In Asia the need for organisations to have a clearly articulated Vision and Mission is well-recognised. In this report we see Purpose move strongly centre-stage: Purpose has to be in place for a Doing Well Doing Good strategy to stand a real chance of success.

There is an increasing emphasis on the need for organisations to be more resilient in order to respond to the multiple, dynamic forces simultaneously impacting business. Recently we have heard the increasing call for businesses to be purpose-led, to align profitability and sustainability, and to demonstrate their ability to achieve commercial success and positive outcomes for society and the environment. At the Human Capital Leadership Institute (HCLI) our conversations with senior leaders, have often revolved around their quest to understand how they as leaders in Asia can successfully develop their business models and organisations in response to this call to align profitability and sustainability and, to do that at the pace and scale that will prepare them for the future.

This research is designed to give companies who are looking to accelerate their journey towards sustainability the opportunity to learn from the practices and experiences of companies that have already begun that journey. We thank executives from DBS, DSM, GSK, Mastercard, Singtel and Unilever for agreeing to share their stories of Doing Well and Doing Good, the critical human capital levers that have helped to accelerate their journeys and their reflections on what is, and isn’t, different about the Doing Well and Doing Good narrative in Asia. We also thank those additional organisations who confidentially shared their thoughts and experiences with us.

We gratefully acknowledge the support and guidance of Mr Sunny Verghese, Co-founder and Group CEO, Olam International, Chairman of HCLI and Chair of the World Business Council for Sustainable Development and Professor Ian Williamson, Pro-Vice Chancellor of Victoria University of Wellington.

Michael Jenkins
CEO of HCLI
Leaders in Asia are looking for ways to successfully develop their business models and organisations in response to the increasing demands for business to align profitability and sustainability. Our conversations with organisations recognised as pioneers reveal that, while it is not easy to build businesses focused on the dual outcome of Doing Well and Doing Good, there are strategies and actions that will help.

EXECUTIVE SUMMARY

The prevalence of social issues across the region acts as a burning platform in galvanising organisations.

The region’s connectedness creates stronger visibility of the challenges of urbanisation and environmental damage and this is a catalyst for action.

3 Catalysts for Change

1. The Pressing Need to Act
   - The prevalence of social issues across the region acts as a burning platform in galvanising organisations.

2. Regional Connectedness
   - The region’s connectedness creates stronger visibility of the challenges of urbanisation and environmental damage and this is a catalyst for action.

3. The Opportunity to Lead
   - Organisations that act now have the opportunity to establish a reputation as pioneers in advancing the agenda in the region.

4 Universal Truths

1. Belief
   - Leading companies have a strong belief in Doing Well and Doing Good, setting an agenda which is an authentic expression of their organisational DNA.

2. Commitment
   - Leading companies set public measurable targets. They share these within the organisation, and externally, and hold people accountable to deliver on them.

3. Focus
   - Leading companies have a relentless focus on their Doing Well and Doing Good agenda, starting with committed leadership.

4. Learning from Others
   - Leading companies deliberately collaborate, internally and externally, in order to learn and progress.

3 Roles for HR

1. Catalyst
   - An agent who provokes significant change or action.

2. Change Agent
   - Uses skills and authority to lead others through change.

3. Partner
   - Works with senior leaders to align business and HR strategy.

4 Human Capital Practices

1. Talent Attraction
   - Define the hard skills and the soft skills that are critical to future success and update recruitment practices in line with this.

2. Talent Development
   - Shifting mindsets and embedding new behaviours is the most powerful way to develop capability to execute your Doing Well and Doing Good strategy.

3. Performance Management
   - Performance management systems used as a lever to focus leaders and the broader organisation on the behaviours and actions that support organisation efforts to do well and do good.

4. Communication
   - Be relentless in driving awareness and understanding of your Doing Well and Doing Good agenda internally and externally.
ABOUT THE RESEARCH

Leaders are asking how they can evolve their business models and organisations to align profitability and sustainability.

There is an increasing emphasis on the need for businesses to be purpose-led, to align profitability and sustainability, and to demonstrate the ability to achieve commercial success and positive outcomes for society and the environment. However, significant gaps exist for leaders to successfully evolve their business models and organisations in response to this.

This research set out to better understand the levers that are most critical in accelerating the development of organisations and leaders able to steward the business for the longer term. The research explores whether sustainability in Asia has a different lens.

The findings and recommendations draw on a series of interviews undertaken with selected executives from companies that have forged a reputation for their commitment to building sustainable and enduring organisations that aspire to both do well and do good, and that have also been recognised publicly for the progress that they have made in acting on a sustainability agenda. There are several indices and league tables which recognise the efforts and achievements of organisations committed to sustainability practices. Each index has its advantages and disadvantages and no one index is a perfect measure of sustainability performance. However, these indices help us understand how companies perform, relative to others, on several measures. For the purposes of this study, our Core Leading Companies are organisations that have been recognised on multiple of the following lists and indices:

- **Corporate Knights Global 100.** The Global 100 is a list of the 100 Most Sustainable Companies. The ranking was first produced in 2005 and has been updated on an annual basis ever since.
- **Ethisphere Institute, The World’s Most Ethical Companies.** The World’s Most Ethical Companies is an annual list first produced in 2007.
- **GlobeScan-Sustainability Leaders Survey.** This is an annual survey of sustainable development experts and practitioners studying recognition for leadership in sustainability. The survey quantifies the extent to which experts identify companies which integrate sustainability into their business strategy.
- **FTSE4Good Index.** Launched in 2001, the FTSE4Good Index Series is a set of market capitalisation-weighted indexes maintained by the FTSE Group to measure the performance of companies that meet globally recognized corporate responsibility standards.
- **Dow Jones Sustainability Indices (DJSI).** Launched in 1999, Dow Jones Sustainability Indices are a family of indices evaluating the sustainability performance of thousands of companies trading publicly.

The findings have been triangulated with the inputs of an additional 50+ organisations, surveyed in November - December 2018, and through conversations with key thinkers in the field, reviews of their work and the published work of other experts.
Doing Well and Doing Good in Asia

COMPANIES IN THE STUDY

This study draws on interviews undertaken with executives at selected organisations, recognised as leading the way in their commitment to Doing Well and Doing Good.

Core Leading Companies – Interviews with Leaders from Strategy, Sustainability, HR, Innovation*

<table>
<thead>
<tr>
<th>Company</th>
<th>Year Founded</th>
<th>HQ</th>
<th>Employees (at 2018)</th>
<th>Revenues (FY2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mastercard</td>
<td>1966</td>
<td>US</td>
<td>13,000</td>
<td>US$ 15 B</td>
</tr>
<tr>
<td>Singtel</td>
<td>1879</td>
<td>SG</td>
<td>23,000</td>
<td>S$ 17.53 M</td>
</tr>
<tr>
<td>Unilever</td>
<td>1884</td>
<td>UK, NL</td>
<td>161,000</td>
<td>€ 50.98 B</td>
</tr>
<tr>
<td>DBS</td>
<td>1968</td>
<td>SG</td>
<td>26,000</td>
<td>S$ 13.2 B</td>
</tr>
<tr>
<td>DSM</td>
<td>1902</td>
<td>NL</td>
<td>21,000</td>
<td>€ 8.85M</td>
</tr>
<tr>
<td>GSK</td>
<td>1880</td>
<td>UK</td>
<td>95,000</td>
<td>£ 30.82 B</td>
</tr>
</tbody>
</table>

* Note: For more information about these Core Leading Companies please see the Appendix

Additional organisations were invited to complete an online survey between November and December 2018. Respondents were asked to assess whether at their organisation it was “more important”, “about the same” or “less important” to do well and do good than at other organisations. There was a valid data set of 57 responses; two thirds of respondents assessed that at their organisation doing well and doing good was more important than at others, while one third reported that for their organisations it was about the same or less important. Throughout this report we explore the similarities and differences between Leading Companies - drawing on insights of the six companies above that have been publicly recognised as leading the way, and the additional 38 companies who self-assess that doing well and doing good is more important at their companies - and Other Companies, namely those companies who do not report a greater focus on this.
Doing Well And Doing Good in Asia

CREATING A COMMON LANGUAGE

One of the most challenging aspects to shaping and exploring the themes of sustainable business, and leadership in sustainable business, is finding a shared language for this. The sustainability conversation has been underway for decades, however there is not a commonly agreed language to describe the intention to align profitability and sustainability and to demonstrate the ability to achieve both commercial success and positive outcomes for society and environment.

Some define their sustainability agenda in the context of Corporate Governance or CSR while others talk about a triple-bottom line focus or a shared value approach. In the context of this study we are focused on an agenda that helps an organisation endure over time, underpinned by a belief that to endure for the longer term an organisation must both be commercially successful and demonstrate its positive contribution to society. One of the first definitions to be widely recognised comes from the 1987 Brundtland Report which defines sustainable development as “development that meets the needs of current generations without compromising the ability of future generations to meet their own needs.”

Professor Gayle Avery, Founding Director, Institute for Sustainable Leadership, adds that sustainable leadership includes the “processes and systems that enable organisations to be long-lasting and high-performing.” The European benchmark for sustainable organisations includes three factors – long-term perspective, concern about shareholders not just investors, and an unwavering focus on ethics. Each of these emphasise a longer term perspective with success measured beyond financial achievement and an ethos founded on doing what’s right.

<table>
<thead>
<tr>
<th>“DOING WELL AND DOING GOOD” IS USED BY</th>
<th>PURPOSE-LED BUSINESS IS USED BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>92% OF LEADING COMPANIES</td>
<td>38% OTHER COMPANIES</td>
</tr>
<tr>
<td>79% OF LEADING COMPANIES</td>
<td>31% OTHER COMPANIES</td>
</tr>
</tbody>
</table>

To better understand how the companies in this study think and talk about being sustainable and enduring organisations, we asked companies to share the terms that were commonly used in their organisations. We found a distinction in the language used by Leading Companies and Other Companies. Leading Companies reported that the terms “Doing Well and Doing Good” and “Purpose-Led Business” were more commonly used in their organisations. “Doing Well and Doing Good” is used by 92% of Leading Companies and only 38% of Other Companies. Purpose-Led Business is used by 79% of Leading Companies and just 31% of Other Companies.

In addition, Leading Organisations reported using language that reflected the unique context and orientation of sustainable business in their own organisations, where examples include “Sustainable Living Plan” “Inclusive Growth” “Community Impact” and “People, Planet, Profit.” Given that the most commonly used terms at Leading Companies are “Purpose-Led” and “Doing Well and Doing Good”, in this report we also use the term “Doing Well and Doing Good.”
They predict that pursuing those opportunities could create almost 230 million new jobs in the region by 2030. More importantly they suggest that the Global Goals offer Asia’s leaders in business, government and civil society the chance to consolidate and sustain the region’s regeneration.

To be considered an attractive employer to Millennials organisations must demonstrate that they are socially responsible. Millennials are looking for evidence that a company has a purpose that supports a sustainable and inclusive future. The 2019 Edelman Trust Barometer reveals that people are shifting their trust to the relationships within their control, most notably their employers. Globally, 75% report Trust in My Employer, with the number one factor impacting Trust in My Employer being the societal impact that the organisation has.

Organisations, and the leaders who head them, face ever increasing scrutiny and pressure. Today’s leaders operate in a world which is global, complex, uncertain and interconnected. They are tasked with leading in a business environment which is undergoing a general crisis of legitimacy.

This can be directly linked to the failure of key institutions to provide answers or leadership in response to environmental disasters and ethical misconduct. Increasingly we hear calls for social justice and greater inclusion and diversity to address economic and social divides. And these calls are gaining momentum as next generation voices, including youth activists such as Greta Thunberg and Malala Yousafzai, demand action to address climate change and social justice. Investor sentiment is changing too with the core message that, to prosper over time, companies must not only deliver financial performance, they must show how they make a positive contribution to society. Larry Fink, CEO & Chairman, Blackrock wrote in his 2018 Annual Letter to CEOs that society is demanding that companies serve a social purpose, and in 2019 encouraged leaders to stay true to this course, advocating practices that will drive sustainable, long-term growth and profitability.

There is certainly momentum for organisations to consider how best to respond to the re-stated narrative that business can be a powerful force for good. Some brands are staking their reputation on their broader contribution to the world, whether through reducing their environmental impact like Patagonia and Interface, developing an inclusive business model that gives special focus on providing clean and affordable services and products to the poor, like Manila Water, or focus on inclusive growth by following responsible business practices built on social and environmental sustainability like Tata Steel. A growing number of organisations and institutions globally and in Asia are establishing the governance structures and support to accelerate this agenda, from the World Business Council for Sustainable Development, to the Asian Development Bank. Importantly the launch of the United Nations’ Sustainable Development Goals, or Global Goals, in 2015, offers a compelling alternative growth model. Better Business, Better World reports that Asian businesses could capture more than US$ 5 trillion in business opportunities over the next thirteen years by responding to the challenges raised by the Global Goals – addressing health issues, providing quality education, ensuring access to clean water and sanitation, providing affordable and clean energy and building sustainable cities and communities.
While globally there is concern that momentum around the sustainability agenda may have peaked, in Asia the focus on building enduring and sustainable businesses is increasing. Indeed, there is a pressing need to act. The prevalence of social issues across the region, from poverty to health, and the environmental degradation resulting from unbridled exploitation, while highlighting sustainability challenges, also acts as a burning platform in galvanising organisations to pay attention.

Experts are hoping that the smart government intervention and business innovation that catalysed Asia’s economic transformation in recent decades can turn these challenges into rewards for both business and society. The ambition to build a vibrant and sustainable ASEAN has been articulated at the highest levels. As ASEAN Chair in 2018, Singapore declared that a key theme was to “help ASEAN economies innovate and use technology to make ASEAN a vibrant and sustainable place to live and work.” ASEAN Chair for 2019, Thailand, declared the theme of its Chairmanship as “Advancing Partnership for Sustainability.” Across the ASEAN region there is a connectedness which creates stronger visibility of the challenges to address, particularly the impacts of the macro drivers of urbanisation and environmental damage, and this visibility has been a catalyst for action. For example, while the Indonesian forest fires and resulting haze across Indonesia, Singapore and Malaysia was a contentious issue it focused the region on how to ensure more sustainable supply chains. The scale of Asia’s social and environmental challenges also highlights the need to partner in order to address such issues – thereby facilitating the forging of partnerships between governments, corporates and civil society. However, progress is slow. Global management consultancy Corporate Citizenship, specialists in sustainability and corporate responsibility, reviewed the progress of companies listed in London (FTSE) and Singapore (SGX) and ranked by Fortune magazine, with regards actions taken against the Global Goals. The 2017 report found that while 51% of FTSE100 were responding to the Global Goals, only 38% of the Fortune 50 were and just 20% of the SGX50.

Positive progress in responding to Global Goals

Chandran Nair, Founder of the Global Institute for Tomorrow and author of *Consumptionomics, Asia’s role in reshaping capitalism and saving the planet*, concurs. He emphasises that most business models thrive on consumption and are not designed to be sustainable. He advocates imposing regulations as the key force in getting businesses to take a longer-term perspective and ensuring costing for the externalities in their supply chains. Yet the reality is that regulatory change is slow. The focus must be on how businesses can improve their ability to take meaningful action. Where companies are acting, they are gaining positive traction. Research from the National University of Singapore shows that where companies are proactively reporting on sustainability, this is positively related to the market value of the firm. However, taking action is not always easy. In earlier studies, McKinsey’s Global Survey into the ‘Business of Sustainability’ noted that companies are best at integrating sustainability into their Mission and Values and External Communications and weakest at integrating sustainability into their supply chain or budgeting process.
Asia-origin enterprises have often been established to serve a social purpose and this is embedded in the organisation’s business agenda. While today DBS Bank is a multinational banking and financial services organisation, Yan Hong Lee, Managing Director and Head of Group Human Resources at DBS, shares that “DBS was established to provide industrial financing and support the development of Singapore. This purpose driven ambition continues today as we strive to make banking joyful and deliver sustainable outcomes beyond banking.” However, while across Asia there is a long history of Doing Good – the challenge is to build a mindset that sees the virtuous circle of also Doing Well. Companies describe “concern for the collective” as a core value of their Asia-based employees, sharing examples of volunteerism and socialism as the fabric of many Asian communities, but a reluctance to link “Doing Good” with commercial outcomes. Several multinational organisations reported that implementing a Doing Well and Doing Good strategy is more structured and formal than many of their Asian markets have been used to. Unilever shared that they have always been a caring employer with multiple initiatives and programmes that have a strong social impact embedded in the different markets they operate in. However, historically, in some markets this has had a stronger CSR orientation. The Unilever Sustainable Living Plan has enabled the company to move away from CSR and to focus on the impact that’s possible when you leverage your products and services to do good.

Economics also have a significant influence on the overall agenda. Companies report that price is still a key differentiator for most Asia-based customers and consumers. On the whole customers are unwilling to pay more for a product or service, and any positive impact on the environment or the community must be delivered in addition to the best price offering. This can act as a positive catalyst, forcing companies to innovate in ways that allow them to deliver more for less and to generate revenues from the bottom of the pyramid. However, a relentless focus on the bottom-line can make it challenging to take a longer-term perspective. In some organisations employees who maximise growth and profits, regardless of the impact, are held up as role models, reinforcing this culture.

So, how have some organisations managed to navigate this complexity and ambiguity?
How Leading Companies are Different

FOUR UNIVERSAL TRUTHS

Our Core Leading Companies come from different industries and geographies and have distinct histories. However, each has forged a reputation for its commitment to becoming a sustainable and enduring organisation and has been recognised globally for the progress that they have made in advancing their sustainability agenda. Our study distills the critical approaches and practices that set apart those companies that are leading the way in Doing Well and Doing Good.

Across our Leading Companies four Universal Truths emerged and an opportunity to accelerate the transformation was identified.

UNIVERSAL TRUTH # 1
BELIEF IN DOING WELL AND DOING GOOD

Leading Companies have a strong belief in Doing Well and Doing Good. Many of the Leading Companies describe their journey to Doing Well and Doing Good as “revisiting their roots.” They share that making the conscious decision to focus on being a business that is a force for good has meant “making the invisible visible.” In many instances these companies say a strategic focus on Doing Well and Doing Good highlighted the different activities they are already involved in but encouraged them to bring those together in a systematic way. A key factor influencing their commitment to Doing Well and Doing Good is the belief that a sustainable business makes good business sense. It is not separate to their core business: it is integrated into everything they do.

In many instances these companies say a strategic focus on Doing Well and Doing Good highlighted the different activities they are already involved in but encouraged them to bring those together in a systematic way. A key factor influencing their commitment to Doing Well and Doing Good is the belief that a sustainable business makes good business sense. It is not separate to their core business: it is integrated into everything they do. We asked companies to consider how the Doing Well and Doing Good equation was weighted in their organisations.

While Leading Companies focus more on Doing Good than Other Companies, leaders were quick to highlight that for Doing Good to be sustainable it must be inextricably tied to Doing Well and must feature a genuine intention to do business in a way that delivers commercial success and ensures a positive contribution to society. At Singtel, Aileen Tan, Group CHRO, shares “Today, we think about the impact. Philanthropy is not sustainability. For every $1 we plough into sustainability our obsession is around the concept of maximising and multiplying value.”

IN PRACTICE

Suresh Rai, Vice President HR, SEA & Australasia, Unilever, shares, “Our journey is anchored in our DNA - in the 1890s, William Hesketh Lever, founder of Lever Brothers, wrote down his ideas for Sunlight Soap. It was ‘to make cleanliness common-place; to lessen work for women; to foster health and contribute to personal attractiveness, that life may be more enjoyable and rewarding for the people who use our products.’ So, a sense of purpose and mission has always been part of Unilever’s culture. (Former CEO), Paul Polman took what was understated and brought it all together, gave it visibility and energy, and used it as a rallying cry to help employees be a Force for Good.”

Aileen Tan, Group CHRO, Singtel, reflected “Singtel turns 140 years in 2019, and we have also successfully expanded regionally and in our portfolio of global businesses. We believe this success has come from our ability to establish our social license to operate and create value for the local economies and communities we have operated in.”

KEY TAKEOUT

Look to your past to imagine your future. What has been core to your organisation since the beginning of time? What are the stories that employees recall with pride? When you have been at your best, what have you stood for? What is the mindset in your organisation? Is investment in building a business that both does well and does good seen as an integral part of your business strategy and one that adds commercial value to your organisation?
UNIVERSAL TRUTH # 2
PUBLIC COMMITMENT - TARGETS AND MEASUREMENTS

Leading Companies set public, measurable targets, share those within the organisation and externally, and hold people accountable to deliver on them. In order to publicly commit to targets companies need to make a significant investment in understanding what is important to stakeholders, and where they can use their organisational strengths for greatest impact. Companies emphasise that measuring what they do and reporting back on that has been key. Companies also shared that having compelling stories of the actions being taken and the results achieved helps build commitment. They stressed that tangible and measurable targets have been critical in communicating the impact they have. Tobias Puehse, Vice President, Mastercard Labs Asia Pacific says, “When we had evidence showing we were able to include 500 million new customers through our financial inclusion strategies and products, that really resonated with people.”

KEY TAKEOUT
Have you translated your Doing Well and Doing Good strategy into clear targets and measures? Do key business units and functions have these measures in their objectives? Is there a clear process for sharing progress against these and measuring performance?

UNIVERSAL TRUTH # 3
RELENTLESS FOCUS

Our Leading Companies describe a relentless focus on Doing Well and Doing Good which translates into focus at all levels. And it starts with committed leadership. When companies were asked to identify the greatest barrier to their focus on Doing Well and Doing Good, Leading Companies identified External Factors, citing a lack of clarity in the regulatory environment and customer readiness for change as some of the key challenges they grapple with. However, at Other Companies the most significant barrier was Organisational Leadership, or more specifically the lack of it. At Leading Companies and Other Companies there was consensus that the CEO and the Board are most critical in focusing the organisation on Doing Well and Doing Good. Our Leading Companies shared that the CEO and Board were, in all cases, driving the journey. One organisation shared that building commitment at the next level was critical too. They focused on educating and immersing these leaders, sharing that the next level of leaders was tasked with speaking internally and externally about their sustainable business agenda.

In addition to the senior leader commitment and attention, Leading Companies commit time and resources to ensure that the Doing Well and Doing Good agenda is set up for success. This includes ensuring the right levels of staffing and the right level of visibility. At Unilever a Unilever Sustainable Living Plan (USLP) Steering Committee, comprising senior leaders across the organisation, was established to ensure visibility of the agenda and to track progress against it.

KEY TAKEOUT
Are your senior leaders committed to the Doing Well and Doing Good agenda? If they are not, then you are not ready to start. Is there a commitment to invest financial and physical resources to ensure there is the capacity and capability to drive the agenda? Is there a process for sharing progress against these and measuring performance?

IN PRACTICE

Amita Chaudhury, Director, Sustainable Business, South East Asia and Australasia, Unilever shared that to establish organisation-wide targets and goals at Unilever they began with an extensive materiality exercise which led to the launch of the Unilever Sustainable Living Plan. There was one agenda with 69 targets owned by different functions and roles. After the first year each country was asked to share progress against those commitments and targets. Suresh Rai adds that then they started to see a difference, adding “When you measure the commitments, and when it is the global COO asking the questions, people see that you are serious!”

IN PRACTICE

At Singtel, Group CHRO Aileen Tan shares that they have resourced properly, and the sustainability agenda is given the right level of visibility [the sustainability role reports directly to the CHRO), at both the C-suite Management Committee level and with the Singtel Board. She concludes that to do less than that, to make this a special project or a part-time job, would be a trade-off.
UNIVERSAL TRUTH # 4

LEARNING FROM OTHERS

Our Leading Companies share stories of deliberately collaborating internally and externally, building a “Learning Ecosystem” including – customers, regulators, suppliers, start-ups, employees, activists and, particularly, the rising voice of millennials. They concur that they have progressed because they have learned from others.

Until recently leadership and organisation success has been built on the model of the outspoken and expert leader, however research from Harvard Business School, shows that successful leaders share one quality in common: reflectiveness, or the ability to possess an accurate view of themselves – both the good and the bad. Humility allows leaders and organisations to keep listening and, more importantly, learning from others whose ideas can help push their business forward.

Unilever leverages customer insights to uncover innovations that are commercially relevant while reducing their environmental footprint. Mastercard leverages its core capability as a company of connectors, using the thousands of conversations employees have every day to better understand the pain points of banks, partners, merchants and customers. They are adamant that what makes them sustainable is how they listen, respond and optimise as a result of that. Singtel is linked to the overall sustainability ecosystem, learning from and contributing to that.

KEY TAKEOUT

Listen. Put in place mechanisms that allow you to listen to others – particularly those who are least like you. Test assumptions. What assumptions do you have about Doing Well and Doing Good – do customers, employees, activists see it the same way? Ask for help. Whether you are at the start of your journey or well progressed actively look for others from whom you can learn and ask for their help and advice.

TECHNOLOGY DRIVES TRANSFORMATION

Our Asian markets are emerging as leaders in terms of using innovation and technology to address sustainability challenges. Many would agree that until recently, China was the biggest laggard with regards a commitment to reducing the country’s environmental impact, but the focus today on green energy and solar, and the pace of change at which it is moving, means China will overtake developed markets.

Our Leading Companies have embedded practices that enable them to use innovation and technology to reduce the environmental footprint, increase sustainability and have a greater social impact. They are actively looking at how innovation and technology can help to advance the sustainability agenda.
CATALYST

“an agent that provokes or speeds significant change or action.” As a Catalyst HR initiates and galvanises the sustainability journey, recognising the value and potential that a purpose-led organisation, centred on doing well and doing good, can have on organisation success. Aileen Tan, CHRO at Singtel, describes how being asked to take responsibility for a special project on sustainability reporting gave her a window into what might be possible if the energy and efforts that were being expended in the sustainability space could be truly harnessed. As she describes it, “I saw all the ‘invisible effort’ that was happening in the space of sustainability - it was in the lifeblood of people but not well articulated.” Armed with a sense that she was about to uncover something significant she worked with a small team to discover the true efforts that the organisation was taking to positively impact the environment and the broader community. Aileen shares “as we fleshed it out people got more excited and we realised this had potential to have real impact.” Recognising the positive potential for employee engagement and commitment, customer loyalty and brand reputation and the possibilities to impact overall business performance, Aileen determined that the HR team would take a leading role in catalysing the sustainability journey. Today a dedicated Group Sustainability function, headed by a Vice President who reports to Aileen, is responsible for managing sustainability throughout the Singtel Group and they reflect “having the Sustainability function outside Corporate Affairs can increase the credibility and authenticity of how it goes about its sustainability programmes.”

Taking Action

The catalyst uncovers the possibilities of the Doing Well and Doing Good journey.

- Look for examples in your organisation’s history to see where this has been important and has given a competitive advantage in the past.
- Look at actions that are being taken today which have positive impact socially and environmentally - consider how well these examples are known internally and externally and how well connected they are.
- Assess the appetite of your most senior organisation leaders. How might the examples from your organisation history and the stories of where you are positively impacting stakeholders beyond shareholders help build their commitment?
CHANGE AGENT

The change agent is “an individual or group, with the right mix of skills, characteristics and authority to shepherd others through the transformation.” Suresh Rai, Unilever, describes how, after the Unilever Sustainable Living Plan (USLP) was articulated, the critical next steps were about embedding this into ‘the way we did things.’ To him, what was needed was classic change management – communicate and educate. “Communication was key and so was building organisation capability,” Suresh shares, “we began with workshops to explain why we were doing this and in what ways it would affect our staff. A key feature of the approach was to show how this aligned to our values, and how this was something we had been doing but which we had not measured or held people accountable for.

The other key feature was education – helping people understand the whole value chain and how a purpose-led brand needed to tick every box in the value chain, [so] if the product is environmentally friendly the packaging needs to be too!” A key capability that the organisation has focused on is helping leaders see how the Unilever Sustainable Living Plan (USLP) can be delivered through their brands, to move away from CSR activities and giving money, to using their skills and capabilities to enable new and dynamic outcomes.

TAKING ACTION

To help your organisation successfully navigate the doing well by doing good journey here are some actions to take:

- Listen to people – especially your frontline employees, they are closest to your suppliers and your customers and they make up the communities you are looking to influence. Involve them in mapping out a path that ensures everyone understands the change, what it means and how to live it.

- Understand the politics. Keep close to the different players in your organisation to understand where there are competing agendas. Help people feel respected and listened to while highlighting the conflicts so they can be addressed.

- Know the overarching priorities. Your role is to help others see the bigger picture. Focus individual business units and leaders on how their plans and actions can support the overall organisation intention and priorities.

- Keep going. The advice from the leaders who have been successful in helping their organisations embed doing well and doing good thinking in their organisations is ‘stay the course’. Once the initial energy and excitement declines it is important to continue to inspire and to engage people. Build regular updates into business meetings, share stories of success and impact, reflect and revise the steps if needed - but stay on the path!

PARTNER

The Partner “works closely with senior leaders to develop an HR strategy and agenda that closely supports the overall aims.” At Mastercard, HR is one of several functions that is a key partner in embedding ‘doing well by doing good’ into the organisation. “It’s critical to connect to the business, understand your goal around this and the implication for talent. Make sure you understand the business well enough to see implications and opportunities and to have a seat at the table.” At Mastercard he focuses on those critical points in the employee life cycle where HR has a significant opportunity to influence. HR as the custodian of Talent Attraction and Acquisition policies and practices, plays an influential role in determining who we bring in.” At Mastercard HR partners with the business to define the new capabilities that the emerging business strategy requires, from global footprint to the technological know-how needed for a Blockchain or AI world. Their job is then to figure out how to attract this talent, and as importantly, attracting talent that is aligned to and excited by Mastercard’s principles. The assessment process includes consideration not just of knowledge, skills and experience but also of how well the individual is aligned to the values of the organisation.

TAKING ACTION

It’s more than twenty years since Dave Ulrich launched the HR Business Partner model in his book, Human Resource Champions. While there has been much debate about the model itself, the overarching principles hold true. If your role is to partner the business as you navigate the Doing Well and Doing Good journey here are some key actions for you to take:

- Connect to the business to understand the goal. Understand what the organisation needs to start to do and to stop doing in order to deliver on your strategy to do well and do good. Use this dialogue to help shape the business strategy.

- Consider the implications for talent. Partner with line leaders to identify and create the capabilities that are most critical in order to deliver value to your customers, shareholders, employees and communities. Consider emerging capabilities such as innovation, collaboration, stakeholder management and Doing Well and Doing Good mindset.

- Design and deliver HR practices to support this – focus on the critical few practices that matter most – talent attraction, leadership development, performance management.

- Coach business leaders to develop the mindset and behaviours that are congruent with the strategy.”
How Leading Companies are Different

FOUR FOUNDATIONAL BUT CRITICAL HUMAN CAPITAL PRACTICES

Translating the Doing Well and Doing Good agenda into action requires commitment and capability, routines and practices.”

We asked companies “what changes have you made to your human capital policies, processes and practices to better support your ability to Do Well and Do Good? Our Leading Companies described making ‘significant’ or ‘very significant’ changes in three key areas: Talent Attraction, Talent Development, Performance Management. A fourth area – Communication – emerged as a critical component underpinning all activities.

TALENT ATTRACTION

The key area of change has been in Talent Attraction. 77% of Leading Companies report making Significant or Very Significant changes to their Talent Attraction policies, processes and practices to better support their Doing Well and Doing Good effort. The changes that Leading Companies describe cover a broad range of activities. Firstly, they focus on embedding their Doing Well, Doing Good approach into their Employee Value Proposition and using that as a powerful tool to attract talent to their organisations. Secondly, they have updated their recruitment and assessment processes to allow them to explore with potential recruits their reasons for joining and to look for alignment with purpose and culture.

The key theme we heard from Leading Companies is that having the talent and capabilities to expand in ways that support their ambition and culture are critical and that as the custodian of talent attraction policies and practices, HR has an influential role in determining who comes into the company. Given this they are defining the hard skills and the soft skills that are critical to future success and updating their recruitment practices in line with this. Our Leading Companies also see the benefit that a strong reputation for Doing Well and Doing Good has as a lever for attracting the best talent to join them. Bobbi Davis, Director, Talent Enablement, Global Human Resources, at Mastercard adds, “We know from our employees – and from prospective hires – that being part of a force for good is instrumental to professional happiness. We provide staff with five paid volunteer days each year. In 2017 nearly 3,000 employees contributed over 60,000 hours to support 2,000 organizations to strengthen the communities in which we operate.”

Sara Surer-Geiser, VP P&O Nutrition Asia, Regional VP HR EMEA, DSM shared “At the core of DSM is our purpose – from how we do business, to how we work with customers to how we recruit for talent. From a talent perspective, it is through this purpose-lens that we have shaped how we address people, from the interview process to ensuring that we have the right offerings in place to help them develop.

We have a number of internal training programs to invest in our employees in both a professional and personal sense, through programs focused on leadership, mentorship and inclusion and diversity. Essentially, when we position our company as an employer what we are highlighting is our sense of purpose and our goal to empower our employees, to link their values and purpose to ours at DSM – hopefully, this is what they see when they join us.

We know that employees like to work for companies that do good and do well and they are looking to the leaders to drive this agenda. While this is certainly the case, at DSM we strongly believe that it takes everyone’s commitment to playing a role in creating a better workplace and community for all.
TALENT DEVELOPMENT

61% of Leading Companies report having made Significant or Very Significant changes to their Talent Development policies, processes and practices to better support their organisation’s ability to Do Well and Do Good. Specifically, over half report that they have significantly redefined their leadership capabilities to better deliver on their Doing Well and Doing Good strategy, while all Leading Companies have at a minimum “somewhat redefined” these capabilities. Other Companies report focus on building leadership capability in collaboration and stakeholder management. However, Leading Companies describe focusing on shifting mindsets and embedding the behaviours that ensure that Doing Well and Doing Good is embedded in executing the strategy. DSM share that a key to driving their Doing Well and Doing Good agenda has been developing people leaders who embrace change, ignite conversation and translate the agenda into actions that ultimately drive performance.

In addition to investing in development programmes Leading Companies are taking action to clarify expectations of Leaders and to immerse them in activities that help develop the mindset and commitment to Doing Well and Doing Good. Some of the ways that companies have done this include:

- Empowering Leaders to Shape the Strategy – involving key leaders in defining the long-term strategy
- Clarifying Expectations of Leaders – by including Sustainability Values into leader expectations, developing new leadership competencies and behaviour models; defining new capabilities and including these in assessment and development plans

We should highlight too that in addition to building the mindset and behaviours that are critical our Leading Companies are also looking at the new capabilities required to deliver on the Doing Well and Doing Good agenda and are creating new roles across their organisations. These include positions in HR, Sustainability and Technology.

PERFORMANCE MANAGEMENT

Leading Companies reported using Performance Management as a lever to focus leaders and the broader organisation on the behaviours and actions that support their organisation’s efforts to Do Well and Do Good. This is a significant area of difference between Leading and Other Companies. Over half of Leading Companies report having made Significant or Very Significant changes to their performance management process in light of their Doing Well and Doing Good strategy, while just one third of Other Companies reported making Significant changes here. Leading Companies are taking action by holding Leaders accountable for both business achievement and the leadership displayed to achieve that. Mastercard shared that today the How and the What are evaluated equally. This contrasts with 5 years ago when for example 90-95% of country manager evaluation was focused on financial success, with much less emphasis on how this was achieved. Today the How is as important as the What.

At GSK, when CEO Emma Walmsley took on her role in 2017 she emphasised the need to do better to be able to do more good. Under Walmsley’s leadership a key change is a relentless focus on performance. She has implemented uniform key performance indicators and employee standards across GSK’s businesses.

Suresh Rai, from Unilever, shared that prior to the introduction of the Unilever Sustainable Living Plan (USLP) local entities were proudly doing what was important locally and with different degrees of focus, “some CEOs did more and some did less.” Suresh shares that “The USLP called on us to be more consistent. Even though we had always been doing this, this was the first time we were going to measure it and hold people accountable. We brought in measurement and a global focus.” He shared that initially that was challenging as not all the USLP themes were directly relevant in each country. For example, in Europe child malnutrition and handwashing initiatives were not relevant but they were key in Developing and Emerging markets. In Developed markets mental wellbeing was a challenge but it was a low priority in emerging markets. Suresh stresses that getting alignment and agreeing measures wasn’t easy but it was crucial “there were challenges in aligning the company and frameworks - we needed to look at how we could generalise these themes and apply them locally.”
COMUNICATION

An additional focus that underpins the agenda at Leading Companies is investment in communicating the Doing Well and Doing Good journey. Communication is comprehensive and constant - internally and externally. While many organisations do an excellent job on Sustainability Reporting, Leading Companies are relentless in driving awareness and understanding of their Doing Well and Doing Good Agenda. External communication is comprehensive – educating and building awareness across different stakeholder groups – from investors to national agencies to the broader public. Internally, Leading Companies communicate constantly to ensure that employees understand the intention of the Doing Well and Doing Good agenda, and the role they can play in delivering that agenda. At Unilever one key has been showing how that agenda aligns to employees’ personal values. In the 10 years since the Unilever Sustainable Living Plan (USLP) was launched almost 35,000 employees have completed “Connecting with Purpose” workshops. At Leading Companies organisation leaders play a critical role in building belief and advocacy. Giving leaders responsibility for communicating the Doing Well and Doing Good strategy and agenda has a dual effect. As an executive noted “even if they don’t believe initially, having to prepare to present the plan to others means they need to understand it deeply, and then they begin to believe!”

Suresh Rai at Unilever reflected that in the wake of the failed Kraft Heinz takeover bid for Unilever in 2017 there were two insights. “Firstly there was an intense debate internally as to whether the Unilever Sustainable Living Plan (USLP) was slowing down our ability to give returns to shareholders but we concluded that actually USLP was a benefit and our focus has increased. But we also realised we needed to do a better job reporting to our stakeholders the progress we were making.”

Singtel CHRO, Aileen Tan, says “Communication is our biggest investment. We need to communicate what we believe in and how what we are doing is bringing about change.” Internally there are several layers to the communications process and several different lenses to do this. Some key components include:

Intranet: The intranet provides easy access and updates to key information on Singtel’s Doing Well and Doing Good strategy. The Sustainability agenda, programmes and achievements are shared here. Regular updates on the progress of social impact and environmental projects and the impact they are having are also shared.

Internal Briefings: Regular briefings and updates ensure that the Doing Well and Doing Good agenda, the actions that are being taken, and the change Singtel is bringing about are top of mind.

Employee Survey: The annual employee survey explores linkages between employee engagement and attributes such as Singtel’s Doing Well and Doing Good agenda. This constantly ranks as a top 3 driver of staff engagement, and a top driver when disengaged staff are converted to engaged staff.

Education and Training: Singtel has recently launched a series of e-Learning modules to explain their Doing Well and Doing Good strategy and agenda. The modules explain what Sustainability means at Singtel and the company strategy and commitments and outlining the different ways employees can contribute to the agenda.

CONCLUSION

Asia has been comparatively slow to initiate its Doing Well and Doing Good agenda. Given this, the stage is open for organisations to take the lead in advancing the agenda for the region.

To date very few Asia-origin companies have been named on the global listings that recognise company achievements in building sustainable businesses. Those companies that have been recognised are typically from industries without significant sustainability challenges and we might reflect that their challenge has been to move from Good to Great. However, many Asia-origin organisations face significant social and environmental challenges in their current business models. Their ability to address and action these issues will provide a powerful blueprint for other companies.

A starting point for organisations looking to begin or accelerate their Doing Well and Doing Good journey is to lean into their stronger sense of social purpose and the ecosystem of players – across business, government, non-profit, civil society - committed to building enduring businesses. In addition using innovation and technology to address sustainability challenges and a relentless focus on the bottom-line provides the opportunity to reinvent business models to progress the Doing Well and Doing Good Agenda. Those organisations that act now are positioned to establish a reputation as key contributors to advancing the agenda in the region. Committed leadership and a focus on shifting mindsets and behaviour are critical in enabling this transformation.

“Doing Well and Doing Good is a long-term journey. It takes significant effort to think beyond and commit for the long-term. Committed leadership and the willingness to start with small steps is key.”
Sustainability at DSM is driven by a purpose to help answer some of the world’s biggest challenges. With sustainability as its core value, DSM is driving sustainable growth as a business and for its customers while managing relationships and resources with governments, other businesses, civil society organisations like NGOs, and consumers. DSM has identified three key areas in which they can drive sustainable markets:

- **Nutrition & Health**
- **Climate & Energy**
- **Resources & Circularity**

These innovations in sustainable growth platforms help DSM realize its goals of a healthier planet, a fairer world, and sustainable and profitable growth for the company.


GSK describe their approach to business as “Responsible business.” Being commercially successful and operating responsibly will ensure they generate sustainable returns for shareholders and deliver on their purpose, to help patients and consumers around the world, do more, feel better and live longer. Their commitments cover three focus areas, aiming to deliver the greatest possible long-term impact in improving health around the world.

GSK website: Responsibility retrieved from https://www.gsk.com/en-gb/responsibility/plan/

Mastercard describe their guiding vision as a world beyond cash - a safer world with less corruption and more inclusion, a world where everyone can contribute to the global, digital economy and where the benefits of that economy are broadly shared. Their fundamental conclusion is that they do well by doing good, and while philanthropy plays an important role in doing good, there isn’t enough philanthropic money in the world to solve society’s problems in a lasting way. Real change calls for companies to act to bring to the table their technologies and infrastructure, capital and creativity and ability to scale solutions. And, when companies do this, they create a sustainable system where everyone benefits – employees, citizens, customers, companies and governments.

- As of 2017, Mastercard has reached an estimated 330 million people previously excluded from financial services (goal to reach 500 million by 2020) through initiatives in over 60 countries.
- Funded 55 million meals in partnership with the World Food Programme through donations by employees, cardholders and customers.
- Achieved 100 percent renewable energy for committing to 20 percent reduction in greenhouse gas emissions by 2025.
- Diverted 100 percent of electronic waste and 62 percent of global waste from landfills.
- Estimated 330 million people previously excluded from financial services (goal to reach 500 million by 2020) through initiatives in over 60 countries.
- Funded 55 million meals in partnership with the World Food Programme through donations by employees, cardholders and customers.
- Achieved 100 percent renewable energy for committing to 20 percent reduction in greenhouse gas emissions by 2025.
- Diverted 100 percent of electronic waste and 62 percent of global waste from landfills.

Singtel describes creating and delivering sustainable value to their key stakeholders as fundamental to their business. This requires that they embrace responsible business practices, ensure customer satisfaction, monitor their supply chain, be an employer of choice, manage their environmental footprint, and support and invest in community development. While they want to make a lasting positive impact on their stakeholders at the same time, they acknowledge that their industry can create unintended consequences. The Group’s sustainability strategy therefore seeks to create shared value and mitigate the long-term risks to the company, stakeholders and the environment.

Singtel has been a signatory of the UN Global Compact since 2007 and is committed to upholding its principles. In addition, Singtel has assessed how their key focus and programmes relate to and support the UN SDGs 2030, address the material issues identified through their ongoing stakeholder engagements, as well as areas where they believe they have most impact as a business.

Singtel website: Sustainability at Singtel retrieved from https://www.singtel.com/about-us/sustainability/sustainability-at-singtel

Unilever launched the Unilever Sustainable Living Plan (USLP) in 2010 as a blueprint for achieving their vision to grow the business, whilst decoupling their environmental footprint from their growth and increasing their positive social impact. The intention is to create sustainable growth through brands with purpose, cutting business costs, reducing risks and helping to build trust, and thus to generate long-term value for the multiple stakeholders they serve.

Unilever website: The Unilever Sustainable Living Plan retrieved from https://www.unilever.com/sustainable-living/
References & Bibliography

References


8. Lawrence Owy, “How are Singapore Businesses Stepping Up on the Challenge of the SDG?” Corporate Citizenship, Jan 2018


12. University of Cambridge Institute for Sustainability Leadership (CISL) (2018), Rewiring Leadership: the leadership we need, the future we want. Cambridge, UK: the Cambridge Institute for Sustainability Leadership


17. “The Sustainable Development Goals and ASEAN 2025,” Oxfam; CSR Asia; Swedish International Development Cooperation Agency, 2018


Accessed websites

UN Website, WBCSD, WEF

Bibliography

We would like to thank the many experts and leaders who are passionate about unlocking the leadership that will enable organisations to both do well and do good, and who have generously contributed to this research. In particular, we sincerely appreciate the contribution from the following:

Aileen Tan
Group Chief Human Resources Officer, Singtel

Amita Chaudhury
Director, Sustainable Business, South East Asia and Australasia, Unilever

Andrew Buay
Vice President, Group Sustainability, Singtel

Bobbi Davis
Director, Talent Enablement, Global Human Resources, Mastercard

Bonita Lee
Vice President, Human Resources, International, GSK

Manish Goyal
Group Chief Strategy Officer, Singtel

Sara Surer-Geiser
VP P&O Nutrition Asia, Regional VP HR EMEA, DSM

Scott Tiernery
SVP, HR, Asia Pacific Mastercard

Suresh Rai
Vice President, Human Resources, South East Asia and Australasia, Unilever

Tobias Pehse
Vice President, Mastercard Labs Asia Pacific

Yan Hong Lee
Managing Director and Head of Group Human Resources, DBS Bank

We would like to acknowledge lead researcher Catherine Mudford for her passionate interest in exploring the Doing Well and Doing Good agenda for Asia. We thank Mr Vijay Munusamy, Ms Belinda Jenkins and Ms Rachel Tan for their comments and input into the development of this report. We would also like to acknowledge our designer, Ms Rodalyn Cachuela-Flores, for working tirelessly to turnaround various versions of the report design.
ABOUT HCLI

The Human Capital Leadership Institute is a centre of excellence that facilitates the acceleration of leadership development and strategic human capital management capabilities in Asia. Through its efforts, HCLI aims to develop global leaders with a strong understanding of leading in Asia, as well as to build Asian leaders with the ability to lead on the global stage. The institute achieves this by driving Asia specific research and insights, creating industry relevant executive development programmes and fostering rich networks between thought leaders in business, government and academia.

HCLI is a subsidiary of Temasek Management Services, which is wholly owned by Temasek Holdings (Private) Limited, and is supported by the Singapore Ministry of Manpower and the Singapore Economic Development Board.

For further information, please contact us at info@hcli.org, call us +65 6909 6710 or visit www.hcli.org.

COPYRIGHT

This document contains proprietary research, copyrighted materials, and literacy properties of Human Capital Leadership Institute (HCLI). No changes may be made to this document without express written permission of HCLI.

All rights reserved. All other trademarks and copyrights are the property of their respective owners.

Human Capital Leadership Institute
111 Somerset Road, #14-31
Singapore 238164