

Business Initiatives to Reduce Poverty and Inequality

STRENGTHENING THE EVIDENCE BASE TO LEAVE NO ONE BEHIND



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Reducing Inequality in FEALAC Member Countries



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Forum for East Asia-Latin America Cooperation



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1 Introduction

Businesses have a central role to play in supporting sustainable development. The engines of growth, they can support inclusive employment and facilitate access to many essential goods and services. Businesses' commitment to pay a living wage, their responsibility to pay taxes where they operate, their respect for the environment have far reaching consequences and impact on levels of prosperity and inequality. The move by many businesses to incorporate sustainable development objectives into business strategies in recent years is therefore critical, as are regulatory frameworks which encourage responsible businesses practices. The United Nations has supported this trend through a Global Compact and Blueprint for Business Leadership on the Sustainable Development Goals (SDGs).¹

To inform further action, this report records successful business interventions in countries of the Asia-Pacific region which are members of the Forum for East Asia-Latin America Cooperation (FEALAC). The initiatives reduce poverty and inequality, support sustainable development and mitigate the impacts of the COVID-19 pandemic. The nature and reach of businesses involved vary greatly. The initiatives have been undertaken by **responsible businesses** primarily focused on profits, but which comply with laws and principles focused on upholding human rights, environmental protection, labour relations and financial accountability; **social enterprises** primarily focused on achieving a social objective such as reducing a form of inequality or injustice; and **inclusive businesses** which seek to maximize profit and achieve a social objective by creating shared value for the company and the less well-off in society.²

1 United Nations. "How business leadership can advance Goal 10 on Reduced Inequalities". Available at <https://blueprint.unglobalcompact.org/sdgs/sdg10/#business-actions>.

2 The Base of the Pyramid (BOP) comprised of population segments that are low-income and lack access to basic goods and services, commonly the bottom 40–60 per cent earning less than USD 10 a day in terms of purchasing power parity. A large proportion of households at the BOP live in congested urban environments and a majority live in vast rural areas; it includes men and women of all ages, backgrounds, and preferences.

2 Business initiatives

Many of the companies featured in this report provide products and services to lower income and population groups in vulnerable situations as a core part of their operations and their initiatives build on these activities. Most of the inclusive businesses are implementing initiatives on a national or international scale. Those taken forward by social enterprises and responsible businesses tend to be smaller operations. Yet all businesses featured have demonstrated an ability to innovate their business strategies and develop their value chains to engage with marginalized groups more effectively. Direct sourcing from poor and vulnerable groups, training to improve production processes, support to improve livelihoods, interventions to strengthen gender equality and access to essential resources, tailored products and services for vulnerable groups and entrepreneurs, are key elements of the initiatives in this report.

Businesses' responses to mitigate the impact of the COVID-19 pandemic are complementing government action. Companies have worked to safeguard jobs and income-generating activities for employees, value chain partners and clients. They have facilitated continued access to basic goods and services for less well-off communities and suppliers, provided financing and technological assistance to partner organizations and local communities to underpin the shift to remote working arrangements and online delivery models. Primary healthcare and other support services have been extended to employees, partners and targeted communities. Micro, small, and medium enterprises (MSMEs) and vulnerable groups and individuals have received financial assistance and relief.

This report considers the main features of initiatives taken by selected businesses, sector by sector.³ Information on companies' responses to the COVID-19 pandemic has been included by sector, when available.

Agriculture

Several initiatives focus on reducing poverty and promoting sustainable development among farming and rural communities. They have been implemented by inclusive and responsible businesses in Cambodia, the Philippines and Singapore and focus on low-income farmers with small holdings. Although the initiatives vary in size and scope, they share several features.

Training and education are core components. In Cambodia, the inclusive rice business Amru Rice Cambodia Co. Ltd, offers programmes to help farmers who are also their suppliers achieve greater market and product diversity. The Franklin Baker Company in the Philippines, a global supplier of desiccated coconut products and inclusive business, cooperates with the Philippine Coconut Authority to run farmer trainings focusing on crop diversification, business development and the upgrade of farm management systems. Its farm demonstration sites promote innovative sustainable agriculture, while its other programmes promote the use of safety equipment, soil fertility regeneration and the involvement of women and youth in farming activities. Ephrathah Farms, an inclusive agri-tourism and farm resort in the Philippines, runs a farm school and trainings to improve expertise and introduce new technologies to guarantee the supply of quality produce. Golden Sunland, an inclusive business based in Singapore, provides training to farmers in Myanmar to improve production techniques.

Direct support to improve livelihoods and production processes has been a key feature. Amru Rice offers farmers low-cost seeds and the use of farming equipment. Franklin Baker's Organic and Fair-Trade coconut sourcing programme provides technical assistance to support sustainable, organic farming methods. Ephrathah Farms supplies farmers with quality

³ Detailed information on each company and its initiatives can be found in [Annex A: Individual initiatives](#). More information on the classification of different types businesses can be found in [Annex B: From traditional to inclusive business practice](#).

seeds and offers quality checks to help farmers ensure their produce meets supermarket standards. The company has recently set up the first solar-powered greenhouse, which is expected to increase farm production. Grandis Timber, a timber business based in Cambodia, supported the renovation of a community day-care centre, providing nutritious food, healthcare and clean clothing for children in the community. Health checks by qualified doctors, including malaria checks for children and quarterly check-ups for elderly adults were made available. Children were dewormed and educated on good health and hygiene.

Initiatives benefit farmers financially, often thanks to value chain innovations. Amru Rice purchases produce at a higher price than its competitors from participating farmers. The most successful farmers become the company's cooperative business partners and receive performance-based incentives. Franklin Baker facilitates direct sourcing from farmers involved in its projects to improve supply chain efficiency, guarantee fair pricing and product traceability. Ephrathah Farms assists farmers in cultivating high-value crops and buys them with a 20 per cent markup. The produce is then sold by the company to supermarkets, with the farmers getting a larger share of the profits. Grandis Timber supported land titles being provided to community members, creating income opportunities for locals and increasing financial security for women. For Golden Sunland, connecting farmers to financial institutions to help fund their farming activities is a key part of its project.



COVID-19

Measures taken to respond to COVID-19 focus on keeping workers healthy and employed, while providing immediate relief to farmers. Franklin Baker did not lay off any workers, provided full salaries and advanced the provision of government benefits to employees. Ephrathah Farms was forced to downsize, but retained employment by converting its hotel rooms into quarantine facilities and shifting its operations away from tourism to farm production as demand for agricultural

products increased. COVID-19 health and safety protocols were enforced. Franklin Baker paid for COVID-19 testing of its staff and facilitated the issuance of travel permits to its farmer suppliers for travel and product delivery across provinces. It distributed emergency packs containing rice, groceries and facemasks to around 350 affected farmers. Cash for work arrangements were made with farmers involved in the repair of community water systems or the completion of storage facilities.

Energy

The initiatives undertaken by the energy sector in Thailand are focused on improving access to renewable energy among rural communities, improving production techniques among farmers and increasing employment opportunities for persons with disabilities. Direct engagement with farmers has promoted the use of biogas from pig waste which helps meet the energy demand in their communities and lowers energy costs. Training in coffee bean growing techniques and organic techniques, which support higher quality yields, has been extended to farmers in Northern Thailand. PTT's coffeehouse chain, Café Amazon, supports this initiative by sourcing 10 per cent of their coffee supply from participating farmers. As a responsible business, PTT's Café Amazon promotes a more inclusive workplace by hiring persons with disabilities.

Fashion, cosmetics and jewellery

In the fashion, cosmetics and jewellery sector, initiatives have focused on supporting women and girls to achieve leadership roles, increasing employees' access to banking services, fostering women entrepreneurs and enabling the recovery of women victims of human trafficking. They have been driven by responsible businesses and social enterprises, Hennes & Mauritz (H&M) in Cambodia, LHAMOUR in Mongolia, Gender-Responsive Economic Actions for the Transformation of Women (GREAT Women) in the Philippines and Eden Myanmar in Myanmar.

Increasing the share of women in leadership roles, including traditional management positions and union leadership positions has been the focus of H&M factories in Cambodia where women have been proactively encouraged to take on leadership positions. Empowering women led to more confidence and understanding in the benefits of having women in management positions, improved the financial situation of women employees and the morale among staff, 80 per cent of whom were female. This initiative was taken forward to overcome traditional cultural expectations which kept women out of management positions. It provided all employees the opportunity to experience women in leadership roles and challenge entrenched gender stereotypes and prejudice.

Programmes focused on improving gender equality and reducing poverty have been launched in Mongolia by the responsible business, LHAMOUR, which produces environmentally friendly skin care products. They launched Finding Your Passion, a mentoring programme for young teenage girls to help them find potential career paths. LHAMOUR has inspired girls to participate in Science, Technology, Engineering and Mathematics (STEM) fields through the Girls in STEM programme. It began Mongolia's first Women Entrepreneurship Day. LAHMOUR funds free dental care for public school children, renovation work in the children's section of public hospitals and free LHAMOUR products for children with disabilities. LHAMOUR's distributors are all run by young women entrepreneurs.

Digital payments for employees were introduced to improve transparency, convenience and expedience by H&M. Digital payments make it easier to monitor correct payment to workers and streamline payment systems for the factories. It guarantees everyone in the workforce of participating factories access to banking services. Having bank accounts provides financial security and electronic records of payments protect workers. Financial management at each factory site has become easier with digital payments where records detail sent and received payments.

The GREAT Women initiative finds gaps in textile supply chains and closes them through women-run microenterprises. It provides women with access to capital and production capacity, and helps women microenterprises meet supply chain needs. GREAT Women supports the purchase of stocks and supplies and buys the final textile products. It pays for the labour required to produce the goods and makes direct payments to labourers, cooperatives and microenterprises. Forty weaving communities have benefited from the initiative, comprised of 800 weavers in the cooperatives and indigenous groups.

Women survivors of human trafficking are employed by Eden Myanmar to make jewellery. They are employed part-time but receive a full-time wage. The survivors attend various forms of trauma-focused therapy and vocational training when they are not working. Eden Myanmar's initiative aims to empower survivors financially and helps them reintegrate society. The employment programme lasts 6 to 12 months and provides survivors with an income to support their families. Survivors can receive support beyond the programme, such as counselling.

Financial Sector

Initiatives in finance and finance education focus on providing tailored products and services to population groups in vulnerable situations, and supporting entrepreneurs and Micro, Small and Medium Sized Enterprises (MSMEs), especially environmentally sustainable businesses. The initiatives reported have been taken forward by inclusive businesses and social enterprises based in the Republic of Korea, the Philippines and New Zealand.

To improve access, tailored products and services have been developed. The inclusive financial services business, Shinhan Group, has established special transaction lanes in 690 retail and transaction centres, dedicated to assisting senior citizens navigate financial services. It extends loans to consumers unable to obtain these elsewhere with repayment schedules tailored to consumers' repayment capacity. Savings and insurance products have been designed

for low-income customers and offer insurance contracts for children. The social enterprise, Negros Women for Tomorrow Foundation, Inc. (NWTF) provides loans to women in the poorest income brackets. It has extended assistance to typhoon devastated areas, through microloans, bridge loans, housing reconstruction loans and disaster preparedness and response training.

Financial education is central to all initiatives.

Shinhan Group provides financial education and wealth management courses to vulnerable elderly customers and underbanked populations, as well as educational content for youth entrepreneurs. It has established a programme for elementary school students from low-income families to improve financial literacy. NWTF is working with universities in the island of Negros in the Philippines to introduce social business courses to their curriculum and its clients' children are given access to formal education through a scholarship programme. Banquer, an inclusive business in New Zealand which manages an online financial education platform, has worked with partners to enable free access to its educational content or fees determined on students' ability to pay. It has focused on supporting schools in low-income areas and marginalized indigenous communities. Tailored content has been developed in Māori for Māori-language immersion schools.

Many of the initiatives' educational programmes are linked to fostering entrepreneurs and green industries.

The Shinhan Do Dream Space project provides start-ups with office space and study rooms. A Fresh Green Corporate Loan has been launched by Shinhan Bank to channel investment to green industries and offer them preferential interest rates and commission fees. NWTF offers women clients in rural areas access to collateral-free capital through group loans to finance small business ventures. Loans are offered to micro, small and medium size enterprises wishing to acquire business assets. NWTF's Dunganon Bank extends micro-crop loans to agrarian reform beneficiaries. NWTF has helped finance access to environment-friendly products, including supporting clients to invest in solar lights and cooking stoves.

Measures taken as part of these initiatives to respond to COVID-19 have focused on alleviating financial pressures on clients, adapting products and services to a pandemic context, and providing immediate relief.

Shinhan Financial Group deferred loans to ease pressures on local businesses and partnered with the Ministry of Employment and Labor of Korea to establish a financial rehabilitation programme for people with poor credit scores. NWTF temporarily suspended loan payment collection from its clients but continued critical services such as insurance processing, hospital expense reimbursements and burial benefits. Fees for some educational products were suspended by Banquer during lockdown. Shinhan Group is currently measuring the social value of companies that seek financial support, prioritizing funding for ventures with the greatest job creation potential. NWTF made no redundancies, provided its employees with survival kits of food, vitamins, masks and disinfectants, and established digital schemes to replace face to face interactions. Shinhan Group has issued special purpose bonds to channel financing to assist low-income individuals and SMEs.

Health care

The initiative reported focuses on providing cheaper medical services and products to vulnerable communities and training community health workers.

The initiative is taken forward by an inclusive business called Reach52, which provides e-health services like telemedicine and screenings. It is headquartered in Singapore but has international reach.

The focus is providing discounted health products and services and the company's app facilitates access to low-cost medicines, delivered directly to rural areas.

Reach52 has launched a recombinant human insulin in the Philippines at a cost 80 per cent lower than others available. In partnership with Save the Children and Philips, telehealth and ultrasound services are made available to expectant mothers. In India, an affordable health insurance has been launched in Karnataka. Working with the United Nations

Children's Fund (UNICEF), the company is testing a points-based incentive model which would allow users to earn points which can then be used to buy products. The non-profit service arm of the company trains community health workers to conduct basic patient screening before connecting them to professional healthcare providers. It has used its platform to upskill community health workers, spread greater health awareness and introduce a comprehensive Hepatitis B solution to rural areas.



In response to the COVID-19 pandemic, Reach52's e-learning platform was used to support thousands of health workers combat COVID-19 across the region and increase product and service delivery to remote communities. An app is being developed for health workers along with an automated SMS gateway for patients, to improve patient information collection and delivery in areas of lower connectivity. The app will facilitate public registration for vaccination by health workers, allow vaccine stock tracking and forecasting for each district. It will record and share appropriate data with relevant Health Management Information Systems. Registered persons will receive text messages with details of their first and second vaccination schedules and follow-up reminders. This project will be implemented in collaboration with the Asian Development Bank.

Multi industry

Interventions by multi-industry players have supported financial inclusion, micro entrepreneurs and women in the workplace, but also education and training schemes. All have sought to make their commercial activities more environmentally sustainable. They have been taken forward by the inclusive businesses the Ayala Corporation (Philippines), Gojek (Indonesia) or McKinsey and Company (China).

E-payment and financial services have been introduced which support micro individuals and micro entrepreneurs. Ayala's mobile savings bank allows clients to open their savings account

using a mobile app. It serves self-employed micro entrepreneurs and provides them with credit, microinsurance, microloans and expert financial advice. Gojek has supported the digital and online migration of merchants' businesses and has improved public access to millions of micro-entrepreneurs. Its digital payment platform, GoPay, has accelerated financial inclusion in Indonesia where the majority of the population remains unbanked. Ayala's digital trading platforms have allowed local entrepreneurs to stay in business despite COVID-19 lockdowns. It has been exploring ways to integrate digital tools into small business operations, increase public access among low-income customers to digital platforms and improve systems supporting e-payments, e-commerce, logistics and primary healthcare costs.

Women entrepreneurs have been empowered by digital solutions. Among younger businesses owned by women in Indonesia, the use of Gojek's digital platforms helped 40 per cent of micro and small businesses expand. McKinsey and Company Greater China Region has launched an All-In Initiative to promote the advancement and leadership of women in the workplace. It has worked with 14 leading companies to engage working women from across the private sector in a mentoring programme to facilitate connections and promote personal and professional growth. Twenty thousand women professionals have been involved in the network since 2020. McKinsey provides its own employees with inclusive, family friendly, benefit and leave packages.

Training and education are a core focus of all multi-sector initiatives. Skills training for female undergraduates in rural areas, in partnership with Education Girls of Rural China is also provided by the company. Ayala has extended quality, low-cost education services, along with social housing and integrated health care services, and its app called iPeople delivers accessible secondary and tertiary education. McKinsey launched a Remarkable Women Training programme for leadership development for junior female employees. Gojek has introduced a sustainability training programme for food merchants in Bali.

These inclusive businesses are working to make their commercial activities more sustainable.

Ayala subsidiaries are focused on harnessing renewable energy and developing an electric vehicle that is commercially viable. It is reducing paper, energy consumption and waste production in its rail business by establishing greenhouse gas emission baselines and accounting mechanism for logistics and financial operations. To disincentivize the use of single-use plastics, Gojek set up a separate-cutlery-kit option on its app to allow merchants to charge customers who request plastic cutlery. GoFood drivers were given collapsible and reusable delivery bags. McKinsey has obtained green-building certification for more than half of its global office spaces. It has taken action to reduce single-use plastic in the workplace, expand its recycling services and ensure its electricity consumption comes from renewables. McKinsey invests in carbon-reduction projects, and emission offsetting initiatives such as reforestation, forest conservation, and sustainable agroforestry.



The responses to COVID-19 focused on supporting their staff, business partners and contributing to the broader relief effort.

Financial assistance was provided to employees and safety protocols were implemented.

Wages were paid throughout and loan deferments and bonuses were released early by Ayala. Emergency assistance packages were distributed to contractual workers. Employee-exclusive hotlines to speak to doctors and access medicines were established and a dedicated COVID-19 facility was built for employees and their families. Gojek established protocols and checks to ensure the safety and hygiene of its drivers. It worked with merchant partners to enhance quality control and food safety through educational campaigns and guidelines. McKinsey employees were provided access to a 24/7 Colleague Support Centre, remote coaching sessions, intranet mental health support and online meditation resources.

Support to business partners was extended during the pandemic. Ayala agreed to rent condonations for small merchants and

a grace period was offered for loan payments. It launched a support network for MSME clients and partners linked to their various businesses. More than 12,000 families of Ayala-linked suppliers were provided food packs. Gojek distributed affordable meals to driver partners and provided income assistance to those diagnosed with COVID-19 or unable to work while in quarantine. The company added an in-app option for consumers to increase tips for drivers. A low-interest loan programme was launched for drivers and merchants.

For the general public, the Ayala group launched the Philippines' first COVID-19 Action Response Bonds and channeled money to MSMEs restarting or sustaining their operations.

It also led a major private sector initiative to raise funds for emergency food packages distributed to over 14 million individuals. The group converted buildings into quarantine facilities, donated several molecular testing laboratories and significant quantities of medical supplies to local government units. Ayala partnered with the city governments to deliver affordable high-speed internet essential during lockdown, especially to students doing remote learning. The Gojek app enabled online donations to non-profit organizations through GoGive. McKinsey created a COVID-19 Response Centre section on its website, which provides other companies and clients with important COVID-19 related reports, case studies, webinars, databases and projection tools free of charge. This allows McKinsey to remotely assist other firms and clients adjusting to the impact of the pandemic.

Telecommunications

Three initiatives have been reported which promote equality among workers and communities. All are taken forward by the Total Access Communication Public Company, Ltd (DTAC), a telecommunications business headquartered in Bangkok, Thailand.

The initiatives focus on supporting organic farming, inclusive recruitment policies for

persons with disabilities and extending maternity leave provisions to DTAC employees.

The Rak Ban Kerd Farmer Awards Initiative offers networking opportunities through which knowledge can be shared among smallholder farmers. It supports producers integrating organic farming into their practices, improving the quality of crops and the availability of organic produce. The Blind Call Centre Agent Initiative improves employment opportunities for persons with disabilities, in particular the visually impaired. A call centre fully operated by blind employees was established in collaboration with the Foundation for the Blind in Thailand. DTAC currently employs 15 visually impaired people. The maternity leave initiative allows women employees who have been employed by DTAC for at least two years to receive six months of paid maternity leave. Mothers can recover without a decrease in their financial earnings for half of a year. Since the initiative

began, uptake has been high with a total of 565 beneficiaries to date.

Tourism

An initiative to support community-based tourism has been taken forward in Bangkok, Thailand, by a responsible business, Local Alike.

It works to channel tourism to parts of the country that are less likely to receive it and bring income into impoverished communities. The income gained facilitates the development of schools and libraries in the local community and creates jobs. The impact of the initiative has grown the community-based tourism sector. In addition to establishing a presence in 100 local host communities, 2,000 residents were employed part time without interfering with their original occupations.

3 Conclusion

The initiatives featured in this report vary widely, but all have involved tailoring existing business models to deliver new opportunities to vulnerable groups, existing client bases and business partners. By placing low-income markets at the core of their business strategies, inclusive business has become a recognized, viable means for the private sector to more systematically help reduce poverty and inequality. Inclusive businesses provide livelihood security and alternative sources of income, enable access to public and private financing and technical support, and facilitate direct contracting arrangements that eliminate the need for costly intermediaries. They deliver affordable, customized goods, services, technologies and systems tailored to the needs and limited budgets of poor, vulnerable and marginalized populations.

Inclusive businesses' continued effort to support vulnerable groups during the COVID-19 pandemic illustrates how innovative solutions can alleviate pressure on MSMEs and help meet the needs of low-income populations at a critical time. ESCAP is supporting governments and businesses create enabling environments for inclusive businesses, while working to implement the "Guidelines for the Promotion of Inclusive Business in ASEAN", adopted in 2020. Engaging with private sector entities to partner in our common agenda of inclusive and sustainable development is an integral part of achieving the 2030 Agenda for Sustainable Development. The United Nations system is committed to building on positive initiatives, drawing on them to shape further action and a more sustainable future for Asia and the Pacific.

Annex A Individual initiatives

a) Ayala Corporation is integrating socially responsible business approaches and sustainability plans into the strategies of its companies that operate across a wide range of sectors. The Ayala Sustainability Blueprint⁴ aligns business models to specific United Nations Sustainable Development Goals and assigns targets to its subsidiaries to overcome social and environmental challenges.

Ayala's Bank of the Philippine Islands' financial inclusion arm, BanKo, operates the country's first mobile savings bank. This allows clients to open a savings account using a mobile app. The bank serves self-employed micro entrepreneurs and provides them with credit, microinsurance, microloans and expert financial advice. Ayala Corporation Health manufactures low-cost, quality generic medicines for lower income groups and operates a chain of community-based primary care clinics. A HealthNow tele-consultation app is under development. In the education sector, iPeople delivers accessible secondary and tertiary education.⁵

Several value chain innovations have been undertaken. Ayala has been exploring ways to integrate digital tools into small business operations, increase public access among low-income customers to digital platforms and improve digital ecosystems supporting e-payments, e-commerce, logistics and primary healthcare services. The group is increasing affordable social housing options, integrated health care services and quality and low-cost education offers. Ayala's digital trading platforms allow local entrepreneurs to stay in business despite lockdowns.

A Sustainability Blueprint outlines a framework for Ayala's sustainability monitoring and reporting. It identifies climate change, biodiversity, resource efficiency and waste management as priority areas. Two of its subsidiaries, AC Energy and AC Industrials, are focused on sourcing and harnessing renewable

energy and on developing a commercially viable electric vehicle. AC Infra is reducing paper, energy consumption and waste production in its rail business by establishing greenhouse gas emission baselines and accounting mechanisms for logistics and financial operations.

b) Amru Rice Cambodia Co., Ltd is a Cambodian-owned and operated inclusive business, headquartered in Phnom Penh which sells different types of organic rice. Its initiative began in 2016 and supports better agricultural practices while empowering farmers in the Tonle Sap zone and northern Cambodia.

The initiative works directly with farmers to achieve market and product diversity, develop farming infrastructure and ultimately build a stronger supply chain. The initiative focuses on low-income farmers with less than five hectares of farming land. Farmers are offered education programmes, as well as low-cost seeds and the use of farming equipment. Their produce is purchased by the Amru Rice Cambodia's at a higher price than offered by its competitors. Production is measured and the most successful farmers can become the company's cooperative business partners.

Outcomes have been positive. Farmers have earned an average of USD 2,000 in profit every quarter thanks to higher prices offered and have become more prosperous, acquiring assets and investing in their future. Farmers who become cooperative business partners receive performance-based incentives to ensure quality crop yields. They are able to access support at low prices and the security of receiving payment from Amru Rice Cambodia provides a steady income needed to scale up their farming activities. Further improving the company's relationship with farmers and better supporting their organizational capacity remain objectives. The initiative has to date helped some 50,000 individual farmers, over half of whom are women.

⁴ Read more about the company's sustainability blueprint: <https://ayala.com/sustainability/ayala-sustainability-blueprint>.

⁵ Read more about iPeople: <https://annualreport.ayala.com/2019integratedreport/business-review/ipeople/>.

c) Banqer (New Zealand) manages an online financial education platform for students aged 8 to 17. Students use the platform to work through virtual scenarios involving savings, interest, goal setting, taking out loans and investing in fictional stocks. The platform is also used by teachers who are supported by Banqer through online webinars and trainings.⁶ Banqer's financial education offerings, Banqer Primary and Banqer High, have been used by over 100,000 students in New Zealand and 30,000 students in Australia⁷. Banqer enables access to the platform as widely as possible, including to Māori children and teens, groups underserved both in education and banking. It works with schools in need of funding and assistance. In 2017, 42 per cent of Banqer's users were from these schools.⁸

Several value chain innovations have been undertaken by the company. Initially, access to the platforms was paid for by users. As the company grew, it partnered with financing institutions to enable free access where possible. Banqer High student fees are calculated based on their capacity to pay.⁹ Banqer's online learning platforms do not rely on geographical proximity to engage schools and students. The dissemination of materials to learners and teachers have remained uninterrupted during the pandemic. The company focuses on serving lower-income schools and indigenous communities. Banqer Primary has been translated into Māori, with tailored content for Māori-language immersion schools. The company regularly publishes Māori resources.

d) Eden Myanmar is a social enterprise and jewellery maker founded with the goal of reaching, rescuing, and restoring the lives of survivors of human trafficking. It has offices in the United States, the United Kingdom, Denmark, Australia, New Zealand and Hong Kong, China.

Eden Myanmar has 20 employees in Myanmar and 30 female beneficiaries.

Women survivors of human trafficking are employed by Eden Myanmar to make jewellery. They are employed part time but receive a full day's wages. The survivors attend various forms of trauma-focused therapy and vocational training when they are not working. Eden Myanmar's initiative aims to empower survivors financially and help them reintegrate society. The employment programme lasts 6 to 12 months and provides survivors with an income to support their families. Survivors can receive support beyond the programme, such as counselling.

Eden Myanmar has succeeded in changing survivors' lives. Survivors are empowered as they gain a sense of normality through a normal setting and routine. The jewellery produced by survivors is in demand and provides a stable income. Public awareness of Eden Myanmar continues to grow, allowing for greater recognition and increased reach. Eden Myanmar faces challenges due to the high demand for its products. To meet business demands operations would need to be scaled up, but this would mean asking for more from beneficiaries who are working through their own traumas and put their recovery at risk.

e) Ephrathah Farms Corporation (Philippines) is an agri-tourism and farm resort: an inclusive business with 60 staff. Its activities include farm production, a farm school, hotel and restaurant services, event venues, aqua-tourism and freshwater fish production. The company oversees the entire value chain from farmer training, produce consolidation and quality assurance, packaging, delivery and merchandising.

6 New Zealand Herald (2021). 'Trial and Error' No Answer in Money Crisis. Available at https://www.nzherald.co.nz/sponsored-stories/trial-and-error-no-answer-in-money-crisis/CFYXLX3GFMBAEAD2ZAG7CNFCHQ/?fbclid=IwAR0_-xavIT0Ehi-ebquToyvokl1AbR1wzo9OKLXnbiHjfvK_NymwnxNCrA.

7 National Business Review (2018) Financial Literacy Social Enterprise Aims High. Available at <https://www.nbr.co.nz/story/financial-literacy-social-enterprise-aiming-high>.

8 Parker, Tamsyn writing for New Zealand Herald (2017). Start-up Money Educator to Double NZ Class Reach. Available at <https://www.nzherald.co.nz/business/start-up-money-educator-to-double-nz-class-reach/D5OLGXNZ6D4Y6WSP6ZMMPH7OKQ/>.

9 National Business Review (2018) Financial Literacy Social Enterprise Aims High. Available at <https://www.nbr.co.nz/story/financial-literacy-social-enterprise-aiming-high>.

Ephrathah Farms reduces inequalities through its inclusive business model and is the number one taxpayer in the municipality where it operates. It sources fruits and vegetables from a local cooperative with over 200 farmer-members, buying produce at a higher price than offered by regular traders. Trainings are provided to farmer suppliers to improve expertise and introduce new technologies, which guarantee the supply of quality produce to the company. Ephrathah Farms works with farmers owning land as small as 500 square meters. It advises farmer-suppliers on appropriate crops, supplies them with quality seeds, schedules their planting to prevent oversupply and ensures delivery to their buyers. The company also provides quality checks so their produce can meet supermarket standards. To increase farmer revenues, Ephrathah Farms assists them in cultivating high-value crops and buys them with a 20 per cent markup. The produce is then sold by the company in supermarkets, with the farmers getting a larger share of the profits from sales.

Several value chain innovations have been undertaken by the company. It opened larger and more stable markets for their smallholder farmer-suppliers, improved local farming capabilities, and increased farmer productivity to meet higher commercial standards. The company generated local employment and tourism opportunities and provided a more stable source of income for its farmer-suppliers. Local skills were improved by the company's training programmes. In times of need, farmers receive payments for their produce in advance, without interest. Ephrathah Farms recently set up the first solar-powered greenhouse in the province of Iloilo, which is expected to increase farm production. Thanks to a government grant, the company has developed with partners a programmable solar powered dehydrator machine for herbal teas, which is expected to generate higher yields, and be more cost-effective.

f) Franklin Baker Company of the Philippines is a global supplier of desiccated coconut products. It has formed wide ranging partnerships to become an inclusive business, sell into new markets and improve the livelihoods of local

coconut farmers. The company's ongoing initiatives are undertaken under two umbrella projects.

The Livelihoods-Coconut project helps 5,000 coconut farmers improve their productivity and management practices. Farmers involved can sell their harvest directly to Franklin Baker through farmer-owned cooperatives. The project trains farmers on agricultural best practice, business development and crop diversification, while working with them to assess their environmental, social and economic performance. The Livelihoods project aims to transform 10,000 hectares of coconut plantation into sustainable agriculture, improving farm biodiversity and the soil's fertility. The project is a joint initiative with the non-governmental organization Integrated Rural Development Foundation and the confectionary company Mars, Inc. It received support from the Livelihoods Fund.

The Sustainable Development and Good Agricultural Practices in the Philippine Coconut Supply Chain (SDGCoco) project works with farmers to enhance the social, economic, and environmental sustainability of the coconut supply chain. It builds local capacity, supports the upgrade of farm management and systems, strengthens farmer organizations and enhances market responsiveness and opportunities to promote decent work and income growth among farmers. The company and the Philippine Coconut Authority are running farmer trainings on "Good Agricultural Practices", focusing on crop diversification and business development. Farm demonstration sites promote innovative sustainable agriculture, while other programmes promote the use of safety equipment, soil fertility regeneration and the involvement of women and youth in farming activities. The SDGCoco project is a partnership with the German Federal Ministry for Economic Cooperation and Development, the food and cosmetics flavoring and fragrances company Symrise and The Absolut Company which owns several spirit brands.

In both projects, the company facilitates direct sourcing from the farmers to improve supply chain efficiency, guarantee fair pricing and product traceability. Diversified income

sources and knowledge and skills acquired provide greater financial stability and resilience among coconut farmers. Women from farming households are engaged in crop management and marketing of produce. Both projects are expected to create an ecosystem that promotes security and transparency in the coconut industry, acknowledging stakeholders' interests, involving farmers in decision-making and channelling greater support to farming households to ensure access to essential services. The company has been recognized for its biodiversity preservation and best practices in water and land management. The company's Organic and Fair Trade coconut sourcing programme promotes organic farming and provides certified farmers with technical assistance to support sustainable, organic farming methods.

g) Gojek is an inclusive business which manages a platform offering services which include ride-hailing, food delivery, online shopping, logistics, entertainment and carbon offset.¹⁰ Gojek has 2 million driver partners and 900,000 merchant partners across South-East Asia¹¹ and improving the livelihoods of local motorcycle taxi drivers is central to its mission and 100 per cent of Gojek's driver partners report an improvement in their quality of life since joining the platform. Many micro, small and medium enterprises (MSMEs) in Indonesia use the Gojek platform to run their businesses and reach a wider market. The company has 900,000 merchant partners 96 per cent of which are MSMEs.

Several value chain innovations have been undertaken. Gojek has supported the digital and online migration of merchants' businesses and has improved public access to millions of micro-entrepreneurs. E-payments and financial services for consumers have been introduced, a major development in Indonesia where the

majority of the population remains unbanked. Gojek's digital payment platform, GoPay, has accelerated financial inclusion in Indonesia and its use increased significantly¹² in 2020 as a hygienic alternative to cash¹³. Gojek has empowered women micro-entrepreneurs through its digital solutions. Among younger businesses owned by women, the use of Gojek's digital platforms helped 41 per cent of formal micro and small businesses and 40 per cent of informal such businesses to expand.

To disincentivize the use of single-use plastics, Gojek set up a separate-cutlery-kit option on its app to allow merchants to charge customers who request plastic cutlery. GoFood drivers were given collapsible and reusable delivery bags. Over 13 tons of single-use waste has been avoided through this programme in Indonesia from August 2019 to December 2020. Gojek has conducted green initiatives in numerous cities and a sustainability training programme for food merchants in Bali. Gojek is part of a waste bank programme where people can exchange their plastic waste for cash.¹⁴

h) Golden Sunland is a rice distributor and inclusive business located in Singapore. In addition to having 90 staff, it has a working relationship with 400 smallholder farmers and helps them to bring their product to the market for commercial consumption. Beginning in 2016, Golden Sunland launched their initiative engaging farmers in 2018. It aimed to overcome the dependency many farmers had on exploitative intermediaries, by helping farmers in Myanmar export to Singapore.

Golden Sunland's initiative benefits 400 local partnered farmers and suppliers. They connect farmers to financial institutions to help fund their farming activities. The company's data shows farmers' livelihoods improved by 30 per cent

10 Gojek. (n.d.). Gojek. See <https://www.gojek.io/>.

11 Gojek. (n.d.). We build products that nations run on. See <https://www.gojek.com/en-id/products/>.

12 GoPay transaction increase compared to pre-pandemic times See <https://finansial.bisnis.com/read/2020112/563/1317183/transaksi-gopay-lebih-besar-dibandingkan-sebelum-pandemi>.

13 GoPay increases fintech offer within and outside its ecosystem. Available at <https://pressrelease.kontan.co.id/release/fokus-gopay-di-2021-meningkatkan-layanan-fintech-di-dalam-dan-di-luar-ekosistem-gojek?page=all>.

14 The Jakarta Post. (n.d.). Gojek leads green initiatives for Indonesia. Available at <https://www.thejakartapost.com/adv-longform/2019/08/12/gojek-leads-green-initiatives-for-Indonesia.html>.

since partnering with them. The partnerships have expanded markets for suppliers and financial institutions. Farmers receive training in production techniques as part of the project.

Several challenges have been identified by Golden Sunland in implementing their initiative. The tension between business and social enterprise objectives needs careful management. Active engagement has been required to overcome the skepticism of local farmers. There is a culture of loyalty to certain suppliers and other influential businesses. As Golden Sunland seeks to improve the lives of farmers, a persistent challenge is evaluating farmer indebtedness. Repayment methods are inconsistent and some lenders ask for repayment with up to 5 per cent interest per month or a percentage of the total harvest. There is disagreement from farmers about what should be considered a component of cost, especially their labour.

i) Gender-Responsive Economic Actions for the Transformation of Women (GREAT Women) is a textile and fashion social enterprise selling clothing and accessories and food products. Based and operated in the Philippines it employs 10 people and its initiative promotes the economic empowerment of women.

GREAT Women finds the gaps in supply chains and through public private partnerships closes them through women-run microenterprises. It provides women with access to capital and production capacity, and helps women microenterprises meet supply chain needs. GREAT Women allows for the purchase of stocks and supplies, buying the final textile products. It pays for labour of goods and makes direct payments to labourers, cooperatives and microenterprises.

Currently, 40 weaving communities have benefited from GREAT Women, comprised of 800 weavers in the cooperatives and indigenous groups. Thanks to the exposure by GREAT Women, many of the women-run micro-enterprises across the Philippines have gained market opportunities and deepened their commercial skills. In the future, Great Women hope to expand their initiative to 60 textile and crafting communities and replicate it Myanmar and Cambodia.

j) Grandis Timber Ltd. is a responsible business headquartered in Phnom Penh, Cambodia. The company employs 60 permanent staff and its main focus is planting trees for timber. Its reforestation and sustainable forestry efforts are a point of reference. The company operates on an environmental protection policy which forbids the razing of forestry they have not grown. Existing forests are preserved, and only trees grown by the company are felled.

The initiative is implemented working with local communities. Grandis Timber established goodwill by committing to never undertake land evictions or land grabbing. The company encouraged communities to provide land titles to community members. This created income opportunities for locals with contracts suited to their needs. Women benefited most as the opportunity provided them with financial security. A community day-care centre was renovated in 2018, providing nutritious food, healthcare and clean clothing for children in the community. Health checks by qualified doctors, including malaria checks for children and quarterly check-ups for elderly adults were made available.

By supporting the increased availability of healthcare and access to qualified health professionals, the initiative has improved the health and wellbeing of the community. Children have particularly benefited from the initiative through which they were dewormed and educated on good health and hygiene practice. The extension of land title rights has improved trust and elevated living conditions. The company has earned the trust of the community which is now strongly engaged with business.

k) Hennes & Mauritz (H&M) is a responsible business and clothing brand in the fashion industry which operates in 74 countries and is headquartered in Stockholm, Sweden. H&M maintains a presence in Cambodia with 50 factories. It currently has two initiatives aimed at their factory workers.

The first initiative focuses on promoting gender equality and seeks to increase the share of women in leadership roles, including traditional

management positions and union leadership positions. This was well received by the H&M workforce in Cambodia that is 80 per cent female and which felt having women in positions of leadership is good for morale. Empowering women led to more confidence and understanding in the benefits of having women in management positions, as well as improving the financial situation of women employees. This initiative was taken forward to overcome traditional cultural expectations. It provided all employees the opportunity to experience women in leadership roles and challenge entrenched gender stereotypes.

The second initiative focused on digital payments for employees to improve transparency, convenience and expedience. Digital payments make it easier to monitor correct payment to workers and streamline payment systems for the factories. It guarantees everyone in the workforce of participating factories access to banking services. Having bank accounts does more to provide financial security and electronic records of payments protect both workers and H&M. Financial management at each factory site has become easier with digital payments where records are well-kept for both sending and receiving payments.

H&M acknowledges that challenges do exist with digital payments due to a limited exposure and understanding of digital banking. This makes some workers reluctant to enroll and leaves others temporarily struggling to access their funds, underscoring the need for dedicated information campaigns to accompany the transition to digital banking and ensure workers can confidently manage their finances. The project has confirmed the importance of centralized banking services to as far as possible avoid banking fees for workers.

l) LHAMOUR is a responsible business that produces and sells environmentally friendly natural skin care products made in Mongolia where the business is headquartered.

LHAMOUR used their reputation in Mongolia to launch programmes focused on improving gender equality and reducing poverty. They

launched Finding Your Passion, a mentoring programme for young teenage girls (ages 14 to 16) to help them find potential career paths. LHAMOUR inspired girls to participate in Science, Technology, Engineering and Mathematics (STEM) fields through the Girls in STEM programme. It began Mongolia's first Women Entrepreneurship Day. LHAMOUR funds free dental care for public school children, renovation work in the children's section of public hospitals and free LHAMOUR products to children with disabilities. LHAMOUR's distributors are all run by young women entrepreneurs.

The impact has been positive. Currently, there are 35 women who work for LHAMOUR and six former women employees have since become entrepreneurs. The Girls in STEM programme was taken up by 50 girls. Eighty were involved in the Find Your Passion programme and 300 participated in Women Entrepreneurship Day. Community members and poorer families benefited from increased access to healthcare and products. LHAMOUR has observed a gradual shift in the practices of other companies towards models that benefit society. LHAMOUR reported no negative changes from their activities; however, their initiatives have met financial constraints.

m) Local Alike is a responsible community-based tourism business based in Bangkok, Thailand. The company employs 39 local employees and has a presence in Vietnam, Taiwan, Indonesia and the Philippines. It has focused its efforts on community-based tourism where there is a chance to give exposure and tourist business to parts of countries that are less likely to receive it. The result is bringing income into impoverished communities and providing them economic stimulus.

Local Alike's objective is to foster community development through the tourism industry. This business model promotes preservation of local culture and wisdom, reduces the need for people to migrate to urban areas and raises awareness of community assets and experiences. The initiative aims to tackle income inequality in the tourism industry around parts of Asia. The income gained facilitates the development of schools and

libraries in the local community and creates jobs. The impact of Local Alike's initiative has been substantial in growing the community-based tourism sector. In addition to establishing a presence in 100 local host communities, 2,000 residents were employed part-time without interfering with their original occupations, generating THB 54 million for local communities.

n) McKinsey & Company Greater China Region (GCR) is inclusive business of which the initiatives are focused on gender equality, quality education, and climate action. They aim to reduce inequality through partnership building, network management, support mechanisms for personnel, fundraising, mentoring and training, and education-to-employment matchmaking.

Several value chain innovations have been undertaken. McKinsey provides inclusive employee benefit and leave packages. It has expanded its benefits to cover fertility treatments and provides financial assistance for adoption and surrogacy. McKinsey matches personnel donations of up to USD 2,000 a year to targeted non-profits and has a social responsibility unit responsible for partnerships with NGO partners, donations and pro-bono work. The firm is working to engage about 30 per cent of its personnel across offices in social responsibility initiatives and has mandated 1 per cent of work hours be committed to these initiatives. McKinsey GCR's Paid Volunteer programme requires personnel to dedicate four days a year of paid volunteer work to an NGO partner of their choice.

McKinsey GCR has the highest percentage of new women hires within the firm in 2020. It launched an All-In Initiative to promote the advancement and leadership of women in the workplace. An All-In Woman Alliance Group was formed with 14 leading companies that engages working women from any company in a mentoring programme to facilitate connections and promote both personal and professional growth. Since last year, around 20,000 women professionals are involved

in the network. In 2021, McKinsey GCR will launch a Remarkable Women Training programme for leadership development for junior female employees.

Through the Paid Volunteer/Day of Service programme, in partnership with Adream Foundation, McKinsey GCR was able to engage 4 million students in rural areas in career planning sessions. In partnership with Educating Girls of Rural China, McKinsey GCR provided skills training for 500 female undergraduates in rural areas. In partnership with SH United Foundation, more than RMB 200,000 was raised from personnel, which will be used to scale up a migrant children support programme.

Green-building certification has been obtained by more than half of McKinsey's global office spaces. It has taken action to reduce single-use plastic in the workplace and expand its recycling services. In 2019, 95 per cent of McKinsey's electricity consumption came from renewable sources. McKinsey invests in carbon-reduction projects, and emission offsetting initiatives such as reforestation, forest conservation, and sustainable agroforestry. In 2019, the firm invested in 10 different projects worldwide, offsetting as estimated 743,000 tons of CO₂ emissions.¹⁵

o) Negros Women for Tomorrow Foundation, Inc. (NWTF) is a social enterprise, founded to help women in Negros Island in the Philippines achieve self-reliance and self-sufficiency, increase their economic potential, skills and productivity and improve their quality of life. Project Dunganon provides individual women clients in rural areas with training and access to collateral-free capital through group loans to finance small business ventures. Project Kasanag offers loans to micro, small and medium enterprises (MSMEs) wishing to acquire business assets. NWTF runs microinsurance schemes and a scholarship programme for clients' children. It runs the Dunganon Bank, which offers micro-crop loans to agrarian

15 McKinsey & Company (2019). Social Responsibility Report 2019: Helping Create Positive, Enduring Change In The World. See <https://www.mckinsey.com/~/media/McKinsey/About%20Us/Social%20responsibility/Social-Responsibility-Report-2019-final.ashx>.

reform beneficiaries.¹⁶ NWTF currently has 3,823 employees, 62 per cent of whom are women.

NWTF serves women in the poorest income brackets and 80 per cent of its clients are below the poverty threshold. Clients are identified through poverty mapping designed to target the poorest households. Those who qualify for the programmes are introduced to the principles of group accountability and responsibility necessary for client clusters to work. A Group Recognition Test ensures cluster members have adequate skills to create a sustainable livelihood and manage credit.

Several value chain innovations have been undertaken by the company. NWTF has expanded its services through the DO-IT Foundation, which provide technology solutions to other microfinance institutions and NGOs. To spur social innovation, NWTF is working with universities in the island of Negros to introduce “social business” to the curriculum. In addition to financial products and assistance programmes, a phone banking service has been introduced.

Clients are able to gain business development and livelihood skills from NWTF programmes. They are given access to quality medicines and health and wellness services. Clients’ children can access formal education through a scholarship programme. Recovery programmes have extended assistance to typhoon devastated areas, through microloans, bridge loans, housing reconstruction loans and disaster preparedness and response training. Since 2009, NWTF has helped finance access to environment-friendly products. In 2019, the foundation supported 5,000 clients invest in solar lights and cook stoves.¹⁷ NWTF partnered with Net-Works to collect used fishing nets and recycle them into carpet tiles. Its Water Access, Sanitation and Hygiene (WASH) programme provides loans to improve toilet and clean water access.

p) PTT, formerly the Petroleum Authority of Thailand, is a responsible business which specializes in the sales of petrochemicals, natural

gas and coal products. It employs over 4,600 people and is also present in Singapore, the Philippines and Cambodia. It has three social initiatives which aim to reduce inequality in Thailand.

PTT’s renewable energies initiative began in 2013. It focuses on the socioeconomically disadvantaged in provincial areas of Thailand where there is limited access to renewable energy. The project aims to increase the energy independence of rural communities. PTT engaged farmers to promote the use of biogas from pig waste to meet the energy demands of communities. The energy-independent approach provides farmers with a greater source of income and decreases the energy costs of members in the community. PTT estimates there are approximately 3,200 beneficiaries from this initiative.

The second and third initiatives involve Café Amazon, a coffeehouse chain owned by PTT. The coffee sourcing initiative began in 2018. It involves PTT’s Café Amazon teaching farmers in the northern, southern regions of Thailand and Bangkok coffee bean growing techniques and providing organic inputs. PTT pays farmers above standard price for organically grown coffee beans and sources 10 per cent of their coffee supply from them. The knowledge gained through teaching provides farmers with higher-quality yields and a guaranteed source of income from Café Amazon. The reduction in use of harmful chemicals on the soil leads to more fertile land that supports reforestation efforts. PTT has reported 160 farmers and their families have benefited since the initiative began. The other PTT initiative taken forward with Café Amazon supports the hiring of persons with disabilities. PTT has hired and employed 24 employees with disabilities in Thailand.

q) Reach52 is an inclusive business which manages an e-health platform. It is headquartered in Singapore with operations in Singapore, India, Cambodia, the Philippines, Indonesia, London, Senegal, and Kenya. The

16 Negros Women for Tomorrow Foundation. Our History. See <https://nwtf.org.ph/about-us/our-history/>

17 Negros Women for Tomorrow Foundation (2020). 2019 Annual Report. See https://nwtf.org.ph/arfiles/Annual_Report_2019.pdf

company works to strengthen digital health systems and provides e-health services like telemedicine and screenings. Through its app and community health workers in partner communities, it connects people with local pharmacies, insurance providers and diagnostic laboratories.

Reach52 uses technology, network building and community outreach to widen access to services and lower costs. The non-profit service arm of the company supports partnerships with government agencies and targeted communities. It trains community health workers to conduct basic patient screening before connecting them to professional healthcare providers. The profit focused arm of the company sells discounted products and services to partner communities. The company's app facilitates access to low-cost medicines, delivered straight to villages. In 2020, the company provided services to 3 million people, in five countries and to over 500 communities. It launched 12 new services to reduce non-communicable and infectious diseases, improve maternal and child health and strengthen financial protection. The company trained 3,262 community health workers and hired over 400 of them, 97 per cent of whom were female.

Several value chain innovations have been undertaken by the company. With UNICEF and other partners, Reach52 is testing a points-based incentive model which would allow users to earn points that can be used to buy products. In partnership with Johnson & Johnson, the company has used its mediconnect platform to upskill over 1,900 community health workers and spread greater health awareness. In collaboration with Gilead Sciences and the Department of Health of the Philippines, a comprehensive Hepatitis B solution was introduced in rural areas and health workers were trained to support the roll out. In partnership with Biocon Biologics, it launched a recombinant human insulin in the Philippines for less than USD 0.10 per dose, 80 per cent lower than others available. Two

new maternal health services were introduced to partner communities in the Philippines, in partnership with Save the Children and Philips which provided telehealth and ultrasound services for expectant mothers. An affordable health insurance was launched in Karnataka, India, in partnership with MYKAPS and MYRADA, which has enabled 3,500 people to purchase insurance plans.

r) Shinhan Financial Group is an inclusive business which operates commercial banking services, credit card services, credit transactions, consignment trading of securities and life insurance. The group has commercial operations worldwide, but also provides products, services and financial education to underbanked and disadvantaged populations with low credit ratings and low incomes.

Several value chain innovations have been undertaken by the company. Shinhan Bank opened Joint Heart Windows for Seniors and People with Disabilities, which are special transaction lanes in 690 retail and financial centres dedicated to assisting senior citizens navigate the bank's financial services.¹⁸ The New Hope Savings Installment product offers higher interest rate to low-income or underprivileged savers. Through a programme called the Healing Program for Household Debts, the bank extends loans to consumers unable to obtain them elsewhere on regular terms, with repayment schedules tailored to customers' repayment capacity.¹⁹ Shinhan Life Insurance and the Smile Microcredit Bank launched the Shinhan Hope Love Insurance programme, designed to support low-income customers and offer insurance contracts for children. The Shinhan Happy Silver Financial Class is a finance education and wealth management programme for vulnerable elderly customers.

Shinhan Card established the Arumin Finance Classroom programme for elementary school students from low-income families to improve financial literacy. The Group created the Shinhan

18 Shinhan Financial Group (2017). Drawing a Sustainable Future: Shinhan Financial Group CSR Report 2017. See http://www.shinhangroup.com/en/crm/csrreport/csr_subsidary.jsp.

19 Read more about the company's Social Responsibility initiatives: http://www.shinhangroup.com/en/sr/csrreport/csr_subsidary_group6.jsp.

Do Dream Space to support youth employment and entrepreneurship. It provides start-ups with office space and study rooms, educational content and networking opportunities. Four hundred fifty young entrepreneurs benefited from training to improve their entrepreneurship skills. In 2011, Shinhan Bank launched the Fresh Green Corporate Loan, to channel investment to green industries and offer them preferential interest rates and commission fees.²⁰ Shinhan Bank signed an agreement with the Korean Energy Management Corporation to create the Green Love Energy Fixed Deposit Account which offers energy subsidies and preferential interest rates to customers who conserve energy.²¹

s) Total Access Communication Public Company, Ltd. DTAC is a responsible telecommunications business headquartered in Bangkok, Thailand. The company employs 3,560 people. They are currently engaged in three initiatives aimed at promoting equality in their workforce and communities.

The Rak Ban Kerd Farmer Awards Initiative began in 2008. Its aim is to highlight the achievements of farmers and promote Thai agriculture to increase market access abroad. It offers networking opportunities through which knowledge can be shared among smallholder farmers. It supports producers integrating organic farming into their practices, improving the quality of crops and the availability of organic produce.

The second initiative, the Blind Call Centre Agent Initiative, began in 2015. It aims to improve employment opportunities for persons with disabilities, in particular the visually impaired. A call centre fully operated by blind employees was established in collaboration with the Foundation for the Blind in Thailand. DTAC currently employs 15 visually impaired people. The main challenge identified is the difficulty of scaling up the initiative. Currently, the Foundation for the Blind in Thailand is the location of training and following graduation from the Foundation, employment is provided by the call centre. Since the call centre is part of the Foundation for the Blind in Thailand, there may be a need to establish a standalone call centre to accommodate a growing workforce.

The third initiative, the maternity leave initiative, began in 2016. DTAC recognized that pregnancy and neonatal care often removes women from the workforce. In response to a need for assistance from mothers with their childcare needs, the initiative allows women employees who have been employed by DTAC for at least two years to receive six months of paid maternity leave. This allows mothers to bond with their newborns and recover without a decrease in their financial earnings for half of a year. This initiative is beneficial to mothers and enables DTAC to retain skilled labour. Since the initiative began, uptake has been high with a total of 565 beneficiaries to date.

20 Read more about the company's environmental management initiatives: http://www.shinhangroup.com/en/contribute/csrreport/csr_subsidary_group1.jsp.

21 Ibid

Annex B COVID-19 responses

Information on COVID-19 response was obtained for the following companies.

Ayala Corporation provided financial assistance to its employees during the pandemic. Wages were paid throughout and loan deferments and bonuses were released early. Emergency assistance packages were distributed to contractual workers such as security personnel, maintenance staff and construction workers. Employee-exclusive hotlines to speak to doctors and access medicines were established. A dedicated COVID-19 facility was built for employees and their families. Safety protocols were implemented for essential frontline workers and work-from-home tools were deployed for the majority of employees, including courses to help them adapt to the new mode of work.

Ayala provided support to its business partners. Rent condonations were extended to small merchants and a grace period was offered for loan payments. The Ayala Enterprise Circle launched a support network for MSME clients and partners linked to their various businesses to help them navigate the crisis. More than 12,000 families of Ayala-linked suppliers were provided food packs.

For the general public, the Ayala group launched the Philippines' first COVID-19 Action Response Bonds and channeled the money raised to MSMEs restart or sustaining their operations. It led a major private sector initiative to raise funds for emergency food packages distributed to over 14 million individuals. The group helped convert building into quarantine facilities, donated a number of molecular testing laboratories and significant quantities of medical supplies to local government units. Ayala partnered with the city governments to deliver affordable high-speed internet essential during lockdown, especially for students doing remote learning.

Banqer suspended fees during the national lockdown for Banqer High until May 2020.

Following lockdown, one of its partners, investment group Jarden NZ, provided 3,000 student subscriptions for high schools that requested to continue using the platform for the rest of the year but had budgetary constraints.²² Schools with students who were already subscribed to Banqer were assured of continued support from the company as well as direct access to banking and investment experts who gave remote finance talks to students.

In April 2020, the company launched Banqer TV, a free online course facilitated by the Banqer team for schools using the platform, which are predominantly lower-income schools, to ensure that a number of basic modules are still accessible to teachers and students even during school closures. Banqer TV livestreams lessons, each of which is followed by a set of activities that students can do at home to apply their learnings. Students can replay each lesson after the livestream. Registration for this course is free and open to students without pre-existing Banqer accounts.

Ephrathah Farms Corporation was heavily affected by the COVID-19 pandemic. From March to December 2020, no tourism activities and revenues were generated by the company. The company was forced to temporarily downsize, from 60 to 35 regular employees. To retain employment for some of its employees, the company converted its hotel rooms into quarantine facilities and is now an accredited facility. The company shifted its operations to farm production, as the demand for agricultural products increased. The company used additional land resources to expand its papaya and banana farms. It used hydroponics production to increase the yield of its dragon fruit and vegetable farms.

As an accredited farm school, Ephrathah Farms continued to offer farmer trainings financed by the Technical Education and Skills Development Authority (TESDA) in compliance with health and safety requirement. In 2020, 350 TESDA-sponsored

22 Jarden (2020). Kiwi EdTech Banqer says financial education is more important than ever to prepare young Kiwis for the future. Available at <https://www.jarden.co.nz/news-and-insights/kiwi-edtech-banqer-says-financial-education-more-important-than-ever-to-prepare-young-kiwis-for-future/>

rice farmer scholars and 99 organic agriculture scholars were trained and graduated by the farm school. The company established a butterfly farm and the local government has allowed limited tourism operations in the farm, subject to strict compliance to health and safety standards and protocols. The company reports slow recovery since the start of 2021 but maintains a positive growth outlook for the farming side of the business.

Franklin Baker faced the twin challenges of the pandemic and natural disasters in the past year. The company did not lay off workers, provided full salaries and advanced the provision of government-mandated benefits to employees. It enforced COVID-19 health and safety protocols and shouldered the cost of COVID-19 testing of its staff. All employees were provided free vitamins, alcohol hand sanitizers and face masks. Service vehicles were provided to employees affected by public transport restrictions. The company facilitated the issuance of travel permits to its farmer suppliers for travel and product delivery across provinces. It secured a grant to support COVID-19 responses on the ground. These included the distribution of emergency packs containing 10 kilograms of rice, groceries and face masks to about 350 affected farmers, the provision of planting materials and trainings for backyard farming to generate extra income. Cash-for-work arrangements were made with farmers involved in the repair of community water systems or completion of a coconut storage facility.

Gojek helped merchants by introducing ready-to-cook meals to their range and helped businesses, especially MSMEs, move their businesses online. Gojek's groceries and logistics services have expanded exponentially during the pandemic²³. Its app and diversified offerings have met consumer needs during the pandemic, while enabling its drivers and MSME partners to survive.

Gojek established protocols and checks to ensure the safety and hygiene of its drivers. It worked with merchant partners to enhance quality control and food safety through educational campaigns and guidelines. Relief programmes were established for partners. Through its non-profit foundation Yayasan Anak Bangsa Bisa, Gojek distributed affordable meals to driver partners. Income assistance was provided to driver partners diagnosed with COVID-19 and those unable to work while in quarantine. The company added an in-app option for consumers to increase tips for drivers which went directly to the drivers' e-wallets. Loan payment relief for the acquisition of motorcycles and cars was extended. Gojek partnered with BRI Bank to launch a low-interest loan programme for drivers and merchants. The Gojek app enabled online donations to non-profit organizations through GoGive.

McKinsey & Company Greater China Region employees were provided access to a 24/7 Colleague Support Centre, coaching sessions conducted through phone or video call, an intranet site that provides mental health support and an online repository of meditation resources.²⁴ The company also created a COVID-19 Response Centre²⁵ section on the McKinsey website, which provides other companies and clients with important COVID-19 related reports, case studies, webinars, databases and projection tools free of charge. This hub of relevant and timely information allows McKinsey to extend remote assistance to other firms and clients in adjusting and adapting to the impact of the pandemic.

Negros Women for Tomorrow Foundation, Inc. (NWTF) provided employees with survival kits containing food, vitamins, masks and disinfectants. It made no layoffs and employees continued to receive their salaries during lockdown. One-third of the 13th month bonuses were released earlier than usual. NWTF temporarily suspended loan payment

23 GoFood transactions increased by 20 per cent during the pandemic. Available at <https://www.antaranews.com/berita/1727922/gojek-sebut-transaksi-gofood-selama-pandemi-meningkat-20-persen>.

24 McKinsey & Company. Behind Our Work To Support Behavioral Health Amid COVID-19. See <https://www.mckinsey.com/about-us/new-at-mckinsey-blog/behind-our-work-to-support-behavioral-health-amid-covid-19>

25 McKinsey & Company. COVID Response Centre. See <https://www.mckinsey.com/about-us/covid-response-center/home>.

collection from its clients but continued critical services such as insurance processing, hospital expense reimbursements and burial benefits. Digital schemes were established to replace face to face interactions. Client Connect was instituted, with branch staff regularly texting or calling clients to check on their well-being, health and business. The foundation used social media to disseminate relevant information. Non-financial services such as trainings were transitioned online.

The foundation's nurses and doctors were mobilized for a telemedicine programme, which provides free remote health advisory services. Since the start of the programme, the NWTF has been receiving between 5,000–7,000 calls per month. To address the shortage of required protective gear, NWTF partnered with the Technological University of the Philippines (TUP) to produce 3D-printed face shields for frontline staff. This project has been replicated by the foundation's partners and in Bangladesh.

Reach52 rolled out new products and services to supplement government services in response to the COVID-19 pandemic. The company used its e-learning platform to support thousands of health workers combat COVID-19 and increased last-mile product and service delivery.²⁶ Reach52 also won the Asian Development Bank's (ADB) COVID-19 Vaccine Safety and Immunization Monitoring Challenge. The company proposed to build an integrated solution with an "offline-first" app for health workers and an automated SMS gateway for patients. The aim is to improve patient information collection and delivery to areas with low connectivity, lower specificity

phones and lower levels of digital literacy. The app will facilitate public registration for vaccination by health workers, allow vaccine stock tracking and forecasting for each district. It will also record and share appropriate data with relevant Health Management Information Systems. Registered persons will receive text messages with details of their first and second vaccination schedules and follow-up reminders. This project will be implemented in collaboration with ADB's Health Sector Group.²⁷

Shinhan Financial Group enacted the Hope Together Project to support small businesses and people negatively affected by the COVID-19 pandemic. Loans were deferred to ease pressures on local businesses. Shinhan Financial Group partnered with the Ministry of Employment and Labor (MOEL) to establish a financial rehabilitation programme for people with poor credit scores. Credit and financial advisory services were provided by Shinhan Credit Information. Over the past year, 2,225 people received training allowances through the rehabilitation support project for low-credit people.²⁸

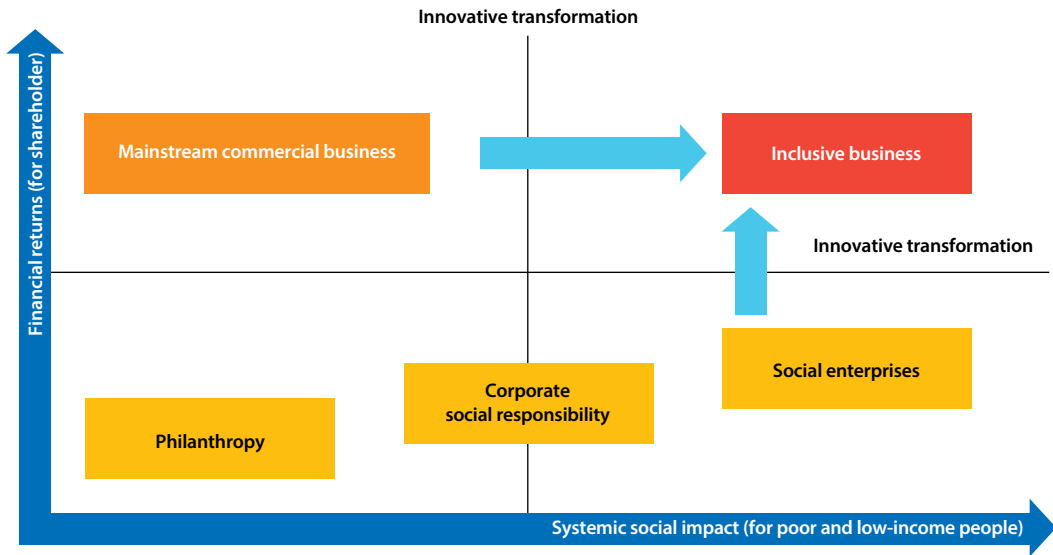
Through the New Economic Growth Support Operations initiative, the Group will measure the social value of companies that seek financial support and prioritize funding for companies with the greatest job creation potential. Shinhan Financial Group was able to raise USD 500 million through the issuance of social bonds, special-purpose bonds issued to channel financing towards assistance for low-income individuals and small and medium-sized businesses (SMEs).

26 Reach52. (n.d). Our response to the COVID-19 pandemic. Available at <https://reach52.com/covid-19-solutions/>.

27 Ibid.

28 Read more about the company's social investments: http://www.shinhangroup.com/en/csr/csr_sub/csr_positiveSocialRes.jsp

Annex C From traditional to inclusive business practice



Source: ESCAP and iBAN Landscape Study of Inclusive Business in Cambodia.²⁹

There are multiple approaches that companies take to create positive impacts on economies, societies, and the environment. These approaches range from philanthropy, where scale of a systemic social impact and profit imperative is low or negative, to inclusive business, where both potential scale of impact and profitability is high.

Responsible businesses fulfil companies' obligations to be good corporate citizens and follow the rule of law. According to the Organisation for Economic Cooperation and Development (OECD), responsible business conduct (RBC) entails compliance with laws, such as those on respecting human rights, environmental protection, labour relations and financial accountability.³⁰ While most private sector efforts towards creating positive social impact tend to be ancillary to core business activities and value chains such as the case with philanthropy and traditional CSR, there is growing interest in and movement towards

strategies that simultaneously pursue profit and impact goals. Two of the most prominent approaches to achieving this win-win scenario are social entrepreneurship (SE) and inclusive business (IB).

Social enterprises (SEs) are business entities of which the primary purpose is to solve a problem or issue and pursue an impact goal within a targeted community or group³¹. Although SEs are not primarily focused on maximizing profit, they also do so to be able to realize their impact goal and eventually expand their reach. As SEs grow, they have the potential to become IBs if they successfully overcome internal and external constraints, particularly in the sustainability of their financing streams. Many SEs are still dependent on donor or accelerator financing, niche markets and operations models that are largely tied to contextual conditions, capabilities, and sociopolitical dynamics in their partner communities.

29 UNESCAP and iBAN (2020). Landscape Study of Inclusive Business in Cambodia. Available at <https://artnet.unescap.org/sti/publications/books-reports/landscape-study-inclusive-business-cambodia>

30 OECD (2011). Chapter 7: Promoting responsible business conduct. Available at <https://www.oecd.org/investment/toolkit/policyareas/responsiblebusinessconduct/42267935.pdf>

31 Examples of social enterprises in Asia: <https://www.nextstephub.com/social-entrepreneurs-asia/>

Inclusive businesses (IBs), pursue both profit maximization and social impact by integrating and strengthening the base of the pyramid (BOP)³². This is done through engagement with the BOP at identified segments of their core business value chain, and by creating shared value for both the company and the BOP groups or sectors with whom they work. The World Business Council for Sustainable Development (WBCSD) and the G20 Forum define IB as “activities that provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid, making them part of companies’ core business value chains as suppliers, distributors, retailers, or customers.”³³

Micro and small enterprises (MSEs) most often operating in and serving smaller, lower income communities, can also be integrated in larger IB value chains to deepen local understanding and networks, technical assistance, and aggregation services provided to IB partners or clients, or MSEs can become partners in new business model development and piloting.

Characteristics of inclusive business. Inclusive businesses are enterprises that promote sustainable economic, social, and environmental development. Inclusive businesses are characterized by four common features:³⁴

- They have commercially viable, bankable and for-profit inclusive business models that are core to business operations. Business can be a fully dedicated inclusive business or set up specific inclusive business lines or subsidiaries;
- They are consciously designed to provide solutions to the relevant problems of targeted poor, vulnerable, and/or marginalized groups;
- They have scale in business operation, growth, and social impact. Most IBs are already medium- and large-sized businesses; and
- They display or deploy degrees of innovation in business strategies and value chains, needed to reduce risks, be impactful, and also profitable while engaging the BOP.

32 The BOP comprised of population segments that are low-income and lack access to basic goods and services, commonly the bottom 40–60 per cent earning less than USD 10 a day (in terms of purchasing power parity). The BOP encompasses individuals living on less than USD 3 a day and up to USD 9 a day. A large proportion of households at the BOP live in congested urban environments and a majority live in vast rural areas; it includes men and women of all ages, backgrounds, and preferences. For key and sectoral information about the BOP as a socioeconomic segment, please refer to the World Resources Institute publication on the “The Next 4 Billion” available at <https://www.wri.org/publication/next-4-billion>.

33 G20 (2015). Inclusive Business Framework. Available at <http://www.g20.utoronto.ca/2015/G20-Inclusive-Business-Framework.pdf>

34 UNESCAP and iBAN. 2020. Landscape Study of Inclusive Business in Cambodia. Available at <https://artnet.unescap.org/sti/publications/books-reports/landscape-study-inclusive-business-cambodia>

