary crises, comprising of climate change, loss of nature and biodiversity and accumulation of pollutants and wastes. Beyond isolated business cases, economy wide resource use assessments and policy intent, there is a **void in practical initiatives that turn the circular economy into a reality** in the EU, ASEAN and indeed globally.

Circular economy has become to mean very different things to different people, businesses and policy makers, impeding collective action and lending an alibi to either romanticise recycling, or green wash regular business practices and/or simply do nothing. Business responses are further differentiated by a firm's individual assessments of the local and market relevance of circular economy and the actual or perceived levels of business responsibility for the materials and resources used in their products and services throughout their respective lifecycles.

In the policy domain circular economy is relevant to - yet equally competes for resources with - climate change, waste management, nature conservation, innovation and economic development. A circular economy would though have no leakage or wastage, and thus, at least conceptually, be net zero. Indeed, arguably, **circular economy, net zero and nature positive are all sides of the same coin**. ASEAN has committed itself to a circular economic transition, complemented by country level initiatives in a growing number of ASEAN Member States.

Efforts are underway globally to harmonise circularity principles, actions and metrics, particularly through the development of the ISO 59000 series of standards¹. Furthermore, the EU has released the European Sustainability Reporting Guidelines (ESRG)² with a subsection on circularity of products, operations and supply chains. These will become mandatory for large EU based manufacturers and importers to report from 2024 under the EU Corporate Sustainability Reporting Directive (CSRD)³.

1 <https://www.iso.org/standard/80649.html>

2 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464>

3 https://ec.europa.eu/finance/docs/level-2-measures/csr-delegated-act-2023-5303-annex-1_en.pdf

WHERE WE WISH TO BE

Circular economy is poised as today's best option to break the economic and social dependence on the massive use of materials, energy and other natural resources that locked us into the triple planetary crises. This circular economy ambition however cannot be met by 'dressing up' recycling for the 21st century. Instead, **circular economy calls on businesses and other organisations to take responsibility for the resource use and waste generated through their activities and decisions, as part of their (corporate) social responsibility (CSR)**. Indeed, circular economy will benefit from accompanying efforts in other core CSR subjects, particular governance, fair operating practices, labour and community development.





In a circular economy businesses and industries change products, services and operations so as to increase recovery and reuse to eliminate current wastes, increase the efficiency of use of all natural resources, and increase the sustainable use of renewables. **The circular economy provides templates for ideation and innovation, upon which the resulting ideas need assessment to confirm net environmental benefit and prioritised on likely impact before subsequent development, implementation and commercialisation.** This is the domain of business and innovation and a breeding ground for entrepreneurship.

It is both logical and imperative that business and industry get on board to realise this circular economy transformation. **Forward looking firms that commit with intent and integrity to circular economy are the likely ones to succeed and be rewarded in tomorrow's markets that will prioritise and value net zero and nature positive products and services.** Furthermore, these firms will act as change agents to bring together government, industries and other producers, consumers, workers, and civil society behind the circular economy ambition and its realisation.

WHAT WE ARE DOING

The ASEAN CSR Network with support from the EU SWITCH-Asia Policy Support Component (PSC) on Sustainable Consumption and Production (SCP) and Circular Economy works to **mobilise, catalyse and facilitate business action for the circular economy in ASEAN Member States**. This has set out to arrive at a unifying and localised framework for business action on circular economy and engage extensively with the ASEAN business sector to uncover and learn from current circular economy or alike initiatives and their business cases and explore opportunities for collective commitment, business action, learning and advocacy.

This business-led initiative will:

-  Facilitate arriving at a **shared understanding** of the criticality, scope and business case of circular economy in ASEAN;
 -  Fact-find, analyse, document and draw lessons for replication and scaling from **business experiences** with circular economy in ASEAN; and
 -  Engage business sector to ascertain and foster **business commitment and ambition** on the circular economy in ASEAN.
-  The initiative focuses first on **Cambodia, Indonesia, Philippines, Thailand and Viet Nam**, with the intent to expand ASEAN wide, based on the experiences and learnings in these five initial countries.

WHO WE ARE

switchasia



Funded by
the European Union



Launched in 2007, the **EU SWITCH-Asia Programme** is the single largest programmatic investment to promote and facilitate the uptake of sustainable consumption and production practices in the Asia and Pacific region. Under the current phase of its Policy Support Component (PSC), SWITCH-Asia lends advisory support to multi-country and sub-regional initiatives on policy and practices for sustainable consumption and production and their contribution to circular economy and achievement of Nationally Determined Contributions to the Paris Climate Agreement.

The **ASEAN CSR Network** is a recognised entity of ASEAN that brings together business membership organisations and businesses from ASEAN Member States to catalyse and facilitate – corporate - social responsibility: the practice of businesses and other organizations taking responsibility for the impacts of its activities and decisions on society and environment, with a view to support sustainable development. This includes consideration of business and industry contributions to the triple planetary crisis and opportunities to mitigate this through resource efficiency and circular economy - actions that cannot be seen independently from other core CSR subjects, particularly organizational governance, adoption of fair operating practices, labour and community engagement and development.

THE TEAM



Thomas THOMAS

CEO, ASEAN CSR Network, Singapore

thomas@asean-csr-network.org



Ratana PHURIK-CALLEBAUT

Senior Expert, Cambodia, SWITCH-Asia PSC

ratana.phurikcallebaut@gmail.com



Sarinastiti ATMOJO

Senior Expert, Indonesia, SWITCH-Asia PSC

nsarinastiti@gmail.com



Lisa ANTONIO

Senior Expert, Philippines, SWITCH-Asia PSC

lantonio.consultant@gmail.com



Chutatip MANEEPONG

Senior Expert, Thailand, SWITCH-Asia PSC

cmaneepong@gmail.com



Le Ha THANH

Senior Expert, Viet Nam, SWITCH-Asia PSC

lehathanhneu@gmail.com



Rene VAN BERKEL

Senior Expert, Circular Economy and Resource Efficiency, SWITCH-Asia PSC, Thailand

van.berkel.rene@gmail.com



Loraine GATLABAYAN

Key Expert, SCP Awareness and Partnership Building, SWITCH-Asia PSC, Thailand

loraine@switch-asia.eu



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