



## Appendix 3

### The Greater China Region Business Sustainability Index (GCBSI)

To promote business practices that contribute to positive social and environmental impact in the Greater China region, CBS rolled out the inaugural GCBSI in 2021 to engage listed companies in Shanghai, Shenzhen, Taiwan and Hong Kong.

This year, the overall score (51.86 points) improved by 11% when compared to that of last year. The scores of companies in Shanghai and Shenzhen increased significantly, by 17.72% and 30.19% respectively, while that of the companies in Taiwan and Hong Kong achieved a slight increase of 3.98% and 1.69% respectively.

Specifically, listed companies from Taiwan achieved an average score of 68.68 which outperformed those in Hong Kong (59.65 points), Shanghai (43.04 points) and Shenzhen (34.80 points). Overall, companies in Taiwan were more instrumental in disclosing CSR information through multiple channels. For example, they were able to provide more comprehensive disclosure on their websites compared to companies in Hong Kong, Shanghai and Shenzhen.

Companies in Taiwan and Hong Kong followed a balanced stakeholder pattern that involved community, customers, employees, environment, government, investors and suppliers. On the other hand, companies in Shanghai and Shenzhen focused on compliance including the government and investors. On average, Shanghai, as a more mature market, showed better CSR performance.

Companies in Hong Kong engaged more with primary stakeholders (investor, customer, employee and supplier) than secondary stakeholders (community, environment, government), indicating a more market-oriented sustainability strategy. More focus was placed on CSR strategies related to their value chain development rather than societal stakeholders.

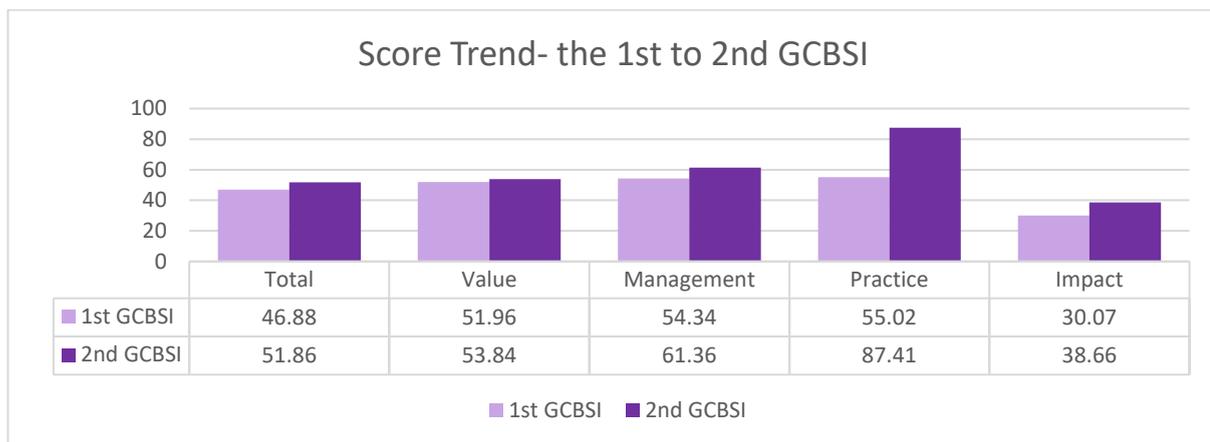
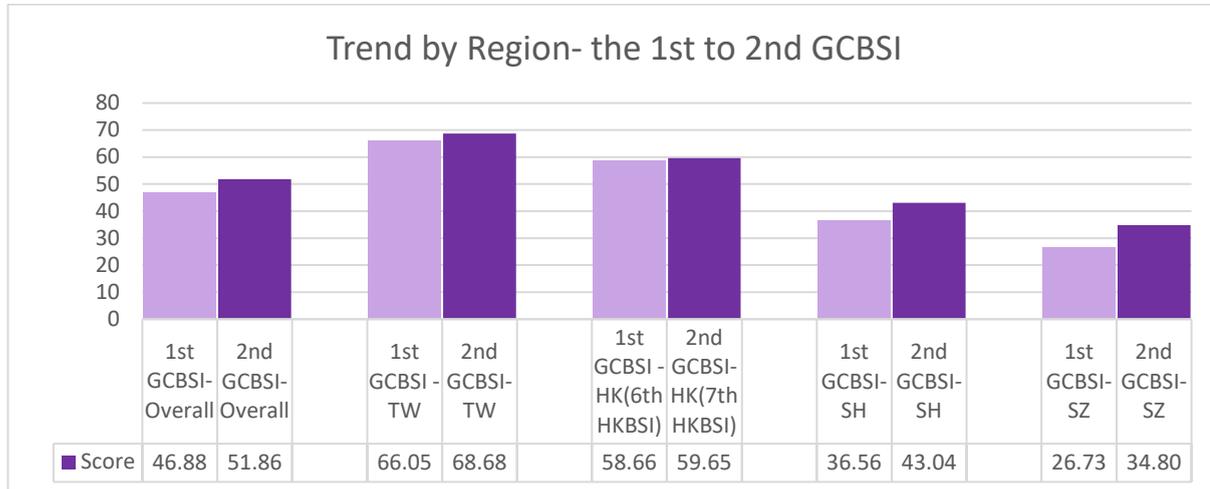
Since 2020, due to the pandemic, many companies tried to cope with the new emergency and started to reduce community practice such as volunteering projects and community support projects – reduced by 8% in Taiwan, 11.6% in Hong Kong and 9.4% in Shanghai (an increase of 25.9% was recorded in Shenzhen).

In terms of environmental practices, companies in Hong Kong and Taiwan reduced environmental practices by 9% and 3.9% respectively. Given the shrinking economy in 2020, many companies cut their budget for environmental donation and volunteering. Many companies also had to reduce or stop their production line and service, leaving less environmental footprint to be managed. On the other hand, companies in Shanghai and Shenzhen improved by 13.2% and 29% respectively, in response to China government's environmental pledges.



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## Overall VPI Scores – GCBSI



## The Top 10 GCBSI Company Ranking

| Ranking | Company Name                     |
|---------|----------------------------------|
| 1       | Hong Kong and China Gas Co. Ltd. |
| 2       | HSBC Holdings plc                |
| 3       | BOC Hong Kong (Holdings) Ltd     |
| 4       | Sun Hung Kai Properties Ltd      |
| 5       | Taiwan Mobile Co., Ltd.          |
| 6       | CTBC Financial Holding Co., Ltd. |
| 7       | Hang Seng Bank Ltd               |
| 8       | MTR Corporation Limited          |
| 9       | CLP Holdings Ltd.                |
| 10      | Wan Hai Lines Ltd                |

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