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Understanding the Motivations for Business to Create Shared Value 18 Case Studies

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18 Case Studies

Introduction - a Mix of Motivations for All but Organised in the Primary

In this section, there are 18 case studies listing companies from Hong Kong and around the world who are embracing business for good. This is a snapshot of different types of activities, not a comprehensive analysis. The write-ups are based on interviews that the Consulting Team conducted mainly in the third and fourth quarter of 2019.

Since this study is interested in what motivates businesses to do good, this section has been organised around three broad categories, based on our research and the interviews. The three categories are 1) New business opportunities 2) Leadership and 3) External influence. In reality, **there are a variety of drivers that are driving these companies to behave differently, not just one.** We have clustered the cases around the primary driver to do good. This categorisation should not be viewed in a strict sense - rather the motivations are interlinked and not mutually exclusive.

New Business Opportunities Whilst Transforming Society

This section lists companies who are primarily motivated by finding a new business opportunity, at the same time as tackling a societal challenge.

Hong Kong Broadband Network

Purposeful Profits

HKSAR

"Under the goal of Making Hong Kong a Better Place to Live, HKBNers share a strong collective alignment of interest, and are extra passionate to deliver products, services and outcomes that are always great for our stakeholders and Hong Kong's communities. And when these occur, we know, compelling business performance and profits will absolutely follow in tandem as evidenced by our results."

- NiQ Lai, Co-Owner & CEO, Hong Kong Broadband Network



NiQ left investment banking and joined HKBN in 2004 with a substantial pay cut. He was attracted by the vision of the company founder, who wanted to grow the company as the no.1 telecom service provider in Hong Kong and make telecom services affordable to the masses. NiQ is passionate about developing HKBN talents because he believes if you get the people right, the company will do great. He was appointed as Chief Talent & Financial Officer in 2016 and Group Chief Operating Officer in 2017 before he took the helm as CEO in 2018.

The Company

Hong Kong Broadband Network (HKBN) is part of the HKBN Group, a leading integrated telecommunications and technology services provider headquartered in Hong Kong with operations spanning across Hong Kong, Singapore, Malaysia, Mainland China and Macau. It was established by Hong Kong Television Network Limited (formerly City Telecom (H.K) Limited) with Ricky Wong as the founder, a legendary entrepreneur in Hong Kong.

Company Vision and Values

HKBN's vision is to "Make our Hong Kong a Better Place to Live", through its work and by inspiring others to do likewise. Its core values are to be: Trustworthy, Responsive, Entrepreneurial and Engaging.

The Strategy

Purposeful Business as a Core Competitive Advantage

In 2012, HKBN quantified “Make Hong Kong a Better Place to Live” as its company’s core purpose to provide a shared goal and to align action amongst all of its employees. HKBN does not have any staff, rather it has only Talents, with a capital T. The company is built on making purposeful profits. It believes its business is best served by creating a positive impact for Hong Kong and its stakeholders. When the company does this right, sustainable profits will follow. “We are not a charity, we are a for profit company. Making money is important, but we think this is the outcome of what we do, not why we do it. We emphasize impact. We truly care about the impact we have on people around us.” NiQ said with his strong conviction and passion.

Legally Unfair Competitive Advantage (LUCA)

A purposeful business that creates value for their customers, employees, suppliers and the community is an integral part of creating what they call LUCA (legally unfair competitive advantage). HKBN’s environmental, social and governance commitments go beyond regulatory requirements. Its ESG framework (see the diagram on p.56) comprises 5 pillars: Innovation for Customers, Total Rewards for Talents, Responsible & Win-Win Supply

Chain Partnerships, Technology & Expertise for Community Betterment and Minimising Environmental Footprint. Three of the pillars and how purpose, innovation and profits go hand in hand are set out below:

Innovation for Customers

HKBN was founded with a vision to deliver affordable and accessible telecommunication services, which it believes is essential in a strong and prosperous society. For this reason, it has set the price ceiling for its 100Mbps residential fibre broadband service (launched in 2005) at 1% of Hong Kong’s median household income. Instead of following legacy market practices, its disruptive DNA has led the company to tailor services for the benefit of consumers. Since September 2016, HKBN was the first service provider in Hong Kong to offer integrated 4-in-1 quad-play service plans (home broadband, mobile, OTT entertainment and home telephone service) on one integrated bill at significantly discounted prices.



Source: HKBN corporate website

Total Rewards for Talents

In May 2012, HKBN underwent a Management Buy-Out (MBO) and is now majority-owned by CVC Capital Partners with over 340 supervisory and managerial Talents under a Co-Ownership scheme. Staff voluntarily invest their own savings in the amount of between 2 and 2412 months of salary to acquire HKBN stock.

Through this dual role as both investors and Talents, the Co-Owners are incentivised with “skin in the game” to watch over all aspects of HKBN’s performance and competitiveness. The scheme is also part of HKBN’s vision to narrow the income gap in Hong Kong with the Co-Owners sharing the wealth creation process. So far, HKBN has minted about 100 HK\$ becoming “millionaires” since its MBO, far more than any other telecom companies in HK. HKBN’s ethos is that Talent will not get rich working for HKBN, rather they may do very well WITH HKBN.

In addition to financial incentives, HKBN is a pioneer in investing significantly in building a happy, healthy and productive organisation

culture. Some of HKBN’s unique benefits include a shortened 35-hour work week, with paid leave entitlements eg. half day Friday off each month and birthday leave. There is also an annual experiential trip to different parts of the world to inspire its managerial Talents with a range of eye-opening exposure and unique learning experiences.

Technology & Expertise for Community Betterment

HKBN takes a unique approach which goes beyond pure philanthropy to focus on efforts that generate purposeful good by way of sustainability and empowerment. It has a Corporate Social Investment (CSI) scheme — led by its Talents and the company resources — to initiate an array of “Technology for Good” programmes to help local communities. “Net’s Be Wise”, for example, is Hong Kong’s first-ever cyber wellness movement designed to enhance the Digital Intelligence (“DQ”) of 2,000 primary school students aged 8–12 and offer solutions to help mitigate potential cyber risks. The programme may eventually also lead to new business opportunities with the introduction of routers to help parents monitor their children’s internet usage.

HKBN also seeks opportunities to enable more social enterprises to thrive and become sustainable. It works with iEnterprise to engage disabled individuals in its telephone number



HKBN Talent Engagement team celebrates a massive win as HKBN was named one of Asia’s best companies to work for.

enquiry service. In 2018, it expanded this collaboration by extending part of its online chat service to the team with specialised customer service training to help diversify their competencies, and better improve their career prospects.

The Impact: Purposeful Profit

HKBN has become Hong Kong's leading, fastest growing and most profitable fibre carrier. Its market capitalization today of HK\$20 billion is 10,000 times bigger than its start-up capital of HK\$2 million in 1992. It won the Best Broadband Carrier from Telecom Asia Awards in 2018 and has received numerous accolades as one of the best employers in Hong Kong.



Happy turnout for internal Co-Ownership 3 Plus Roadshow



- Made the **PURPOSE** of business as competitive advantage
- Innovated the business offerings to meet the needs of existing and new customers
- Gave staff a stake in the business and treated the workforce as the company's most valuable asset with progressive talent development and management policies
- Created a happy and healthy work culture to drive productivity
- Leveraged the company's core competence in its CSR activities

Humansa

Turning a Social Problem into a Business Opportunity

HKSAR

"The elderly care industry is a market that has not seen great changes. I hope to introduce innovative thinking with a humanised and technological approach."

- Kenneth She, CEO, Humansa



Kenneth She is the Head of Aging & Wellness at New World Development (NWD). He joined NWD in September 2018 to lead Humansa, a holistic health care service provider to address cross-generational caring needs. Prior to joining NWD, Kenneth was the General Manager of Uber Hong Kong and before that an investment banker. He was a graduate of Li Po Chun United World College and did the Master of Engineering at University of Oxford. Kenneth joined NWD to lead Humansa, partly because of his personal aspirations to improve the quality of elderly care in Hong Kong. From a young age, he accompanied his parents to visit his grandparents at elderly homes and observed the inadequacies.

The Company

Humansa is part of the NWD group. Founded in 1970, NWD is a publicly-listed company with businesses in property development, infrastructure and services, retail, hotels and serviced apartments. Dr Adrian Cheng, Executive Vice Chairman and General Manager of NWD, is the third generation of the family. He has been transforming the NWD as a progressive, innovative and entrepreneurial organisation since he assumed the Joint General Manager position in 2012.

Humansa was established in 2018 to provide quality and holistic health and care services. It has two private rehabilitation and wellness centres in Hong Kong. They provide neurological health treatments, pain management, wellness and therapeutic exercise classes etc.

Company Vision and Values

NWD seeks to build a better society through innovation and sustainable growth. Its core values are:

- Intrapreneurship
- Innovation
- Internationalism
- Anticipating customer needs
- Nurturing young talents

The Opportunity

Turning an Ageing Society into Opportunity

Like many other economies, Hong Kong is facing the challenges of a rapidly ageing population, with increasing pressure on the public hospital system, growing demand for residential care services and community care services for the frail elderly, and the need to educate the public on the concepts of preventive health care and active ageing. By 2037, the number of Hongkongers aged 65 and above is expected to more than double to 2.5 million. According to Consumer Council data, the elderly care market in Hong Kong is estimated to be worth almost HK\$140 billion by 2036.

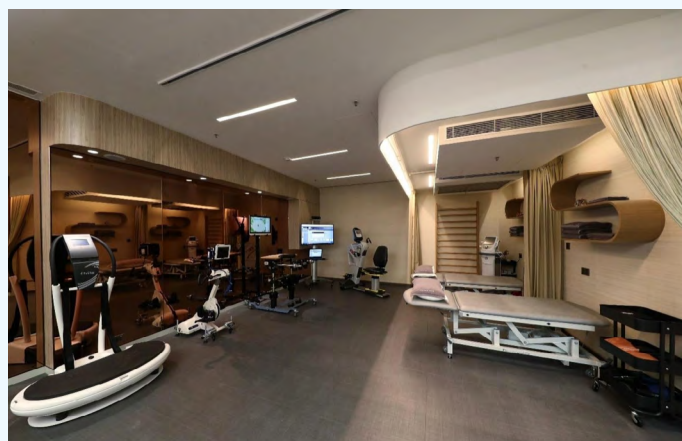
Driven by the company vision and values, Dr Cheng saw the enormous needs and opportunities in the ageing society of Hong Kong and the Greater Bay Area. He hired Kenneth in 2018 to spearhead the setting up of Humansa, an eponym of "Human" and

"Answer". It seeks to take an innovative approach to address the cross-generational caring needs through a professional, holistic and humanised approach.

The Strategy

Reimagining Ageing

Kenneth underscores the need to reimagine the needs of the elderly and their carers in Hong Kong with (1) a lot more attention to preventive care to reduce the social and family burdens in caring for the elderly and (2) a step change in upgrading the quality of elderly care services, powered by technology and business model innovation. Humansa was therefore conceived as a quality and holistic health care service provider with services ranging from wellness, health screening, rehabilitation, home care and home management. "Hong Kong is lagging very much behind Japan or even Taiwan in elderly care provisions. There is a lot we can do to raise the bar," Kenneth said.



Humansa enables ageing in place, but also ageing well and healthier by providing wide range of services on prevention, pre-habilitation and rehabilitation

Technology and Innovation at the Core

Humansa utilises hospital-grade treatment equipment, most-advanced medical technology, fitness and rehabilitation equipment. Some of the state-of-the-art technology used by Humansa include the HandyRehab robotic hand, a mechanical glove that helps patients regain their hand movements, “retina photography” to assess risks of stroke and heart diseases, and virtual reality games to provide patients with fun rehab training.

Kenneth hoped to apply his experience of running Uber Hong Kong to the operations of Humansa, using big data and innovation technology. Under his leadership, Humansa is developing a digital platform for service automation, as well as analysis of health data and recommendations of personalised interventions. The digital platform aims to be an open architecture for startups, NGOs and

other health care service providers to enhance their research and development capability for the greater benefit of the beneficiaries in the Greater Bay Area region. “We would love to join forces with other players in the industry, with each player capitalizing on its own strengths and resources,” Kenneth added.

Improving the Professionalism and Image of the Elderly Care Industry

Hong Kong is facing acute shortages in the elderly care industry given the perceived lack of prospects, unattractive working conditions and low esteem of the caring service providers. Humansa has a core team of over 100 staff, with the majority of them hired from the non-profit sector with prior elderly care experience. Through a more professional (and up market) approach (better pay, work environment and prospects), Humansa hopes to address the image problem of the industry, thereby attracting more people to join this sector and providing aspirations for existing elderly care service providers to move up their career ladder. To tackle the manpower issues of this sector, Humansa is also planning to set up a training academy for health care service providers in Hong Kong.

Synergy with NWD Businesses

As one of the first movers, NWD is set to reap the benefits of a potentially lucrative market and at the same time change the paradigm of elderly



ARIA – a 10-minute process to test for stroke risk, where a patient simply undergoes a non-invasive retina scan

care for the common of Hong Kong and the Great Bay Area. Dr Cheng's vision is to create a new ecological life cycle with other companies in the NWD group, and in particular with considerable synergies between its property businesses and the home and health care offerings of Humansa. There are cross-promotion of offerings to give more value-added services to their customers. They plan to integrate senior living elements into NWD's future property projects.

The Impact: Spillover Benefits to the Wider Society

Whilst Humansa serves the more affluent segments of the society, it has demonstrated that its impact on the society can cascade down to other people by setting a high benchmark of elderly care services, attracting more new blood to the industry, providing infrastructure support (e.g. the training academy and the open data platform) that will benefit the entire industry and last but not least, relieving the elderly care burden on the public and NGO sectors and thereby allowing those without the economic means to have better access to more affordable elderly care services. As Humansa scales its business, they would also be able to offer more affordable prices to attract a wider base of customers with each care session costing about a few hundred dollars.



- Crafted long term vision and strong corporate values to guide the sustainable development of the company
- Turned unmet needs of the society into new and synergistic business opportunities
- Innovated the business with data and technology
- Invested in talent development to meet the organisation's needs and for the greater good of the industry

Stan Group

Sustainable Business via Purposeful Growth

HKSAR

*"Our motto **today is for tomorrow** underpins our vision in sustainability. For Stan Group, sustainability is an opportunity to innovate, make progress and improve efficiency while striving to make a difference to our communities and transform them."*

- Stan Tang, Founder and CEO, Stan Group



Stan Tang is the youngest son of Mr Tang Shing-bor. He joined the family business and founded Stan Group in 2013. He is a strong believer in lifelong learning, completed two masters in Business Administration and Innovation Leadership respectively, and several executive education programmes in coaching, digital technologies and design thinking. He is now pursuing the third master in Global Political Economy. Stan is also keen on taking physical challenges, from hiking, running to winter swim. He believes it is important to set audacious goals. Inspired by J F Kennedy's vision of sending people to the moon, he encourages his staff to shoot for the moon.

The Company

Mr Tang Shing-bor built the family's property business for over 50 years. Stan took over the family business in 2013 and diversified the business into a conglomerate with property, hospitality, communication services, financial services and The STILE (innovative businesses with social purposes).

Company Vision and Values

Stan Group was founded with a vision of building a better world. Stan is influenced by the ideology of "Confucianism in Business". The Stan Group logo (with the ripples) symbolises his aspiration to influence and transform. Stan wants his business heads not only to be leaders in the group but also transformational entrepreneurs. The logo also signifies the "Today is for Tomorrow" principle, with sustainability embodied in its creating shared value (CSV) philosophy. The company values, derived from the ideology of

“Confucianism in Business” and contemporary corporate governance, include:

- Harmony
- Culture Development
- Innovation, Human-Focus, Collaboration & Entrepreneurship
- Creating Shared Value

The Opportunity

Supporting and Nurturing Entrepreneurs

Having noticed the difficulties faced by start-ups, Stan made use of one of the Group’s real estate properties to establish The Wave in 2016 - a co-working space cum exchange platform that offers support to budding enterprises. In late 2018, Stan Group launched the STILE Initiative, a start-up ecosystem builder in the APAC region. The STILE Initiative is the first programme in the region that provides accommodation, office space, and investment for start-ups. “The STILE Initiative has been designed to foster engagement between corporations



The Wave: a co-working space and exchange platform for budding enterprises

and entrepreneurs. The aim is to drive the development of innovation within Hong Kong’s start-up community, and stimulate the development of new industry solutions across the board,” Stan said.

Reinventing Elderly Care

In mid 2018, Tang’s Living Group (Stan Group’s hospitality businesses) partnered with Pine Care Group (a leading operator of care homes for the elderly in Hong Kong) to launch Patina Wellness. The Group saw an opportunity to meet Hong Kong’s needs for a new hospitality and wellness-centred, continuing-care retirement community, providing residents with the ability to age in place, safe in the knowledge that the care will be there when they need it.

Revitalisation Scheme of Industrial Buildings

Incentivised by the revitalisation scheme of industrial buildings and the growing demand for hotels located outside the central business districts of Hong Kong, Stan Group has begun to redevelop some of its properties into hotels since 2015. Today Stan Group is the number 3 hotel group in Hong Kong operating 3,300 rooms.

Stan Group hotels will give priority to employing staff from the communities that they operate in. This helps to create new job opportunities for old industrial districts (e.g. Tsuen Wan) or remote parts of Hong Kong (e.g. Tin Shui Wai), creating

positive value for both the business and the local communities.



Hotel Ease • Tsuen Wan

The Strategy

Human-Centred Innovations

Stan believes that having a difficult goal will require a collaborative business ecosystem working seamlessly together, and a lot of innovations. He is a strong advocate of design thinking, a human-centred approach to innovation. The Group uncovers new business ideas through actively unearthing unmet social and market needs, and getting tuned in the latest public policies and investment opportunities. "Our approach begins with understanding the needs of the communities we serve and assessing our mission and vision. When this is accomplished, we can align our business interests with those of different communities and work with partners to make a difference, which is the essence of shared value," said Stan.

Create Shared Value with Employees

Stan Group invests a lot in its employees, in their professional and personal development as well as staff wellness. "A happy workforce is crucial and is more important than business strategies. I believe every one of our staff members plays an integral role in the Group's success and should be able to reap the reward and share the value created," said Stan.

Stan Group has introduced a credit system, where employees earn points with innovative business pitches, business referrals, attending design thinking and other talent development programmes. There are two types of points, namely Credit Point and Shared Value Point. The Credit Point enables staff to redeem vouchers, hotel stay, and even an extra day off. The Shared Value Point was introduced in October 2019 through an innovative and block-chain enabled "Buy-a-Brick" programme. A "Brick" is a digital token stored on the blockchain, which represents a smart contract for a selected property owned by the Stan Group. Buy-a-Brick provides employees with the opportunity to share the future capital gain of the Group's asset, if profit is made on the sale of that property, without making any monetary contribution.

B-Corp Certification: More than a Certificate

Two of the Stan Group's businesses have obtained B Corporation certification – the Wave

and Hotel Ease Tsuen Wan. B Corps (see 1.4 Glossary) meet standards of social and environmental performances and governance standards to balance profit and purpose.

Hotel Ease • Tsuen Wan also became the first hotel in Hong Kong and Asia to be certified as a B Corp in 2019. Eric Cheng, Managing Director of Tang's Living Group, said they have learnt more about creating shared value in the certification process. "We very much hope to lead by example, championing our vision of creating shared value in the hotel industry". He added that obtaining the B Corp Certification has helped the hotel to attract visitors from Europe and America and also talents. Young people nowadays want more than just a job. Becoming a B Corp helps the hotel build its employer brand and invigorate the young people with a sense of purpose.

The Impact: Business Diversification and Growth

In less than 7 years' time, Stan Group has become a conglomerate with a wide array of diverse businesses hiring over 2,000 staff. It now manages a HK\$75 billion real estate portfolio in strategic partnership with the Tang Shing-bor family and operates more than 40 brands across the five business pillars.

From elderly lifestyle, entrepreneurship development and housing innovation, Stan believes that many social issues can be tackled by the private sector jointly with the government in a more efficient and effective way with their knowhow, resources and talents. "If the majority of businesses carry a social purpose, we do not even need to have a separate category of business known as social enterprises."



- **Built long term vision and strong corporate values to guide the sustainable development of the company**
- **Turned unmet needs of the society into synergistic business opportunities through a human-centred approach to innovation**
- **Invested in the startup ecosystem to identify innovation opportunities for the greater good of the society**
- **Treated the workforce as the company's most valuable asset and invested in their well being**
- **Used B-Corp Certification as a means to guide the company's sustainability practices**

Ayala Corporation

Growth via Socially Relevant Business Strategies

The Philippines

"Using our profitable business model to find innovative and socially-relevant solutions can do a lot to the challenges the country faces."

- Jaime Augusto Zobel De Ayala, Chairman and CEO, Ayala



The Company

Ayala Corporation ("Ayala" or "the Group") is a family business with a 185 year history, and is also one of the oldest and largest conglomerates in the Philippines. It is traded on the Philippines Stock Exchange (PSE:AC).

Their business covers energy, industrial technologies, infrastructure, healthcare, and education, while strengthening its core assets in real estate, financial services, and telecommunications. The Group is a substantial shareholder of a number of key enterprises in the Philippines, namely Ayala Land (PSE:ALI), Bank of the Philippine Islands (PSE:BPI), Globe Telecom (PSE: GLO), and Manila Water (PSE: MWC). It also fully owns ventures including AC Health, AC Education, AC Energy, AC Industrials, and AC Infra.

Company Vision and Values

Ayala aspires to become the most relevant, innovative, and enduring business group and they have strategies across the group aiming to make positive change for communities and address the changing needs throughout the nation. Ayala Corporation's mission is to ensure long-term profitability and shared value creation for its stakeholders. It is a company with a strong commitment to both sustainable and national development and it invests in businesses that are addressing the changing needs of Filipinos today. It associates itself with foresight, innovation and trust.

The Opportunity

Ayala takes on the role of alleviating some of the country's pressing developmental challenges - from poverty, poor education, unemployment and a lack of quality health care. Simultaneously, Ayala is able to identify the potential of the underserved markets which can also be business opportunities. The process is monitored closely, which indicates the high priority of this strategy. New product and service development is well-managed and then must be approved by the Group's Board of Directors (The Board) to ensure it meets both social and financial targets.

The Strategy

Jaime Augusto Zobel de Ayala is a United Nation Sustainable Development Goals (UNSDG) Pioneer for Sustainable Business Strategy and Operations. Under the drive of the Board, all Ayala companies have a strong purpose of doing good. 11 of the 17 SDGs are considered relevant to the Group's shared value strategy. The selected SDGs focus on increasing Filipino's access to wealth and resources, enhancing Filipino's productivity and competitiveness, and achieving responsible growth through innovation.

Whilst the term "Creating Shared Value" was only introduced into Ayala's strategy in 2011, Ayala had taken a "business for good" approach for years. The term described what they had

been doing and the theory further guided how they adopted their "business for good" strategy. Examples of this are shown below:

Bank of the Philippine Islands (BPI): Providing microfinance to promote financial inclusion

Ayala believes financial inclusion is a key to a poverty-free society and they are committed to empowering those who are deprived and the underprivileged financially. Microfinance can also be profitable and has tremendous potential to change the way small scale entrepreneurs develop in the Group's emerging markets. The Group also believes that shared value will only be successful if it is done collaboratively. So, BPI works with local foundations, government agencies, and non-governmental organizations to help the "unbanked market" to access credit facilities by providing Microfinance loans to Self-Employed Micro-Entrepreneurs (SEMEs).

AC Education: Easing national poverty and unemployment by education

Education is one of the biggest development challenges in the Philippines - public education often does not match the expectation of employers and quality education is only affordable to a limited population. In 2012, Ayala Corporation invested in AC Education. With a vision of delivering flexible, cost effective and quality education, a chain of stand-alone, private high schools and colleges were established, leveraging an industry-based,

Ayala Corporation

Growth via Socially Relevant Business Strategies

The Philippines

experiential and technology-enabled education approach.

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AC Health: Improving health of Filipinos through providing affordable healthcare products and services

AC Health champions universal health coverage by providing the largest primary care network in the country, expanding access to quality and affordable medicine, and improving essential hospital and specialty services. AC Health established Generika Drug Stores - a nationwide network of 816 drug stores promoting high quality, reasonably priced and safe generic medicine to low income communities. It ensures access to affordable medicine through their huge network of stores. Underprivileged Filipinos benefit from improved access to affordable and qualified medicine. The stores

also offer free services, ranging from free blood pressure checks, a medicine guide, to scheduled consultations.

Ayala Foundation: Connecting Ayala companies and the needs of the underprivileged

Besides the aforementioned subsidiaries, Ayala Corporation has many influential subsidiaries operating in the Philippines but may not have a well-defined CSV strategy. The Ayala Foundation fills the gap. The Ayala Foundation designs social innovation programmes focusing on education, youth leadership, sustainable livelihood and the promotion of arts and culture. The Foundation bonds these subsidiaries into a closely-knit team and leverages their edges in an innovative way.

The Impact

Shared value creation is in the DNA of the Ayala Group. Everyone shares the vision that social progress should go along with economic progress and every initiative should create value to the business, improving the bottom line, whilst also improving social conditions and deepening the services they provide to the country.

Bank of the Philippine Islands (BPI) -

Microfinance has a dual objective for Ayala - maximizing the outreach to give microcredit to

Ayala Corporation

Growth via Socially Relevant Business Strategies

The Philippines

as many micro entrepreneurs as possible, and at the same time lowering the cost of delivering micro-banking services. Through this approach, nearly 56,000 entrepreneurs have received loans amounting to PHP 3.3 billion since its creation four years ago and the number of branches has reached 200 at the end of 2018. Ayala successfully utilizes its capacity to reach more customers and give them access to a whole host of financial and communication products and services.

AC Education - It has significantly increased the employability and starting salaries of its college and senior high graduates, which are the key performance indicators of the company. In 2018, the combined population of AC Education's schools and other partnership institutions was approximately 1,258,095 students. By providing quality education which is commercially viable, AC Education further secures the availability of skilled labor for the Philippines. In turn, higher

quality of labor improves the economy and business environment for Ayala Corporation.

AC Health - Drugstores of AC Health had recorded PHP 28.4 million sales of generic medicine in 2018 and provided affordable primary care to 240,000 unique patients in the nation. Such widened and deepened market penetration not only guarantees all Filipinos quality primary care, but it also signifies a meaningful contribution to Ayala's earnings and healthcare segment development.

Ayala Foundation - IWith the social commitment advocated by Ayala Foundation, the Group continues to initiate and strengthen CSV projects so as to form a stronger basis in creating shared value.



- Clear strategies for each subsidiary to create social value by leveraging its core competence and strategic assets
- Invested in ventures with social mission at the core of the business model, such as health and education
- Coordinated the family philanthropic foundation with the Group's creating shared value efforts by designing community programmes that leverage the Group's competence
- Communicated value creation to investors

O-Bank

Gain of Unique Market Positioning via Inclusive Product Innovation

Taiwan

"Every business has its own edges and characteristics. The implementation of CSR will be more effective if a business does good by leveraging its business model."

- Tina Y. Lo, Vice Chairman of O-Bank



The Company

O-Bank is Taiwan's first bank "designed from the ground up as a digital native bank". O-Bank is the successor of the former Industrial Bank of Taiwan (IBT), which was founded in 1999 and is headquartered in Taipei. In January 2017, IBT became O-Bank, changing its strategy to become a B2C digital bank – the first of its kind in Taiwan. Whereas IBT focused on fostering the development of emerging industries, O-Bank stepped into the personal banking segment, expanding to include individuals and embracing FinTech. In April 2017 O-Bank was listed on the Taiwan Stock Exchange. For the year 2018, O-Bank has 908 employees and a net profit of NT\$4.73billion where 74% is contributed by the Taiwan market.

Company Vision and Values

O-Bank's Chinese name 王道 (Wangdao) is drawn from a spirit of inclusiveness, walking the right path, and fulfilling oneself by benefiting others. As a B2C bank, the O-Bank plays a different ball game than the IBT. It needs to focus on expansion of customer base, enhancement of customer experience and securing customer loyalty. On the other hand, the leaders of O-Bank are determined to run a business for good. As the CSR management became mature, O-Bank went for a B Corp certification for external recognition. The B Corp certification and its CSV strategy helped build the brand and customer loyalty for O-Bank.

The Opportunity

The company already has a strong philosophy of social responsibility, namely “fulfilling oneself by benefiting other” (「利他圖己」). The O-Bank’s corporate culture is “always sincere, always here”(「真誠以待、情義相隨」). They have adopted a strategy to become a digital bank, while enhancing financial inclusiveness and serving the under-served. Building on this strong core, O-Bank became the first listed bank in the world to be certified as a B Corp, further demonstrating its commitment to creating economic value to its shareholders while delivering social impact.

The Strategy

Under the strong leadership of the Vice Chairman, O-Bank has shown continuous integration of social considerations in its organization and business models. Two governance bodies, the CSR Committee and Corporate Culture Committee, both led by the Vice-Chairman, were set up to encourage employees to take social responsibility.

Internal Bottom Up Innovation

All employees are encouraged to embrace business for good principles. After years of embedding this mindset, more bottom-up product innovations are coming to the fore. For example, the Rainbow Recognition Debit Card is a product originated from employees who

identified the LGBT issue. This has helped the bank to connect to respective target segments for potential growth.

When O-Bank was established, young people were identified as the primary customer group since they possess higher digital literacy and are more likely to have philanthropic values. While some banks often focus on working professionals and high net worth individuals, O-Bank boldly selects the digitally-able, impact-oriented but less-wealthy group as their primary customer group.

To attract such young people, O-Bank closely aligns CSV initiatives with their personal banking business coupled with innovative marketing and branding strategy. By applying emerging financial technologies with a customer-centric mindset, O-Bank has gradually developed its unique market branding and positioning for both customers and talents.

A few financially inclusive business services which O-Bank has invested in are:

The “Recognition” Debit Card

Since two years ago, the bank launched the “Recognition” Debit Card series which was well received by customers. The card offers a competitive cash rebate programme while making donations automatically to an NGO

O-Bank

Gain of Unique Market Positioning via Inclusive Product Innovation

Taiwan

chosen by the customer. Currently there are 4 cards, each linked to a particular NGO for a particular social cause, such as animal care and education. Each time the customer uses his or her card, O-Bank transfers a 0.2% cash rebate to the NGO automatically.

The Investment Advisory Robot

An investment advisory robot using big data is offered for free to young people who have limited capital. Making use of big data to monitor and analyze market information, the robot can objectively give investment advice to the users based on the risk tolerance and investment objectives of the portfolio. O-Bank is in great need to secure market share and the advisory robot is a hot area for competitors. In order to acquire more users, O-Bank has waived both the fund management fee and platform usage fee, and lowered the minimum fund size to only NT\$1,000. As well as increasing the customer base, this approach also better educates more young people in financial literacy.

Supporting other B-corps to Create Greater Impact

Taiwanese Government has been supportive of social innovation by the setup of a dedicated unit under the Executive Yuan. Recognizing the trend, O-Bank has introduced “Exclusive B Corp Demand Deposit Accounts”, “Preferential B Corp Payroll Account Features and Services” and “Special Loan Program for B Corporations” to cultivate the growth of B Corps in Taiwan. B Corp can enjoy higher interest rates (up to 0.53%) in their demand deposit accounts, discounted service charge for cross-bank NT\$ transfer and a series of administrative fee discounts and contract term easing for B Corp loans.

The Impact

Product Innovations that Incorporate Societal Value

The bank hopes to build up the culture of doing good among Taiwan citizens by incorporating simple giving in daily lives. Compared to traditional donations and other similar cards in the market, O-Bank's Recognition Debit Cards avoid further selection of beneficiary organizations every time a transaction takes place, providing more choice to customers.

Attracting New Talent

O-Bank has attracted talent through its unique employer brand. More high-performing job applicants have expressed interests to work for O-Bank due to their philanthropic and innovative initiatives.

Being a two-year old digital bank, O-Bank faces fierce competition with experienced players. However, its mission and culture at heart has enabled it to continuously innovate. Profit / loss is only part of the story.



- Business for good at the heart of leadership. Made efforts in nurturing the culture of "doing well and doing good" across the business
- Responded to the finance needs of the younger generation with specially designed low-entry barrier financial products
- Engaged customers effectively in supporting philanthropic causes, while building a positive brand image
- Adopted the business for good approach to become a preferred employer for young people

Seven & i Holdings Co

Building Customer Loyalty and Social Infrastructures for an Ageing Society

Japan

"The Seven & i Group will respond to the various changes in the social environment with a spirit of "reliability and sincerity, using the Group's strengths such as business infrastructure and expertise that we have accumulated over the years."

- Ryuichi Isaka, President and Representative Director, Seven & i Holdings Co., Ltd.



The Company

Seven & i Holdings (Seven & i) is a Japanese retail group, best-known as owner of the 7-Eleven chain of convenience stores in Japan and the USA. Its business portfolio also includes superstores, department and specialty stores, and financial services. Globally, Seven & i owns around 69,200 retail stores with 64 million daily customers. The majority of its profits is within Japan.

Company Vision and Values

Seven & i's mission is to become a sincere company which their stakeholders trust - that means their employees, customers and business partners, shareholders and local communities. As a business, it should stay profitable while being preferred by customers. Everyone in Japan could be a customer of Seven & i.

To respond to customers' needs, Seven & i began to develop a digital strategy in the last few years to enhance customer relationships, analyse market needs through data analytics and create e-membership platforms.

The Opportunity

Japan is facing societal changes mainly as a result of ageing and a declining birth rate, and Seven & i needs to constantly innovate and adapt to a changing environment. In 2014, Seven & i identified five key areas as the basis of its social responsibility strategy, and the most important area being “to provide the social infrastructure required by an ageing society”.

By 2060, Japan’s population will dip below 90 million and nearly 40% will be seniors. By 2030, the number of elderly singletons will rise 1.5-fold from the level in 2010. Population decline in some regions means that retail shops will move out due to cost concerns. It is estimated the number of elderly singletons without walking distance access to fresh products will be doubled by 2030.

The Strategy

The extensive retail store network and digital capacity of Seven & i offers the company a unique edge in fulfilling the shopping needs of elderly singletons and also support them in strengthening their community network. Seven Eleven Japan (SEJ) has developed several strategies:

The Seven RakuRaku Delivery Service

The service provides home delivery for nearly every product sold in its stores. Orders can be

placed in advance by telephone or through other means. The service operates a fleet of some 820 “COMS” ultra-small electric vehicles across Japan and around 2,200 power assisted bicycles have also been introduced to the fleet.



Seven Anshin Delivery Mobile Store Service

There are 83 mobile stores, which are proprietarily developed light trucks equipped with products of a convenience store. They serve areas where retail facilities are insufficient or where the majority of the population cannot secure transportation. The mobile stores were first developed to deliver products to temporary housing areas after the 2011 Earthquake.

Public-private Collaboration to Strengthen Community Network

SEJ signed “Regional Comprehensive Collaboration Agreements” with local governments across Japan to take up certain social functions, including elderly support.

For example, local Seven Eleven stores agree

Seven & i Holdings Co

Building Customer Loyalty and Social Infrastructures for an Ageing Society

Japan

to promote employment opportunities for seniors, develop products with locally produced ingredients, and open up free wifi to everyone in case of natural disasters. While these agreements do not offer tangible business benefits to Seven & i, it can increase loyalty of its customer base by this “do good” strategy.

There are several elements that contribute to the company’s successful do good approach. Leadership from the top is crucial for the continuity of Seven & i’s creating shared value efforts. Ryuichi Isaka, President and Regional Director, is a champion and leads the CSR Management Committee. He created a corporate culture of challenging the status quo and embraced new ideas and commercial viability of the initiatives.

Municipality governments are also considered as drivers in Seven & i’s case. The Regional Comprehensive Collaboration Agreements provide opportunity to Seven & i to solve social issues in cooperation with regional communities.

The above initiatives are enabled by Seven & i’s own competitive edge and are an opportunity to realize new profits. The mobile truck stores have gained recognition and popularity. As long as there is market demand, there is no reason for Seven & i to discontinue.



The Impact

The delivery services and mobile stores have gone beyond convenience store operations, created social value and strengthened community support to elderly people in need. Elderly singletons can be reconnected to the community through these innovations, and can also enjoy access to fresh food more easily. This is a “serving-the-underserved” model, where Seven & i products have reached out to those who originally had limited access, seized business growth opportunities which other major competitors have yet to tap into, while creating a bigger network of loyal customers.




- Addressed thoughtful social issues and responded to the needs of the aging population as a core strategy
- Saw the company as social infrastructure in addition to a retail network
- Collaborated with local governments to provide social services while making the shops more popular to visit
- Tactfully served the underserved elderly population to increase sales while supporting the elderly to meet basic needs, by leveraging strategic assets, including digital solutions

Maple Leaf

Finding New Ways to Grow the Business Sustainably

Canada



"We have set a high bar for ourselves, which will require even more concerted action on our part. To lead in food safety, quality, nutrition and great food. To reduce our environmental footprint. To produce food sustainably. To humanely care for animals. To advance food security for all. To be the most sustainable protein company on earth, supported by the very best and inspired people."

- Michael H. McCain, President and CEO, Maple Leaf

The Company

Maple Leaf Foods Inc. is a major Canadian consumer packaged meats company. Its head office is in Mississauga, Ontario. The company has around CA\$3.5 billion in sales in 2018,⁵³ around 12,500 employees and is a publicly traded company on the Toronto Stock Exchange. In April 2019, the company announced their intent to expand their product selection to include meat alternatives.⁵⁴

Company Vision and Values

Maple Leaf's vision is to become the most sustainable protein company in the world. They work to reconnect families with the goodness of food.⁵⁵ Maple Leaf is helping to transform the world's food system so that it can survive, and thrive, for generations to come.

The Opportunity

Sustainability for Maple Leaf is not just a brand exercise, or even a corporate strategy. It is embedded in the purpose of the whole company.

53 Maple Leaf Foods 2018 Annual Report Financial Review, *Maple Leaf Foods Inc.*, 31 December 2018
www.mapleleaffoods.com/wp-content/uploads/2019/02/Maple-Leaf-Foods-2018-Annual-Report_Financial-Review.pdf

54 Keith, Nunes, "Maple Leaf Foods investing heavily in meat alternatives", *Food Business News*, 8 May 2019
www.foodbusinessnews.net/articles/14248-maple-leaf-foods-investing-heavily-in-meat-alternatives

55 Maple Leaf Foods website, www.mapleleaffoods.com

External Business Environment

The economic environment was a key driver for Maple Leaf's motivation to shift their strategy. In the 2000s, when the Canadian dollar became stronger in comparison to the US dollar, Maple Leaf faced fierce competition. In order to avert crisis, the company decided to restructure their supply chain.

According to Kuhn, there are some obvious actions companies can take to improve their efficiency and sustainability, which includes reduction of waste, water consumption and energy usage. These goals around environmental sustainability are profitable in the long-run and makes the business more efficient.

Creating New Demand and Staying Ahead of the Game

Maple Leaf did not stop at the obvious sustainability practices and created a new market. Kuhn points out, "It is our job to figure out how to turn investment into a consumer proposition." One example of this is pork raised without antibiotics, which is a global health issue that concerns consumers. Currently, 80% antibiotics used globally is in livestock production. Maple Leaf saw an opportunity to address a societal challenge -- minimising or eliminating antibiotics in pork, which could meet two aims of delivering value to the consumer and creating new opportunities for the company.

The Strategy

Senior Management as the Main Driver in the First Stage of Change

The CEO has been the main driver and champion of sustainability within Maple Leaf. This visibly strong leadership of the CEO has inspired the whole company to work towards this goal.

The first three years were focused on affecting change internally. The change process started off by Maple Leaf asking themselves some major questions: "What are the opportunities for growth?", "What will the costs to the company be if we become focused on transforming into a sustainable enterprise?", "What are the things we need to stop doing?", "What do we need to start doing more of?"

The first stage of change by Maple Leaf is to reframe their sustainability architecture and identify what was already happening within their sustainable practice. They brought in outside expertise to help with this process in order that future decisions would make sense from both a business perspective, as well as social and environmental perspectives.

The Impact

Talent Recruitment

Maple Leaf's strategy shift had a positive impact on their recruitment, which they had not anticipated. More people applied to work at Maple Leaf because they wanted to work for a company with an interesting vision, and it would give them the opportunity to bring purpose to their work.

Business Growth

The example of pork raised without antibiotics has been one of the most profitable and highest growth areas of Maple Leaf's portfolio in recent years, and it is leading to more growth opportunities. According to Lynda Kuhn, "the extension of that would be a foray into plant proteins, which through a couple of very strategic acquisitions, resulted in buying a new business. It is now five times the value that it was when we first bought it. It grew at roughly 40% in 2018, compared to typical growth in grocery and meat at 2%. These are wildly exciting opportunities."



- Had the foresight to identify potential opportunities which aligns with sustainability and the needs of future generations
- Turned investment into consumer value
- Achieved rapid business growth as a result of internal reflections and extension of business focus to quality and sustainable products
- Strong leadership to drive the strategy

Leadership/personal aspirations

The companies listed in this section all have founders or executive leaders as the primary reason for the company's strategy in creating shared value and shifting towards doing business for good.

Grandion Industrial Ltd

Co-creating Business Solutions with Stakeholders

HKSAR



"I like to turn social challenges into new business opportunities through business model and technology innovations, and also understanding and working closely with stakeholders."

- Alan Cheung, Managing Director, Grandion Industrial Ltd



Alan inherited the entrepreneurial DNA of his father. He founded Grandion Industrial Ltd (a member of Grandion Group) in 1996. During his formative years, he experienced the ebbs and flows of his father's business and developed a strong sense of social responsibility. He was determined to run a stable business bringing happiness to everyone.

The Company

Grandion is an apparel supply chain solution provider with production facilities located in Mainland China and Hong Kong.

Business Vision and Values

Making money is never Alan's primary business objective. The 5Cs form the cornerstone of his business:

- Caring for People
- Charity for Organisations
- Coaching
- Cross-boundary collaboration
- Change-making

The Opportunity: Industry 4.0

A veteran industrialist, Alan has led his company through major challenges like the 2003 SARS outbreak and 2008 global financial crisis. Faced with increasing operating costs in Mainland China, he had to make a decision whether to relocate his factories to elsewhere or explore alternatives for future growth. Witnessing the trends in customisation, e-commerce and digital production under the 4th Industrial Revolution, he established the “To Make Locally” (TML) project in Hong Kong in early 2015. Instead of competing on price, TML project aims to bring back to Hong Kong and add value to various garment production processes to revitalise the city’s historically prosperous garment industry and gain competitive advantage through increased efficiency and a new business model.

The Strategy

Re-Industrialisation of Hong Kong

The TML project underscores Alan’s passion to drive the development of “re-industrialisation” of Hong Kong, with a view to creating more opportunities for people from all walks of life. Re-industrialisation refers to the process of re-establishing manufacturing industries in advanced economies, made possible by the advent of technologies which increases productivity and minimises environmental impact, and enables the servitization of products to create a holistic customer experience. Alan

is also convinced that Hong Kong’s strengths in professional services, IP protection and free flow of information and capital offer solid fundamentals to re-industrialisation.

Building the Value Chain Capacity

The TML project seeks to develop a holistic and sustainable value chain for Grandion’s apparel business, empowering young people and senior technicians, and providing a personalised and delightful customer experience with minimal environmental impact. It is a good example of how a business can build the capacity of various stakeholders in the operating environment to create value for everyone. “In our businesses we always look into how we can create value for stakeholders and that is the top priority,” said Alan.

The TML comprises 4 components:

- The Co-creation Hub to incubate young designers and entrepreneurs
- The Low Carbon FootPrints (LCFP) Green Production Centre to provide employment opportunities to senior technicians and Mainland new arrivals with experience in the apparel industry
- The 3D & Digital Printing Centre to provide timely response to the market with eco-friendly production processes
- The O2O Experiential Centre with an e-commerce platform and pop-up stores to provide online to offline customer experience

The Opportunity: Healthcare Challenges

Alan believes the ageing population creates enormous challenges but also plenty of business opportunities. The potential goes beyond the local Hong Kong market to the Greater Bay Area (comprising 9 cities in the Guangdong Province, HKSAR and Macau SAR) and other regions. He also sees the knowledge and service gaps in the current medical and health system, resulting in inefficiencies and causing problems to both the service providers and the users.

The Strategy

Supporting Startups

In 2017, he invested in the elderly home design business of his mentee. Longevity Design House is a Hong Kong based social enterprise to provide interior design solutions for elderly and people with disabilities with accessibility issues in their homes. Consequently, Grandion and Longevity Design House formed a joint venture – Longevity Technology - to build a business platform that integrates technology, healthcare, home modifications, furniture, and other daily necessities for elderly people. This is another instance of Alan creating a new business opportunity by understanding the needs of the society and through business model and technology innovations.

More recently, Alan has also partnered with a nurse to establish Nightingale Medical Care Consultancy. Observing the lack of transparent knowledge and knowhow in specialist medical services, the Consultancy offers professional advice and referral services to both the patients and insurance agents.

Becoming an Impact Investor

Turning his interests in working with startups, Alan has established the V Mission Ventures Fund to invest in entrepreneurs that generate financial returns and at the same time create social and environmental value. Impact investors are far more proactive in their intention for positive impact as opposed to ESG investors who seek to avoid negative impact to the society and the environment. With increasing worldwide concerns about climate change, human rights and social justice, impact investing has been growing significantly in recent years. According to the Global Impact Investing Network (GIIN), the overall size of the global impact investing market stood at USD502bn.

Overarching Strategy: Stakeholder-Centric Innovation

Over the years, Alan has obtained insights for new business opportunities by closely observing the needs of different people in the society. "My motivation is to serve the public and be responsible, to solve market pain points and turn

them into business strategies,” he said. His business is a perfect manifestation of how design thinking integrates user needs, technology and innovative business strategies and models. He also shares that his constant expansion into new businesses arises from the need to retain staff displaced by the shrinking workforce demand in the garment industry. By addressing the needs of his staff, Grandion has been growing its businesses vertically as well as horizontally into different domains.

The Impact

Alan’s achievements have earned him the Young Industrialists Award of Hong Kong, Capital Leaders of Excellence Award in 2011, and Asia Pacific Outstanding Entrepreneur in 2012. He has been actively promoting the business case of creating shared value in Hong Kong in his various capacities. So far he has influenced around 100 members of the Federation of Hong Kong Industries. Despite his very hectic schedule for his businesses and public services, nothing can stop him from championing doing good as a prerequisite to doing well in business. “We keep developing different initiatives and aspire to be a change magnet to influence other organizations,” Alan concluded.



- Looked into the mega trends and identified growth opportunities with a human-centred approach
- Innovated the business model and offerings with the help of technology to meet the latent and changing needs of society
- Invested in startups that seek to do good and do well
- Collaborated with and built the capacity of different stakeholders to create multiple wins

Esquel Group

Sustainability-Driven Leadership

Mainland China/HKSAR

"The vision and values of Esquel have attracted like-minded talents, working passionately together in making a difference to the business and the society."

- Edgar Tung, Managing Director and Head of Global Operations, Esquel Group



Edgar has been with the Esquel Group for over 10 years, after working in top management positions in different industries. His early experiences included internet start-up, investment banking as well as administrative officer of the Hong Kong government. He was named one of China's Most Innovative Leaders by Innovation China. Passionate about youth development, he is founding Chairman of Youth Arch Foundation. Edgar is also a member of the Aspen Global Leadership Network that seeks to tackle the foremost societal challenges of our times.

The Company

Founded in 1978, Esquel is a vertically integrated textile and apparel company known for its sustainability practices. Today it employs over 55,000 people around the world, producing over 110 million pieces of garments every year.

Company Vision and Values

Esquel embraced the vision of "Making a Difference", believing that every employee can be an agent of positive change. Its 5E-Culture – Ethics, Environment, Exploration, Excellence and Education – forms the bedrock of how it makes decisions.

The Opportunity

A graduate of MIT and Harvard Business School, Ms. Marjorie Yang (Margie) took the helm from her father and aspired to make a difference to the industry. She believes that the industry faces many challenges: fragile

ecosystems, wastage in the supply chain, poor working conditions, rising labour costs and the sweat shop image, which makes it difficult to attract talents. “Our industry has been traditionally seen as attracting low-skilled workers only. Margie wanted to change this perception. She wanted to improve the living standards of the lowest paid workers, and attract talents to the industry,” said Edgar, when asked how he was attracted to join the company.

The Strategy

Sustainability at the Core

Sustainability is grounded in Esquel’s core values and forms an integral part of its corporate culture. The success of the business grows hand in hand with the well-being of the community and the environment they operate in. “We are not just making shirts, but making a difference to the industry, the livelihood of its workforce, as well as the environment,” Edgar added.

Esquel’s sustainability effort is spearheaded by a Sustainability Council with 4 strategic pillars – planet, people, product and community, with sustainability practices that permeate across all departments and underpinned by its 5E-Culture. For more information about Esquel’s sustainability efforts, please visit their sustainability report at sustainability.esquel.com

Doing Good to People, Driving Productivity and Innovation

Esquel’s workplace Code of Conduct sets out their commitment to providing good working conditions, reasonable working hours and fair wages for all employees. Their compensation packages are competitive – workers are typically paid 2-3 times of the statutory minimum wage. From 2005 to 2015, Esquel’s revenue has more than doubled while the total workforce has only gone up by slightly over 20%. Instead of paying operators on a piece-rate basis, Esquel rewards team efforts with incentives linked to the productivity per line. One of their KPIs is that the median take home pay of operators must increase every year, based on the profit-sharing principle with employees.

They believe in providing its people with opportunities to grow and maximise their potential. In doing so, they build a resilient workforce that fuels the company’s continued growth amidst dynamic global trends. “We employ people who share the same mindset and values. Either they like us and stay with us for long, or leave the company quickly. During recruitment, rather than specific skills or relevant experiences, we typically look for people who share the same values with us” said Edgar.

Esquel has two key strategies guiding their approach to people development and

management: “grooming people from within” with continuous training and development opportunities, and “caring for employees” centering on promoting employees’ well-being and encouraging a healthy work-life balance. Spending on talent development constitutes 2-3% of payroll. Apart from traditional classroom training, the Esquel University provides a wide variety of learning experiences that are backed by a dynamic online and mobile learning portal. All employees, including middle-aged factory operators, are encouraged to develop their digital skills to support the transformation of the manufacturing processes. Today, Esquel owns 2,000+ patents and some are developed by their operators.



Esquel takes a proactive approach to care for employees’ wellbeing and to match today’s social aspirations at the workplace. Twice daily, led by the General Managers, workers are encouraged to stretch and take a break during their shift.



Esquel’s international dragon boat champion during the annual sports day brings together Esquelers from across the globe to promote teamwork and wellness.

Applying Technology

Continuous improvement and innovation are underpinning values shared by all Esquel employees to drive productivity growth. Applying technology, employing progressive talent development and modern management practices, today, their frontline operators are skilled to work with robotic arms, machine vision and Esquel developed automation modules to enhance productivity. With RFID technology, they offer multiple digital solutions to their customers, from inventory management and product authentication, to real time visibility across the global supply chain.

Creating Shared Value in the Supply Chain

To Esquel, sustainability is not a cost but a long-term investment that will benefit the business. They take a holistic and long-term view in building the capacity and resilience of the supply chain. They believe when their communities thrive, the business thrives.

Esquel cares about their suppliers, including the cotton farmers in Xinjiang. They were the first company offering instant cash payment to cotton farmers instead of the industry-wide IOU practice. In addition, to help improve cotton farmers’ livelihoods, they used to provide microfinancing, with zero default reported. As farmers’ standard of living improved, this programme was no longer necessary.

Improving the Well-Being of Local Communities

Community engagement is a pillar of their sustainability effort. Through education programmes directed by the Esquel-Y.L Yang Education Foundation in communities where they operate, they aim to improve livelihoods and promote inclusive growth. For example, they have been running vision screening programmes, scholarships, and summer learning camps for the children in the community.

Investing in the Factory of the Future

Searching for a new development model, Esquel invested over USD300million recently in **Integral**, a sustainable development garden in Guilin. Integral is a pioneering concept in the textile and apparel industry, where manufacturing and the natural environment coexist in perfect harmony. Combining modern technologies, quality employment, innovation and environmental sustainability, Integral represents the factory of the future.

The Impact

With firm commitment from the owners, Esquel takes a long-term view and believes in sustainability as a strategy for good business. As a result, they are able to increase their productivity through continuous innovation, reduce costs (e.g. they managed to reduce energy and water cost per unit of garments produced by over 50% in the past 10 years), attract good talents, and win the trust from sustainability conscious customers.



- Developed company culture to guide business decisions
- Treated the workforce as the company's most valuable asset with progressive staff development and management policies
- Created value together with suppliers with a win-win mindset
- Innovated the business with the help of technology
- Aligned CSR initiatives with the company's long term development strategy
- Took a long term view of the business to attain sustainable growth

China Light & Power

Creating Shared Value with Systems Level Vision

HKSAR

"We seek to provide young people with a career path in the power industry and enhance their upward social mobility."

- Ir Paul Poon Wai-Yin, Vice Chancellor, CLP Power Academy



Ir Paul Poon has close to 40 years of experience in the power industry. He joined CLP Power Hong Kong Limited in 1981 and was the Managing Director of the company before he took up the role of Vice Chancellor of CLP Power Academy.

The Company

CLP Power Hong Kong Limited (CLP Power) is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong and provides a highly reliable power supply to over 80% of the city's population.

Company Vision and Values

CLP's vision is to be the leading responsible energy provider in the Asia-Pacific region, from one generation to the next. Sustainability is at its core, managing carefully not just its impact on the environment but also its relationship with all stakeholders. Its Value Framework, introduced in 2003, stipulates a set of business principles and ethics to define its vision, mission, values, identity and actions. The Framework underpins CLP's commitment to sustainable development balancing economic, social and environmental considerations, and the needs of current and future generations.

Established in 2017, the CLP Power Academy has provided multiple entry points for young people to advance their career in the power and E&M

industry with a clear articulation path through continuous part-time learning. It aims to ensure a sufficient supply of competent engineering professionals and also provide an alternative for school leavers who are not academically-oriented to pursue professional knowledge in power engineering. A Form 3 school leaver, for example, can aspire to get a bachelor's degree in engineering in 7 years' part-time study. This is about the same time required for someone following a conventional academic path.



CLP Power Academy Class

The Opportunity

The establishment of the CLP Power Academy is a manifestation of the Value Framework. As power infrastructure is a long-term investment and requires knowledge and experience be passed from one generation to the next, CLP Power has been acutely aware of the value of technical skill succession, and set up its own training school in 1966. Through systematic and practical training, it nurtured a competent and dedicated pool of engineering employees

with a steady talent pipeline to ensure a highly reliable supply of electricity at world-class level is maintained.

With Hong Kong's continuing growth and large-scale infrastructural developments, CLP Power noted the demand for qualified electrical and mechanical (E&M) professionals. It also saw the gap between career training and higher education. Ir Poon advocated to set up the CLP Power Academy in 2017 to bring CLP Power's training regime to the next level by expanding their expertise to benefit the wider industry workforce, and to provide high quality, academically accredited and industry recognised education for young people and industry practitioners, so that they can have a career pathway in the power and E&M industry with enhanced upward social mobility. "The students are not just enrolling in a learning program but embarking on a vocational and professional career path." Ir Poon said.

The Strategy

Working Closely with Partners

The CLP Power Academy works in partnership with educational institutions to offer part-time accredited programmes, ranging from certificate, diploma, professional diploma, bachelor's and master's degree programmes in electrical and mechanical engineering. Its academic partners include Vocational Training Council (VTC),

Hong Kong Polytechnic University, Hong Kong University of Science and Technology as well as international partners such as RMIT University and University of Strathclyde.

The Academy is able to leverage the resources of both internal and external stakeholders for maximum positive impact:

- CLP Power staff work with tertiary institutions to design industry-focused curriculum and deliver the programmes under the Qualifications Framework
- Electrical and Mechanical Services Department provide recognition to the programme
 - Professional Diploma graduates who have already registered as Grade B or Grade C Registered Electrical Workers (REW) are eligible to be registered as Grade H REW Grade H
 - Diploma graduates with sufficient working experience are eligible to be registered as Grade A REW Grade A
- Continuing Education Fund of the Government and Engineering Training Subsidy Scheme of VTC to cover 80% and 60% of the tuition fees for the certificate and the diploma/ professional diploma programmes respectively

The Impact

Empowerment to Move Up

Ir Poon explained that CLP Power did not have to invest a lot in running the Academy as it could leverage the resources of its partners. But he is delighted that the benefits to and impact on the young people and the industry are enormous. He was extremely gratified when he witnessed the joy of the graduates of the programmes, which gave them hope, self-esteem and the power to move upward.

Systemic Benefits

The CLP Power Academy is set up to benefit not just the company CLP itself but the entire industry by having an increased bench-strength in both quality and quantity. Ir Poon said that “About 15-20% of our students came from CLP and our partners, 30% from other corporations and 50% from SMEs. We want a good supply of talent for the entire industry so that top safety and supply reliability levels can be maintained everywhere.”

Ripple Effect in the Industry

Under Ir Poon's leadership, the CLP Power Academy has become a role model for other industry players who have encountered similar talent issues. In the last two years, there has been the establishment and/or expansion of the following Vocational and Professional Education and Training (VPET) providers:

- MTR Academy
- Towngas Engineering Academy
- Hong Kong International Aviation Academy
- HKPC Academy
- Hong Kong Institute of Construction

These VPET providers have formed a Corporate Tech Academy Network (CTAN), chaired by Ir Poon and more corporate academies are expected to join the network later.

Ir Poon has walked the talk of CLP's Value Framework in translating the guiding principles into actions, multiplying the social impact of CLP Power Academy through its influence on other industry players and transforming the lives of more young people who may have otherwise lost their sense of purpose and direction. In less than two years, he has not only turned an idea into fruition but also scaled it up.



CLP Power Academy Graduates

- Used core values to define the company vision, mission, values, identity and actions.
- Invested in talent development to meet the organisation's long term needs and for the greater good of the industry
- Leveraged the expertise and resources of internal (employees) and external stakeholders (other companies, educational institutes and the government)

LAWSGROUP

Passion Drives Business Transformation

HKSAR

"Creating Shared Value is one key answer to achieve long-term sustainability."

- Bosco Law, Deputy Chairman & CEO, LAWSGROUP ("Laws")



Trained professionally as an architect, Bosco worked in architecture and banking before joining Laws in 2005. He now oversees the group's businesses in design, retailing, manufacturing and property investment. He believes "Fashion" is an outcome of culture. Culture is everything that the members of an organization targets to achieve, and makes employees have the same language and shared goals.

The Company

Founded in 1975, Laws is a leading apparel manufacturer. Today the group has expanded into retail and property development businesses with more than 25,000 staff. In recent years the company has turned two of its investment industrial buildings in Lai Chi Kok into fashion and creative shopping malls: D2 Place One and Two for young design entrepreneurs.

Business Vision and Values

Bosco is passionate about fashion with "Passion for Fashion" as Laws' brand motto. "I love fashion and I love my business. I want all my staff to have passion in what they are doing." The values of Laws are embedded in its H.I.T. Philosophy:

- Happy: Positive Thinking with Strong Passion
- Integrity: High Ethics with Effective Communication
- Teamwork: Group Cohesiveness

The Opportunity

Bosco has always wanted to do something to support local fashion designers. “I travel to other countries from time to time and as an architect, I like to look around to see different things such as garage sale, weekend market, vintage market, container stores etc. which can’t be found in Hong Kong. It is often difficult for Hong Kong brands to rent good retail space in large shopping malls because most of them are snatched up by international brands.” Bosco said.

Laws has a long tradition of giving back to society through its CSR programmes. Since the establishment of its first charity fund, the Group has provided over USD33M in setting up schools in Hong Kong, Mainland China and the UK. Initially, Bosco channelled his support to fashion designers as a CSR initiative through the Fashion Farm Foundation. “My motivation was purely about doing something for the fashion industry and local brands.” Bosco explained. But he soon realised that this charitable model was not sustainable.

The opportunity came when the HKSAR Government introduced the revitalisation scheme of old industrial buildings with the waiver of land premium. Bosco believes revitalizing old buildings is an effective way to give new life to the neighbourhood. He took a

leap of faith to transform D2 Place into Hong Kong’s first revitalized Shopping Mall-cum-Office Complex leveraging the Group’s core competence in marketing and retail operations.

The Strategy

Nurturing Entrepreneurs

D2 Place created weekend markets as a platform for local designers and aspiring entrepreneurs to reach the public. The Entrepreneurship Model consists of 6 different levels, whereby startups are nurtured and supported progressively from an initial sales experience to managing a developed business:

Weekend Markets: Young entrepreneurs could present their products at very affordable rent

Pop-up Stores: one-off short term lease with furniture and display support

Kiosks: Open Shop (1 year+) with operational and marketing support

Shops: Long term tenancy with own shop front (1 year+) or as consignment at the Barn Lifestyle Department Store

Across the City: Replicate the entrepreneurship model across the city with other developers

Outreach to the World: Bring the entrepreneurs to the world

Championing CSV through H.I.T. Plus

Laws placed a high priority in cultivating talent with the H.I.T culture as the bedrock. Bosco

believes that it pays to invest in culture as a powerful force to unite different types of staff in the company, young and old, the creative and the more conventional. They have in place different training and development initiatives, including the Laws Academy, H.I.T training programme and leadership training. He attributed the success of the D2 Place project partly to having a cohesive and collaborative team working together to attain the goal. Bosco learnt about the academic framework of Creating Shared Value when Our Hong Kong Foundation encouraged him to apply for the Business for Social Good Award. Inspired and encouraged by winning the Grand Award of the Business for Social Good Award, he is determined to integrate CSV into Laws and also to promote this to other businesses in Hong Kong. He believes traditional CSR is uni-directional support from corporate to the beneficiary. It is usually one-off and short-term

in the form of donation or volunteering work. CSV, on the other hand, emphasizes a two-way interaction, in which the corporate develops a unique business model to facilitate growth for both company and beneficiary, creating a win-win situation.

CSV Empowered by Design Thinking

Bosco sees the introduction of design thinking as a core strategy in propelling the development of CSV, using a stakeholder-centric approach to solve problems and identify opportunities creatively. Indeed empathy is crucial to identify the unmet needs of stakeholders. He took the lead to learn and encourage his team members to incorporate design thinking into the work culture and practices. As a result, the Laws updated its H.I.T. philosophy into H.I.T Plus. In addition to the Happy, Integrity and Teamwork, they have incorporated “Human-centric”, “Innovation” and “Think without the box”.

The Impact

From CSR to CSV

The project has met with some initial setbacks and resistance but Bosco's strong conviction has enabled him to persist. Bosco recalled that "some people in the company thought it didn't make sense. I persisted with what I believed and moved on."

Standing for "Designer's Dream", today D2 Place has become one of the most popular start-up platforms for young creative entrepreneurs in Hong Kong and also a vibrant culture and creativity hub in Hong Kong. More than 5,000 local and international creative entities have benefited from the initiative.

At the beginning, Bosco had no expectation that the D2 Place project could develop from a CSR programme into a viable and sustainable business model. It is a perfect illustration of how following one's passion will eventually lead to success. The success of D2 Place has not only attracted big brands and other businesses as tenants but also visitors (especially young people) from different parts of Hong Kong to this once dilapidated part of the city, thereby revitalising the neighbourhood dramatically.



"Top 10 Artisans Award 2019" was successfully held on 31 August at D2 Place.



"Made in Hong Kong" Street Carnival outside D2 Place with over 150 entities including government departments, non-profit organizations, and educational institutions in celebration of the establishment of Hong Kong SAR on 1 July. It is recognized as an official celebration activity and has become the annual signature event.

Promoting CSV across the city

Bosco is delighted with the ripple effects of D2 Place. Laws is now committed to promoting CSV across the city with other developers. "We believe CSV is not just for any individual but a business for everyone. Only when more companies and institutions understand the CSV concept in their business models, more people can benefit from the whole momentum," he explained. Today, more developers have adopted similar concepts as D2 Place in their shopping malls. "We are thrilled to see more start-ups benefiting across the city," Bosco said.

Bosco is also championing the development of a new Cultural & Creative Ecosystem under a "Business-Government-Community" tripartite partnership. He is confident that more people will notice the potential and support local design. "I am optimistic about the development of the local creative industries, as the government, developers and other stakeholders are now creating a joint effort to promote local art and design."

Building a Good Employer Brand

As Laws steps up its promotion of CSV internally and externally, it has also helped build their employer brand resulting in more people interested in working for/with them.



- Built a strong company culture to guide business decisions
- Invested in developing the mindset of the workforce with a set of core values
- Turned CSR into CSV with strategic and long term benefits to the business
- Applied design thinking to discover unmet needs and growth opportunities
- Worked closely with multiple stakeholders (business, NGOs and government) to advocate systemic changes and maximise positive impact strategy

SK Group

Embedding Social Value Internally and Building a Social Enterprise Ecosystem Externally

South Korea

"I believe it is time for social value to become a 'key financial' and that it be reported on a regular basis. I would invite all our friends and our competitors to do the same."

- CHEY Tae-Won, Chairman of SK Group, World Economic Forum



The Company

SK Group is the third largest conglomerate in South Korea, with a revenue of USD 213.6 billion (2018). SK Group is composed of 95 subsidiary companies that share the SK brand name, as well as the group's management system named SK Management System (SKMS).

SK Group has more than 70,000 employees who work from 113 offices worldwide. While its largest businesses are primarily involved in the chemical, petroleum, and energy industries, SK Group also owns South Korea's largest wireless mobile phone service provider, SK Telecom. The company also provides services in construction, shipping, marketing, high-speed Internet, and wireless broadband.

Company Vision and Values

SK's mission is to "create the best value for customers, members and stakeholders, playing a key role in social and economic development, and the betterment of everyday living".⁵⁶

⁵⁶ SKMS Introduction, SKCareers.com, www.skcareers.com/CONTENT/ENGLISH/SKM/SKM1001.aspx

The Opportunity

SK's transition towards a social value strategy was initiated by SK's Chairman, Chey Tae-won. During his incarceration,⁵⁷ Chey wrote a book on social enterprise and started to shift SK's mission to be based not solely on scale and profits. Putting social value at the heart of the corporate mission of SK became a personal mission of the Chairman.

According to Chunkyu Park (Project Leader at SK SUPLEX Council), in the beginning, there were doubts about the sincerity of this strategy and many regarded it as "packaging social good", but SK has been consistent in developing a framework for "social value" over the past 10 years. Widening this philosophy to affiliate companies has incurred huge cost and risk.

The Strategy

SK's social value strategy consists of three main approaches:

Building Social Enterprise Ecosystem

One of SK's flagship programmes is an experiment, Social Progress Credit (SPC), proposed by Chey Tae-Won, which converts social value created by social enterprises into "cash incentives". The social

enterprises supported by SK have their social value measured in monetary terms and receive a quarter of the total social value created. The reason for this monetary credit system is that Chey believes that social enterprises are not receiving the monetary value that they deserve in the market. Annually, 30 social enterprises are selected and over the past four years around 200 businesses have participated in this programme.



Source: SK Group website
www.sk.co.kr/en/together/happiness.jsp

SK is also creating a social enterprise investment fund geared towards social ventures, which has pooled approximately USD 10 million (2017), USD 17.2 million (2018), USD 43 million (2019) in Asia.

SK converted its MRO company into a social enterprise, Happy Narae. Annually, Happy Narae purchases from social enterprises amount to KRW

57 Choe, Sang-Hun, "South Korean Executive Imprisoned", The New York Times, 31 Jan 2013
www.nytimes.com/2013/02/01/business/global/01iht-embezzle01.html

30 billion, and 100% of the profit goes to social enterprise ecosystem building through SPC and their investment fund. Other ways SK support the social enterprise ecosystem include through its education programmes, such as the KAIST social entrepreneur MBA programme, on which all applicants are developing their own start-ups.

Embedding Social Value Internally

SK is internalising social value by shifting its internal structures and systems, and putting social value at the heart of the company's mission. SK is currently implementing a "Double Bottom Line" (DBL) initiative which plans to report all of their 17 SK affiliates' contribution to social value alongside their operational profits on their income statements. The DBL incorporates a host of non-financial indicators of environmental and social wellbeing.

In 2016, SK established the SK Management System (SKMS), which is similar to a code of conduct and reflects the philosophy of social value. SKMS clarified the mission or *raison d'être* of the company, and explicitly mentioned that the company needs to create both social and economic value. SK also changed all the Articles of Association of all the major related companies to align with the SKMS.

SK have also embedded social value in all its internal education programmes, beginning with bringing top management on board with the idea. As part of this strategy, six or seven CEOs of different related companies who are part of the SUPLEX Committee⁵⁸ - committee members and also CEOs of the related company - receive training on SK's social value agenda every month. In 2017, SK embedded social value in all of the Director and board level training programmes, and this was expanded to include all employees in 2018. The implementation of social value has been top down and embedded in decision making around recruitment and promotions.

In 2018, SK started measuring the social value performance of employees in a similar way to how a company manages its financial performance. There are CEO KPIs and company KPIs – social value is reflected in both and make up 50% of evaluation. These performance results have direct implication on the annual salary and bonuses of the employees.

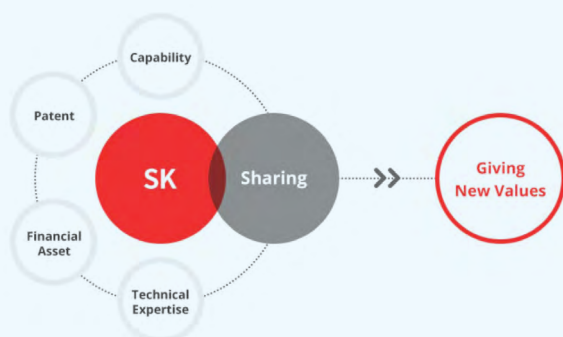
Converting Corporate Assets into Infrastructure for Sharing

SK has launched a shared infrastructure initiative, in which they opened up their domestic network of petrol filling-stations to give access to other companies and organizations. Filling stations are

57 SUPLEX Committee is a unique decision-making council of SK at the top level, which brings together leaders of major affiliates within SK Group. It has the motto "Independent yet united" and promotes mutual cooperation between the different affiliates for effective performance. "About SK", SK Group website, www.sk.co.kr/en/about/suplex.jsp

primarily designed to sell petrol and ancillary services for drivers and vehicles. However, the stations can have many other applications given their proximity to residential and commercial areas: the technical skill sets of station staff, and underused physical space within their facilities.

The initiative has received more than a thousand proposals for how to use the shared-space and there are 3,600 SK-operated facilities. Other competitors have also joined the scheme: GS Group and Korea Post have contributed another 2,500 and 3,500 facilities respectively, creating a new market predicated on shared-space facilities, according to Chey.



Source: SK Group website
www.sk.co.kr/en/together/happiness.jsp

The Impact

Social Value as a “Key Financial” for Decision-Making

As a management tool, DBL accounting allows managers to assess the social costs and benefits of their business operations for decision making. According to Chey, “this may lead us to reconsider our strategy in some instances, and to think about the overall value that we provide to our stakeholders. We have also found that ascribing a dollar value to social goods can enhance our ability to drive investment decisions. We can often push projects over the line by building consensus with our stakeholders over expected social value returns.”

Competitive Advantage in the Global Market

As a SK regards their social value strategy as the key reason why they are able to compete in the global market. They are able to obtain significant business deals in new markets due to their social value track record, which appeals to businesses and politicians. According to Chey, the recent cooperation opportunity in Vietnam with Masan Group is a key example of SK’s social impact efforts paying off.



- committed to developing the framework of social value led by its strong leaders, in particularly its Chairman
- Walked the talk - embedded the SK Management System (SKMS) which reflected the philosophy of the company to include both business and social value
- Launched shared infrastructure initiative to enhance the ecosystem
- Stayed relevant and competitive in the market by doing good

Outblaze

Purpose and Scalable Impact Through Technology

HKSAR

"If there is no purpose in work, there is no purpose in life."

- Yat SIU, Founder & CEO, Outblaze



Yat was born and raised in Austria. He is a classically trained musician and the son of two musicians, and has also developed a great interest in technology early in life. In 1995 he moved to Hong Kong, and in 1998 set up Outblaze, a pioneer tech company developing multilingual white label web services.

The Company

In 1998, Outblaze Ltd. was a pioneer in cloud computing services and the first company to offer fully hosted multilingual communication services for online communities. Today, Outblaze develops and provides various digital media products and services including virtual community services, online transaction systems, web communication software, smartphone apps and games, social media applications, and more. This case looks into the education business of Outblaze and its partnership with a social enterprise Teen Future.

Company Vision and Values

Growing up in Austria, a country with a religious and socialist culture, Yat developed a strong sense of empathy and social justice. Making money has never been his main goal when creating businesses. Although revenue is important, "achieving purpose and impact is what Outblaze is about," Yat stressed. "A local charity helping the poor is a great thing, but it has limited impact. We are more interested in finding something that will scale up, is meaningful, and has a positive impact."

Outblaze

Purpose and Scalable Impact Through Technology

HKSAR

Having purpose and impact as part of Outblaze compass proved very important when the business grew bigger. Yat realised that most of his staff did not understand why and what they were doing. He therefore started to place more emphasis on purpose. "You are not going to do it just for the salary or a stable job. You are working at Outblaze because you think you can deliver a change and make an impact - and that's exciting." This is what Yat has been telling his staff for years.

The core values of Outblaze are:

- Ideation and Innovation, constantly developing new technologies and businesses
- Early adopter at the forefront of the industry
- Diversity of workforce with local and international talent

The Opportunity

As a father of three, Yat is particularly passionate about the need to reinvent education. "My concern is that traditional education systems – with their focus on rote learning, examinations and creativity-crushing hours of homework – do not properly prepare children for the fourth industrial revolution."

The Strategy

Setting up a Think Tank

Outblaze set up ThinkBlaze, an internal think tank to look at technology and social issues such as how

technology can be used for education. It does not generate revenue but its research has led Outblaze to learn more about synergy opportunities between technology and education, a combination that Yat believes will see huge growth.

Incubating Edutainment Businesses

Outblaze has incubated many companies in a range of fields including mobile apps, blockchain games, and AI and music products, such as Animoca Brands, a game and blockchain company listed in Australia, Chord Hero, an initiative to make music learning less expensive and more engaging, and Baby Cortex, a company dedicated to developing and publishing edutainment apps for young children.

Dalton Learning Lab Powered by Design Thinking

In 2017, Outblaze founded the Dalton Learning Lab, a joint venture with the co-founders of Dalton School Hong Kong. The Lab looks at how learning in children can be optimized by teaching children aged 4-13 skills such as technology fluency and divergent thinking in a variety of Science, Technology, Engineering, Arts and Mathematics (STEAM) topics.

Outblaze is a great believer in and advocate of design thinking – a stakeholder-centric approach to address challenges and identify opportunities. The majority of the young engineers at Outblaze are single and childless; and they do not have enough understanding about the needs of their target users — the kids.

Dalton Learning Lab serves as an R&D unit of Outblaze

Outblaze

Purpose and Scalable Impact Through Technology

HKSAR

to obtain insights into product development for children through their teaching work. "Empathy is one of the most valuable assets of human beings and one of the most important 21st century skills. Hong Kong has to do more to nurture a more empathetic generation," Yat said.

The Opportunity



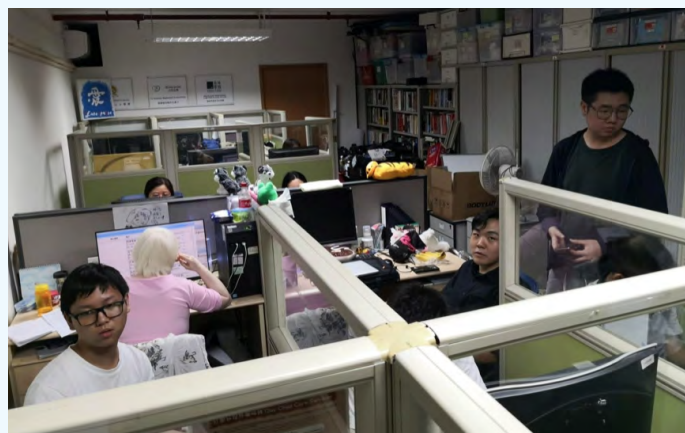
Open Day of Dalton Learning Lab

In 2016, Yat was invited to speak at an event at the Polytechnic University. He was pitched by Connor Chu and Bonnie Leung (Co-founders of Teen Future) to outsource projects to their young people. Teen Future is a social enterprise with a mission to develop the potential of young people (aged 15-24) who do not follow the conventional academic path. It trains young people to provide game testing and related outsourcing services. It only took Yat 30 seconds to say yes, as he thought it could be a win-win for Teen Future and Outblaze. He liked the idea of giving job opportunities to marginalized youths, and at the same time helping the company to address the challenge of

attracting young game testers to work at their office.

The Strategy

The task of implementing the partnership with Teen Future was assigned to Issac Poon, assistant communications manager of Outblaze. Issac said the idea was met with some initial resistance, but in the end, colleagues accepted the outsourcing arrangement as the youths have continuously shown that they are capable of fulfilling the job requirements. It is also a more cost-effective, reliable and sustainable arrangement because Teen Future is able to guarantee a stable workforce. From game quality assurance, Teen Future has also branched out to working with Outblaze in other fields like customer service, social media managing and AI tagging. "It was actually easier for colleagues to do good in this way than conventional CSR efforts, as they quickly see the real benefits to their teams, the company, and the youths," Issac said.



Teamwork of Teen Future

The Impact

After starting life as a white-label software-as-a-service provider and selling that business unit to IBM, Outblaze has developed across multiple industries including mobile, web, gaming, education, music, artificial intelligence, blockchain, health, exercise, and others. Today, Outblaze is at the centre of a vibrant network of dozens of companies and partners on the cutting edge of information technology. In 2018, Outblaze won the SME Award at 2018 DHL/SCMP Hong Kong Business Awards.

Vision of the Future: Redistributing Wealth and Redefining Capitalism

In the early days of Outblaze during the emergence of the internet age, the purpose of the business was to connect people. And now with blockchain technology, Yat is thinking about how this new technology could create a wealth redistribution system through a decentralised, peer-to-peer, global monetary infrastructure based on delivering (instead of extracting) value to the users. Companies will make the shift from extracting value from users to giving value to users. This new approach to business will be made possible by the new transaction and incentive infrastructure provided by blockchains.




- Connected the vision and mission of the company with a Purpose
- Communicated clearly to staff that they are making both money and meaning
- Looked into mega trends and identified growth opportunities with a human-centred approach
- Worked with social enterprises/NGO partners to meet the needs of both the business and society
- Used technology to scale impact

Jenston Technology

Building A Happy Workforce

HKSAR



"We find joy and satisfaction in doing meaningful things. We let our staff see the creations of social values and benefits to others. In doing so, I believe the relation between staff and management will be long lasting."

- Jane Liu, Managing Director, Jenston Technology

An ex-banker and an INSEAD and Tsinghua EMBA graduate, Jane joined the family business some 20 years ago. With an overseas education and experience working in international banks, Jane has a "liberal" management philosophy. She started to initiate green workplace practices when she joined the Jenston Group, bringing over her experience in a US bank to the family business. It was considered very "progressive" at that time, especially for a SME.

The Company

The Jenston Group was founded almost 40 years ago. Jenston Technology is one of the business units with 20 people in Hong Kong, and over 100 in Mainland China. It is a system integration consultancy and managed service provider for audio-visual solutions and collaboration technologies.

Company Vision and Values

Jenston Technology's vision is to help organisations to "reinvent workplace communication and collaboration" with their image and sound solutions. Its core values are:

- Creating value together
- Ethical business
- Creating meaning and happiness

The Opportunity

When Jane joined Jenston Technology, she wanted to create a more collaborative culture for the company. They tried staff welfare initiatives (e.g. BBQ and other recreational activities) but without much success.

The Strategy

Strategic CSR as a Staff Engagement Tool

Jane decided to introduce staff volunteer work with kids and the elderly as a team building means. There was a lot of resistance from senior colleagues (especially the male staff) but they gradually saw the personal benefits. She shared a story of how a male staff came to appreciate the need for him to spend more time with his family after his visit to the elderly. Their volunteer activities have become more developed over the years. "Management commitment and mindset are highly important. Communication is important. I explained the rationales behind and our staff have gradually come to realise what we do are all meaningful," Jane explained.

In addition to staff, they now invite their business acquaintances to join their volunteer work as well. And it has been proven to be beneficial in building their relationship with suppliers, clients, NGOs and other stakeholders.



Jenston Plantation Day: raises plantation awareness as part of our green initiatives

Understanding the Needs of Employees

Jane attaches a lot of importance to building a happy workforce. She believes SMEs may not be very competitive when it comes to attracting and retaining talents. She considers that an "employer and employee" relationship will not work nowadays. Openness, communication, constant feedback, workplace "democracy" and carrots (rather than sticks) are the key components of her management philosophy. She believed that gaining trust from staff enables open dialogue. "We listen to them and try to understand what they need. Then we give feedback and take actions."

Staff in Jenston are given the autonomy to decorate the office space, and Jane finds amazing creativity with the team. "Our staff said we are very liberal. We involved our staff in the entire process of office renovation. We asked them what they wanted for desk size, the design of the chill zone etcl. We let them know that we welcomed and encouraged creative design. After all this is their workplace where they should have a sense of belonging," Jane elaborated.



As a co-founder of SME Sustainability Society, Jane wishes to promote Sustainability in the SME community

Carrots rather than Sticks

As an example of how Jenston uses positive reinforcement than punitive measures, they introduced a punctuality leave (one day for every 6 months) to address the issue of staff turning up late for work. It has proven to be very effective. The number of staff who have been 100% punctual has improved from 50% to 95%.

Jane also believes in the importance of training and development. Jenston is very generous in encouraging staff to attend training programmes. "The management is willing to let staff join the seminars during office hours. We are open to different kinds of classes, even though they may not be relevant to our work. We think our staff can benefit from learning different things. They are building up the knowledge and we see the value of it."

The Impact

A Motivated Workforce

Jenston Technology is a participant of the Hong Kong SME Business Sustainability Index compiled by the CUHK Centre for Sustainability and was ranked the 2nd in its 5th edition. Jane believes that participating in the Index survey has helped her company understand more what business sustainability means. The company also received the Grand Award and Sustainability Award (SME) of the 2016/17 HKMA Hong Kong Sustainability Award. She feels that these awards can be a useful incentive to encourage more companies to pursue sustainable business practices. She encourages the government to provide more support and recognition to this kind of awards.

Some people may dismiss the value of CSR (e.g. volunteer work) if it is simply used as a reputation management tool. In Jenston Technology's case, CSR policy and practices started off with a genuine interest to serve the community and engage the staff. CSR is integrated into the company's culture and is an integral component of its talent engagement strategy. It has helped the development of esprit de corp and staff morale. Seen in this light, even traditional CSR can be a staff engagement strategy – if it is genuinely deployed pursuant to the purpose and values of a company. For SMEs, this may be an effective and relatively easier first step to do good and do well.

Jane is interested in moving forward into more strategic CSR practices. Whilst this may take more time to develop, she is keen on learning more, gaining great exposure to and inspiration from like-minded organisations who share similar mindset and values.

Championing Business Sustainability amongst SMEs

Jane has co-founded the newly launched SME Sustainability Society formed under the auspices of the CUHK Centre for Sustainability. She thinks peer to peer learning and support will be valuable in raising the sustainability standard of companies – especially amongst SMEs.



- Aligned CSR activities with the company's talent engagement, team building and staff development strategy
- Co-created a better workplace and sense of wellbeing with staff
- Encouraged positive behaviour with carrots rather than sticks such as punctuality leave
- Supported peer to peer learning to raise the sustainability standards of SMEs

Stakeholders/External influences motivating change

This section describes companies which have enhanced their business for good commitment as a result of a catalyst - an internal catalyst is recruitment and retention of talents, and companies co-create with employees for a holistic do good and do well business strategy. An external catalyst could be government regulations and new policies, or it could be stakeholder pressure, or a guiding framework such as the UN Sustainable Development Goals, affecting how customers and stakeholders view the company.

Zorlu Holdings

A Sustainable and Smart Life for all Stakeholders

Turkey



For a healthy company, we need to have a healthy society."

- Emre Zorlu, member of the Founding family

The Company

Zorlu Holdings is one of the biggest corporate groups in Turkey, and headquartered in Istanbul. With approximately 30,000 employees, Zorlu operates across a wide variety of industries including electronics, textile, energy, real estate development, mining and metallurgy.

Zorlu embraces the concept of generating value for society in everything they do. The company defines sustainable business as going beyond the maximization of revenue and the interests of stakeholders, and their business pays attention to social good and the environment, as well as strict adherence to corporate governance principles.

Company Vision and Values

Zorlu's vision is to bring to life the dream of "a sustainable and smart life" by offering the forward-moving power of technology to society.

Within all the industries in which Zorlu operate, they are guided by the United Nations' 17 Sustainable Development Goals (SDGs), and they are committed

to sustainability through the entire product lifecycle - from raw materials to after-sale services.

The Opportunity

Stakeholders' Expectations

Zorlu positions their stakeholders as the prominent factor pushing them towards a sustainable journey. According to the communications department, meeting their stakeholders' expectations regarding sustainable business practices also match their internal company's philosophy to do business responsibly.

Zorlu said that it is not that easy to put motivation for changes in an order of priority, as all of their stakeholders constitute the source of their motivation. It is their experiences and feedback that shape the outline of Zorlu's future strategies.

Leadership: A Major Driving Force

Leadership is a critical factor in bringing about the change they aspire. It is for this reason that Zorlu's Board of Directors incorporated their "Smart Life 2030 strategy" across their business. Starting from the Board, they have leaders at all managerial levels of the organisation committed to mobilising people towards the strategic goals defined in the Smart Life 2030.

Amongst their employees, the company has volunteers that act as ambassadors of change to disseminate the values of the Smart Life across the organisation, and design the architecture of the concerted efforts to this

end. The ambition and devotion of the employees in this respect bear great importance for Zorlu. As their internal stakeholders, the employees constitute one of the major sources of motivation for the company.

The Strategy

The implementation of the Smart Life 2030 strategy has been throughout all companies, from the top management to the junior levels of staff.

The Chief Financial Officer (CFO) undertook the leadership of implementing this strategy at the top managerial level. In 2016, Zorlu established the Zorlu Holding Sustainability Committee under the CFO, with the participation of many sustainability working groups (such as environment, R&D and innovation, corporate governance, employees, relations with society, customer relations, supply chain). The working groups consist of employees from Zorlu Holding subsidiaries and departments which place sustainability strategy in the center of their business strategy.

Members of these working groups are called "sustainability ambassadors". They not only address technical issues around sustainability, but also create a sustainability ecosystem in their company and departments by implementing sustainability strategies and monitoring processes. Sustainability ambassadors gather and share the improvements and their experiences at least once a year with the group members.

Zorlu Holdings

A Sustainable and Smart Life for all Stakeholders

Turkey

To ensure their aspirations come to reality, 120 employees have been selected as “Smart Life Ambassadors” who, across the Zorlu Group, will lead the efforts for building a work environment where sustainability is put at the centre of how employees fulfil their respective responsibilities. Zorlu supports the Smart Life Ambassadors by offering training, events support and mentorship programmes. In partnership with the Boğaziçi University (one of the most reputable universities in Turkey) Lifelong Training Center, Zorlu founded the Smart Life Academy and became the first Turkish company to partner with a prestigious university for training programme in sustainability as a strategy of their commitment to social and environmental change.

Support from Top Management Level and Zorlu Family

The company’s corporate communications department plays a key role in these processes. At Zorlu Holding,

everyone from the top to bottom levels of employees - both at the Holding and Group Companies operating in their five main fields of activity - display real ownership of these values and new approaches.

At the top management level, the CFO as the Sustainability Committee Chair leads the efforts to make sustainability a way of doing business across the Group, which is closely linked with the company’s notion of corporate citizenship. Zorlu’s commitment to sustainable values is embodied in all their products and services, and the members of the Zorlu family are also devoted to this cause. Both Emre Zorlu and Selen Zorlu, board members of Zorlu Holdings and also the third generation of the founding family, lead activities in a wide variety of areas, from social innovation to quality education, from gender equality to reducing inequalities, all to echo Zorlu’s values that a healthy company should thrive in a healthy society.

The Impact

Better Reputation, Public Trust and Perception of Zorlu Holding

Zorlu is receiving very favourable feedback from their stakeholders on their efforts to make sustainability an integral part of the business. This includes employees, suppliers and other business partners. In the longer term, they believe their efforts will make a significant contribution to the corporate value of the business in the eyes of investors, during the possible process of going public.



- Responded to international standards such as UNSDGs to do good, as an outward looking large multi-sector corporation
- Supported by the founding family and top management in pushing forward its Smart Life 2030 strategy
- Involved colleagues in driving initiatives within the company
- Led social innovation activities by third generation board members of the founding family
- Gained more trust from business partners and the public with their mission of thriving in a healthy society

Ping An

Addressing Social Challenges in Rural Communities as a Strategy to Deepen Market Penetration

Mainland China

"Through utilization of Ping An's resources and competence in finance and technology, we are eradicating poverty in a 'hematopoiesis' way instead of a 'transfusion way'. Our vision is to enable people's access to social assistance, healthcare and education."

- MA Mingzhe, Chairman and CEO



The Company

Ping An Insurance (Group) Company of China Ltd. ("Ping An" or "the Group") is a Chinese holding conglomerate whose subsidiaries mainly focus on insurance, banking, asset management and internet finance businesses. It began in Shenzhen in 1988 as a property and insurance company. With technology as a core competence and driver, Ping An was able to scale and diversify its business. Today, it ranks 29th on the Fortune Global 500 list. Ping An has also launched health-tech businesses, including the Hong Kong-listed Ping An Good Doctor.

Company Vision and Values

Ping An upholds the belief of "technology-powered financial services for a better life". Based on two growth models, it is Ping An's strategy to build an integrated financial services platform with the vision of "One Customer, One Account, Multiple Products and One-Stop Services".

The Opportunity

Targeted Poverty Alleviation in Mainland China

Poverty alleviation has always been an agenda of the Central People's Government (CPG). Targeted poverty alleviation was first raised by Xi Jinping, President of the People's Republic of China back in 2013. A year later, the total number of people living in poverty in China was third highest in the world. It was the goal of the CPG to eradicate poverty by 2020 under the Five Year Plan. While this is not policy nor performance indicator for private businesses, many sizable Chinese enterprises have invested in poverty alleviation projects in support of this goal.

A Genuine Belief in Business for Good from the Leadership

The company's leadership attaches great importance to sustainable development and social responsibility. Mr. Ma Mingzhe, Chairman and CEO of Ping An goes beyond echoing the national poverty eradication policy and describes his aspiration to contribute to the poverty eradication agenda by way of "hematopoiesis" (「造血式扶貧」), to make blood rather than rely on blood transfusion (「輸血式扶貧」). The leadership's will and strong capability in execution are key.

The Strategy

"Ping An Rural Communities Support" Initiative

To create impact at scale, Ping An invested over CNY 5,515.7 billion to its flagship Village Officer Programme

under the "Ping An Rural Communities Support" initiative (the Project), which was announced in Mr Ma's New Year Address in 2018.

The Project aims to strengthen industrial development and access to quality healthcare and education in rural areas, whilst enhancing Ping An's business presence and creating future demand for their products and services. It comprises 3 programmes; Village Officer, Village Doctor, and Village Teacher. The poverty alleviation approach is as follows:

Product innovation to bring in new rural investments

The Village Officer Programme offers agricultural finance infrastructures, including agricultural enterprise loan and poverty alleviation insurance. These attract leading corporations to expand their businesses in rural areas, bringing in finance, technological capital and job opportunities to grow local economies as a way out of poverty.

Technology to bridge the gaps

The Village Doctor Programme supports the establishment of clinics and mobile health centres in poverty-stricken villages. A special version of Ping An Good Doctor mobile application was developed for village doctors. It incorporates an AI-assisted smart auxiliary diagnosis system, increasing the accuracy of preliminary diagnoses and enabling better health record management. Through the Village Teacher Programme, Ping An developed interactive live-

streaming facilities and online platforms to bring quality teaching resources and training from urban areas to village teachers.

Strong multilateral collaboration

As part of the Project, Ping An collaborated with local governments and Chinese Medical Volunteers Association to organize village doctor training. They also work with the Chinese Medical Volunteers Association and university speakers to deliver mass online training sessions for doctors, teachers and students across regions.

Effective Delivery of the Project

Creating common goals shared by the management and staff

Ping An's leaders believe that developing awareness comes first, before making things happen. To create a shared belief among staff, internal communication in Ping An had put much emphasis on the importance of the Project.

Top-down and bottom-up design and implementation approach

Ping An holds a strong belief that all projects take place from top-down and bottom-up in parallel, such that the visions of the top management can be implemented on the ground. Therefore Ping An delegated most responsibilities on the design and execution of the Project to their subsidiaries, which have deep understanding and networks in local markets.

The Impact

Being the first Chinese insurer to have foreign shareholders, Ping An pointed out that its investors often have questions on whether the value generated by the Project is able to justify such a huge sum of community investment. This has not been a difficult question to Ping An, characterized by strong performance management in terms of both project management and measurement of social impact created.

The Project generated clear business returns and social impact. In the period from January to August 2018, business of Ping An Annuity endowment insurance (one of the offerings of the Village Officer Program) in the regions covered by the Project had grown CNY1.8 billion as compared to the previous year. As Ping An provided preferential interest rates to attract leading enterprises to develop their business in poverty-stricken areas, locals directly benefited from job creation and better accessibility to technology. As of December 2018, locals benefited by job creation can earn an additional annual income of CNY14,820.

It also brings other intangible benefits to Ping An. Serving as a bridge between the government and local people in need, the Project helped Ping An gain extensive exposure to the public, adding value to their corporate brand equity.

Ping An measures the positive impact brought by the Project to the local communities in a transparent

manner. Indicators including the number of village doctors trained, clinics and mobile health centers supported etc are disclosed in their sustainability reporting. To examine the effectiveness of the programmes, Ping An revisited the beneficiaries and kept track of key metrics, such as the improvement in the income of poverty-stricken households and local students' level of technological knowledge.

It is always a problem to ensure continuity of a community program without long-term support. To overcome this challenge, Ping An established the Ping An Volunteer Association, a nation-wide volunteering platform for staff members and their families, customers and other business partners to sign up as Ping An volunteers via the "San Cun Hui" mobile application. To date it has already recorded over 1.8 million volunteers nation-wide. With stakeholders joining, the influence of the Project had reached over 15,000 low-income households.

Ping An expects to continue its strategy with more focus on ensuring the sustainability of local economies supported by steady growth in consumption.




- Upheld the belief of "technology-powered financial services for a better life", combining Ping An's strength with a social value creation process
- Alleviated poverty by empowering people with technology, not just via donations
- Offered clear business return of Ping An's technological products and services
- Conducted systematic measurement and report on impact
- Built positive brand image and good relationship with government with a flagship poverty alleviation programme

Landsec

Creating Value for All Stakeholders

UK



"For us, sustainability is about the actions we take to fulfil our purpose so Landsec prospers far into the future. We want customers to prefer our spaces. We want communities to be pleased it's us operating in their area. We want partners to share our priorities. And we want employees to invest their energy and ambition here. When we get all this right, we create value for our investors."

- Robert Noel, CEO

The Company

Land Securities Group ("Landsec") is one of the largest commercial property development and investment companies in the UK. The company's portfolio value and portfolio area reach £13.4 billion and 24million sq ft (as of 12 November 2019), respectively. Landsec's portfolio is a diverse mix of offices, retail and specialist spaces in London and across the UK.

Company Vision and Values

Landsec's purpose is to provide the right space for customers and communities so that businesses and people can thrive. They do this to create long-term financial, physical and social value. Together, these create sustainable value for their shareholders.

The Opportunity

10 years ago, Landsec had a more traditional CSR approach, in which the company's Charity Committee gave grants to charities without strategic focus – the results of these grants were neither measured nor linked to Landsec's business.

Various factors contributed to Landsec's shift towards more strategic, long-term, sustainability-focused work. First, Landsec started recognising the policy landscape change with the introduction of the FTSE Good Index and ESG. Second, the nature of the property development sector meant that Landsec had to be in a negotiating relationship with local authorities in order to get planning permission.⁵⁹ Having a strong social value position meant Landsec could improve its competitiveness in the negotiation process for large scale projects with local authorities.

Another motivation came from the leadership level. Robert Noel, who became the CEO in 2012, was perceptive about the changing landscapes, potential opportunities and anticipated what would be meaningful for the company in the future. Discussions on sustainability and social value are on board meeting agendas.

The Strategy

Organisational Shift

Landsec responded to changing business trends and leadership by creating a strategic sustainability team in 2015, shifting the whole company to consider sustainability, build evidence and report on the impact.

At the leadership level, a Sustainability Committee was established to guide the process of creating social value on a strategic level. The Committee's role is to set organisational targets, review impact reports and communicate impact internally and externally so that sustainability becomes of interest to investors.

Value Shift: Beyond Compliance

Landsec's journey of embedding social and environmental value shifted from "complying and negotiating in a strategic way" to "embedding ourselves and reaching out to the community network" with a long-term view. As a developer, Landsec started recognising its role as being a "good neighbour" in order to stay invested in the location after development as illustrated by Landsec's Sustainability Director, Edward Dean: "If we're operating in local communities, we want to be a good citizen and good neighbour. It's not only good for the community, it's good for business as a whole."

Streamlining into Strategic Goals

Landsec decided one of the biggest areas in which it can achieve impact was the creation of jobs. Landsec recognised the skills shortage issue in the sector (property, construction, service sector) and examined its own supply chain to understand where it could have the biggest impact.

⁵⁹ Planning obligations under Section 106 of the Town and Country Planning Act 1990, commonly known as s106 agreements, are a mechanism which makes a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as "developer contributions" along with highway contributions and the Community Infrastructure Levy. "S106 Obligations Overview", Local Government Association website, www.local.gov.uk/pas/pas-topics/infrastructure/s106-obligations-overview

Currently, Landsec's social sustainability programmes focus on four areas:

- 1) Community employment:** Collaborating with partners across the country to unlock sustainable job opportunities
- 2) Education:** Educating the next generation of property professionals from all areas and backgrounds
- 3) Volunteering:** Empowering employees to donate their time to support causes such as homelessness, rehabilitation, education, community cohesion and wellbeing
- 4) Charity partnerships:** Supporting local and national organisations in the same areas as Landsec's development projects.

Building Measurement Framework

After streamlining objectives into strategic goals, Landsec invited Social Value Portal, a social enterprise that specialises in measuring social value, to help craft a measurement framework, following extensive consultation with the Landsec social sustainability team, its delivery partners and employees. The framework has become a strategic planning tool that could track performance and learn from mistakes.

The Impact

As the below infographic shows, Landsec estimates their community programmes created £3.2 million



Source: 2019 Social Contribution report

of social value and supported over 1,500 people in 2018. Landsec set a new corporate commitment to create a further £25M of social value through community programmes across the UK by 2025.⁶⁰

Brand Value and Public Trust

In the development sector, brand value is crucial - the stakeholders including employees and the community you work with, need to trust the company.

The high level of trust gives Landsec a “licence to operate” as well as opportunities to gain insight and design buildings that work for the community. For example, in Trinity Leeds, Landsec found that the community was worried about identity and opportunity for local food dependence. This factor was considered in the design to create a food market unique to Leeds - Trinity Leeds Kitchen.

Talent Attraction and Retention

One of the biggest problems the property development sector faces is talent retention. Despite the challenges faced by the wider industry, talent attraction and retention is one of the key positive effects of delivering a credible social value strategy at Landsec.



- Responded to the changed policy landscape with the introduction of the FTSE Good Index and ESG
- Acted beyond standards - put doing good and being a good neighbour as core mission
- Embraced “active listening” to all stakeholders which facilitated their business operation - when they go into a new area, friction is reduced during the development
- Improved competitiveness with its strong social value position especially in the negotiation process for large scale projects with local authorities

⁶⁰ 2019 Social Contribution Report. Landsec.com.
landsec.com/sites/default/files/2019-03/Our_Social_Contribution_Web.pdf

Sodexo

Drive Change Across all Business Segments from Within

UK



"Fifty years ago, when I made it Sodexo's mission to improve the Quality of Life of its employees and of all those we serve, while contributing to the economic, social and environmental development of the cities, regions and countries we work in, I think we were ahead of the times."

- Pierre Bellon, Founder of Sodexo, from the book, To serve and to grow

The Company

Sodexo is a food services and facilities management company founded by Pierre Bellon in 1966. Sodexo provides on-site services, benefits and rewards services, and personal and home care services, in client segments which include corporate, healthcare, education, defense, remote sites, justice services, seniors, and sports and leisure. The company is headquartered in Issy-les-Moulineaux, France.

Sodexo is one of the world's largest multinational corporations with over 420,000 employees (as of 15 May 2019) and an annual revenue of 24.17 billion USD (in 2019).⁶¹

Company Mission and Values

Sodexo's mission is to provide "quality of life services" to all of the people they serve, including clients, employees and shareholders. This purpose was strongly embedded from the start of the company and has since been the core driver of how the company operates.

⁶¹ "Sodexo", Forbes, 12 May 2020, www.forbes.com/companies/sodexo/#576f5b2a7e87

The Opportunity

From the company's founding, its focus was on people. "Before creating Sodexo, I asked myself why I wanted to start a company? A company is its clients; a company is the women and men who work there; a company is its shareholders who provide financial resources. I told myself that to create a company is to try to meet the needs of the clients, the needs of the workforce and the needs of the shareholders." says Pierre Bellon, Founder.

However, Bellon quickly realised that it was not easy to satisfy clients, the workforce and shareholders at the same time, and the only way to satisfy the conflicting interests was through growth.

Regulatory Framework

In the UK, the Social Value Act came into force in 2013, requiring government commissioning bodies to consider social and environmental benefits when procuring new goods and services. The Act marked a significant shift in public procurement practices, which is the biggest area of public expenditure in the UK.⁶² It recognises that public money should be spent on the basis of social value and quality rather than price.

Sodexo welcomed the passing of the Social Value Act as it was strongly tied to their own purpose,

and had a significant impact on Sodexo in the UK. 52% of Sodexo's contracts in the UK and Ireland are government contracts. The introduction of the government's framework meant that there now had to be a formal way to capture and provide evidence of the positive impact the business has on society, the environment and the economy.

A new Director of Social Impact was created across Sodexo UK&I in 2019 with the purpose of embedding social value-centric processes, and better articulating Sodexo's social value creation.

The Strategy

Employee Engagement

As a service company, Sodexo does not own any assets but views their biggest asset as people. Director of Social Impact Angela Halliday mentions: "our onboarding is about assessing the values of an individual. For the technical aspects of a job you can teach people where there is a gap. It's actually about who the person is... the values and behaviours are a key part of our attraction and retention strategy for our people."

The company is committed to increasing employee engagement and has a volunteering policy that

⁶² In the UK in 2017/18, the government spent £284billion on buying goods and services from external suppliers. Institute for Government (2018)

allows employees up to three days per annum to support community work on a pro bono basis. The Director of Social Impact spends time speaking to people across all levels of the company, starting from the leadership team, and motivating teams to develop their social value roadmaps, aligning to Sodexo and stakeholder needs and priorities. The purpose is to reward and recognise the actions employees are taking, and facilitate ways to link social value into employee learning and development plans.

Measurement and Authenticity

The Social Value Act has provided the motivation and commitment on social and economic value for companies. However, it has also created pressure around measuring impact. The direction taken by the government on this poses a challenge of discerning who is talking the talk and who is walking the walk. Without an agreed framework, the measurement of social value becomes subjective.

The focus on measurement may push many companies to focus on numbers that are easy to measure, rather than on what changes people's lives. Sodexo recognises social accounting as a way to articulate what they mean by Quality of Life Services and is aware of the danger of measuring without asking the question of "so what, what change has been created as a result of our delivery?"

In Halliday's perspective, the framework for social value is a good tool for deciding what to prioritise.

She also mentions that social value is not an add-on responsibility but about everything the company does (including HR, supply chain management, sustainability/environment, recruitment/retention, etc). It should feed into the company's social value ethos.

The Impact

Sodexo UK & Ireland has published its Public Service Pledge since 2015 - an ethical manifesto for Sodexo's contracts, people and communities. The Pledge shows the company's commitment in delivering services that achieve value, better outcomes and improve quality of life. The Impact Report highlights the positive outcomes of Sodexo and also where the company has not yet achieved its targets. In 2019, Sodexo published its 3rd edition of the Pledge.

Sodexo's commitments are specific and action-oriented and can range from employment policies (for example, employing 40 ex-offenders, 200 ex-armed forces, engaging 800 employees in apprenticeship programmes, doubling employee volunteering, undertaking pay audits for gender balance, increasing representation of women in top positions, etc.) to supply chains (partnering with small to medium enterprises (SMEs) and voluntary and community sector organisations, undertaking independent client satisfaction survey, etc.) and sustainability goals (reducing waste, sustainable

sourcing, carbon reduction, banning single-use plastics, etc.).

Authenticity and Future-proofing










For Sodexo, the impact lies in the stories of people who have led or experienced the change. While there is increasing pressure to demonstrate impact in figures, Halliday emphasises the importance of seeing, feeling and tasting social value, rather than relying on numbers, charts and graphs.

“The impact of social value is about ‘future-proofing’ the company. The sign of success for a fully embedded approach to create social value is not only about feeling it today, but also developing ways to respond and evolve the agenda in the next 5 to 10 years. It is about taking actions for tomorrow and anticipating the societal, environmental and economic needs in the future”, says Halliday.



- Considered social value as “future-proofing” the company
- Used the regulatory framework on social value as an opportunity to strengthen the company’s operations and culture
- Viewed their biggest asset as people and committed to employee engagement
- Recognised social accounting as a way to articulate impact
- Published its Public Service Pledge to hold the company accountable (showing both positive outcome and where company has not achieved its targets)

Better Tomorrow 2025 UK & Ireland: our 2018 achievements

As an employer	As a service provider	As a corporate citizen
 <p>Workplace equality We've been recognised for our leadership in gender equality by being named in The Times Top 50 Employers for Women 2018</p>	 <p>Reducing waste Through our Wasteful to Tasteful initiative, we have saved 58 tonnes of wonky fruit and veg from landfill since 2018</p>	 <p>Donating meals We have donated the equivalent of four million meals to charity partners across the country</p>
 <p>Leader status In 2018, Sodexo achieved leader status in the Government's Disability Confident Scheme, ensuring an inclusive workforce in the communities we serve</p>	 <p>Sustainable sourcing We are committed to sustainable business practices. Over 80% of pork and 92% of beef served at our sites is locally sourced</p>	 <p>Supporting growers Through our Coffee Growers Fund, we are supporting 25 coffee-producing families, helping them work towards a living income</p>
 <p>MSC certification All our Sodexo sites are MSC-certified, ensuring we are fostering a culture of environmental sustainability</p>	 <p>Carbon reduction We continue to provide management services that help reduce carbon emissions. In 2017, we reduced our CO₂ impact by 16,288 metric tonnes</p>	 <p>Single-use plastics In 2018, we banned the purchase of plastic straws and stirrers</p>

Source: Public Service Pledge Impact Report 2018/19