

## Table of contents

About the report			
Acknowledgement			
Key findings			
Sustainability topics in the Asia-Pacific region over the next 2-5 years	3		
+ Supply chains, labor and human rights	5		
+ Climate change	7		
+ Circular economy and waste	9		
+ Corporate governance, transparency and anti-corruption	11		
+ Future of work and digitization	13		
+ Sustainable Development Goals (SDGs)	15		
+ Inclusion and diversity	17		
+ Gender equality	19		
+ Health and wellbeing	21		
+ Wealth gap, poverty and social imbalances	23		
Who matters in the Asia-Pacific region?			
Responding to the region's top sustainability topics			
About the ELEVATE Strategic Partner (ESP) Program			

## About the report

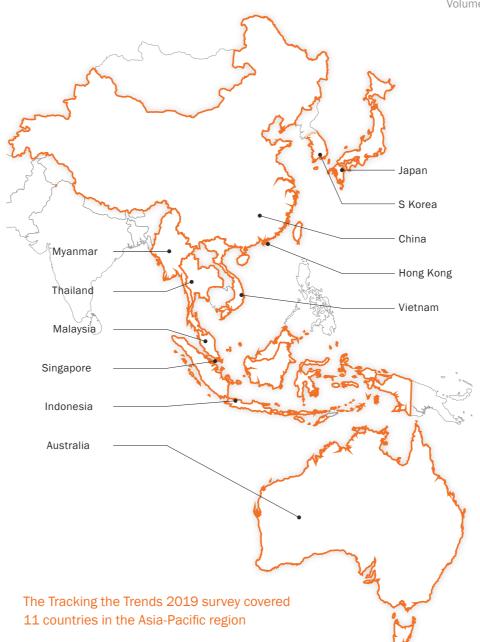
Tracking the Trends is an annual expert stakeholder survey published by CSR Asia (an ELEVATE company) since 2008. This year's Tracking the Trends comprises two volumes:

- + Volume 1 provides a snapshot of the sustainability topics that will define the Asia-Pacific region over the next 2-5 years and how stakeholders expect businesses to respond.
- + Volume 2 presents a deep dive into supply chain topics and risks as they affect economies and businesses in the region.

The present report, Volume 1, is derived from one-to-one interviews with sustainability experts and practitioners in the region and supplemented by research and insights gained from our extensive work with businesses across the region and across diverse industry sectors. Through the interviews we captured expert views on the following three areas:

- 1. Key sustainability issues in the region over the next 2-5 years
- 2. Key institutions and stakeholder groups likely to influence these topics
- 3. The responses that interviewees expect from businesses

We interviewed 76 sustainability experts and practitioners across eleven countries in the Asia-Pacific region including Australia, China, Hong Kong, Indonesia, Japan, Malaysia, Myanmar, Singapore, South Korea, Thailand, and Vietnam. Frequency counts and content analysis of responses informed our ranking of the top 10 topics, influencers and expectations for business. This research aims to help professionals determine material issues for their business and ensure that their strategies are designed for the future.



## Acknowledgement

"This report represents the twelfth edition of our annual expert stakeholder survey. We trust that it continues to provide valuable insights and helps sustainability leaders and practitioners shape business planning and strategy given the potential risks and opportunities emerging in the region. We thank all respondents who shared their time, views and expert opinions to make Tracking the Trends 2019 possible."

Helen Roeth, Senior Manager, ELEVATE Strategic Partner Program, ELEVATE

We welcome your comments and questions. Please send your feedback about Tracking the Trends 2019 to sp@elevatelimited.com

## Key findings

As we publish the Tracking the Trends 2019 report, many economies in the Asia-Pacific region are facing significant medium-term challenges including population aging, declining productivity growth, and an increasing wealth gap. There are also concerns relating to trade tensions between the U.S. and China, shifts towards protectionist policies, and increased geopolitical tensions. Despite this dynamic operating context, the results of our expert stakeholder interviews draw a promising picture of consistent and continued business commitment to addressing the region's most urgent sustainability challenges.

These are the topics that will shape corporate sustainability in the years ahead:

Supply Chains, Labor and Human Rights as well as Climate Change continue to be priority topics. Regulatory developments and growing investor interests have elevated these discussions into boardrooms and require companies to establish more mature strategies, stronger targets and be more accountable for their actions and disclosures.

The global plastic waste crisis has led to a renewed interest in **Circular Economy and Waste** following increased stakeholder pressure from governments and consumers. Asia is the biggest contributor to marine plastic pollution and awareness of the implications for ecosystems and human health is growing.

**Corporate Governance, Transparency and Anti-Corruption** remain of high importance amid little progress in the region on corruption and weakening democratic institutions in some countries. The role of technology and social media as a tool for transparency will likely increase the exposure of uncomfortable scenarios for business, governments and other stakeholders.

**Future of Work and Digitization** has emerged as a new topic in this year's report. In Asia, this is driven by concerns of an imminent job crisis linked to automation and an aging society. The future of work applies questions at all levels and segments of the economy and in all countries.

The Sustainable Development Goals (SDGs) remain on the list as an important framework for corporate sustainability efforts. However, there is little evidence in the region of meaningful and impactful business contributions towards the SDGs. Questions exist on how the Asia finance sector will respond to the SDG Impact initiative and related SDG investment vehicles. <sup>1</sup>

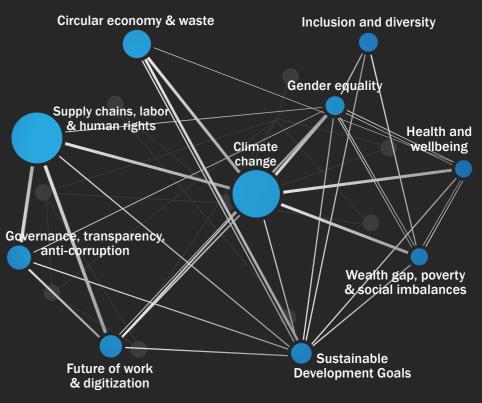
**Inclusion and Diversity** and **Gender Equality** remain important topics, with diversity extending beyond gender, race and ethnicity to include disabilities, sexual orientation and religious beliefs. There is a growing awareness that companies committed to a diverse and inclusive workforce are better equipped to attract talent, unlock innovation and drive performance.

**Health and Wellbeing** makes the list for a second year, influenced by a growing awareness of the health implications of environmental risk factors (e.g. micro-plastic pollution and air pollution) and a growing expectation for companies to address employee health and wellbeing including mental health.

Wealth Gap, Poverty and Social Imbalances regained a spot in the top topics list as disparities in income and wealth continue to grow in many Asian economies despite sustained economic growth in the region.



# Sustainability topics in the Asia-Pacific region over the next 2-5 years



## **Sustainability topics in the Asia-Pacific region over the next 2-5 years**

#### Tracking sustainability topics in the Asia-Pacific region

Collating the responses from across eleven countries, we ranked the 10 topics most frequently mentioned in our interviews. As the context of each topic is influenced by each interviewee's industry and/or country, some topics are more relevant to certain countries or industries.

Rank	2016	2017	2018	2019	2019%*
1	Climate change	Climate change	Climate change	Supply chains, labor and human rights	68%
2	Supply chains, labor and human rights	Supply chains, labor and human rights	Supply chains, labor and human rights	Climate change	66%
3	Water	Water	Sustainable Development Goals	Circular economy and waste	59%
4	Corporate governance, transparency and anti-corruption	Sustainable Development Goals	Waste	Corporate governance, transparency and anti-corruption	43%
5	Wealth gap, poverty and social imbalances	Corporate governance, transparency and anti-corruption	Corporate governance, transparency and anti-corruption	Future of work and digitization	38%
6	Sustainable Development Goals and community investment	Wealth gap, poverty and social imbalances	Gender and diversity	Sustainable Development Goals	29%
7	Natural resources, waste and pollution	Circular economy and waste	Responsible and sustainable investment	Inclusion and diversity	25%
8	Food security	Food security	Health and wellbeing	Gender equality	19%
9	Migration	Access to natural resources	Food security	Health and wellbeing	18%
10	Gender	Biodiversity, conservation & wildlife	Water	Wealth gap, poverty and social imbalances	17%



## Supply chains, labor and human rights

Modern Slavery laws in the US, EU and Australia are directing greater attention to labor standards and human rights risks within supply chains in the Asia-Pacific region. Policy efforts are also under way in Asia: Thailand released the final draft of its National Action Plan on Business and Human Rights and India, Indonesia, and Malaysia have formally announced intentions to follow suit.<sup>2</sup> In Hong Kong a group of lawyers and a legislator are pushing for an anti-slavery law modeled on Britain's Modern Slavery Act.<sup>3</sup>

International migration is one of the key factors shaping this trend in Asia-Pacific. The region had an estimated 62.1 million international migrants in 2017, with the majority being labor migrants. Most of the top destination countries in the region (including Malaysia, the Republic of Korea, Singapore, Japan, Taiwan and Thailand) employ typically low-skilled temporary migrants from neighboring countries for work in factories, construction sites, and in agricultural supply chains. Recruitment and labor hire have become a multibillion-dollar industry in the region and an area where significant abuses and fraudulent practices, such as high recruitment fees borne by workers, are widespread.<sup>4</sup> The effective governance of labor migration poses big challenges including the protection of migrant workers' human and labor rights throughout their journey from recruitment, to employment and return.

In November 2018, the twelve Colombo Process member states <sup>5</sup> committed to an Asian regional agreement to foster ethical recruitment, in particular, to ensure no recruitment costs to migrant workers. <sup>6</sup>

"When a company values the work, dignity and rights of people throughout their supply chains; its culture is enhanced. The best people want to work there,

investors want to invest and consumers want to support them with their purchases. This is why it is so encouraging to see businesses rating supply chains, labor and human rights as their number one priority. It is a win-win for our world and a step to ending Modern Slavery."

Fuzz Kitto and Carolyn Kitto, Co-Directors, STOP THE TRAFFIK Australia

#### Supply chains, labor and human rights

## What our interviewees say:

68% of interviewees said 'supply chains, labor and human rights' is a key sustainability issue over the next 2-5 years



- + Supply chains in Asia are undergoing a dramatic transformation influenced by automation, the rise of e-commerce, trade tensions, and increased worker mobility and expectations
- + As consumers are demanding more information about where and how their products are made, traceability is becoming an important part of the story of a product (or service)
- + The effects of modern slavery legislation in Western economies ripple across the globe and drive concern over 'deep' supply chain issues (those beyond tier 1 down to raw materials) and supply chain due diligence
- + Supply chain risk assessment and segmentation is growing in importance and becoming increasingly sophisticated. Companies are leveraging new technology to build transparency beyond tier 1
- + Increasing concern about human rights violations against migrant workers and refugees is shaping the human rights agenda in the region
- + Growing concerns over human rights abuses in non-manufacturing supply chains (e.g. forestry, agriculture, mining, cleaning services) and over the treatment and recruitment of workers in construction
- + Growing acknowledgement of the need for responsible recruitment practices and increasing emphasis on living wages and correct wage payment, rather than just compliance with minimum wages
- + Concerns over gender-based violence and harassment place new emphasis on and lead to opportunities for women's rights and empowerment along supply chains
- + With increasing awareness of climate impacts and declining resources, green and low carbon supply chains are being prioritized



## Climate change

The Asia-Pacific region is the largest regional contributor to global greenhouse gas emissions with China accounting for 27% and India, Japan and Indonesia combined accounting for around 12%. <sup>7</sup>

It is also the region most susceptible to the impacts of climate change. Real Estate Investment Trusts (REITs) in Asia are highly exposed to climate risks such as sea-level rise, coastal floods and typhoons. REITs at highest risk worldwide are concentrated in Japan, Hong Kong and Singapore. Southeast Asia is set to suffer the biggest losses worldwide as climate change will have monetary impacts on several key sectors including agriculture, tourism, and fishing. Southeast Asia could also lose an estimated 16% of current labor capacity due to rising heat stress over the next three decades. Singapore and Malaysia are predicted to experience the heaviest toll, with 25% and 24% decreases from current levels. Singapore

As one of the biggest carbon emitters globally (in absolute and per capita terms), China's climate actions are key to achieving the 2015 Paris Agreement. The country is emerging as a global climate leader, having reached its 2020 carbon emission target three years ahead of schedule with the help of its national carbon trading system.<sup>10</sup> The government has also stepped up its commitment to renewable energy. In 2018, it announced plans for a renewable energy target of 35% of electricity consumption by 2030 (up from previously 20%) and to penalize non-compliant firms to cover government subsidies for renewable projects.<sup>11</sup> The China Ecological Conservation Red Line (ECRL) initiative intends to protect and conserve around one-quarter of all Chinese land; thus supporting climate mitigation through sequestration as well as climate adaption through protecting or restoring ecosystem services crucial for natural hazards resilience. <sup>12</sup>

As a sign of rapidly growing investor interests in climate-related disclosures, the UK and Chinese government backed a three-year pilot (2018-2021) on climate-related and environmental risk disclosure. The pilot involved ten Chinese and British financial institutions in the first year and will be extended to other industry sectors.<sup>13</sup>

"An increasing number of governments in the region recognize the need to transition to a low-carbon growth path. In Thailand for example, the financial

sector supports climate-smart investments that have an impact in the country and beyond. Through the availability of sustainable finance, businesses are increasingly recognizing that strong environmental, social, and governance risk management can boost the bottom line, strengthen client retention, and enhance reputation."

Vikram Kumar, Country Manager, Thailand & Myanmar, International Finance Corporation, The World Bank Group

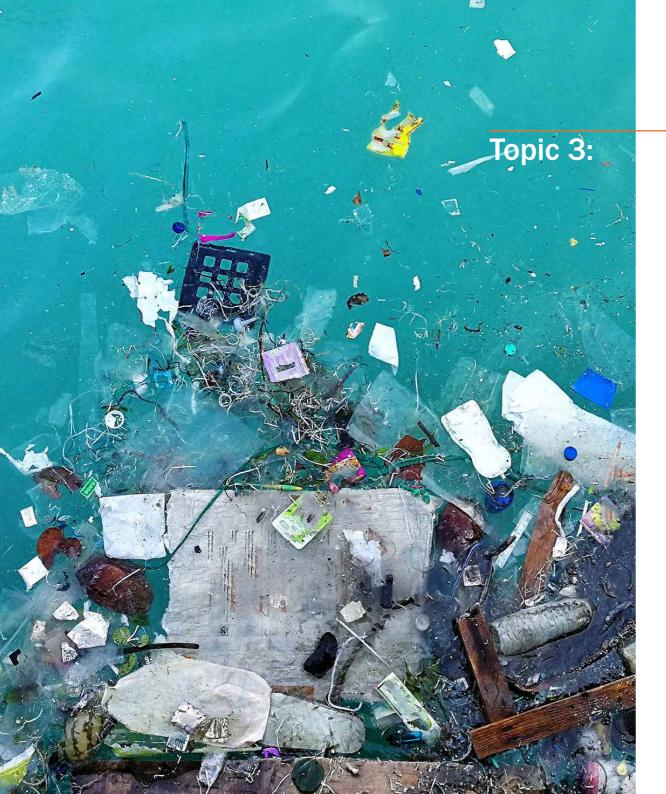
#### **Climate change**

## What our interviewees say:

66% of interviewees said 'climate change' is a key sustainability issue over the next 2-5 years



- + Asia is vulnerable to climate change impacts with immediate risks for business; for example, extreme weather events are causing supply chain disruptions and are set to increase in frequency and intensity
- + Severe climate change impacts on biodiversity, water resources, food security and resilience of agricultural supply chains are expected
- + Climate change is leading to migration issues and displaced communities as livelihoods are threatened from declining land productivity and sea-level rise
- + Governments in Asia have started emphasizing decarbonization and low carbon growth
- + Growing expectations from government, civil society and the public that businesses will significantly cut greenhouse gas emissions and invest in energy efficiency and renewable energy
- + With increasing global investor pressure, expectations are growing rapidly for companies to set science-based targets and disclose in line with recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)
- + Businesses are expected to look at sustainable finance solutions for new investments (e.g. green bonds)
- + Growing recognition of the role of business in building the resilience of communities and taking resilience into consideration in supply chain evaluations
- + Need for a more rapid energy transition including innovative off-grid solutions to help provide equitable access to affordable energy for rural, remote and marginalized communities



## Circular economy and waste

More than half of all plastic waste in oceans comes from just five Asian countries (China, Indonesia, the Philippines, Vietnam and Thailand), placing pressure on national governments in the region to act.

China's National Sword policy, which took effect in 2018, started with a ban of 24 types of imported solid waste, including plastics and unsorted mixed papers. The ban has since expanded to other types of recyclables and could potentially lead to the banning of all incoming recyclable materials by 2020. <sup>14</sup> This has resulted in a dramatic increase in plastic waste flows from G7 and other countries into Southeast Asia.

Mounting environmental and social problems caused in these countries have led national governments to implement their own bans. India, Malaysia, Thailand and Vietnam have announced bans on foreign plastic scrap imports. In India and Indonesia an Extended Producer Responsibility (EPR) regime seems imminent.<sup>15</sup> An EPR would require producers to boost the percentage of recyclable content in their products and packaging, as well as motivate additional post-retail recycling solutions.

Growing consumer and regulatory pressure are also incentivizing business-led initiatives to address related risks and opportunities. For example, the working group Drink Without Waste, formed September 2017, is driving industry action in Hong Kong by convening the city's leading beverage producers and bottlers, major retailers and the waste industry to develop and facilitate strategies and actions that significantly reduce waste from beverage consumption. Members of the working group have committed, among other things, to phase out packaging materials for which there is no existing or planned recycling capability. As another example, investment management firm Circulate Capital aims to incubate and finance companies and infrastructure that tackle mismanaged plastic waste in South Asian and Southeast Asian countries that lack critical waste infrastructure.

The plastic waste crisis is affecting numerous industries from consumer goods to tourism and hospitality, and fashion. As the public discourse matures, there is an increasing understanding of the broader waste management challenges in the region and the need to adopt a circular model that decouples economic activity from the consumption of finite resources and the creation of waste.

change."

"Consumers around the world expect companies like ours to help make a litter-free world possible. We have the chance to rethink packaging for the better

and collaborate with governments, communities, the private sector, and NGOs to accelerate action and help develop a circular economy. Asia is critical in the shift towards a litter-free world - companies in the region need to move beyond incremental improvements and lead systemic

Pablo Largacha, Vice President, Public Affairs & Communications - Asia Pacific, The Coca-Cola Company

#### Circular economy and waste

## What our interviewees say:

59% of interviewees said 'waste and circular economy' is a key sustainability issue over the next 2-5 years



- + Asia is the largest source of plastics pollution in the world and plastics use in the region will continue to grow significantly
- + Growing concern over ocean plastics pollution and its wide-ranging impacts on ecosystems, the food system as well as human health
- + Recognition that the waste crisis in the region goes beyond plastics and involves all types of solid waste
- + More robust government policies, regulation and enforcement regimes on waste and single-use plastics are expected and will drive the business sector to adopt circular economy models
- + Stakeholder pressure, particularly from consumers and customers, will push companies to aim for waste management solutions along the entire supply chain, commit to zero-waste-to-landfill and offer post-retail recycling options
- + Public attention is increasingly shifting to the responses offered by the large brands whose products make up a significant portion of waste.

  Brands are increasingly investing in extended producer responsibility, and both local and global market heavyweights have taken action.
- + Expectation for the packaging sector to deploy global strategies that encompass innovation (ensure 100% recyclability of packaging materials) and smart alliances between packaging producers, customers and public agencies
- + Growing understanding of business opportunities to address some of the region's challenges including the lack of proper waste management infrastructure
- + Growing concerns around food waste particularly in the hospitality sector. This builds on related awareness of waste and recycling linked to carpets, soft furnishings and other building infrastructures.
- + Growing recognition of the opportunities provided by the sharing economy to use resources more effectively



## Corporate governance, transparency and anti-corruption

Since the 1997-8 Asian financial crisis, Asia has made significant progress improving corporate governance standards. Governments across the region continue to drive improvements in 2018.

The Securities and Exchange Board of India (SEBI) adopted many of the 81 provisions put forward by the Kotak Committee which was formed in June 2017 with the aim of improving corporate governance standards of listed companies in India. The adopted recommendations are being implemented through amendments to the Listing Regulations in a staggered manner, with most companies striving to reach compliance between April 2019 and April 2020. In Japan, regulatory bodies including the Financial Services Agency and the Ministry of Economy, Trade and Industry (METI), introduced several new comply-or-explain guidelines to the amended Corporate Governance Code that came into effect in 2018 and new Guidelines for Investor and Company Engagement. In the Philippines, following the example of Singapore and Hong Kong, the Securities and Exchange Commission's 'comply-or-explain' regulation for ESG reporting came into effect in the Philippines in late 2018.

However, significant challenges remain. China continues its dual emphasis on "corporate governance with Chinese characteristics" and an increase in the internationalization of capital markets.<sup>20</sup> In a bid to attract IPOs, Hong Kong and Singapore introduced dual-class shares in 2018. Such stocks have limited or no voting rights and have been criticized by the Asian Corporate Governance Association (ACGA) as threatening shareholder fairness.<sup>21</sup>

Except for a few countries (e.g. Australia, Singapore, and Hong Kong) corruption remains a significant issue in the region. Transparency International reports that the Asia-Pacific region is making little progress in the fight against corruption and that weak democratic institutions are impeding anti-corruption efforts in particular in Cambodia, Vietnam and Thailand.<sup>22</sup> Efforts may be further challenged by the additional trade and production opportunities and pressures that arise as a result of the ongoing trade tensions and diversification away from China.

"Corruption is insidious as it chips away at ethics, integrity and principles - the core foundations for sustainable business. Whilst a single act of corruption can be

rationalised away as a form of practical business expediency, multiple acts of corruption engenders a cultural behaviour that ultimately leads businesses

in a downward spiral towards collective moral decay. When that happens, everyone connected with the business value chain pays the price and loses."



Jeffery Tan, Group General Counsel and Company Secretary; Director - Corporate Affairs / Investor Relations / Sustainability, Jardine Cycle and Carriage Limited

#### **Corporate governance, transparency and anti-corruption**

## What our interviewees say:

43% of interviewees said 'corporate governance, transparency and anti-corruption' is a key sustainability issue over the next 2-5 years



- + Legislative action in Europe, the US and Australia and increasing acknowledgment of labor and human rights related supply chain risks drive supply chain due diligence in the region
- + New global regulatory rules and cross-border exchange of data will drive tax compliance and disclosure of taxes and fees paid to governments
- + Amid growing cyber-crime risks and weak cyber regulations in the region, there is a strong push for transparency and tangible business responses
- + In response to recent incidents of cyber security and data breaches, digital security and privacy risk management are becoming important aspects of good governance
- Board diversity is of increasing interest to regulators and the financial community
- + Good governance will increasingly include the performance of directors and boards on social and environmental issues
- + Despite the implementation of ESG reporting requirements in Hong Kong, Malaysia and Singapore, there is still a lack of enforcement and limited punitive action taken by governments on companies with weak or no disclosures



## Future of work and digitization

From Alibaba, Tencent, and Baidu in China to GO-JEK in Indonesia, Asian companies are embracing the digital revolution. Many of the region's economies have high digital adoption rates. China, India and Japan have some of the highest internet user numbers <sup>23</sup> and South Korea is the most automated country globally with 710 installed robots per 1,000 employees in the manufacturing industry in 2017. <sup>24</sup> The progressive roll-out of 5G technology from 2020 will likely further extend this trend across the region.

Digital automation poses both opportunities and risks to the region as advancements in automation and artificial intelligence threaten to replace low-skilled and repetitive work and lead to some developed economies re-shoring labor-intensive manufacturing sectors.<sup>25</sup>

Low cost labor and the trade war have supported a diversification of manufacturing in the region, from China to the ASEAN-5 countries (Thailand, Cambodia, Indonesia, the Philippines, and Vietnam). But the historically proven model of labor-intensive, export-oriented manufacturing is at risk of automation. The International Labor Organization (ILO) predicts that 56% of manufacturing jobs in the ASEAN-5 will be automated in the next 20 years.<sup>26</sup>

This trend of new and emerging technologies as a means of driving efficiencies and opening new niche markets will also put jobs in other sectors at risk. For example, fintech alternatives are threatening to replace customer-facing functions in banking and financial services in Hong Kong and Singapore; and, automated picking, packing and ordering technology is transforming the warehouse and logistics sector in Australia.<sup>27</sup>

The scaling of artificial intelligence across Asia will likely lead to significant unforeseen human and employment risks and opportunities; and renews the focus on life-long learning and reskilling.

"At IBM, we believe the purpose of new technologies like AI is to augment, not replace, human intelligence. AI should make all of us better at our jobs, and the

benefits should touch the many, not just the elite few.

We believe that we must invest in initiatives to help the global workforce gain the skills needed to work in partnership with these new technologies."



Euan Wilmshurst, Lead, Corporate Social Responsibility, IBM Asia Pacific

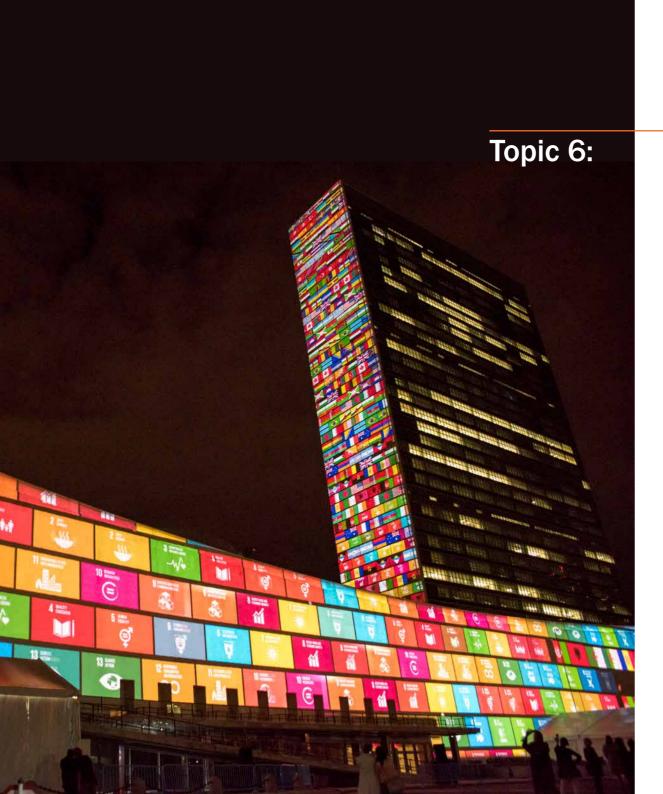
#### Future of work and digitization

## What our interviewees say:

38% of interviewees said 'future of work and digitization' is a key sustainability issue over the next 2-5 years



- + There are fewer young people entering traditional job markets and career paths. More talent is looking for increased workplace flexibility
- + Digital technologies change how and where people work and opens opportunities for a 'gig economy' as well as new, flexible ways of working
- + Growing concerns about the impacts of artificial intelligence on employment as well as a recognition of the emergence of new roles that place workers alongside and working together with machines
- + Growing concerns about the future of low-skilled jobs and digitization leading to greater inequality
- + Companies play a role in preparing the workforce for the transformation of job profiles and must invest in upskilling and reskilling
- + New competitive skillsets need to go beyond technology proficiency to include creativity, critical thinking and emotional intelligence
- + There is a huge opportunity in the region for technology to expand access to services, in particular healthcare for the elderly



## Sustainable Development Goals (SDGs)

While many countries in the Asia-Pacific region have developed national frameworks to implement the Sustainable Development Goals (SDGs), policy transformations to put countries on track to achieve the SDGs have yet to take shape across the region. In fact, according to the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), the region is not on track to achieve any of the eleven priority areas that were identified for regional cooperation to implement the 2030 Agenda.<sup>28</sup>

Business action is vital to achieving the SDGs and companies have signaled a clear interest in the global goals. But the SDGs are not yet shaping business strategy. While an increasing number of companies in the region refer to the SDGs in their sustainability reporting and identify priority SDGs, few companies are truly addressing the targets related to the goals and not many have set meaningful key performance indicators. Questions are increasingly being asked about the value of existing SDG reporting and more evidence and accountability around disclosures will be required to maintain customer and investor confidence.

Stakeholders expect companies to engage more strategically with the SDGs. In response to increasing investor interests, the World Bank launched new bonds in late 2018 that enable retail investors in Hong Kong and Singapore to promote the SDGs. These five-year bonds, the first of their kind in Asia, link returns to an equity index that tracks companies' performance on the SDGs. The bonds raised US\$3.52 million.<sup>29</sup> The launch of the SDG Impact initiative in September 2018 seeks to provide investors with better insight and tools into SDG action and presents a significant opportunity for the Asia region.<sup>30</sup>

The growth of green finance

products gives me hope but so

much more needs to be done."

"The scope and ambition of the Sustainable Development Goals, together with the important commitments made in the Paris Agreement, require actions that

go far beyond what governments, international organizations and aid flows can achieve alone. Businesses must step up and this includes the re-orientation of how investors, businesses and government interact with each other. We (UNDP) are seeing growing demand to support governments to leverage domestic and global private capital through instruments such as green bonds.

Joanne Manda, Climate Change Finance Specialist, UNDP Regional Bureau for Asia and the Pacific

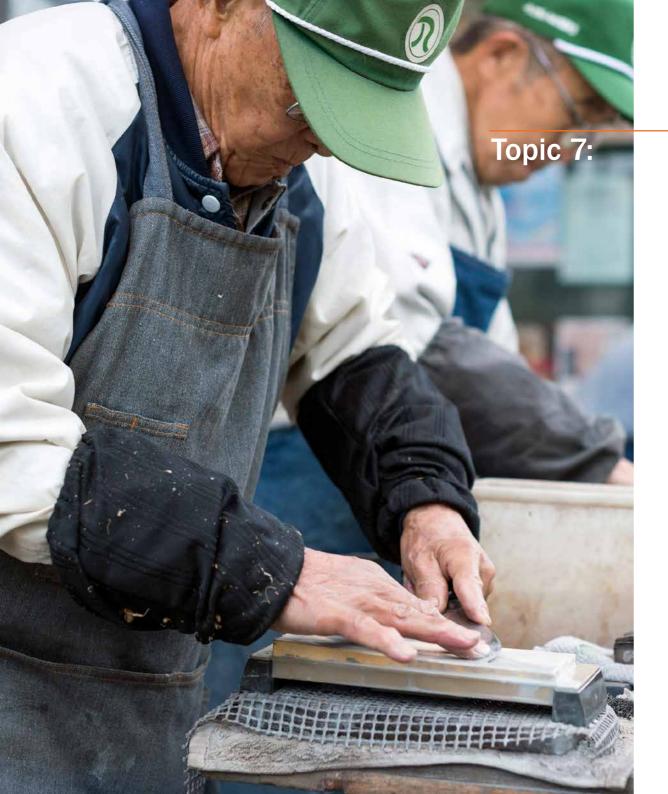
#### **Sustainable Development Goals (SDGs)**

## What our interviewees say:

29% of interviewees said 'sustainable development goals' is a key sustainability issue over the next 2-5 years



- + An increasing number of governments in the region have national SDG frameworks and measure progress against priority goals. The expectation for business to play a role in driving progress is growing
- + Growing recognition of the role that business can play in contribution to the SDGs. This is most evident with SDG targets related to climate change for which credible business action and KPIs are already clearly defined (e.g. science-based targets)
- + SDGs are increasingly seen as a good communications platform but real commitment from business is lacking. Resurgent investor interest means that window-dressing may soon be uncovered and poses a risk to businesses without evidence of impact
- + Business commitments to the SDGs are under increased scrutiny and pressure on companies to clearly evidence additionality and measure impact on the SDGs is growing
- + SDG integration into business reporting and strategy, while still at an early stage, is maturing fast due to an increasing number of guidance and data resources being published by leading organizations such as the Global Reporting Initiative and the Asia-Pacific SDG Partnership.
- + Partnerships and collaboration are key to significantly accelerate the pace and scale of action. Amid varied levels of government commitment in the region, sector collaboration is essential to drive an industry shift and progress towards most urgent SDGs



## Inclusion and diversity

There is a growing recognition among companies in the region that having an inclusive and diverse culture is a key differentiator for attracting and retaining talent, can help unlock innovation and drive organizational performance. Recent actions taken by the government in India, Hong Kong and Taiwan are allowing companies to take a more proactive stance on diversity issues.

In late 2018, the supreme court in India, repealed Section 377 of the India Penal Code which criminalized homosexuality.<sup>31</sup> In Hong Kong, the city's top court handed down a landmark ruling requiring immigration authorities to grant same-sex partners spousal visas previously available only to heterosexual couples – a ruling considered as giving the city an edge in hiring foreign talent.<sup>32</sup> In 2019, Taiwan became the first country in Asia to legalize same-sex marriage.

As several countries in the region, such as Japan, are relaxing strict immigration laws amid labor shortages, more companies will have to pay attention to pay differentials based on race and ethnicity.

By 2050 more than one quarter of the region's population – or 1.3 billion – will be 60 years or older.<sup>33</sup> In the world's fastest aging society, Japan, an aging population exacerbates labor shortages. Recognizing the challenges caused by an aging society, Singapore may soon raise the retirement age beyond 62 to motivate both workers and employers to invest in skills upgrading and job redesign for older workers, and to afford companies the flexibility to reset employment terms.<sup>34</sup> In Japan, prime minister Shinzo Abe vowed to transform the social security system and to increase the retirement age beyond 65 to reduce the fiscal burden.<sup>35</sup>

Despite the global trend towards an aging and healthier population and workforce, few companies have formalized strategies in terms of their customer base or employee base.

"Employees seek out purposedriven companies, investors expect a more diverse and inclusive board, and customers want their unique preferences catered for. To meet

these expectations will require a fundamental shift in established attitudes and ways of working towards an inclusive culture that brings out the best from diverse backgrounds, experiences and perspectives. This should change how companies communicate and engage internally and externally, how they manage people and how they define success. Enhanced employee engagement, increased collaboration, innovation and improved customer

satisfaction are all outcomes frequently associated with inclusive organisations that embrace diversity." "

Mabel Wong, Director - ELEVATE Strategic Partner program and Sustainability Consulting (Australia)

#### **Inclusion and diversity**

## What our interviewees say:

25% of interviewees said 'inclusion and diversity' is a key sustainability issue over the next 2-5 years



- + As younger workers appreciate a more diverse workforce, talent attraction and retention will require sound diversity and inclusion practices
- + Growing recognition of the business opportunities presented by a proven commitment to inclusion and diversity, including talent attraction and improved organizational performance as well as innovation
- + An important aspect of inclusion will be providing jobs to older people, people with disabilities, and minorities
- + Improving health standards and technology in healthcare mean that older workers can be more productive and impactful than ever before.

  Initiatives to support skills development / maintenance are vital
- + Companies are increasingly expected to disclose inclusion and diversity policies, workplace demographics, and gender pay gap information



## Gender equality

Significant challenges impact our ability to achieve gender equality in the Asia-Pacific region. In several parts of the region, discriminatory laws and social norms drive gender imbalances and continued discrimination:

- + The previous one-child policy in China and an under-valuing of women and girls have led to population imbalances in some Eastern, Central and Southern Asian countries<sup>36</sup>
- Women tend to perform most traditionally unpaid tasks (e.g. household maintenance and childcare). In many of the region's economies economies they spend, on average, twice as much time on these activities than men, with a peak of five to one in Japan, Korea and India<sup>37</sup>
- Women only hold under one in seven managerial positions in Eastern, Western and Southern Asia (the global average is one in four). Southern and Western Asia have one of the lowest rates of social acceptance of working mothers<sup>38</sup>
- + Japan and South Korea exhibit the biggest gender pay gap in the OECD. The difference between median full-time earnings of men and women as a percentage of male median earnings for South Korea and Japan was calculated at 34.6% and 24.5% respectively (compared to the OECD average of 13.6%)<sup>39</sup>

In 2018 we saw the first gender pay gap reports published by large private employers in the UK. In the same year several European countries enacted laws aimed at reducing gender pay disparity including France, Germany and Iceland.<sup>40</sup> Progress in Asia, however, is slow and legal action to drive gender equality is far behind Europe.

In Hong Kong, the Stock Exchange of Hong Kong Limited introduced amendments to the Corporate Governance Code to promote board diversity - notably, the 'comply or explain' provision regarding the disclosure of a diversity policy was upgraded to a listing rule.<sup>41</sup>

Starting in 2019, boards of the top 500 listed companies in India will need to ensure they have at least one independent woman director; by 2020, the top 1,000 listed companies will need to comply.<sup>42</sup>

"Research shows that companies with a diverse workforce and greater gender equality at Board and management level leads to better business outcomes.

A diverse workforce also helps companies better understand the needs of their customers. Despite the business case for greater gender equality, we still see the under-representation of women on boards and at senior management level as well as other challenges such as the gender pay gap. More work needs to be done to advance gender equality for the benefit of

Natalie Wu, Program Director of The Women's Foundation.

both business and our society,"

#### **Gender equality**

## What our interviewees say:

19% of interviewees said 'gender equality' is a key sustainability issue over the next 2-5 years



- + Women's economic empowerment is an important part of government policy in many countries but still receives only limited traction in Asia
- + Awareness of gender pay gap is driving pressure from governments, stock exchanges and investors for companies to act, strengthening the business case for gender equality. We expect significant action from multi-nationals with key operations in Asia and from proactive local companies
- + Companies need to do more to address discrimination, unconscious bias, and harassment and must ensure gender balance in more senior management and board positions
- + Companies are expected to put in place and report on gender equality policies and strategies. Annual disclosure on performance and improvement is expected
- + Internal staff engagement on gender equality is important including mentoring programs, unconscious bias trainings and male ally initiatives



## Health and wellbeing

Non-communicable diseases, most notably obesity and diabetes are increasing significantly in the Asia-Pacific region and are associated with productivity losses. An average of more than 70.3 days is lost to absence and presenteeism (employees turning up but being unable to work effectively due to mental or physical ailment) per employee every year in the region.43

Mental health is a topic of increasing concern, with about 20% of the adult population experiencing a diagnosable mental illness in Vietnam, Thailand, New Zealand and Australia. Even in developed economies such as Australia and Singapore, there is still significant stigma and only under half of those with a mental illness receive medical care. In India and China, only around a tenth receive treatment. Worse still, such treatment is often insufficient. In Australia, just 16% of those with anxiety disorders receive "adequate" treatment.44

In response to increasing obesity and diabetes rates, a tax on sugary beverages was introduced in Brunei, Thailand, Malaysia and the Philippines and has been proposed in Singapore and Australia.<sup>45</sup> To drive industry action, the government of Singapore introduced the Healthier Development Ingredient Scheme in 2018 to support manufacturers in developing and promoting healthier ingredients. The scheme covers oil and grain staples as well as sugar-sweetened beverages, sauces and desserts.46

Many of the region's cities suffer from regular and worsening air pollution. School closures due to toxic haze, most recently in Bangkok, have increased public awareness of the health implications of environmental risks. South Asia accounts for more than three quarters of the 17 million children under the age of one that live in areas where air pollution is at least six times higher than international limits, causing them to breathe toxic air and putting brain development at risk.<sup>47</sup> Welfare losses from exposure to ambient and household air pollution are estimated to have cost South and South-East Asia and the Pacific the equivalent of 7.5% of regional gross domestic product.<sup>48</sup> A new World Health Organization (WHO) Asia-Pacific Centre for Environment and Health will open in Seoul in 2019 to foster healthier and safer environments and strengthen community resilience to climate and environmental change. 49

Amid increasing concerns about the impacts of air pollution and other risk factors, the region has seen a rapid uptake of WELL certified buildings and the launch of the Green Mark for Healthier Workplaces scheme in Singapore in September 2018. Both building standards promote employee health and well-being and environmental sustainability.

"SDG 3 (Good Health & Wellbeing) and SDG 8 (Decent Work & Economic Growth) are becoming one the most prioritized goals by organizations in Asia, underlining

the critical importance of a safe, healthy workplace.
There is a growing recognition of employers' obligation in addressing the escalating mental health challenge, especially in low- and middle-income countries where services lag behind. With mental health being the single biggest cost of spend on healthcare in many sectors, businesses must view it as an integral part of occupational health and safety and with equal importance as physical health."

Philippe Guibert, Regional Medical Director, Consulting Services, Asia, International SOS

#### Health and wellbeing

## What our interviewees say:

18% of interviewees said 'health and wellbeing' is a key sustainability issue over the next 2-5 years



- + Concern is growing over health costs from obesity and diabetes rates caused by greater intake of sugar, salt and fat from processed foods and soft drinks
- + Companies will be under increasing stakeholder and regulatory pressure to help address public health challenges
- + Awareness of the health impacts of environmental risks, particularly air pollution and microplastics in food, is growing and starting to impact talent attraction in cities with high air pollution
- + Work-related stress, long working hours and a lack of proper rest are going to be critical issues for responsible employers
- + Employee wellbeing is going to be a major determinant for talent attraction and retention
- Work-life balance and the need to respect family life are central to responsible employment practices
- + Expectations for companies to value and support employee health and wellbeing are growing rapidly



## Wealth gap, poverty and social imbalances

Sustained economic growth in the Asia-Pacific region has helped drive significant progress in terms of poverty eradication. Over the 2013-2017 period, countries in the region grew at 4.4% on average in real terms (twice as high as the OECD average).<sup>50</sup> But this economic growth has not always been inclusive and growing disparities in income and wealth as well as inequality of opportunities persists, disproportionately affecting vulnerable groups. Contrary to most other regions, the region's combined income inequality, measured by the Gini coefficient, has increased by over 5 percentage points in the last 20 years thus evidencing increased disparities and wealth imbalances.<sup>51</sup>

Close to 70% of the population lacks reliable access to good-quality and affordable health-care services, and less than one third of the working-age population are eligible for a pension in many countries of the region.<sup>52</sup>

As many countries in the region are facing a rapidly aging population, old-age poverty is becoming a challenge especially in countries with less robust retirement income systems like China, Hong Kong, India, Indonesia, and the Republic of Korea.<sup>53</sup> In many countries in the Asia-Pacific, older people rely mostly on family systems and their own earnings, largely from employment. Very few have incomes from savings or investments and financial support from relatives is a crucial source to meet financial needs.<sup>54</sup>

Almost 70% of workers in the Asia-Pacific region are in informal employment, often working long hours for low pay without any social protection and health insurance. Youths (age 15-24) and elderly (over age 65) are most likely to be in informal employment.<sup>55</sup>

"The widening income gap between the region's richest and poorest people (as measured by the Gini Coefficient) is a cause for concern for everyone. Not only

because those most vulnerable to poverty and social exclusion, like the very young and the very old, are most vulnerable to other risks such as air pollution and food security, but also because history teaches us that social inequality can lead to social unrest. And that is a concern for citizens, governments and businesses alike."

Darian McBain, Global Director, Corporate Affairs & Sustainability, Thai Union

#### Wealth gap, poverty & social imbalances

## What our interviewees say:

17% of interviewees said 'wealth gap, poverty and social imbalances' are a key sustainability issue over the next 2-5 years



- + Increasing wage disparity between Asia's rich and poor further drives inequitable access to services and resources, including education, and brings risk of social upheaval
- + Amid population aging and weakening of traditional family ties, concern is growing over old-age poverty
- + Automation is associated with the risk of rising social imbalances as many of the region's low-productivity and repetitive jobs might disappear
- + Social imbalances and rising number of marginalized and displaced people are an emerging business risk
- Polarization leading to a "backlash" against the rich and against companies seen as driving inequality
- Need for more inclusive growth models and quality jobs



Who matters in the Asia-Pacific region?

## Who matters in the Asia-Pacific region?

The growing awareness of sustainability topics – from human rights and climate change to gender equality and the waste crisis - is increasing pressure for key stakeholders to act. Our interviews stressed that selected stakeholder groups are wielding considerable influence to drive change and highlighted the important role that business plays in tackling the region's sustainability challenges.

Rank	2016	2017	2018	2019
1	NGOs, civil society organizations, local communities	NGOs, civil society organizations, local communities	Companies	Companies
2	Companies	Companies	Governments	Governments and regulators
3	Governments	Multi-stakeholder initiatives	NGOs, civil society organizations, local communities	Investors, financial institutions, stock exchanges
4	Consumers	Governments	Investors, financial institutions, stock exchanges	NGOs, civil society organizations, local communities
5	Partnerships, multi-stakeholder initiatives	Consumers	Consumers	Media (including social media)
6	Millennials	Millennials	Global initiatives and international organizations	Consumers and customers
7	Investors, financial institutions, stock exchanges	Media (including social media)	Young people	Young people
8	Media (including social media)	Investors, financial institutions, stock exchanges	Media (including social media)	Global initiatives and international organizations
9	Consultants and think tanks	International organizations	Employees	Employees
10	International organizations	Consultants and think tanks	Multi-stakeholder initiatives	Think tanks and academics

Respondents shared their opinion of the stakeholder groups that they think will shape or influence these sustainability topics, with 1 being most influential and 10 the least:

- Companies remain the most influential stakeholder group in the region as pressure from governments, investors, NGOs and consumers is growing and pushing for sustainability to become part of business strategy. Companies can act quickly to seize opportunities and are less incumbered by bureaucracy
- + Governments and regulators remain an important stakeholder and many governments in the region have prioritized key sustainability issues and followed-up with regulatory action, e.g. climate change and plastics. Expectations for government enforcement and penalties for companies are mounting
- Investors, financial institutions and stock exchanges have become more influential as they increase pressure on companies to act on key environmental risks factors, most notably climate change. The number of national sustainability indices, ESG reporting requirements by stock exchanges, and green bonds in the region is increasing rapidly.



- + Companies increasingly recognize the value of sustainability and make it a strategic priority
- + Boards and senior management recognize that sustainability is important to long-term success
- + Companies recognize the many risks associated with the trends noted in this report
- + Companies respond to stakeholder demands for more ethical and sustainable practices
- Companies seize business opportunities linked to technology, market access and responsible investment
- + Companies cooperate at an industry level to find shared solutions to the most critical challenges

- + While still considered an important stakeholder **NGOs** and civil society organizations need to rethink their role and become more constructive partners in change rather than provocateurs to help drive business action. NGOs can leverage trust and multi-stakeholder networks to motivate informed action
- Young people, consumers and media are increasingly considered as driving awareness of sustainability challenges and pushing companies to act
- Global initiatives and international organizations are considered important stakeholders in driving multi-stakeholder and cross-industry action
- + **Employees** are increasingly driving change from within companies and have more influence amid the growing competition for talent
- + Think tanks and academics help inform government action through research, expertise and data



#### 2. Governments and Regulators

- Governments increasingly prioritize sustainability at national and local levels and more legislation on issues such as human rights, climate change and environmental impacts are expected
- Innovative approaches emerging at provincial and city levels that help drive business action
- Expectations that regulators will transition to enforcement, punitive action and fines on companies that continue to neglect or flout sustainability and environmental laws
- Likely to implement strategies that capitalize on 5G and protect medium to long-term interests
- + China is taking a lead in the region on environmental and climate change issues. Policies and targets are already showing promising results



#### 3. Investors, financial institutions and stock exchanges

- + Increasingly aware of costs and risks associated with unsustainable business practices
- + Investors drive sustainable finance and innovative financing mechanisms
- + Begin to see profitable business opportunities for sustainable finance
- + Longer term investors (e.g. pension funds) are aware of the importance of sustainability solutions
- + Stock exchanges drive increased transparency and ESG disclosure



#### 4. NGOs, civil society organizations (CSOs) and local communities

- + CSOs recognize they have to be partners in change rather than just provocateurs
- + CSOs have been successful in driving efforts towards a circular economy (particularly plastics)
- CSOs still seen as having useful knowledge, influence and credibility but some reflections suggest that they are becoming less influential and are losing trust due to lack of tangible action or change
- Grassroots organizations and community groups are influential in sustainability solutions at the local level



#### 5. Media, including social media

- + Media is driving public awareness on a range of issues and challenges
- + High quality investigative journalism now uncovering unethical and unsustainable practices
- + Social media is a significant influencer especially for consumers and young people
- + Social media helps to drive consumer concerns
- Social media is regularly used to expose unethical and unsustainable by employees and other stakeholders



#### 6. Consumers and customers

- Western consumers drive change, but younger Asian consumers are also looking for sustainable alternatives
- + Are increasingly considering the environmental impact along the entire value chain of products including waste generation and are holding companies accountable for supply chain controversies
- + Link between consumers choices and social media influencers is increasingly important



#### 7. Young people

- + Are more aware of sustainability challenges and want to make a difference
- + Both use and drive social media and are often drivers of change at a local level
- Look for a range of life experiences rather than being oriented around traditional measures of success
- Increasing number of young (social) entrepreneurs are building sustainability solutions with new start-ups



#### 8. Global initiatives and international organizations

- + International agencies are making progress in informing business action towards the SDGs
- + Becoming very influential on issues associated with modern slavery, migration and trafficking
- + Several initiatives at regional level (e.g. ASEAN) are encouraging collaborative industry action
- + Play important role in helping to convene, coordinate and manage multi-stakeholder initiatives



#### 9. Employees

- Employees want to work for companies they trust and respect it is an important part of retention
- + Staff want to see that they have a role in pushing a bottom-up approach to sustainability
- Health, wellbeing, sustainability and other non-financial benefits are important in choice of employer
- + Companies that do not display purpose will find it increasingly difficult to attract talent



#### 10. Think tanks and academics

- + Research and thought leadership are considered important to finding sustainability solutions and informing policy makers
- + Play important role in identifying and advocating effective sustainability strategies and innovative solutions



Responding to the region's top sustainability topics

#### Responding to the region's top sustainability topics

The identified sustainability topics present risks and opportunities for business. Respondents shared their views on how businesses should respond to and prepare for these topics.

#### 1. Develop a sustainability strategy

- + Recognize that many sustainability challenges are systemic in nature and will require a change in mindset and social innovation
- Develop a forward-looking strategy based on robust risk assessment and segmentation that considers broader development challenges beyond direct business risks. Strategy should take into account shared value <sup>56</sup>
- Core business strategy needs to embrace sustainability and make it an integrated part of commercial and investment decisions
- + In a world of radical transparency, this strategy must be based on honesty and accountability and with commitment and leadership from senior management

#### 2. Demonstrate leadership

- + The C-suite has an obligation to champion sustainability practices and social innovation, requiring CEOs and shareholders to understand the business value of sustainability
- + Business leaders need to drive transformative action by working closely with governments, crossindustry leaders and multi-stakeholder partnerships
- + Leaders need to understand and track the changing aspirations and behavior of consumers
- Leaders need to be prepared to embrace and distill complexity and foresee global trends to inform a long-term vision and focus

#### 3. Embrace the circular economy

- + Circular solutions are becoming more economically viable as global commodity prices increase and waste is becoming a rapidly growing liability to business
- + Consider how to reduce waste generation across a product's entire value chain as consumers are becoming more concerned about waste
- + Moving to a circular economy requires local solutions to effectively manage waste streams as well as resource use including water
- Knowledge sharing, cooperation and responsible use of technology are central to the circular economy approach

#### 4. Partnerships and stakeholder engagement

- + As companies are expected to address global sustainability challenges, there is a need to build internal expertise and to enter strategic alliances with high impact INGOs, who are widely trusted and have strong brands
- New forms of partnerships such as industry alliances, collective impact partnerships and multistakeholder initiatives and support for social entrepreneurs and social business development will be key to drive systemic change and innovation
- + Actions that contribute to the SDGs will require targeted business investments and partnerships based on clear objectives and key performance indicators

#### Responding to the region's top sustainability topics

#### 5. Change the culture of the business

- Business owners and and investors recognize the need for a new, more sustainable and impactful approach to business
- + Many businesses will require a paradigm shift in corporate culture and structure to embrace and effectively evidence sustainability across the business and in their value chains
- + The future is going to require new skills and expertise; businesses need to work closely with educators to support re-/up-skilling and lifelong learning and to prepare for the opportunities and challenges of digitization
- + Attracting and retaining talent will require a shift in the way businesses view their purpose and engage employees; senior management play a role in ensuring that staff are involved in shaping the agenda
- Amid growing stakeholder awareness of human rights, gender equality and (genuine) equal opportunities, the corporate culture shift needs to give voice to marginalized groups such as elderly workers and minorities

#### 6. Drive sustainability across the value chain

- + Review how products are sourced and establish sustainability principles and practices throughout the value chain from manufacturing to raw material sourcing
- As stakeholders demand greater transparency and accountability, businesses need to develop processes to analyze, monitor, evaluate and report on practices in supply chains and logistics networks
- + Driven by growing consumer interest, companies will need a new emphasis on full traceability and push auditing or risk management beyond tier one of the supply chain
- + Businesses need to address deep supply chain issues associated with human rights abuses and ensure the responsible recruitment and ethical treatment of (migrant) workers
- + As regulatory pressure in the region is growing, business must place greater emphasis on the environmental aspects of value chain management and on the potential of business disruption due to lack of preparedness

#### 7. Drive innovation and creativity

- + As the business landscape and social norms change, there are significant profitable opportunities for innovative solutions and business models
- + Innovate sustainable products and services by allowing creativity to thrive within the organization (encourage and award creativity, create opportunities for staff to develop new ideas and initiatives)
- + Find new ways to develop products and services that make better use of natural resources and that recycle and recover waste
- + Embrace technological advances and digitization for innovative solutions to challenges set out in the SDGs

#### 8. Ensure gender equality

- Recognize how gender equality creates economic value for any and all organizations
- Listen to the voices of women within the organization and promote a safe, supportive and confidential environment but also recognize that men need to be part of the change
- Demonstrate a commitment towards gender inclusion by putting in place new recruitment policies, setting targets, tracking and reporting publicly on progress (e.g. audit senior management positions and pay gaps)
- Proactively tackle gender-based discrimination, harassment and violence within the organization and along supply chains

#### Responding to the region's top sustainability topics

#### 9. Commit to inclusion and diversity

- + Recognize the business case for inclusion and diversity and put in place policies, plans and actions to promote and celebrate diversity
- Boards need to be more diverse and better represent the wide range of stakeholders that impact and affect the business
- Recognize that inclusion and diversity goes beyond physical characteristics and involves integrating different perspectives and experiences into decision-making processes
- + Ensure that the entire spectrum of human demographic differences from race, religion and physical ability to sexual orientation and gender (LGBT+) is included in diversity strategies

#### 10. Improve disclosure, accountability and transparency

- + Disclosure should be based on clear targets, metrics and transparent risk assessments and tangibly respond to challenges if businesses are to maintain trust
- + Ensure that disclosures evidence supply chain risk management as transparency increasingly covers the whole value chain
- + Prepare for mandatory disclosure of climate change risks and build internal capacity for climate-related financial disclosure (TCFD)
- + Privacy, cyber security and the responsible use of technology are going to be important aspects of disclosure in the future
- + Disclosure should include comprehensive accounts and evidence of the impacts of company initiatives and investments. Independent assurance and stakeholder testimony will be increasingly important
- + Report against international best practices and standards but also prepare for a shift towards a wider range of reporting channels that help communicate progress and program effectiveness in an ongoing way and that leverage social media
- The rapid pace of change, increased access to technology and role of social media may require a move to real-time or quarterly disclosure

"Digital technologies emerged as a theme cutting across most of the topics discussed by our interviewees." This comes as no surprise given the rapid digital transformation in the Asia-Pacific region. Digital innovation provides solutions to advance sustainable business practices across a company's value chain by supporting, for example, transparency, dematerialization and automation. This can increase scrutiny on sustainability claims and the risk of exposure of unsustainable or unethical practices. But digital transformation can also diminish sustainability outcome if, for example, automation leads to job losses or increased vulnerability to cybercrime. The exponential growth in digital technology adoption requires all companies to develop strategies that optimize the impact on sustainability and manage risks including unintended consequences. Board level oversight and clear ethics, governance, and security procedures are key." Richard Wellford, Chairman, CSR Asia (an ELEVATE company)

### Sources

- <sup>1</sup>The <u>SDG Impact</u> initiative was launched by UNDP in September 2018 to help channel private sector investment and capital in enterprises and markets that help achieve the global goals.
- <sup>2</sup> Danish Institute for Human Rights (DIHR) National Action Plans on Business and Human Rights
- <sup>3</sup> Reuters (January 9, 2019) Hong Kong lawmaker vows fresh push for UK-style anti-slavery law
- <sup>4</sup> UNESCAP (2018) Towards Safe, Orderly and Regular Migration in the Asia-Pacific Region
- <sup>5</sup> Afghanistan, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam
- <sup>6</sup> Colombo Process Ministerial Declaration (adopted 16 November 2018)
- World Resources Institute (2017) World's Top 10 Emitters, and How They've Changed
- <sup>8</sup> Four Twenty Seven (2018) Climate Risk, Real Estate, and the Bottom Line
- 9 Verisk Maplecroft (2015) Heat stress threatens to cut labour productivity in SE Asia by up to 25% within 30 years
- <sup>10</sup> UNFCCC (March 28, 2018) China Meets 2020 Carbon Target Three Years Ahead of Schedule
- <sup>11</sup> Bloomberg (September 26, 2018) China steps up its push into clean energy
- <sup>12</sup> Nature (May 21, 2019) How China will protect one-quarter of its land
- <sup>13</sup> UNPRI et al. (2018) Report on the progress of pilot program of UK-China climate and environmental information disclosure
- <sup>14</sup>Tom Eng (July 6, 2018) Could the Chinese national sword inspire global recycling innovation?
- <sup>15</sup> Circulate Capital (2019) Investing to reduce plastic pollution in South & Southeast Asia: A hand book for action
- <sup>16</sup> Drink Without Waste
- <sup>17</sup> Circulate Capital
- <sup>18</sup> 2019 Global & Regional Trends in Corporate Governance (December 30, 2018) <u>2019 global & regional trends in corporate governance</u>
- <sup>19</sup> JD Supra (October 22, 2018) <u>Japan's corporate governance code revised to require cost of capital consideration, boards tasked</u> with CEO selection and removal
- <sup>20</sup> CFA Institute (May 10, 2018) Corporate Governance Regulation in Asia: New Risks and Opportunities for Investors
- <sup>21</sup>CLSA (2018) CG Watch Report 2018
- <sup>22</sup> Transparency International (January 29, 2019) Asia-Pacific little to no progress on anti-corruption
- <sup>23</sup> World Bank Group (2016) World Development Report 2016 Digital Dividends
- <sup>24</sup> IFR (2019) World Robotics 2019 Preview
- <sup>25</sup> International Labour Organization (2016) ASEAN in transformation the future of jobs at risk of automation
- <sup>26</sup> Ibid.
- <sup>27</sup> Employment Law Alliance (2017) The future of work in the Asia-Pacific
- <sup>28</sup> UNESCAP (2019) <u>Regional road map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific, progress report 2019</u>
- <sup>29</sup> World Bank (December 17, 2018) World Bank Introduces Sustainable Development Goals Index-Linked Bonds for Retail Investors

#### in Hong Kong and Singapore (press release)

- 30 SDG Impact
- 31 Community Business (January 31, 2019) Repeal of Section 377: the ongoing battle for LGBT+ rights in India (blog)
- <sup>32</sup> South China Morning Post (July 4, 2018) 'Giant step forward for equality' in Hong Kong as same-sex couples win right to spousal visas in Court of Final Appeal
- 33 UNESCAP (n.d.) Ageing in Asia and the Pacific
- <sup>34</sup> China Daily (March 6, 2019) Singapore set to raise retirement ages as seniors stay healthier
- 35 Mitsuro Obe (September 4, 2018) Abe ready to tackle Japan's retirement age and pension crunch Nikkei Asian Review
- <sup>36</sup> World Economic Forum (2018) The Global Gender Gap Report 2018
- <sup>37</sup> Ibid.
- 38 OECD (2019) SIGI 2019 Global Report
- 39 OECD Data (n.d.) Gender wage gap
- <sup>40</sup> Proskauer (2018) Countries Implement New Gender Pay Gap Measures
- <sup>41</sup> Kong Kong Exchange (2018) Exchange publishes CG Code consultation conclusions and guidance for boards and directors
- 42 Rusty O'Kelley et al. (2018) 2019 Global & Regional Trends in Corporate Governance
- <sup>43</sup> AIA Group (2019) The healthiest workplace
- <sup>44</sup>The Economist Intelligence Unit (2016) Mental health and integration
- <sup>45</sup> Kentaro Iwamoto (March 12, 2019) 'Southeast Asian sugar taxes: Bitter pills for better health' Nikkei Asian Review
- <sup>46</sup> Singapore Health Promotion Board (n.d.) <u>Healthier Ingredient Promotion Scheme</u>
- <sup>47</sup> UNICEF (2017) Danger in the air: How air pollution may be affecting the brain development of young children around the world
- <sup>48</sup> United Nations, Asian Development Bank, United Nations Development Programme (2018) <u>Transformation towards sustainable</u> and resilient societies in Asia and the Pacific
- <sup>49</sup> World Health Organization (January 15, 2019) New WHO Asia-Pacific centre for environment and health to open in Seoul (Press release)
- <sup>50</sup> OECD (2019) Society at a Glance: Asia/Pacific 2019
- <sup>51</sup> UNESCAP (2018) Inequality in Asia and the Pacific in the era of the 2030 agenda for sustainable development
- 52 UNESCAP (n.d.) Regional Road Map For Implementing The 2030 Agenda For Sustainable Development In Asia And The Pacific
- <sup>53</sup> Mercer (2018) Melbourne Mercer Global Pension Index 2018
- <sup>54</sup>UNFPA (2017) Perspectives on Population Ageing in the Asia-Pacific Region
- <sup>55</sup> OECD (2019) Society at a Glance: Asia/Pacific 2019
- <sup>56</sup> Shared value is a business strategy focused on companies creating measurable economic benefit by identifying and addressing social problems that intersect with their business.

Volume 1: Sustainability topics defining the Asia-Pacific region in the years ahead

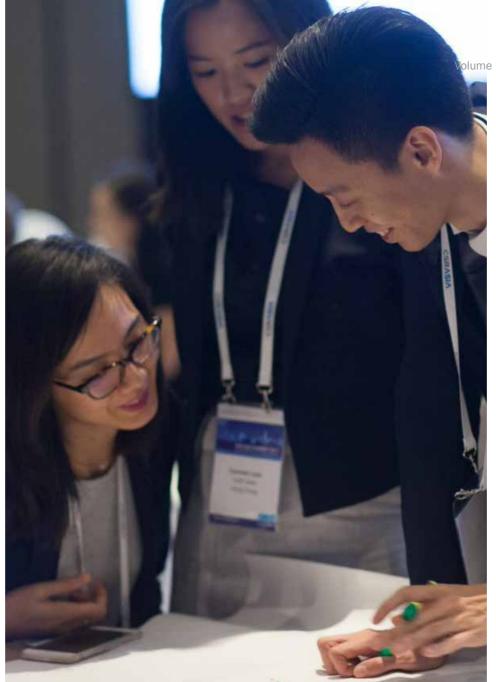
# About the ELEVATE Strategic Partner (ESP) Program

Tracking the Trends is an annual publication curated and proactively maintained for the ELEVATE Strategic Partner (ESP) program.

The ESP program connects leading companies and NGOs who share a commitment to sustainable development. Our Strategic Partners use this network to stay updated on sustainability trends, exchange local insights and solutions, and connect with sustainability peers within their industry and the wider sustainability community.

Leveraging our longstanding sustainability expertise and extensive network in the Asia-Pacific region as well as through ELEVATE's global reach, the ESP program delivers a range of capacity building and targeted engagement opportunities along with strategic advisory to increase the effectiveness and impact of sustainability and supply chain strategies, solutions and partnerships.

For more information about the ELEVATE Strategic Partner program or the Tracking the Trends 2019 report, please contact <a href="mailto:sp@elevatelimited.com">sp@elevatelimited.com</a>



## **£**LEVATE

All rights reserved.

Reproduction of this report in its entirety for educational or other non-commercial purposes is authorized without prior written permission from the copyright holders provided the source is fully acknowledged. Reproduction of this publication in whole or in part for resale or other commercial purposes is prohibited without prior written permission of the copyright holders.

The paper, segments or outtakes from it may not be used as part of other publications or productions without prior written permission.

© 2019