



勞工及福利局

Labour and Welfare Bureau



社區投資共享基金

Community Investment and Inclusion Fund

Facing COVID-19 Crisis: Role of Social Capital and ESG

Mr C F KWAN, MH, JP

Chairman of Community Investment and Inclusion Fund (CIIF) Committee

About CIIF



社區投資共享基金
Community Investment and Inclusion Fund

- Established in 2002 by HKSAR Government
- Funded 444 social capital building projects with an approved amount totaling HK\$785 million

Objectives:

- To implement diversified social capital development projects in the community;
- To promote reciprocity between the public and different sectors;
- To build together cross-sectoral collaborative platforms and social support networks; and
- To garner mutual trust, spirit of cooperation and social cohesion, and enhance mutual support.



What is Social Capital?



CSR + Social Capital = Develop Different Cross-sectoral Collaboration Models




- Drive employee engagement
- Enhance corporate culture
- Boost employee capacity and morale
- Improve corporates' image

Sustainable Development Goals (SDGs)



- Adopted by all United Nations Member States
- Part of the 2030 Agenda for Sustainable Development



- 
- End poverty
 - Protect the planet
 - Improve the lives and prospects of everyone in the world

SDGs are not only for nations, but also for companies

- To provide a framework and common language; and
- To set ESG and Sustainability policies.

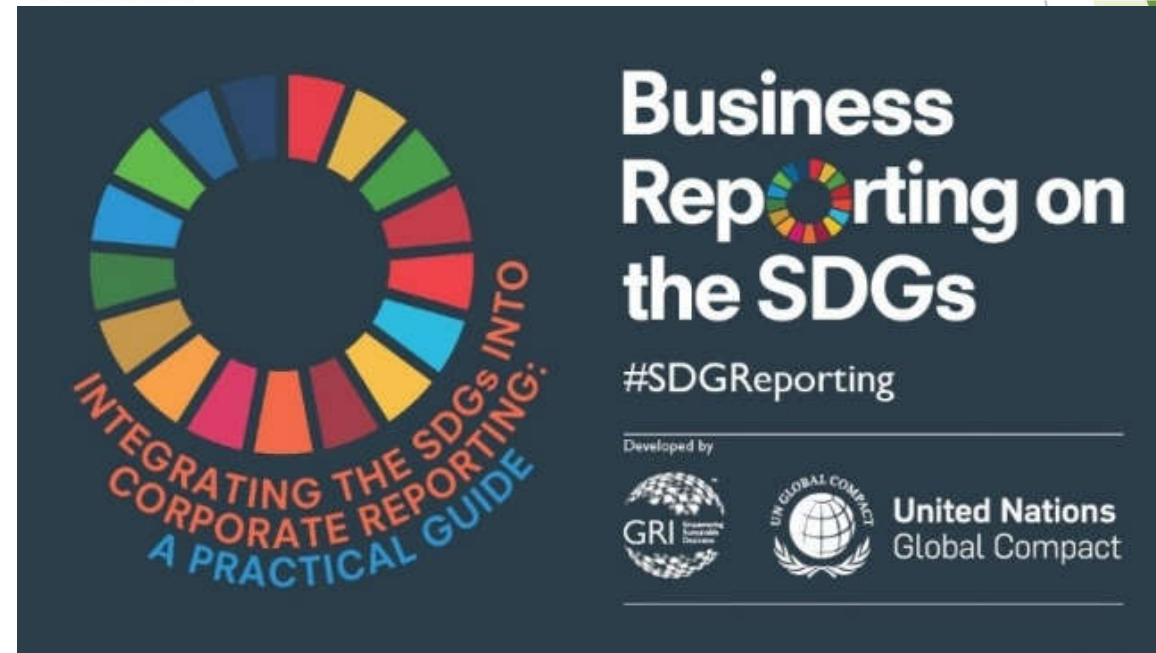
UN forum highlights 'fundamental' role of private sector in advancing new global goals



The fundamental role of the private sector in advancing the newly-adopted sustainable development agenda was highlighted today at a United Nations forum, during which a new tool was launched to support companies in navigating and operationally aligning with the global goals that make up the agenda.

UN Sustainable Development Goals—The Leading ESG Framework for Large Companies

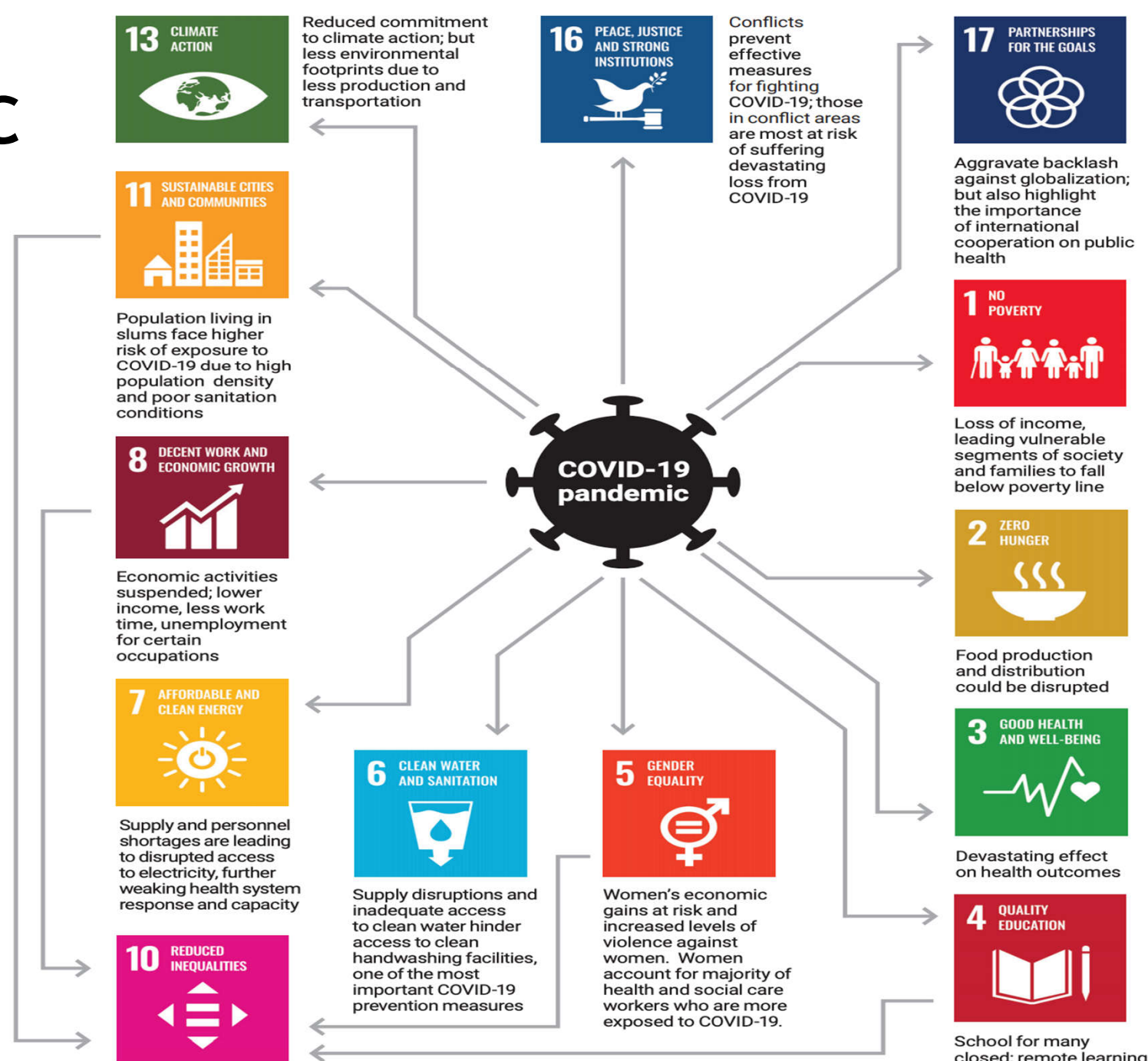
Posted by Betty Moy Huber, Michael Comstock and Hilary Smith, Davis Polk & Wardwell LLP, on Thursday, October 4, 2018



Sources: <https://www.un.org/sustainabledevelopment/blog/2015/09/un-forum-highlights-fundamental-role-of-private-sector-in-advancing-new-global-goals/> <https://corpgov.law.harvard.edu/2018/10/04/un-sustainable-development-goals-the-leading-esg-framework-for-large-companies/#2;> <https://www.3blmedia.com/News/GRI-Creates-Practical-Guidelines-Accelerate-SDG-Progress>

COVID-19 pandemic

- Lowering income
- Unemployment
- Slowing economic growth
- Recession
- Vulnerable segments of society and families falling below poverty line



SDGs: Framework for COVID-19 Recovery



“We need to turn the recovery into a real opportunity to do things right for the future.”

by UN Secretary-General António Guterres



Partnership for the Goals



PARTNERSHIPS: WHY THEY MATTER

CIIF-funded Project - Rural-Net Works, LonelyLess (從北孤單網鄉情)

- Carried out by Hong Kong YWCA - Ellen Li District Elderly Community Centre
- Adopted “community-medical-school-business” cross-sectoral collaboration model
- To provide support services to rural elders in Sheung Shui, Fanling and Sha Tau Kok
- To encourage rural elders’ re-integration into the community

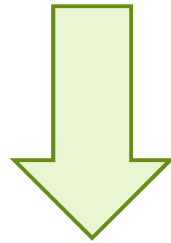
NGO推社會資本入北區鄉村 藥劑師揭基層長者藏過期十年成藥



Project Collaborative Partner- A.S. Watson Group

Mobilise corporate
volunteers (Pharmacist,
Dietitian and Chinese
medicine practitioners)

Donate
surgical
masks



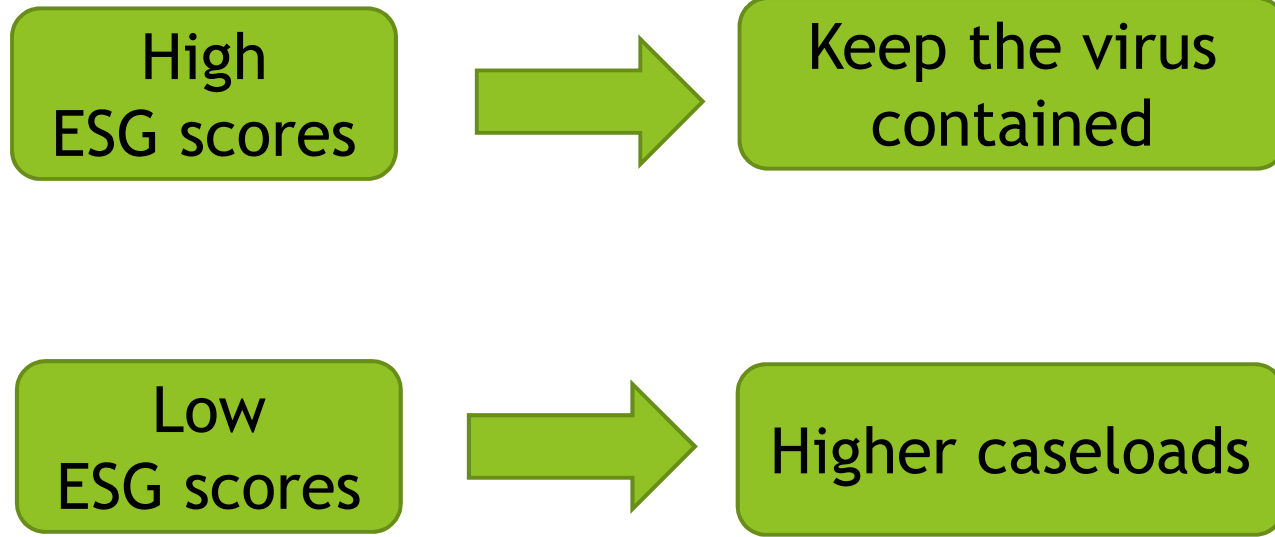
Establish
relationships
with
beneficiaries,
community
and NGO

Utilise
corporate's
expertise and
enhance
corporate
image

Build social
capital in
community and
corporate social
capital in the
company



Correlation between ESG scores and a country's Covid-19 response



ROBECOSAM
We are Sustainability Investing.

Country	Democracy status	Confirmed Cases	Deaths/100k population	Country ESG Score	Social	Governance	Inequality	Social Conditions	HDI	Corruption	Institutions	Government Effectiveness	Voice & Accountability
United States	Democracy & democracy in consolidation	2'936'077	39.82	8.0	High	High	High	High	High	High	High	High	High
Brazil	Defective democracy	1'623'284	31.26	6.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
India	Democracy & democracy in consolidation	719'664	1.49	7.0	High	High	High	High	High	High	High	High	High
Russia	Moderate or hard-line autocracy	686'852	7.12	5.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Peru	Defective democracy	305'703	33.67	6.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Chile	Democracy & democracy in consolidation	298'557	34.09	7.0	High	High	High	High	High	High	High	High	High
United Kingdom	Democracy & democracy in consolidation	287'290	66.66	8.0	High	High	High	High	High	High	High	High	High
Mexico	Defective democracy	261'750	24.66	6.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Spain	Democracy & democracy in consolidation	251'789	60.76	8.0	High	High	High	High	High	High	High	High	High
Italy	Democracy & democracy in consolidation	241'819	57.70	8.0	High	High	High	High	High	High	High	High	High
Pakistan	Moderate or hard-line autocracy	234'509	2.28	4.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Saudi Arabia	Moderate or hard-line autocracy	213'716	5.84	5.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Turkey	Defective democracy	206'844	6.37	6.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
South Africa	Democracy & democracy in consolidation	205'721	5.73	7.0	High	High	High	High	High	High	High	High	High
France	Democracy & democracy in consolidation	205'597	44.67	8.0	High	High	High	High	High	High	High	High	High
Germany	Democracy & democracy in consolidation	198'064	10.88	8.0	High	High	High	High	High	High	High	High	High
Colombia	Democracy & democracy in consolidation	117'412	8.67	7.0	High	High	High	High	High	High	High	High	High
Canada	Democracy & democracy in consolidation	107'815	23.61	8.0	High	High	High	High	High	High	High	High	High
Qatar	Moderate or hard-line autocracy	100'345	4.78	5.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
China	Moderate or hard-line autocracy	84'889	0.33	4.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Argentina	Democracy & democracy in consolidation	80'447	3.56	7.0	High	High	High	High	High	High	High	High	High
Sweden	Democracy & democracy in consolidation	73'061	53.35	8.0	High	High	High	High	High	High	High	High	High
Indonesia	Democracy & democracy in consolidation	64'958	1.21	7.0	High	High	High	High	High	High	High	High	High
Belgium	Democracy & democracy in consolidation	62'058	85.57	8.0	High	High	High	High	High	High	High	High	High
UAE	Moderate or hard-line autocracy	52'068	3.36	5.0	Low	Low	Low	Low	Low	Low	Low	Low	Low
Netherlands	Democracy & democracy in consolidation	50'870	35.67	8.0	High	High	High	High	High	High	High	High	High
Singapore	Moderate or hard-line autocracy	44'983	0.46	7.0	High	High	High	High	High	High	High	High	High
Portugal	Democracy & democracy in consolidation	44'129	15.76	7.0	High	High	High	High	High	High	High	High	High
Switzerland	Democracy & democracy in consolidation	32'315	23.07	8.0	High	High	High	High	High	High	High	High	High
Ireland	Democracy & democracy in consolidation	25'531	35.87	8.0	High	High	High	High	High	High	High	High	High
Japan	Democracy & democracy in consolidation	19'848	0.77	8.0	High	High	High	High	High	High	High	High	High
Austria	Democracy & democracy in consolidation	18'365	7.98	8.0	High	High	High	High	High	High	High	High	High
Denmark	Democracy & democracy in consolidation	13'079	10.47	8.0	High	High	High	High	High	High	High	High	High
Korea, Rep.	Democracy & democracy in consolidation	13'181	0.55	8.0	High	High	High	High	High	High	High	High	High
Czech Rep.	Democracy & democracy in consolidation	12'566	3.29	8.0	High	High	High	High	High	High	High	High	High
Norway	Democracy & democracy in consolidation	8'936	4.72	8.0	High	High	High	High	High	High	High	High	High
Australia	Democracy & democracy in consolidation	8'755	0.42	8.0	High	High	High	High	High	High	High	High	High
Finland	Democracy & democracy in consolidation	7'257	5.96	8.0	High	High	High	High	High	High	High	High	High
New Zealand	Democracy & democracy in consolidation	1'536	0.45	8.0	High	High	High	High	High	High	High	High	High
Taiwan	Democracy & democracy in consolidation	449	0.03	8.0	High	High	High	High	High	High	High	High	High

Source: <https://www.robeco.com/hk/en/insights/2020/07/covid-19-takes-center-stage-in-national-esg-rankings.html>

New Wave of ESG Awareness



Coronavirus strengthens case for sustainable investing as ESG stocks outperform market in crisis

- UK companies with highest ESG scores outperformed broader market during pandemic last quarter
- Shunning company with risky behaviours and embracing those adopting sustainability values "crucial" in post-crisis market: UBS

A recent study by investment manager Fidelity International on more than 2,600 companies revealed positive correlations between their ESG ratings and market performances.

The UK's FTSE 100 ESG Leader Index, which tracks companies with the highest ESG performance, dropped 27.3 per cent in the year through March 24 while the broader market lost 33.7 per cent, according to Schroders, citing a Bank of America Merrill Lynch research. Most MSCI ESG Leaders indices globally have similarly outperformed mainstream markets, it said.

Viewpoint

The coronavirus teaches Hong Kong businesses important ESG lessons

Pandemic has offered businesses an opportunity to learn and prepare for the future

8 Jun 2020 | Katherine Ng

THE global Covid-19 pandemic has highlighted the importance of building sustainability and ESG factors into business strategy. Amid the pain that the virus has caused, it has also offered businesses large and small an opportunity to learn and prepare for the future.

“Companies that are focused on being part of their community are more likely to find support in times of crisis.”

Core values of Social Capital

“Strong relationships and trust are cornerstones of carrying a company and its employees through bad times.”



Katherine Ng
Managing Director &
COO, Listing
HKEX



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