

# Bloomberg

## The Responsible Business Roadmap

What if dreamers never became doers? Where would we be if limits were never tested? Who says we shouldn't challenge what's possible or leap without looking? What if humanity's biggest questions were inspired by one thing, the belief that tomorrow can be better than today? What's your ambition?

**Mallika Kapur:** Good evening, and welcome to The Responsible Business Roadmap. I'm Mallika Kapur. I am the Deputy Global Editor of Bloomberg Live. Whether you're joining us virtually or you're here in the room with us, thank you so much for making the time to be with us. This is a pivotal time for the world. We face multiple challenges, whether it's geopolitics, a looming recession, climate change. There are so many challenges we face at the moment.

Of course, we do need to think about a roadmap toward solutions for this because what we do now, the decisions we make now, will affect the next decade and indeed our future. CEOs and executives have already started plotting out a roadmap and we're going to hear from them in just a minute. Tonight, we want to hear from you as well. Do participate in the conversations. The way you can do that is by scanning the QR code that you'll see on the postcards that were left on your seats.

Go ahead and scan those QR codes. That will allow you to submit questions. We encourage you to do that. Please send in your questions. The moderators, Madison and I, will try and get to as many of those questions as we can. Also, please engage with us on social media. We are active there. The hashtag is #responsibleroadmap. Talk to us on Twitter, LinkedIn, Facebook, Instagram. We're everywhere and we are active. Please do that.

We look forward to engaging with you there. Finally, I want to acknowledge and say a big thank you to our sponsor, Wipro, for making this evening possible. With that, I'm going to hand it over to my colleague, Madison.

**Madison Mills:** Hi, everyone. Thank you so much for giving us your first happy hour time at Davos. We really appreciate it. Thanks for being here. We're going to have a great conversation about building a responsible business roadmap as we head towards 2030. I'm going to jump right in because we don't have a lot of time, but just a reminder to submit your questions so that my job can be a little easier and we can get your questions in at the end of this panel here.

We've got Juvencio Maeztu, Deputy CEO of the Ingka Group, IKEA, Thierry Delaporte, CEO and Managing Director of Wipro, and we've got Barbara Frei, EVP and CEO of Industrial Automation and member of the executive committee at Schneider Electric. Please join me in welcoming them to the stage.

[applause]

**Madison:** Thank you.

**Madison:** Great. Thank you all so much for being here. We're very excited to kick things off with all of you. We come to Davos, as Mallika was mentioning, to talk about the world's biggest problems. In your companies, you get the opportunity to address some of those problems by building a sustainable business. The first question I have for all of you is what is your one-sentence pitch on what you hope to do at your business to build a responsible roadmap as we head towards 2030? Thierry, we'll start with you.

**Thierry Delaporte:** Okay. All right. Thank you, Madison. Good evening, everybody. It's great to see you all. Obviously, very important topic. I would say we definitely have a roadmap. What matters to me is that it is lived and embraced by every single one of my employees. Frankly, the objective I have for me is that, through all these different chapters, make sure that people know what to do and how to contribute and have an impact on it.

**Madison:** I love that one sentence. That was great. Barbara?

**Barbara Frei:** In Schneider Electric, we have reinvented ourselves during almost 200 years to be where we are today. We are a completely different company than we were 100 years ago. I think we have the simple sentence, you need to do well to do good. I think we started also to have our first sustainability report almost 20 years ago when nobody was really thinking about it. That's the guiding thing now going also towards 2030, 2040, and 2050.

**Madison:** Yes. Great. You then.

**Jesper Brodin:** It's good business. To be good business it has to be and it should be. For us, it's about integrating sustainability inside the business model to build a new low-cost economy, to make a better life for the many people more affordable and sustainable.

**Madison:** Perfect. Thierry, I want to start by digging into what you mentioned. It sounds like leaning into culture is really important to you. What is the first step that you take when coming in as CEO right before a global pandemic or right after, I believe. What do you do to institute that good culture at your company?

**Thierry:** First of all, I joined Wipro on July 6th, 2020, right in the middle of the pandemic.

**Madison:** Right. In the thick of it.

**Thierry:** I'm one of these who has tried to do his job from his bedroom basically at the beginning. That was quite special. When we look at being responsible there's multiple angles to that. You have an angle which is how do we make sure that as a company we carry the right values of integrity, the values of authenticity, being just sincere in what we are doing. Diversity. How do we deploy diversity? How do we become a company that is truly global and embrace diversity and inclusion?

Social good. How on earth could we focus on driving objectives, targets, drive performance without paying attention to what it can have as an impact to the social good? One thing I am incredibly proud of, and not me, I inherited it, Wipro is a

unique company. Wipro has a founder. The founder chairman, Hasham Premji, created a philanthropic foundation with an endowment which makes it the fifth largest foundation in the world. Two third of the equity ownership of Wipro is revocably committed to this foundation trust.

Imagine that every time we perform more, every time we do a better results at the end of the day two third of it will actually serve for social good in the world. That is something that is driving obviously a lot of excitement, but also a sense of belonging in the organization across the 260,000 employees. The final point obviously is around sustainability, talking about the environment.

We'll probably talk more about that, but whether it is in the way we are being clean, focused on the net zero emission, how we are making sure that we are contributing to the macro target set around the world, but also how do we advise our clients as consultants, as partners about how they can do a good job as well. This is a massive--

**Madison:** That's a lot of stuff. It's not an easy job to be the CEO of a big company, I imagine. You've got a lot on your plate. Barbara, I want to talk a little bit about what Thierry was mentioning, sustainability. That can mean so many different things. What does it mean to you?

**Barbara:** Sustainability, as we see it in Schneider Electric, has different dimensions. On one hand, it's really the CO2 emissions, the climate targets that we have, the pledge that we have set, and working towards it. There is a good way and trajectory now because for the first time since many, many years the short-term goals and the medium-term goals are coming together. We need to save energy short term, and this will help our midterm goals.

It's not only this one. As you mentioned, it's diversity. We have clear plans how we want to hire diversity, not only in gender, but also in age, experience, et cetera, in the different continents. It's also biodiversity where we put the big emphasis on. Then also in the local community, in Schneider Electric, we empower a lot the local organizations. Each local organization has also the mandate to do good things in their community and really drive those projects.

I think these are around 11 goals we are pursuing in a relatively strict manner and has been proven to be successful.

**Madison:** How do you reach out to those local organizations and what are some of the challenges of going local? How do you do that successfully?

**Barbara:** It's very much about trust. You need strong local leaders. I think the trust to the local leaders is really a key ingredient. The local leaders then will based on the input also from what we put globally the initiatives locally. Of course, you need to adopt them. You cannot talk in all the environment about LGBTI. You cannot talk about in all the environments about certain things. We adopted according to the culture also, and that makes it really powerful, but again, trust is a big element in really being successful in your rollout.

**Madison:** We're going to talk more about that as well, but I want to go to you. Let me ask the group, who here has IKEA products in your home? Anyone? Okay, great. Love that. I live in New York City, so it's pretty much my entire apartment, so I'm very excited to get to ask you some questions about the company.

**Thierry:** You want to ask for discounts, maybe?

**Madison:** Well, I would never do such a thing as a journalist, please. You're CEO, Jesper, and I know that you work with him, of course, has said that people, they're not going to pay a premium for sustainability, they expect the company to take the hit before they do. What does that look like in practice? How do you do that?

**Jesper:** I think it's a good question. We clarify internally what performance looks like. How do we know we are doing a good job? How do we evaluate people because this is the way to measure exactly the question you're asking. We clarify internally that, for us, performance is about creating value in four things. One is a better homes for the many people in the product we offer, but also in the way that this product contribute to a better life, for example, in reducing water, or reducing waste, or reducing electricity.

The second thing is about better life for the many people, which is our own employees or coworker, which is a supply chain, but also it's about the many people we touch, and this is about gender equality, pay gap, diversity, inclusion. It's heavily about securing the people side of the sustainability, not only the climate side, but the social dimension is quite relevant.

The third one is about better planet for all. We have decided to become climate positive by 2030 by reducing more greenhouse gas emission that we create, and finally, it's about better company for the long term, where the company has to be sustainable. That's why we have very conservative financial policies, and then similar to Wipro we are owned by a foundation.

There's no dividend that goes to the private pocket of any shareholder. In that sense, the ultimate goal of the company is to support the many people via our business, so the business is a means to achieve something greater, and then of course, to support the Ingka Foundation to achieve its charitable purpose. When you clarify this, you eliminate or mitigate the dilemmas, let's say, the planet or the wallet.

I don't know anyone who wants to destroy the planet, but I know many people who are lost in the house. By moving from dilemmas to polarities, we amplify the framework. This is what a good performance at the end of the day should be.

**Madison:** Well, this is exactly what I want to pick up on, because like you said, not everyone has the luxury to not have to necessarily decide between wallet and climate. I wonder if given your perspectives, you have advice for others? Thierry, I want to start with you. For others in the room who do have to think about that capital allocation, who are thinking, I have to take money away from this pile to put it into the sustainability pile, what's your advice to them on how to make those choices?

**Thierry:** I'm not sure I can give any advice. I think I would only reflect on how I'm doing it and if ever it can be applied to any other business. Certainly, when you look

at an investment, it's clear that you could either say, "I'm going to focus on the return on investment and the payback and completely ignore the social aspect of it." I like what you said, Juvencio, which is wallet or planet.

I'd like to say that you need to shift from shareholder capitalism to stakeholder capitalism, which is really instead of only managing your shareholders, you certainly need to manage them, but you need to manage all the stakeholders, which are your employees, their families, your suppliers, your clients, and the partners, the ecosystem, the entire environment. When you do reflect on it seriously, then decisions about investing in an area that is sustainable or not takes a very different dimension in my view.

**Madison:** It's really critical. I wonder to what extent for all of you your employees push the envelope a little bit as well when it comes to these conversations. Barbara, I wonder if you can talk about the next generation of workers who are coming to your company. Do you find that younger folks, Gen Z folks, are coming in and demanding what they want to see from a company that they work for?

**Barbara:** Absolutely, that's on the agenda every day. This is why I think today you have to be a company who puts sustainability on the forefront of the business model because otherwise, you don't attract any more talents. I'm absolutely convinced to be a great company you need to attract great people.

Of course, it helps if you are very advanced in saying, "Hey, look, this is what we do as a company. Not only that we want to be sustainable in the way how we operate, we also want to be sustainable for our customers. The solution that we bring to our customer helps them to save energy, they become more productive, they can decarbonize their production." I think that's extremely attractive for young people to jump in. We are also challenged, and of course, on many levels. There's never enough in that sense.

**Madison:** Thierry, I saw you shaking your head at that. Did you want to add anything?

**Thierry:** You talk about the employees. I've no doubt that they really have a deep understanding of what it means and what they would expect the companies to do. I'm pretty sure that it happens that we disappoint them because of all the different priorities of the day. I think for them to feel they play a key role, they need to get a certain transparency, a visibility on the metrics. That's where measuring all these different aspects of what it is to be responsible. It doesn't mean that having metrics is all. I think it's not enough.

**Barbara:** You mean our sustainability index, for instance.

**Thierry:** Correct, exactly, but having it visible and broken down into elements that people feel I can contribute to it makes a huge difference. If suddenly you realize-- I take a small example in our industry which is that, actually, consultants travel. Before the pandemic, consultants were traveling systematically to visit clients. With the COVID pandemic, we actually realized that you can do a great job and continue to be quite productive without having to travel. What does it change?

Now it doesn't mean you want your people to stay at home every day. It's a lot more complex. You probably want to give them the tools that they have the ability to make the right decisions and decide whether it makes sense or not to travel and be just more conscious.

**Madison:** It's not just your employees getting in on the sustainability goals, but it's also your consumers. I wonder if you can talk about that from the perspective of IKEA with the circular economy approach that you have.

**Jesper:** It's a good question both the co-worker and the consumer because at the end of the day, why do we need to be sustainable? It's because the consumer demands you to do that, the co-workers demands you to do that, but also the business demands you to do that because somehow people are waiting, but sometimes it's too early, and sometimes it's too late, so you have to act. In the consumer, we run this big survey with thousands of consumers around the world, and then 9 out of 10 were really worry about the climate, 7 out of 10 wanted to take action, and only 4 out of 10 were taking enough actions.

There is a big gap in between what consumers really want to and the lack of knowledge and the solution. We have to help consumer for a better life at home. This is the role we have. How can we really provide a solution to the consumer? We touch the life of many people, billions of people in the world, and we have a big responsibility to support consumer. It has to be affordable. You cannot pay a premium.

The day sustainability is expensive, it's gone. The only way is to build economy of scale to be really the technology that helps you to make it really the new low-cost model and being smart in resources. It should be smart in climate and low cost. That's what they merge beautifully per percent profit.

**Madison:** Barbara, did you want to add to that?

**Barbara:** I think it's very much people always think, and we touch it now several times, you have to compromise between sustainability and making a business, and I fully disagree with that statement. The technology to really reduce CO2 emissions is here. It has even become more affordable in the last 10 years because we have all the means for digitalization, and that's the starting point of every reduction. You need first to measure, and then you need to see what kind of status you are, and then you can reduce it.

It's really important end to end that you're going to implement it. I buy the wood from someone. The wood is produced in a certain way. We have from mines the material. Everyone in this chain has to really follow this one. That's why I'm absolutely convinced it's not a compromise, it's always a business. I think this has come to an acceleration I have never seen before, and I think this is extremely positive.

**Madison:** Do you think we're past having to talk to each other about the business case for climate change, or does everyone get that now, or are we still needing to have that conversation?

**Thierry:** I believe that you can have a rational approach to this topic. I think you need it. It's part of the business case. You do need a business case, but it's part of the business case. The fact that it's driving good for the planet is part of the business case.

**Jesper:** I agree entirely with you, Thierry. As an example, we invested in a company called RetourMatras. Only that company recycling 1 million mattresses in the Netherlands. 1 million.

**Barbara:** 1 million?

**Jesper:** 1 million.

**Barbara:** Just in the Netherlands.

**Jesper:** Only in the Netherlands. There are 40 million mattresses to be recycled in Europe. 40 million mattresses is 3 billions tons of less CO2, and then this company is profitable today. Then of course, you need to partner not only with the industry, and you need to partner with governments. The business case works when you really come together. No one can solve everything, but everybody has to do something. When you combine that, the business works

**Madison:** As Barbara, you said earlier when we were talking, you can't do it alone.

**Barbara:** Yes. You have to work in a ecosystem. Exactly like the circular economy it's really, really important also in our business, but it's a heck lot of work to make it happen. We make it happen in some countries because we know the installed base, but as soon as it goes into the widespread of the global business, it's very demanding. You need to work together between regulator, between the different stakeholders in the whole chain to make it happen. That's exactly where the World Economic Forum can play a very good role here to make this coming together because, again, you need to do it together in that sense.

**Madison:** Where do you see more opportunity for partnership? Is it from governments who could regulate in a way that makes it easier to do what you want to do, or is it maybe from competitors who you could team up with to achieve some of your goals? Where do you see more opportunity, Thierry?

**Thierry:** I think you laid it out. I think there are situations where competitive companies from a given industry must sit down together and review and agree to things the way to address some of the issues that are pan industries. I think not doing it is criminal. I think it's not necessarily always easy, but I think it should be the responsibility of the leaders to look at that and reflect on it and see, as leaders, how do we collectively agree to that.

Then you said it, I think companies can have-- I've sense it over the last years that companies they feel they have a bigger role to play with the local regulations and with the different agencies and governments. I frankly feel that there's always more that we should do, but there is a lot where companies are driving change and forcing those regulations to be addressed and reconsidered. I absolutely agree. You always

feel when you look at those topics around sustainability or even being social engagement that you cannot do much alone, but everyone has to contribute, right?

**Madison:** Right. Consumer, coworker, CEO, governments, we've all got to get in on this fight. I'm going to go to audience questions in a moment, but I want to ask all of you to give me a one-sentence answer again if I can be so selfish as to do that. Can all of you quickly tell me the one solution that's giving you the most hope right now when it comes to your sustainability goals? Barbara, I'll start with you.

**Barbara:** It's easy for me.

**Madison:** Yes. [chuckles]

**Barbara:** I'm passionate about energy savings. This is a great time now to really get the momentum on energy savings with such high energy prices. That's for me the biggest wish, so to say.

**Jesper:** If I continue with the energy, we started to invest in energy years ago. We have invested more than €3 billion in renewable, basically in wind and solar. Today we produce more energy and the energy we consume. It's actually working from the PNL, from the financial point of view as well. This is giving a little credibility that we can do more. We will do 100% EV, 100% heating and cooling, so everything will work in that way. The basic thing, if there is only one, is be close with the many people. This is where we play a big role in society. The closer we are to the life of the many people, the better for the society.

**Madison:** Thierry?

**Thierry:** Technology plays a key role in addressing a lot of these issues. I think we have not only the opportunity to work on technology, our employees are experts in technology, but they also are very-- they understand well the environment for our clients. We have this opportunity to contribute not only in our sphere but also in our interactions with our clients in particular. That's where I feel we have the biggest impact, and that's where our people love engaging because they feel that suddenly the potential of impact of their action is really multiple folds.

**Madison:** Well said. We are going to get to the audience questions now. If you have one and you haven't submitted it yet, this is the final moment to attempt to get a question up here. We have a question from Sandre on corporate social responsibilities saying, "While CSR is at the heart of a firm's community involvement, should governments be specific with areas firms should engage basis a nation's developmental priorities, say a social impact program that's measured for results?" I wonder, Barbara, if you want to talk about that.

**Barbara:** Is the question going to the direction should we add like a financials-- how we do the financial KPIs or--

**Madison:** I think the way I'm understanding it is--

**Barbara:** Yes.

**Madison:** Hello, yes.



[laughter]

**Madison:** Perfect.

**Sandre:** I think what we're seeing is especially in emerging countries where corporates are really involved from the CSR perspective because it's a mandate that they got to do it from the financial perspective. I'm wondering whether there's a way to do it from a social impact perspective because I see a lot of the value being lost. Therefore, I mean, given that the three of you are at the heart of many of the decisions, is it something you want from government or is it something you want private sector to be playing that role?

**Thierry:** Absolutely true. Indeed if you look at the world, I mean, every countries or every government has its own policies and focus and priorities. You mentioned, it's level of development, different level of priorities to what's one of the different chapters of sustainability, if you like, in broad terms. I think, absolutely, governments mandating is always triggering a lot of thinking and action on the company side.

I think companies must push as well because I think companies need clearance. The difficulty for a global company is to deal with all those different regulations around the world. It would be so great if we could have, obviously, someone who's being naive to believe that it's possible. As much as we harmonize across countries, for companies, when we deploy something, we can deploy it around the world and that is-- At the end of the day, we need to push on both sides.

**Barbara:** Fully agree to that one. It needs both. For instance, we had in China an initiative running for the Green Yoda, we called it, where we really wanted to be a role model in the different provinces. How can you be a smarter and the greener company, helping to save energy, to be more sustainable? It got some momentum. On the other side, the government was really looking for these kind of things. We also got appraised by this one. It needs both sides on it.

**Jesper:** I can't hardly agree more. Companies, we have a big role to play. I agree entirely with the government, but let's start also with the companies as well. It's not about being climate positive. It's about reducing inequality that comes from the climate change. It's about the transition. It's about the society coming after the planet. We do this working with other social program, a skill for employment, and then, supporting refugees also to have opportunities. IKEA Foundation is supporting massively, both in the better livelihood for the many people. Climate and people are extremely connected, and we have a big role to play.

**Madison:** I want to try to squeeze in this last question from Henry because I really wished I'd asked this. This is a great question. Do you have a company internal price on carbon or other guardrails to decarbonize and get to net zero?

**Barbara:** A price?

**Madison:** Yes. Do you charge yourself, basically? Do you tax yourself every time you have to use.

**Jesper:** Can I say something here? Because I have two views here. On one side, I think carbon tax is good to measure the cost. However, my strong belief is that's not enough because you can still approve investments.

**Barbara:** Is it €60, €100? What is it?

**Jesper:** Applying the carbon tax. The important thing is not the carbon tax. The important thing is that you build in the decision-making of the company all the sustainability standards, and if you don't pass that, then you don't approve the investment. The carbon tax, it's a reactive way. It's good, but it's not enough. The important thing is that all investment follow the standards.

**Barbara:** I fully agree with the statements. It starts with the R&D process, it goes to how you purchase, it goes to the whole company. That's the decision thing. We also don't have a carbon tax internally.

**Madison:** Being proactive instead of reactive.

**Barbara:** Correct.

**Thierry:** Absolutely. Same at Wipro. Absolutely.

**Madison:** Great. I think that's a lovely place to leave it. Thank you all so much for listening, your great questions.

**Thierry:** Thank you.

**Madison:** Thank you to our panelists. Thank you so much. I'll hand it over to Mallika.

**Thierry:** Thank you, Madison.

[applause]

[music]

**Mallika:** That was such a great conversation, and I hope you enjoyed it as much as I did. One of the pieces of advice that came from this conversation was for businesses to stay close to people. That's such a perfect segue into our next interview because the role of our next CEO is to do just that, is to bring people closer together and to connect people. Please join me in giving a really warm welcome to the CEO of one of the largest online travel platforms in the world. She's here from China. Please, a warm welcome for Jane Sun, the CEO of Trip.com.

[applause]

**Mallika:** Jane, it's great to see you.

**Jane Sun:** Thank you. Thanks for having me.

**Mallika:** My first question, of course, is it's just been a few days since China has opened up. You're the CEO of a travel platform. What has this meant for you? What's it been like?

**Jane:** We are very excited to see finally the world is opening up. From our back-end data, the demand is such very quickly. Domestically, our number already recovered to 2019 level. Outside of China, for the foreign friends, they are also traveling with three-digits growth. The most challenging piece will be cross-border because the capacity still needs to be built. We're hoping during the second half of the year, everything will be back to normal.

**Mallika:** Now, the travel and tourism sector is, of course, under enormous pressure to become more responsible, to become more sustainable, basically, to become greener. You are part of a travel platform. How is Trip.com responding to that pressure?

**Jane:** We are very committed to net zero. Our company promote a concept of three Rs: reduce, reuse, recycle. I think if we push it to extreme cases, not traveling, that is going back to COVID. During that past three years, pretty much travel was zero, and obviously, it's not going to work. How we can bring the responsible travel into the ecosystem, we promote the three R concept. When we bring customers all over the world, we want them to be a diplomats for responsible travel.

They need to reduce the usage of plastic, reduce the usage of water, et cetera, and the resources, reuse. If you do have to use some of the materials, we encourage them to reuse them and recycle. If you have to use it and discard it, we need to recycle them. That is very deeply rooted in our consumer's behavior. Also when we design our product, we need to make sure our customers choose the most green products when they make a decision.

For example, we encourage our hotel partners to join us for the green travel initiatives. We make a label for the hotels who join our alliance so that consumers can be informed to choose one hotel versus another. Secondly, when they make a choice on the airlines, we also calculate the emission. Consumers also can prioritize their choices by selecting the airplane that emits the least carbons. Certainly, we promote public transportation.

For example, when we travel into London, instead of calling taxi, we can use public transportation by using subways, using train to travel around the continent. Lastly, we also promote long stay or group meetings. Meetings like this really save us to travel because in one week we can meet global CEOs, global leaders, rather than travel from London to France to New York. That can also save quite a lot. These are the measures we put in place to encourage our customers to be a responsible travelers.

**Mallika:** I want to talk more about customers in a minute, but before that, I'm curious, you work with multiple partners, so many different airlines, hotels. Is there a criteria? Does a hotel have to meet a certain green standard or an airline a certain standard before they can list on your platform?

**Jane:** Yes. Different travel organization already published their criteria. For example, WTTC, world tourism and travel organization, they also publish the green criteria pretty much similar. We pretty much embedded our three Rs into these criteria.

**Mallika:** Let's talk about customers, and I want to bring you all in here. I'm just curious what is the first thing you look at when you decide to buy a plane ticket? Just very informally, raise your hands if it's price. Really, two people? Okay. We're getting a few more. Is it the duration, whether you're flying direct or via? Oh, more for that.

**Jane:** Yes, because this is a business group, high-end customers.

**Mallika:** That is true. [laughs]

**Jane:** How about destination? How many customers decide their vacation based on their destination? Okay.

**Mallika:** Okay. How many of you look at the carbon footprint of your journey and make that a deciding factor? Jane, that's what we need to change, right?

**Jane:** Right. Yes. A very typical pool is that with this forum I expect direct flights will be the majority of the choices. If you go to university, on the other hand, price is the first priority because of the different status. When I was a student I would do multiple stops in order to get some savings. That's normal. Basically depending on your economic status and also the value of your time, different customers will have different perspective.

What we are hoping for is that when you are travel, you can also do everything you can to conserve energy, conserve resources. For our customer, we give them loyalty points. If they donate these loyalty points, we'll double that and make sure we buy credits to offset carbon footprint.

**Mallika:** When you're searching on a platform for a holiday or a business trip or whatever, there are filters and you can choose your filters. You can search according to the time of day you want to travel, cheapest to highest, highest to lowest fare. When are we going to see a time when carbon footprint is an option that you can choose? You don't see it on many.

**Jane:** We do. When you select trip products for flight, you have a selection, a sorting criteria for carbon emission and you can select flights according to that.

**Mallika:** According to that. If we have to all start, we need a shift in our mindset for that. How has the pandemic changed a consumer's view on travel? Do you think the fact that we were all forced to slow down is changing the way consumers are thinking about travel, or is ecotourism is something that we're just not ready for yet?

**Jane:** I think we have seen the trends we call four S's. The first S is safety driven. More and more customers really want to be very well protected when they're traveling. We are working with our airline partners, hotel partners to make sure they put in safety measures to protect our customers when they come abroad. The second way is smaller group. Consumers, rather than get on the bus with 50 people, sometimes they prefer to travel with their families and close friends.

The third way is short booking window because they don't know what's going on, when is the outbreak. They choose to do a short booking window. Last one is very encouraging. Our young travelers is very sustainable driven. They want to travel to

places that is with sustainable products. That is why we are building our product and consumers can select based on the sustainability.

**Mallika:** Now sustainability is one issue, but for a business to be responsible, there are many other ways you can create that responsible roadmap. I know for you personally, getting more women into the workforce is really, really important. Give us some numbers. Tell us exactly what the makeup of your workforce is now, men, women.

**Jane:** Sure. We do quite a lot to empower the female leadership. When a female is pregnant, we offer free taxi to bring her to work and bring her to home after work. When the baby is born, we give them 800 as a welcome gift, 3000 as education fee. When they come back to work, we build very nice nursing rooms and offer flexible working hours for them. Still, that's not enough.

We realize that for many outstanding female students when they got their PhD, normally they're at the age of 27 or 28. Doctors will classify any pregnancy after age 35 as a high-risk pregnancy. Between 28 to 35, you only have 7 years to build a career, build a family, and have a kid. That's very short. We continuously think about the ways to alleviate pressure for females. What we offer right now is if our female workers wants to use high technology to have their eggs frozen, who will pay for it?

That's very progressive. As a result, more than 50% of the workforce are females and more than 40% of the middle managers are females and more than one-third of the executives are females. That number is outstanding, particularly in the high-tech industry. I still think we can do more.

**Mallika:** Those numbers are hugely impressive. Those policies which target women specifically, it goes a long way, I think, in retaining women because very often the issue is not bringing women into the workforce, it's preventing them from leaving at the whole leaky pipeline issue.

**Jane:** I think it's very important to have female leadership at senior level at board level. To give you an example, one time when we have our quarterly offsite meeting we always go somewhere that's far away from your normal working environment. One time I realized one of the person just had a baby. I had two children as a working mother. I went to her and I offer, "You can bring your baby and you can bring a nanny with you. During the meeting break, feel free to go to the room and nurse your baby and come back. Feel free to do so."

She was very appreciative because I know, as a working mother, if you stop breastfeeding your baby for one day, your milk will disappear. It's a very small thing to do, but it's so significant for their family. Her family, herself is very grateful for what we did for the family. I think very few employee will have courage to come to a CEO and ask if I can bring a baby with me to the business trip, but if you have a working mother at the executive level or board level, it's a very small thing to do, yet it brings such a good gratitude from your workforce.

**Mallika:** Oh, absolutely. Just a reminder to everyone to send in your questions. I do have the iPad here where I can see your questions coming in. Please go ahead and use the app that you have. I want to go back to one thing we touched upon, which is

local communities. That's another part that you've been very focused on in another way. I know it's another stop on your roadmap to create a responsible business.

Over the last three years when international travel didn't happen from China, tell us about how you looked inward and your work with local communities.

**Jane:** We realized that there are many beautiful places in a remote area, which is very backwards. Our high-end customers want to go there to visit, yet there is no good hotels. Instead of having the female workers leave their hometown, leave their children behind, come to metropolitans to make a living, we thought about a way that we build very good resorts, Trip.com resorts, in the very remote area. We hire local people, local women, and they are engaged to make meals, make tea, make handcrafts, educating the city kids.

We ask the city kids to bring 10 books. When they go to this remote area, they read with the farmers' kids, make meals with the mothers in the countryside. The salary we pay these local employees are much higher than local level. They're making a much better living by working with us. The children from the coastal area, wealthy area, learn so much about farming, about the poverty in the countryside, and they can feel very much engaged with the local community.

We also encourage our travelers if they have a chance, they can also invite the kids from the remote area to go to Shanghai, Beijing, and for them to see a different side of the world.

**Mallika:** We've talked about being greener, about supporting women, about supporting local communities. What according to you defines a responsible travel company? What makes a travel platform responsible?

**Jane:** Travel is very essential for our daily work because travel brings about 10% of the global job opportunities as well as GDP. Stop traveling is not a solution for ESG, because you may address the E but you're not responsible for S. We need to take a very good view to make sure we address all the issues. When we bring people to the world, we are hoping, particularly during this challenging time where we have lots of challenges around the world, our mission is while we are sending people further away, we are bringing the world closer.

Travel is one of the channels that we can use to really enhance the understanding from different nation, different race, different religions, and promote global peace. For me using travel to bring people together build a community with the commitment in net zero, with a commitment to promote global peace is the responsible way for a travel platform.

**Mallika:** You've mentioned ESG, and this is something that's-- It's a topic that's already started coming up here in Davos quite a bit. It's become a little bit controversial now because there is backlash against ESG, and especially the financial services industry. I'm just wondering what your view is about the use of the term ESG within the travel industry. How does that sit with you?

**Jane:** ESG is very balanced because it's not only environment. We also talk about S, social responsibility, and governance. When we make our commitment, we need to

look at a comprehensive solution, not only one solution. As a company, as a community, we are very committed to the ESG.

**Mallika:** You released your inaugural Sustainable Travel Consumer Report in 2022, and that show the travelers do want to travel sustainably. If anything, what surprised you about your inaugural Sustainable Travel Consumer Report?

**Jane:** What really pleased me is to see how new generation are committed to ESG. If you look at our children, their generation, they talk to me consistently. They said, "Your generation, our generation before us, created the problem. We need to solve this together." They're very committed. I'm very pleased to see that. I see the hope from our future generation. We owe them a duty to solve the issue with them.

**Mallika:** What are some of the challenges that you worry about when you want to fill the next generation with hope, you want to create a greener environment, a greener travel industry for them? What's the main stumbling block? What do you think is?

**Jane:** I think we need to not only conserve energy and do everything we can with our understanding, we also need to invest in major technology breakthrough. I was very encouraged.

**Mallika:** You got the right people here.

**Jane:** Yes. I was very encouraged to see Lawrence Livermore results on the nuclear energy had a major breakthrough. Right now it's only at the lab level. It probably will bring forward 10 years, reduce our carbon emission goal 10 years if it works in a scalable manner. As organization, if we can commit to more dollar amount for technology breakthrough coupling with our efforts based on the current knowledge, that might move our steps much further.

**Mallika:** We're at the start of 2023. What is a short-term goal for you? What do you hope that the travel industry can achieve in the very short term, say in 2023? What could happen should happen, that fills you with hope?

**Jane:** 2023 is going to be a year for revival. We are very hopeful. Look at the people who come here, everyone has a very strong mission, not only do well but also do good. We're hoping that during the first half of the year, the global travel industry can reboot its capacity to the normal level, and then the second half will be back to normal.

**Mallika:** I hope so too, Jane Sun. Thank you so much for being here. Lovely to see you outside of China over here.

**Jane:** Thank you.

**Mallika:** Thank you so much.

**Jane:** Thank you so much for having me. Thanks for your time.

[applause]

**Mallika:** Thank you so much.

**Jane:** Thank you so much.

**Mallika:** With that, we wrap up this hour. I just want to thank all of you for being such a great audience. Thank you to all our speakers and our moderator, Madison, and a big thank you to our sponsor, Wipro, for making this evening possible. I hope you enjoy the rest of your time in Davos. Thank you. Have a great evening.

**Jane:** Thank you.