

Rebuilding with Shared Value in The Great Reset

Webinar

17 February, 10am Hong Kong



Agenda for today - Key Societal Trends [2020 Global Survey]

- What keeps us awake at night?
- A growing sustainability wave
- Trust in Institutions
- Increasing consumers engagement around corporate responsibility and sustainability
- Corporate Social Responsibility
- Corporate – Civil Society Partnerships

The Research – Methodology and Coverage

Participating Countries 2020



- Representative online samples of approximately 1,000 adults per country in each of 27 countries
- Samples representative of online population, weighted to reflect general population census data
- Online surveying in June 2020
- Where historical data are shown, questions were asked using an in-person and telephone methodology before 2019.



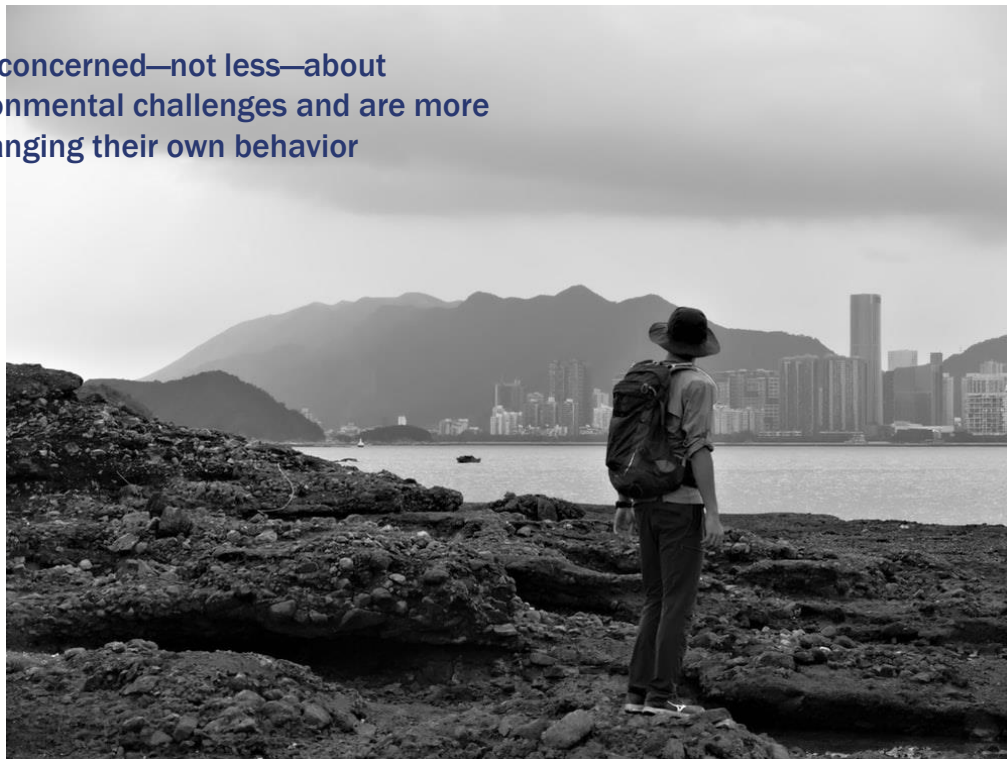
Issues which are keeping us awake A Growing Sustainability Wave

GLOBE **SCAN**

evidence and ideas, applied

Looking at 2020 - what is keeping us awake in Asia?

People are more concerned—not less—about addressing environmental challenges and are more committed to changing their own behavior



94%

COVID-19

91%

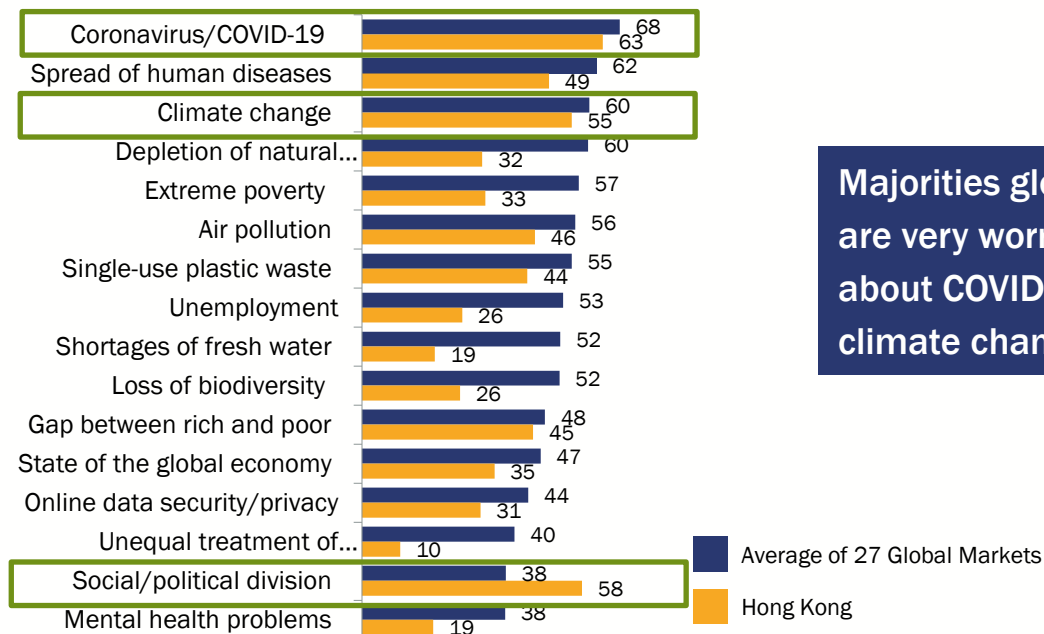
climate change

90%

air pollution

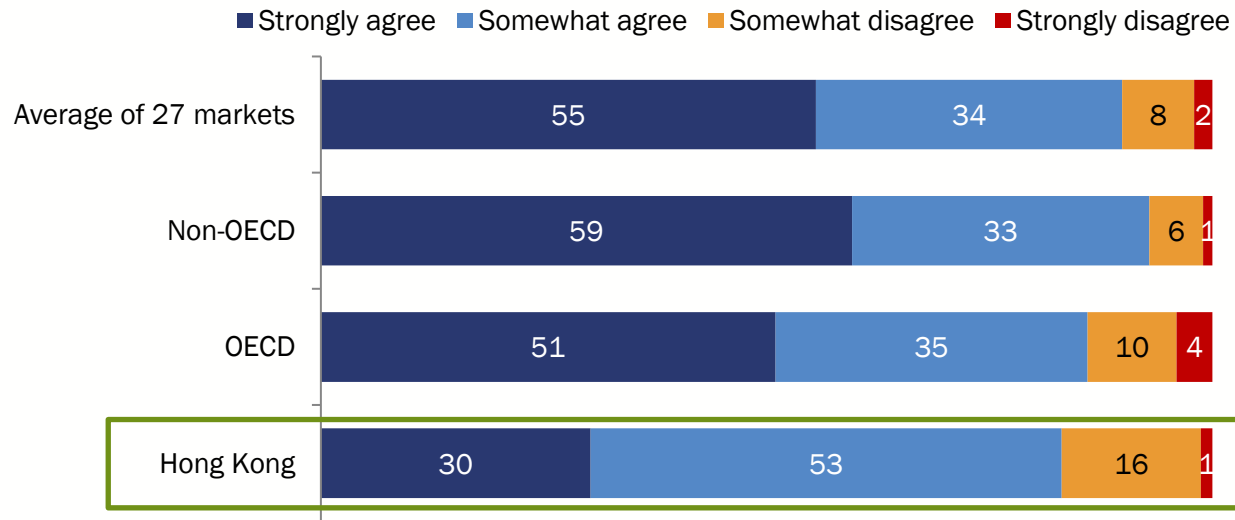
What specifically are people concerned about?

“Very Serious” Concern about Global Issues – Globally and Hong Kong



Majorities globally are very worried about COVID-19 and climate change

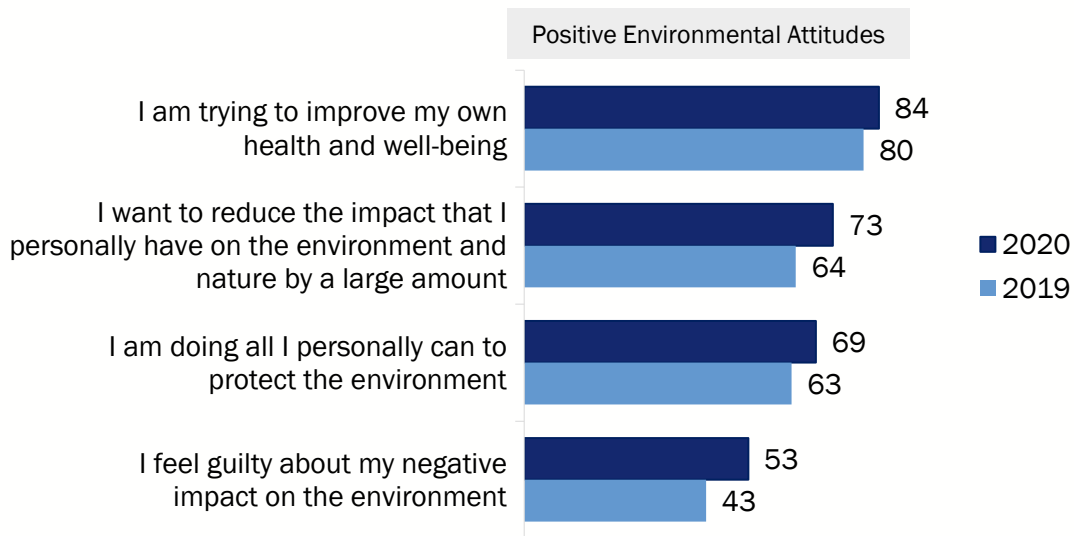
Climate change and COVID-19



T13. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree. – We as a society should respond to climate change with the same urgency as we have responded to the coronavirus/COVID-19 pandemic.

Environmental Attitudes

“Strongly Agree” and “Somewhat Agree - Average of 24 Countries,* 2019–2020



81%

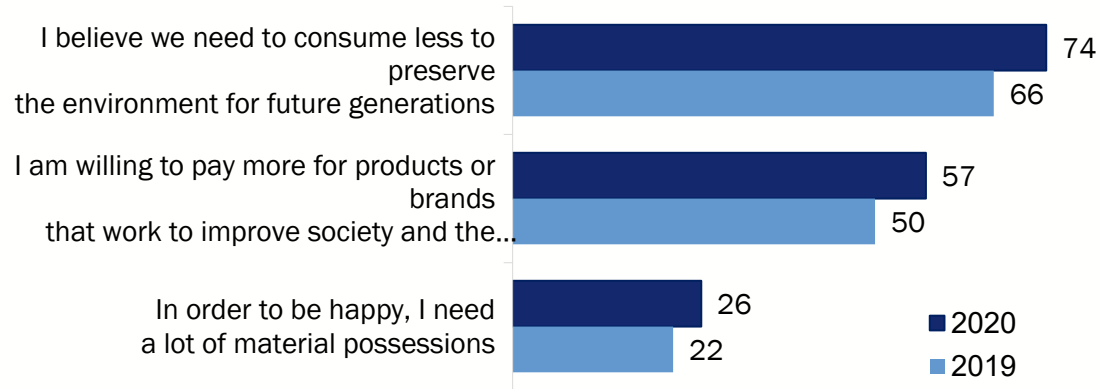
in Asian countries
are trying to
improve their **health**
and wellbeing

*Does not include Singapore, Thailand, and Vietnam as tracking data unavailable.

Q11. Please indicate whether you strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly disagree with each of the following statements.

Opinions on Environment and Consumerism

“Strongly Agree” and “Somewhat Agree - Average of 24 Countries,* 2019–2020



Increasing year on year trend showing people are concerned about the environment and willing to pay more

*Does not include Singapore, Thailand, and Vietnam as tracking data unavailable.

Q11. Please indicate whether you strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly disagree with each of the following statements

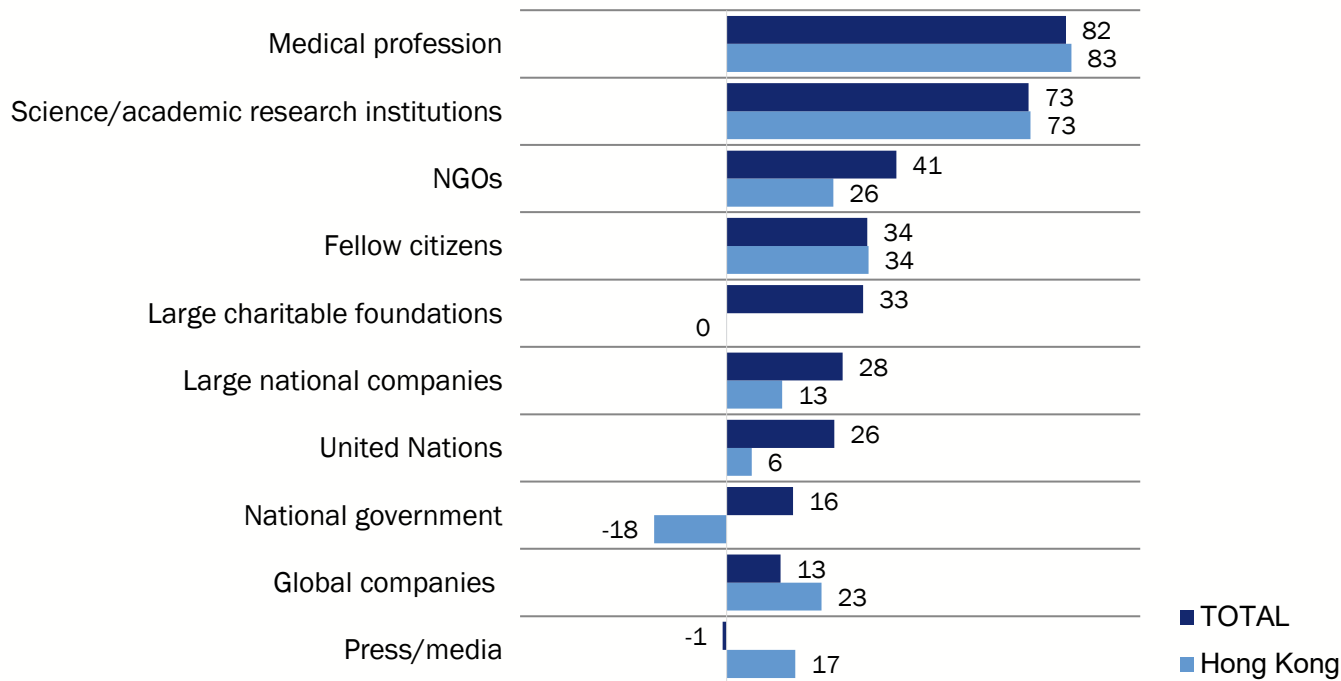


Trust in Institutions Corporate Responsibility and Consumer Engagement



Global and Hong Kong Trust in Institutions

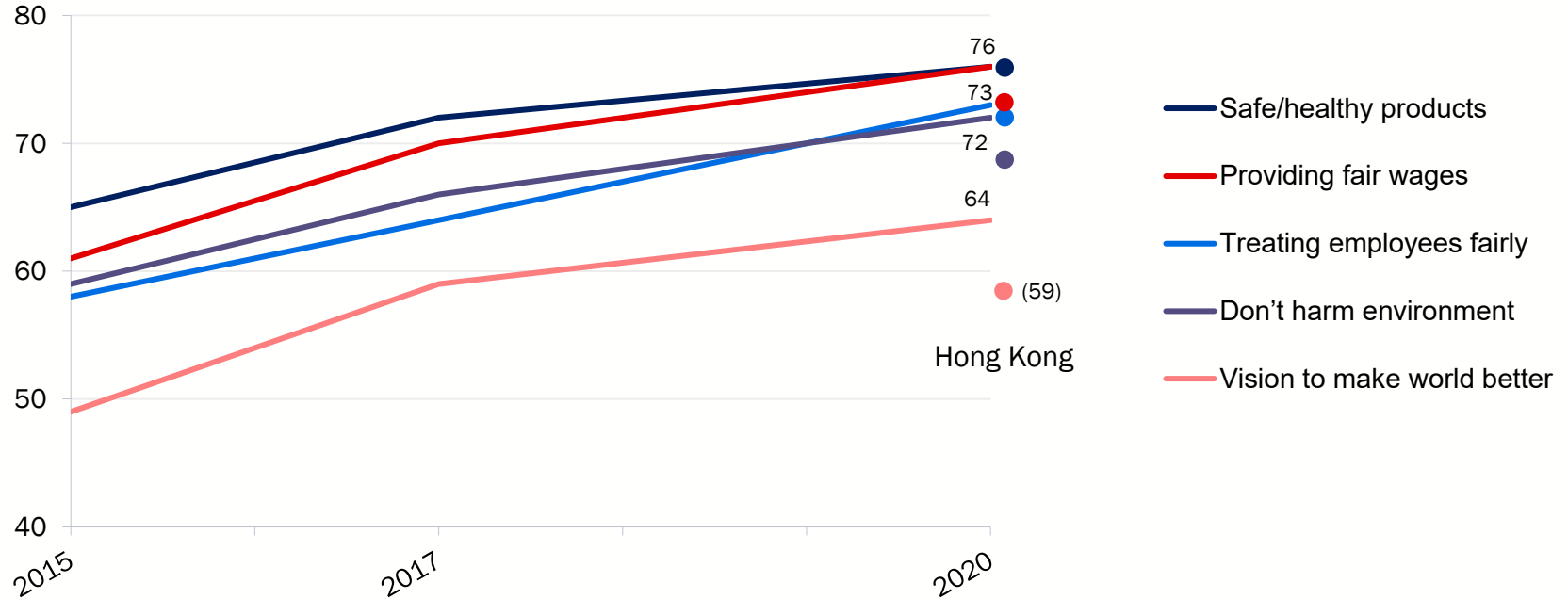
Net Trust,* Average of 27 Markets**, 2020



*"A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"

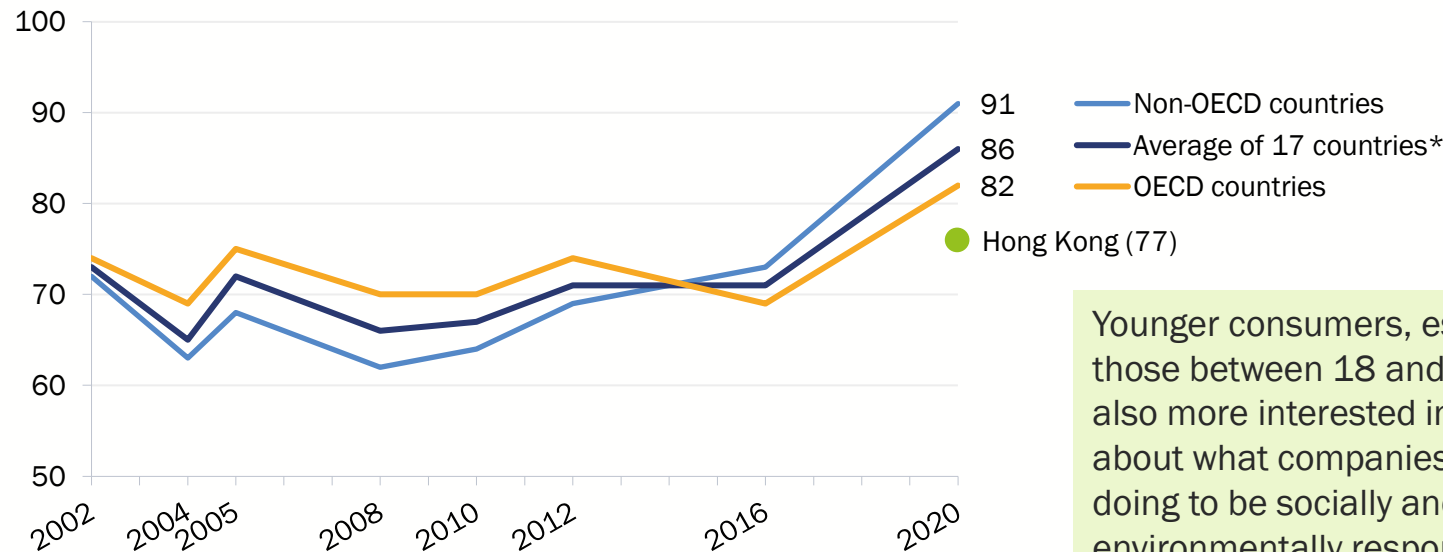
T2. Please indicate how much you trust each of the following institutions to operate in the best interest of our society. Would you say you have a lot of trust, some trust, not much trust, or no trust at all in...?

Expectations around core responsibilities are increasing



T23. Below are things some people say should be part of the responsibilities of large companies. For each one, please indicate to what extent you think companies should be held responsible.

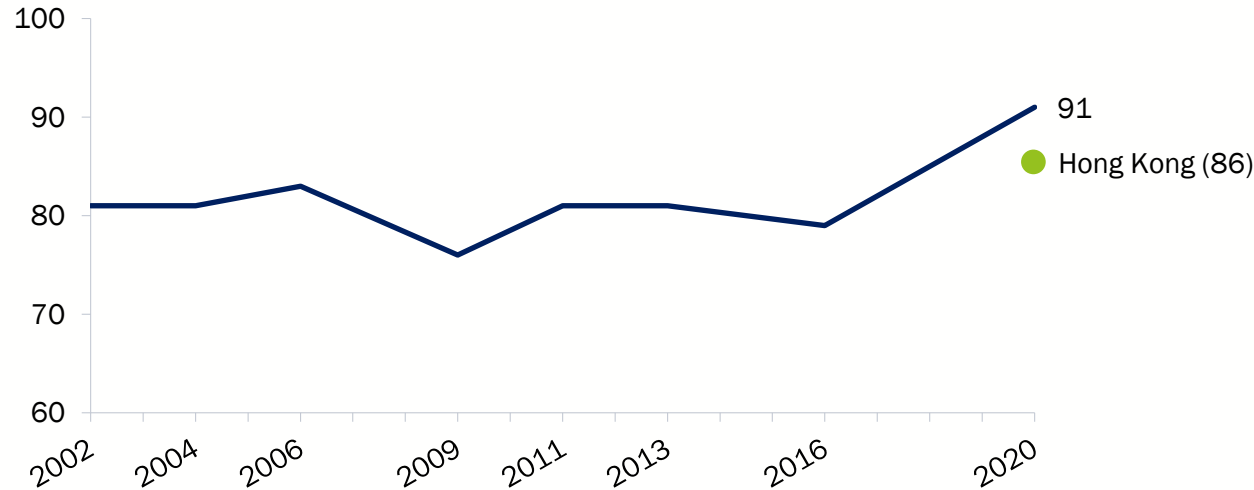
Consumers have become more interested in learning about ways companies are being socially/environmentally responsible



Younger consumers, especially those between 18 and 24, are also more interested in learning about what companies are doing to be socially and environmentally responsible.

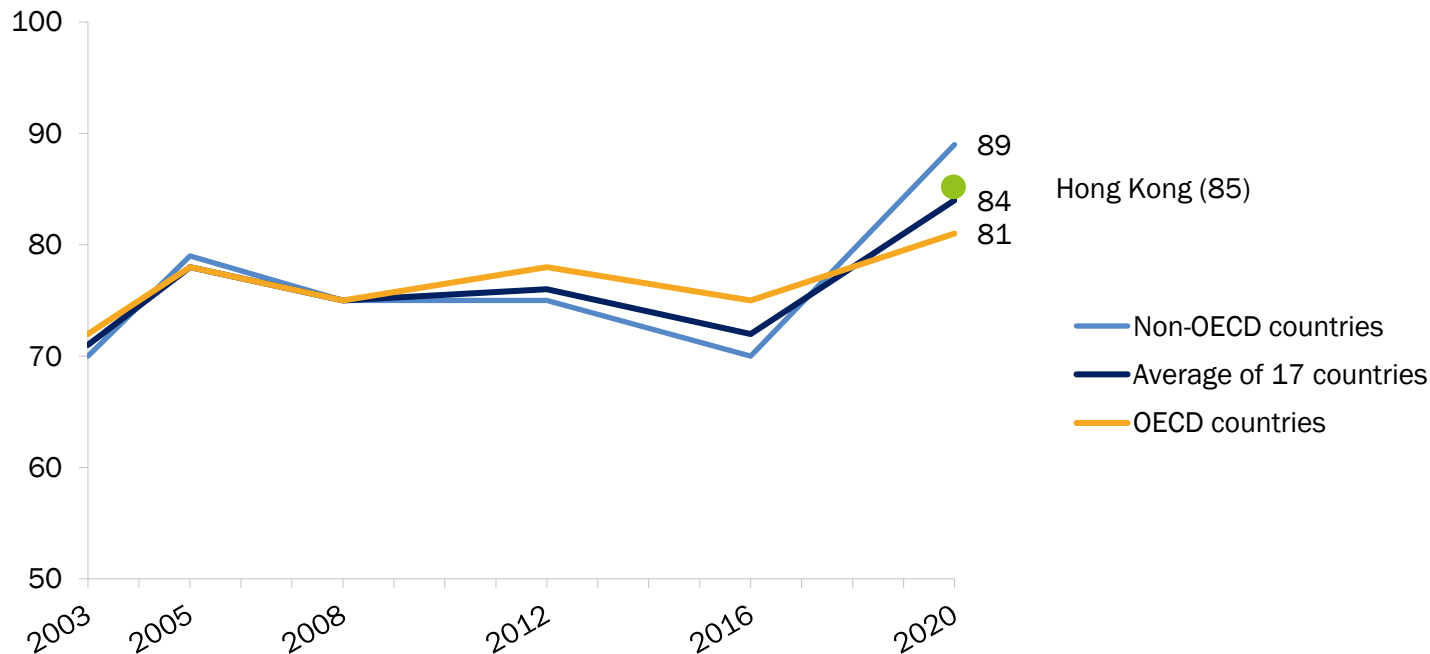
*Includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Kenya, Mexico, Nigeria, Russia, Spain, Turkey, UK, and USA
T13. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree. – I am very interested in learning more about the ways that some companies are trying to be more socially and environmentally responsible.

Corporate employees are increasingly motivated by social/environmental responsibility of employer



Respect for Company Would Go Up if it Partnered with an NGO

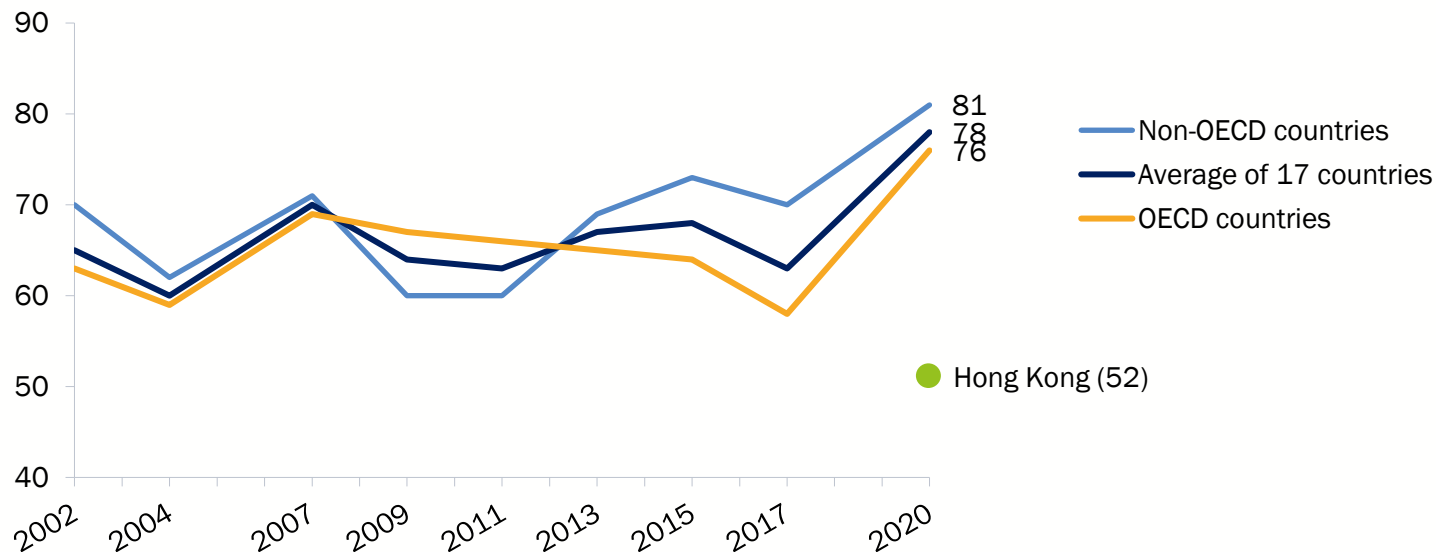
“Strongly Agree” and “Somewhat Agree,” Average of 19 Countries* and by Economic Development,** 2020



T13. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree. – My respect for a company would go up if it partnered with a charitable or non-governmental organization to help solve social problems.

Consumers Can Make a Difference in How Companies Behave

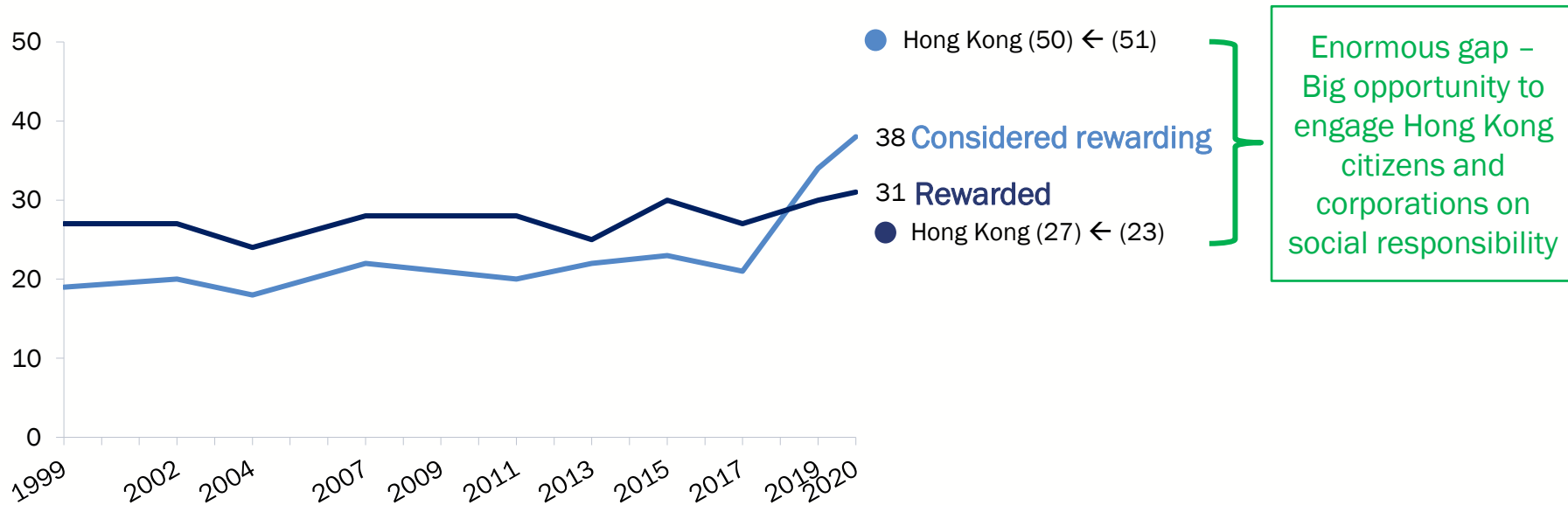
“Strongly Agree” and “Somewhat Agree,” Average of 19 Countries* and by Economic Development, 2020



T13. For each of the following statements, please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree. – As a consumer, I can make a difference in how responsibly a company behaves.

Rewarding Socially Responsible Companies

"Have Rewarded Companies Seen as Socially Responsible" vs "Considered This, But Did Not Actually Do," Average of 16 Countries, * 1999–2020



*Includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Nigeria, Russia, Spain, Turkey, UK, and USA. Not all countries were asked in all years. Before 2019 this question was asked using an in-person and telephone methodology. T24. Over the past year, have you considered rewarding a socially responsible company by either buying their products or speaking positively about the company to others? Would you say you have...? "You have actually done this in the past year"

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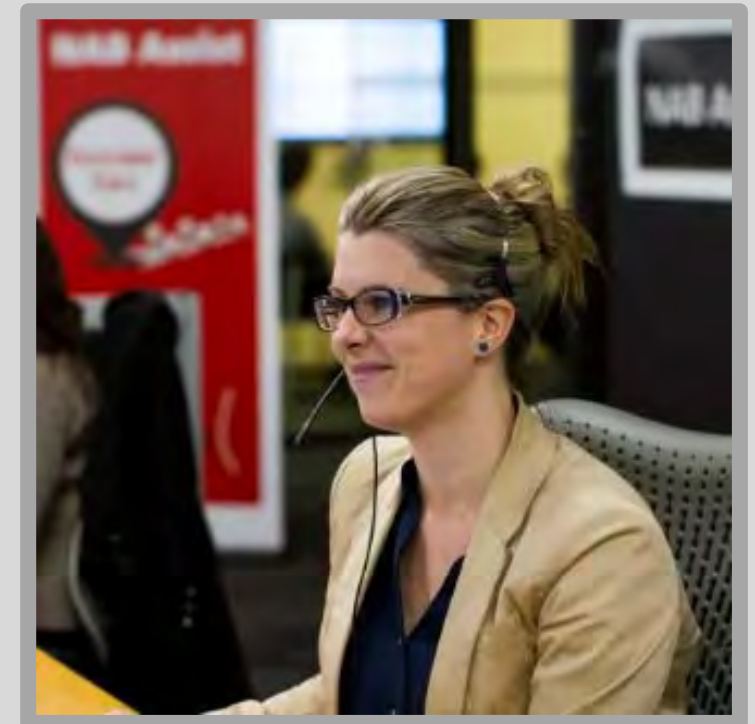
NAB Assist

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to help

more
than
money

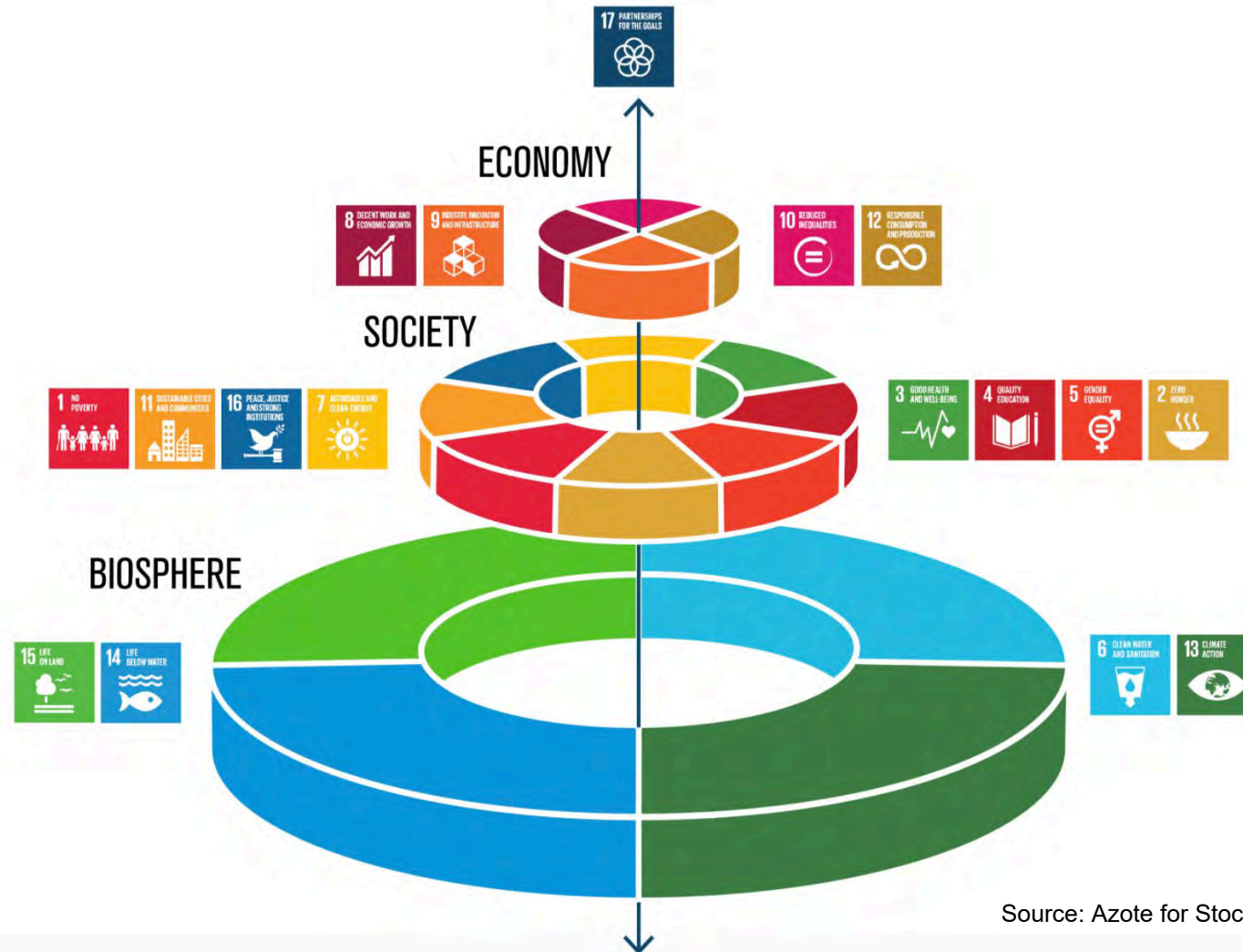


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You can contact us on **1800 701 599**.



Agenda 2030

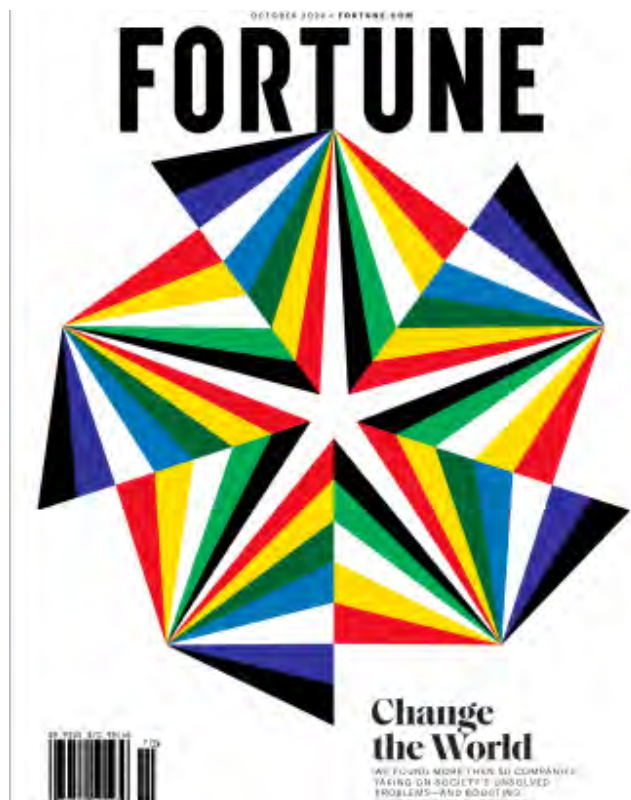
Business can't succeed in a failing society



Source: Azote for Stockholm Resilience Centre, Stockholm University

A Monumental Tideshift

Aiming to serve all stakeholders



Business Roundtable Statement
on the Purpose of a Corporation



“Purpose is the engine to long -term profitability”

Larry Fink, CEO, BlackRock



What is Creating Shared Value ?

A business strategy to create competitive advantage



Shared Value is:

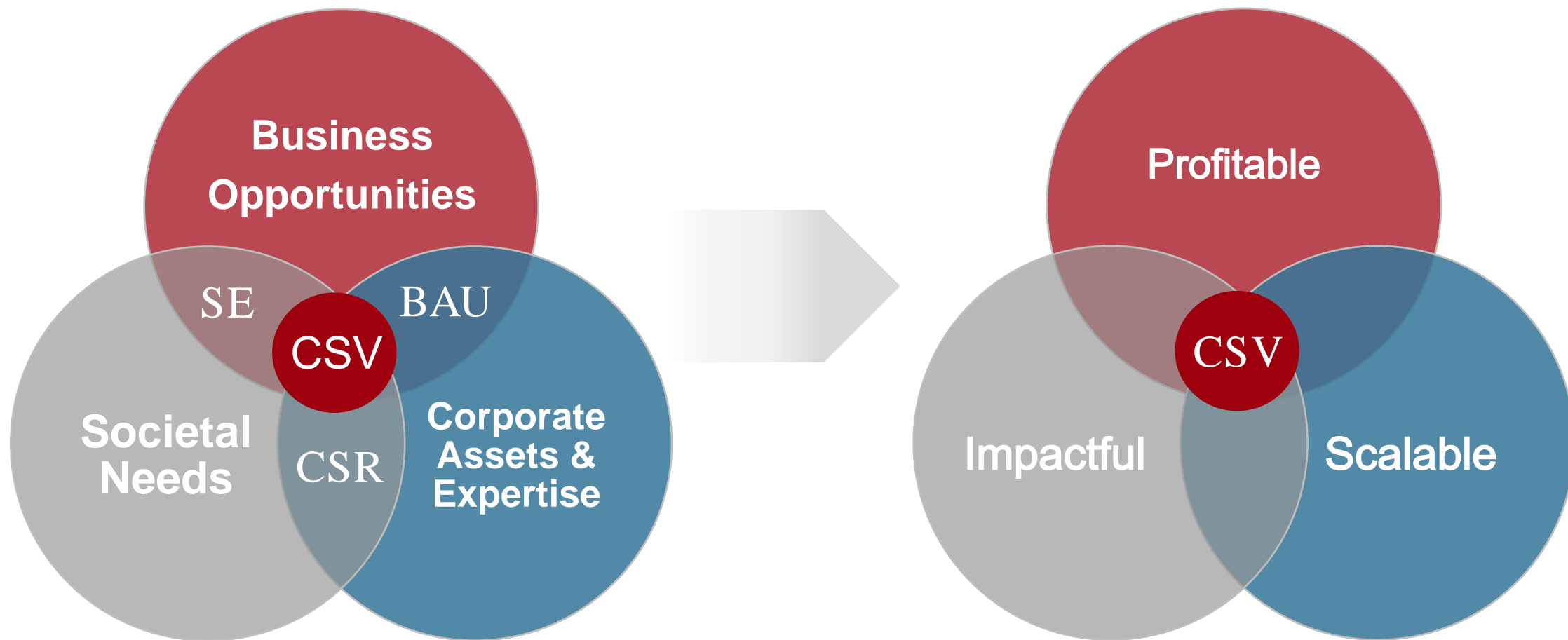
- Economic value for business and benefits for society
- Social issues = business opportunities
- **Profitable, Impactful and Scalable**
- Making the pie bigger

Shared Value is NOT:

- Shared value s
- Giving back, philanthropy
- Compliance or reputation building

A CSV initiative is...

Profitable, Impactful and Scalable

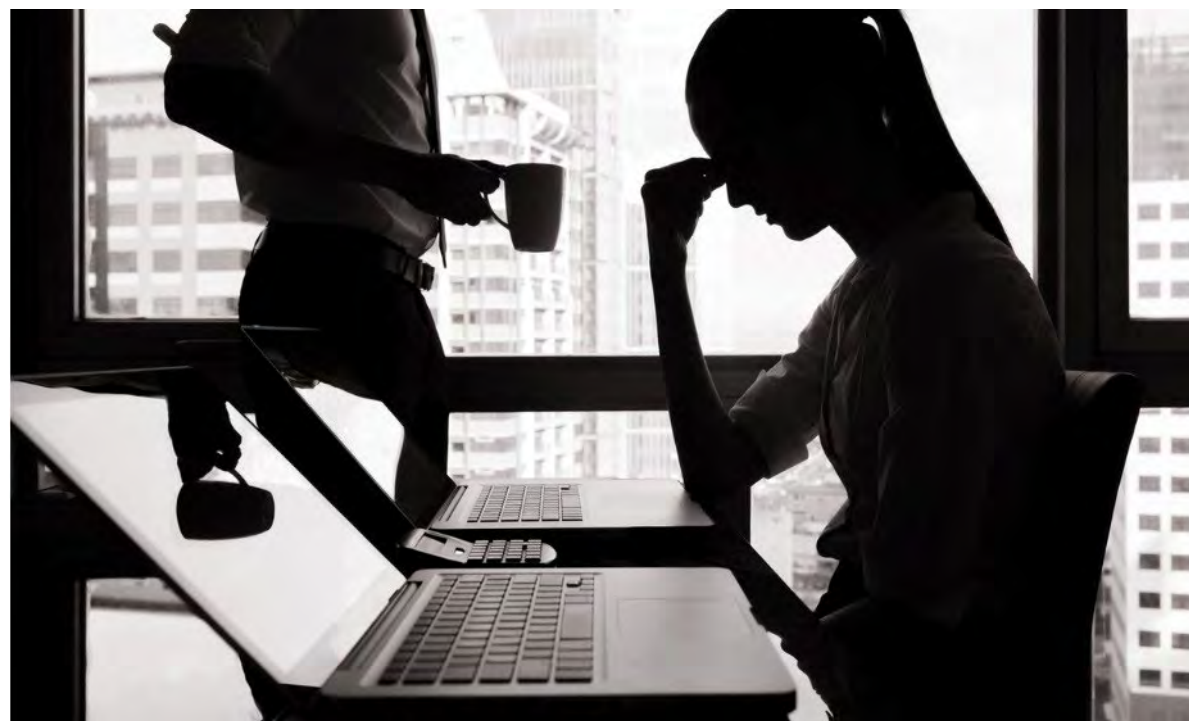


Reconceive Products or Markets

AXA Mind Health

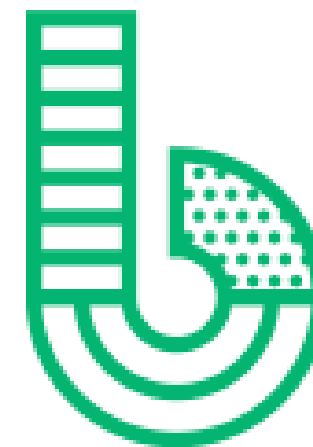


安盛



Redefine Productivity in Value Chains

The Billie System by Novetex

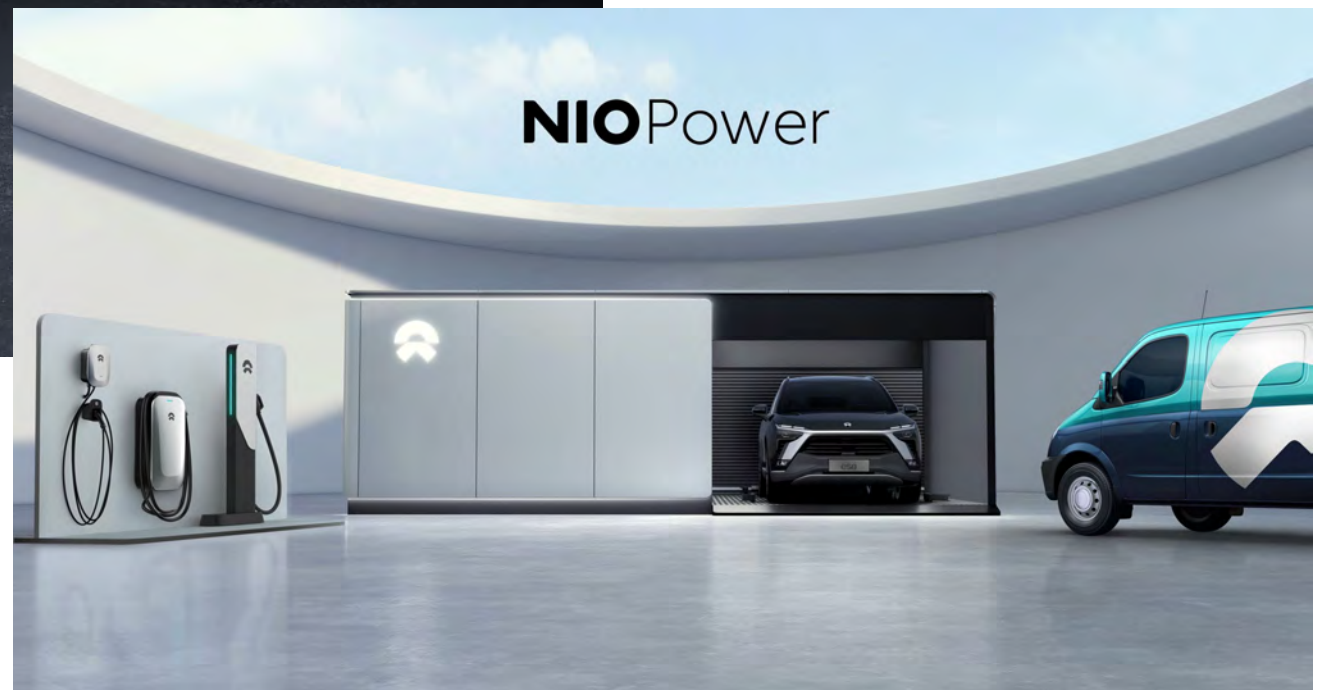


NOVETEX



Reconceive Products or Markets

Battery as a service

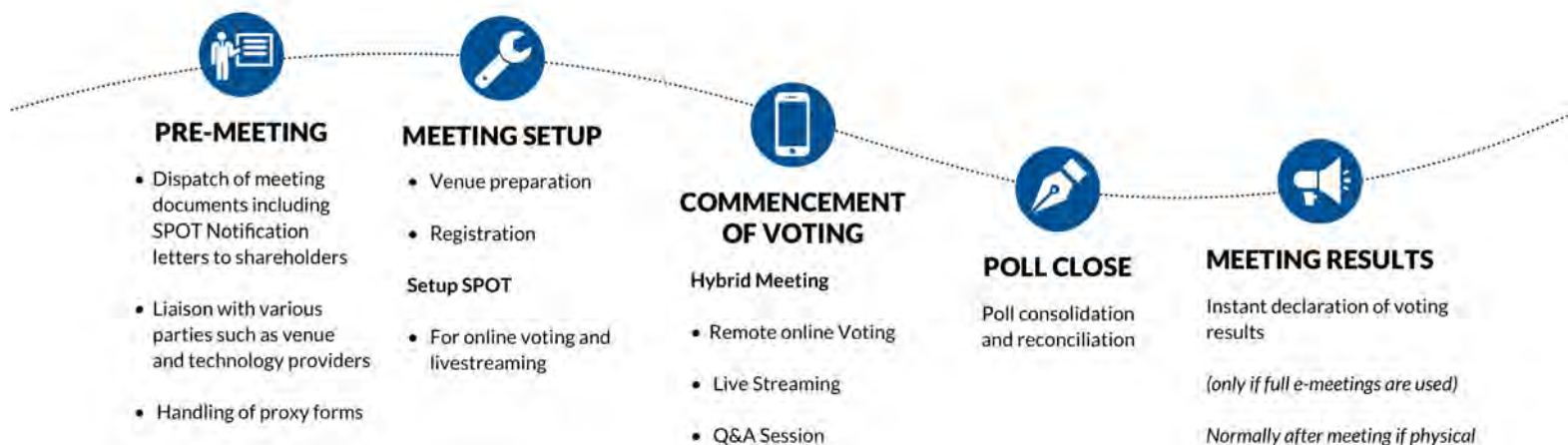


Reconceive Products or Markets

Tricor SPOT



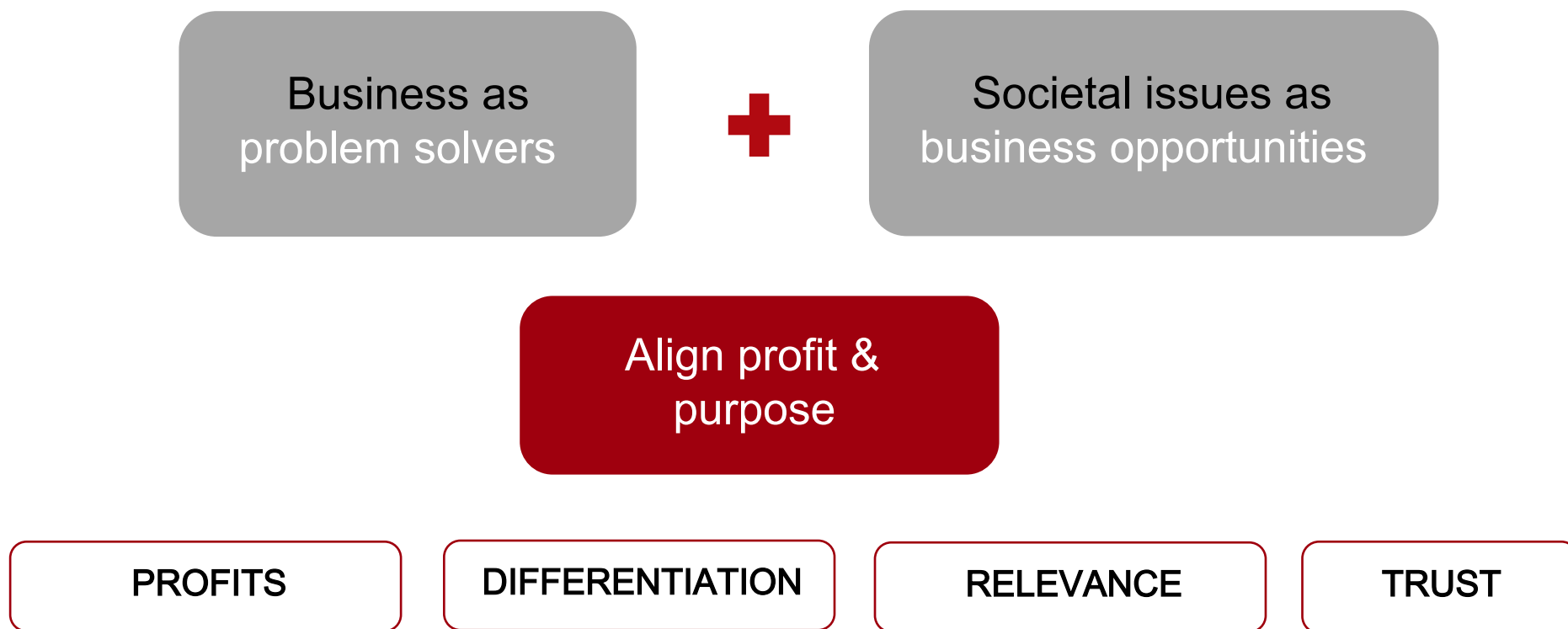
tricor





Creating Shared Value

Making business part of the solution



A Global Network

Leading the way on Shared Value



Our Members

Leaders in their community

3 tiers: - Founding
- Industry
- SME



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Building a better
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EXECUTIVE
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citi

P&G

新世界發展有限公司
New World Development Company Limited



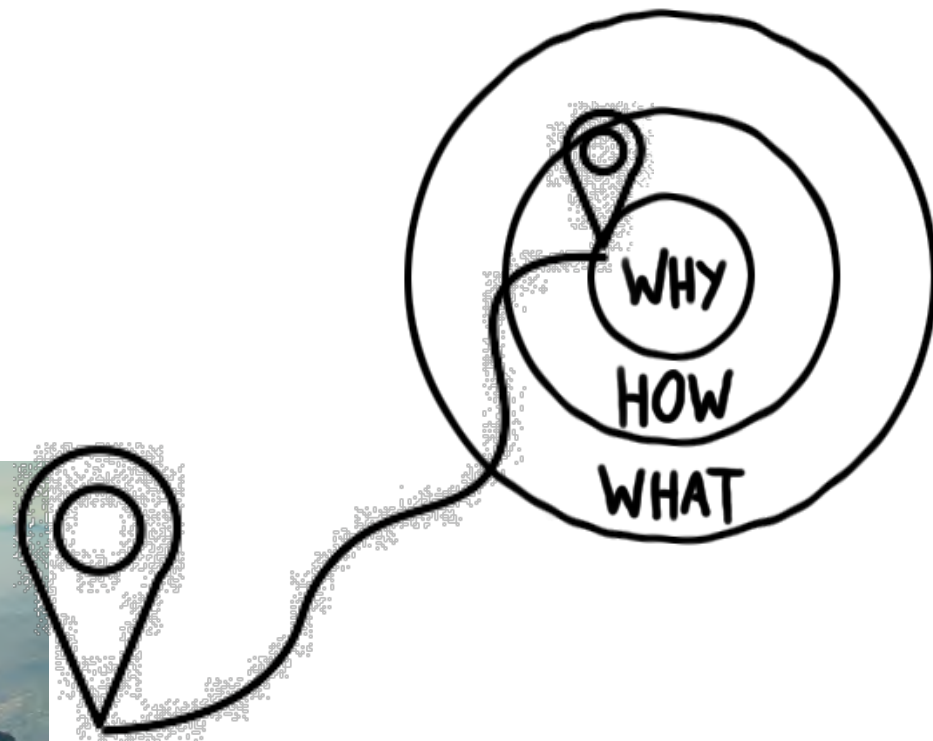
Good food, Good life

Shared Value Project Hong Kong

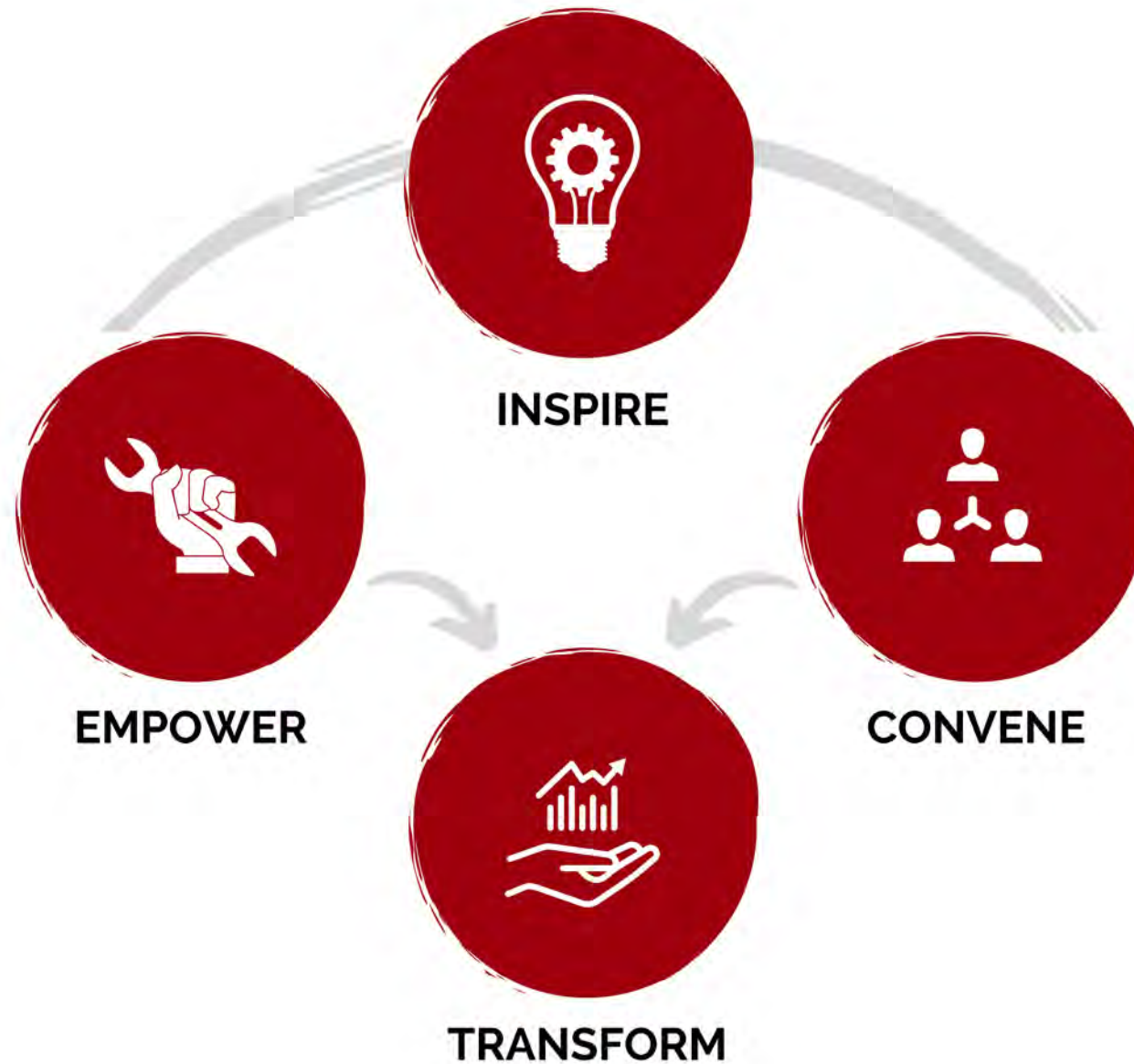
The roadmap to a purpose -led business

Roadmap to Purpose

Partner on the journey

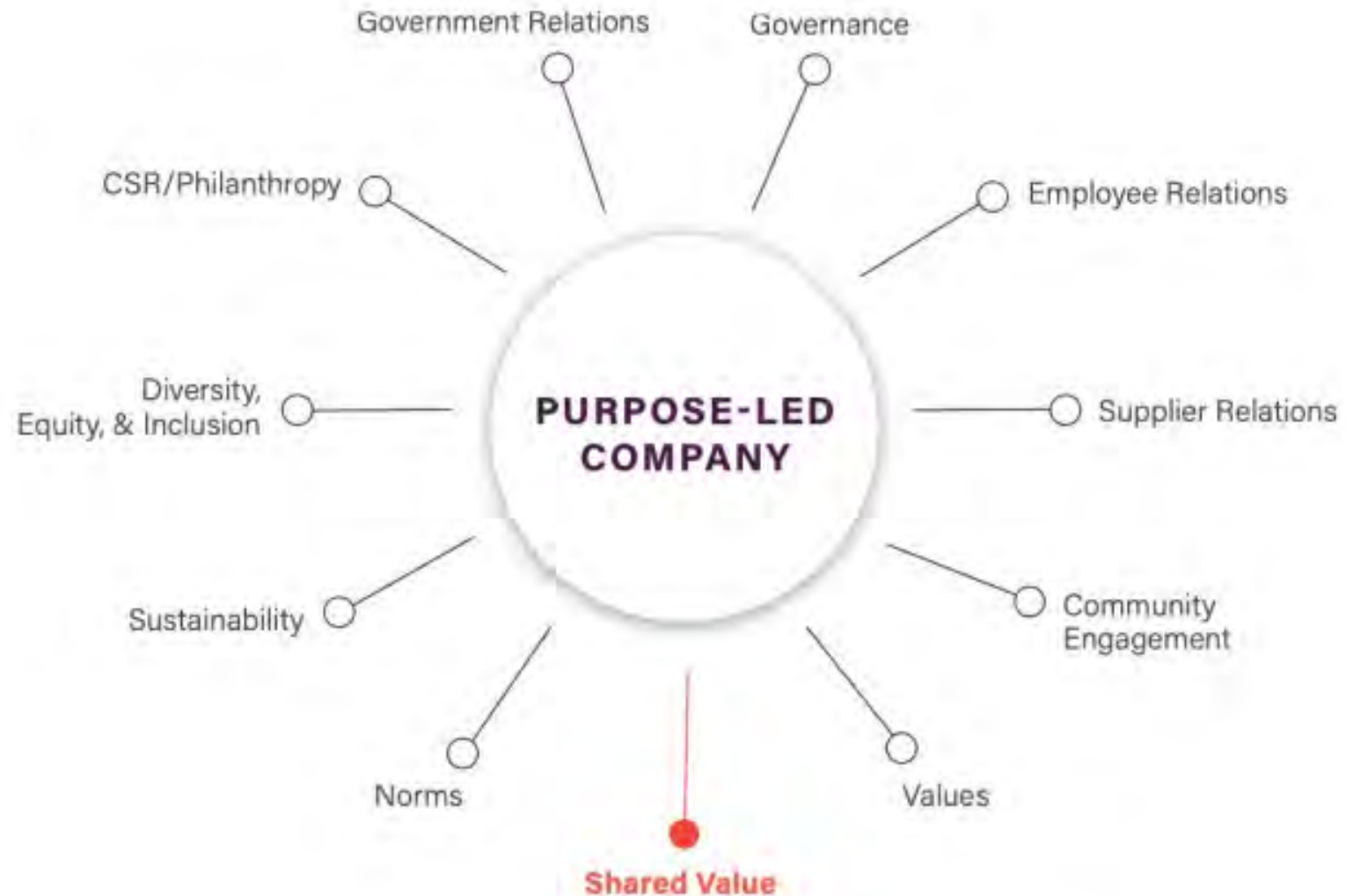


Our Pillars



If Purpose is the WHY

Creating Shared Value is the HOW

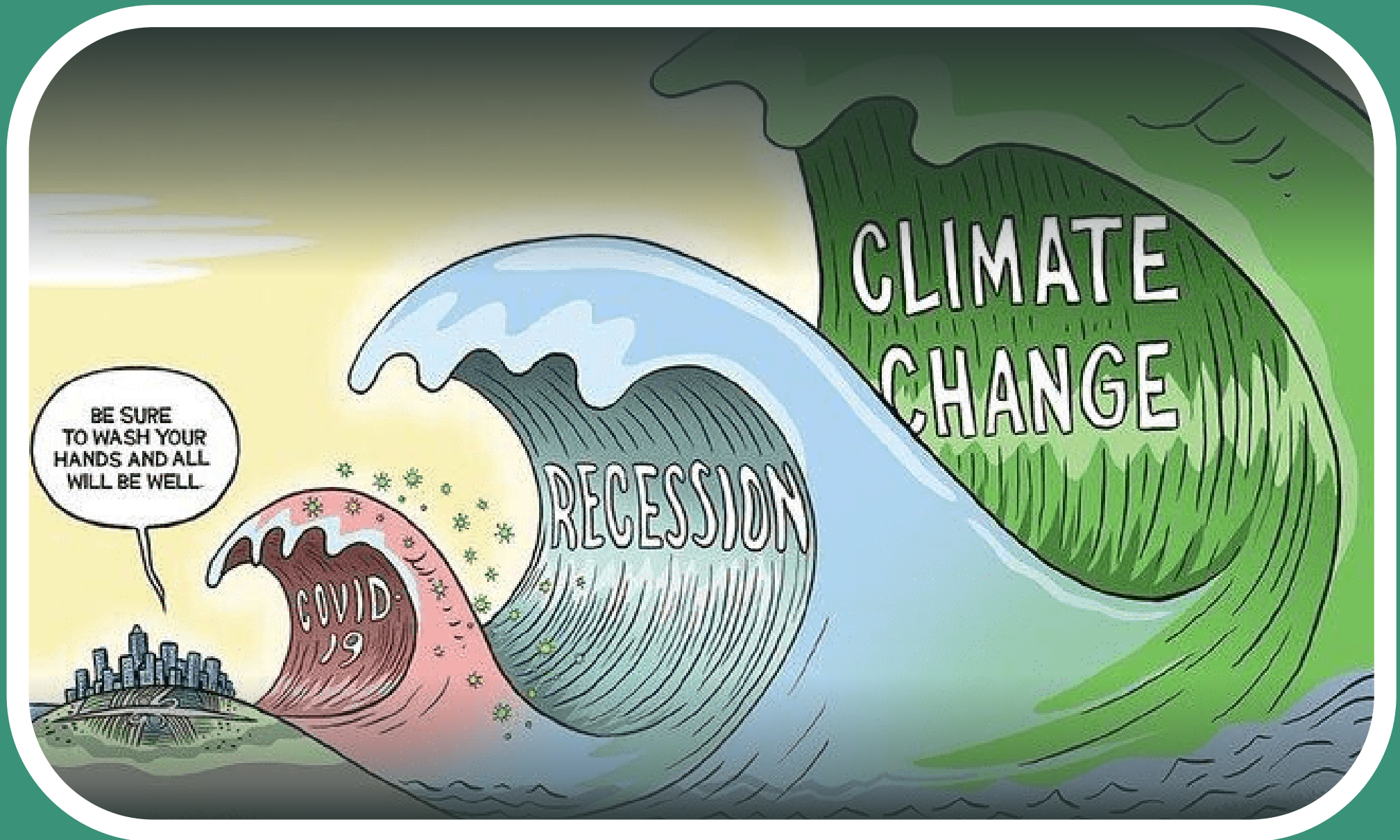


The Purpose Playbook



CULTURE





Thematic Initiatives

Building the muscle



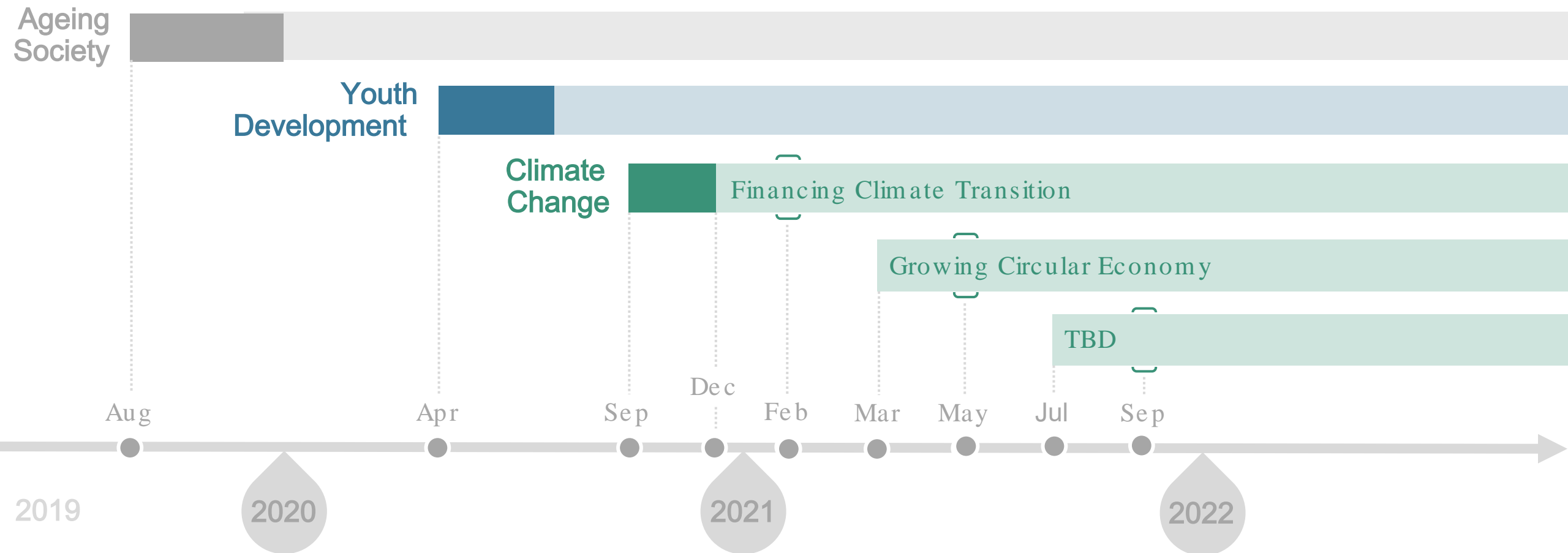
Creating Shared Value for
Hong Kong's needs



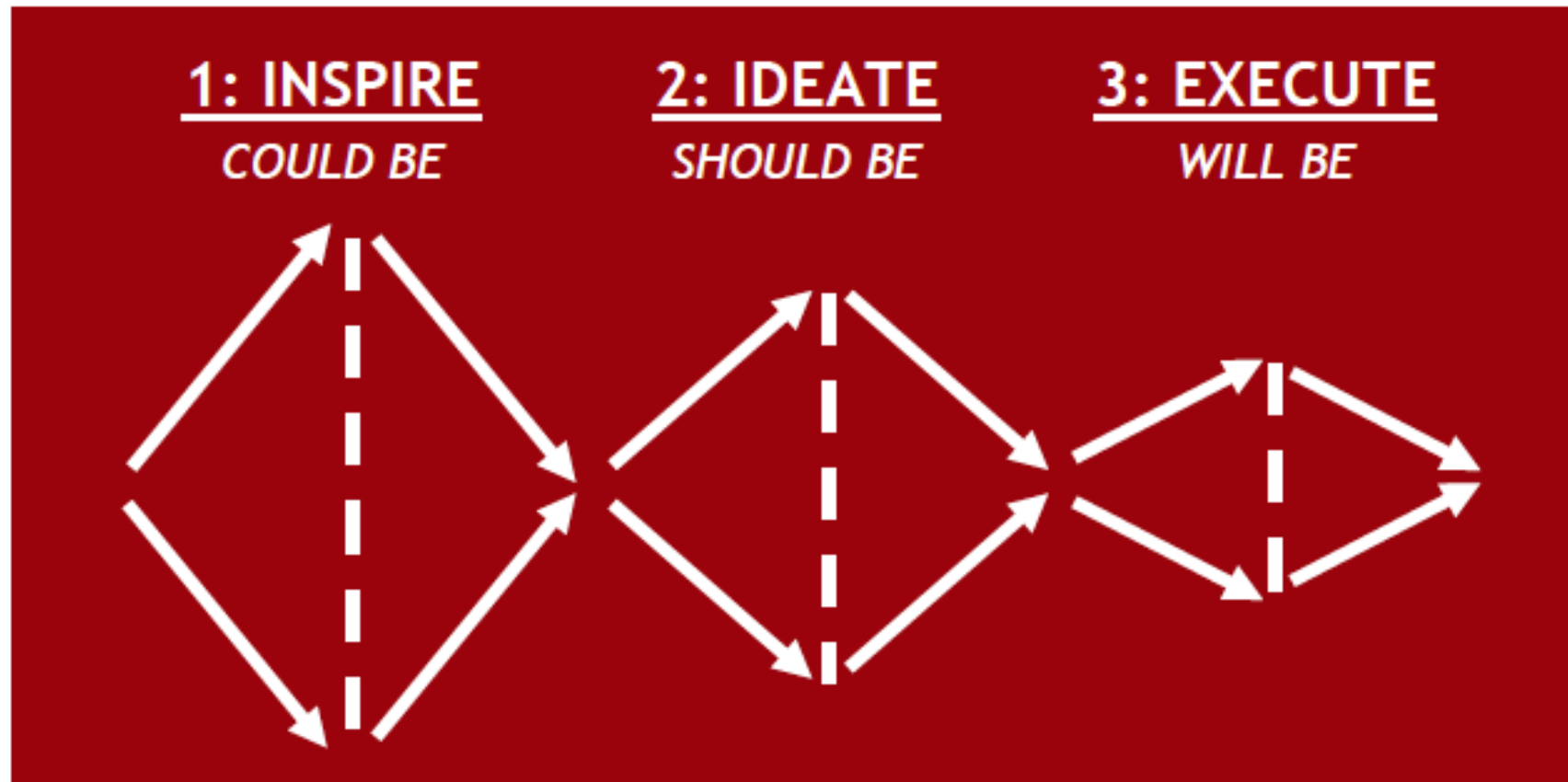
SVPHK Thematic Initiatives



**Mental
Well-being**



Striving for Human -Centered Design



Youth Development in HK

| | Students | Non-degree | Underserved |
|----------------------------|----------|------------|-------------|
| Personal Development | | | |
| Employability | | | |
| Opportunity & Independence | | | |

SVPHK Youth Dev. Partners

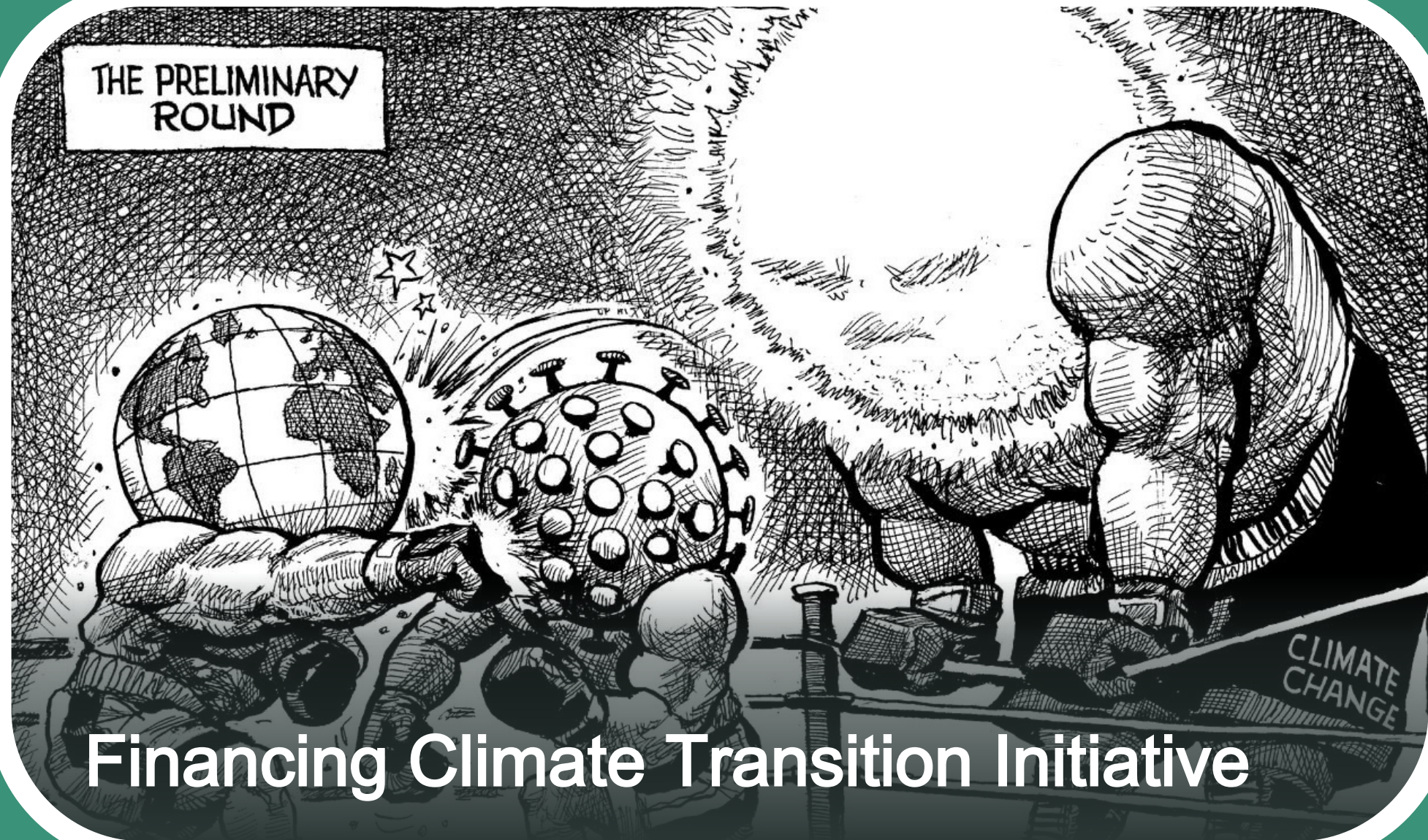


自由學園

Youth Development HK Insights

1. Youth can benefit from greater and earlier exposure to employers to inform exploration of career choices and personal ambitions.
2. HK faces a diverging mismatch between the skillset of university graduates coming out of the education system and what employers need.
3. Youth not following conventional education and career paths are underappreciated and do not receive enough recognition and support.
4. To not overlook qualified talent, we must reassess recruitment criteria to clarify skills and traits truly needed outside of academic qualifications.
5. The next generation of talent is more purpose -driven and seeks diverse career experiences, so workplace culture must adapt.

6. Shifting from hierarchical interaction to empowering youth in decision making can improve productivity and engagement of younger talent.
7. Given the lack of Whole Person Development in local education, promoting service leadership enables versatility and adaptability in the service economy.
8. Developing entrepreneurial skills fosters critical thinking, problem solving and resilience, equipping youth to take ownership of their future.
9. Social inclusion is lacking for youth in underserved segments such as disabled, ethnic minorities and SEN, leading to inequalities in mobility.
10. Younger customers tend to "vote with their wallet" and show loyalty towards companies aligned on values, incl. ethics and political stances.

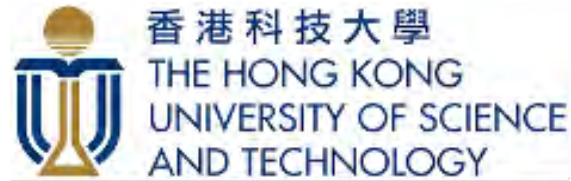


Financing Climate Transition Initiative

SVPHK Climate Change Partners



Environmental Integrity & Excellence



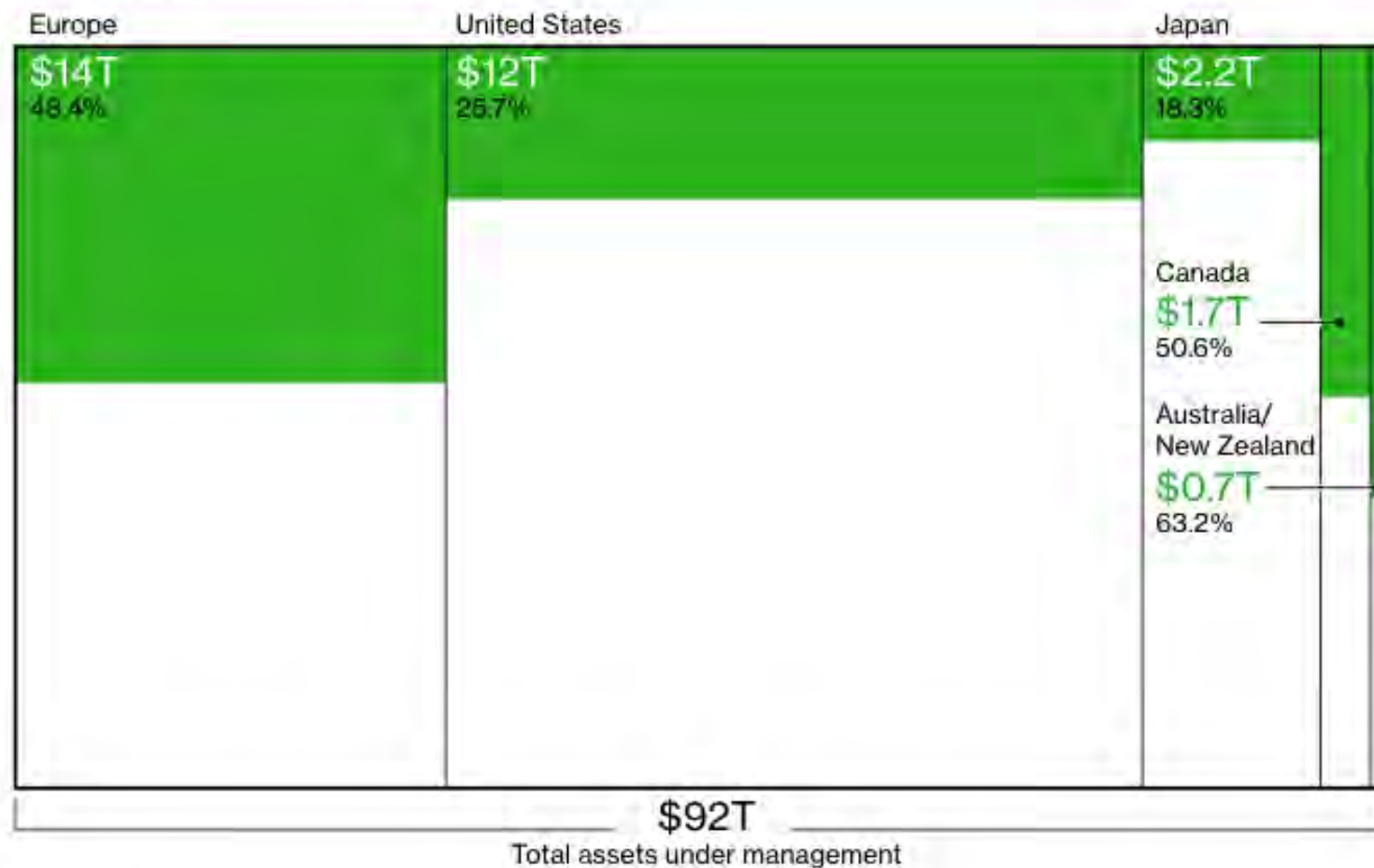
Expediting Climate Transition HK Insights

1. Hong Kong will not achieve net zero and other efforts will mean little if there is no shift away from fossil fuels.
2. Given that 90% of Hong Kong's energy use is in buildings, property owners must prioritise building efficiency and emissions reduction.
3. The consumer goods industry has a huge opportunity to get ahead of market shift via low-carbon innovations and circular approaches.
4. To capture exponential rise in impact -driven capital, businesses must appeal to the new generation of purpose-driven wealth owners.
5. Businesses that do not look beyond 15 years for climate scenario planning will suffer more costs as governments inevitably enforce net zero.

6. Adopting science -based frameworks such as TCFD is crucial for investors and businesses to holistically assess risk, capture opportunities and expedite transition.
7. Businesses need to account for and aggressively reduce Scope 3 emissions, incl. loans and investments or purchased goods and services to truly achieve net zero.
8. Hong Kong is lagging in climate governance - increasing ESG scrutiny will hold C-suite and the board responsible and challenge the city's edge as a financial hub.
9. A cross -industry collaborative effort is vital to proactively shape the low carbon market and ensure an inclusive carbon transition, influencing policy and regulations.
10. It is imperative for regional CEOs to urgently build capacity and devise a localised climate action plan, accelerating execution under headquarters' mandates.

Sustainable Assets Are a Big Deal

Share of total managed assets in 2018



Source: GSIA

Financing Transition vs. Sustainable Finance

- **Channelling existing capital** toward low -carbon transition projects & organisations
- **Raising more capital** to finance under-resourced segments of low-carbon transition
- **Reducing current investment** in carbon-intensive projects
- **Re-evaluating client relationships** with no intention of low-carbon transition
- **Amplifying innovative financial instruments** to incentivise, reward and collaborate
- **Improving the evidence base** for long-term outperformance and competitiveness

Financing Climate Transition: 4 Gaps

TALENT GAP

- Upskilling current talent
- Recruiting new talent
- Changing old mindsets

DATA GAP

- Calculating financed emissions
- Aligning taxonomies and reporting
- Shifting backward- to forward-looking

POLICY GAP

- Pre-empting policy response
- Designing public-private finance
- Reducing transition risk

ACTIVATION GAP

- Localising global ambitions
- Strengthening tri-sector partnerships
- Communicating targets & progress



Business for Good HK Movement

How can we evolve through the crisis?





SHARED VALUE

PROJECT HONG KONG

ALIGNING PROFIT & PURPOSE

Aligning Profit & Purpose

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