

# *Continual Covid-19 Impact and Business Sustainable Development*

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**Abstract:** In 2020, Covid-19 have caused various impacts on people's life, and even on the whole society. At this crucial moment, it is important for enterprises to implement policies to deal with this huge storm in economy. This thesis is going to give one example as a case study to analyze how to deal with social problems based on business sustainable development. Most findings focus on the environmental protection of sustainable development, however, according to case study, there are more aspects to be taken into consideration. Therefore, this thesis aims at concluding other two aspects: employee protection and technological combination, and how two aspects play a role in enterprise's development, and providing further suggestions for enterprises in the future.

## **1. Introduction**

The Covid-19 pandemic has had a severe impact on people's lives and disturbed economic orders. With increasing death numbers, more and more countries are faced up with social crisis. As data shows, more than 460,000 enterprises were closed in the first quarter of 2020 in China, which causes increasing numbers of unemployment. Some big companies are also forced to take their social responsibilities to solve social problems. The slow speed to deal with the pandemic can lead to serious problems to the whole society, thus, the public express the hope that some companies can play a vital role in supporting medical service, food delivery, garbage collection and transportation, and pay attention to improving the living quality of frontline people.

Under the background, it is important for companies to consider how to achieve the business sustainable development and their corporate social responsibility (CSR).

This thesis will take SF Holdings (SF) as a case study to analyze how this company reacted to the pandemic, and where its values exist from three aspects. Then, some suggestions for further companies on how to build up CSR and its importance will be concluded in the last chapter.

## 2. Literature Review

### 2.1. Business Sustainable Development

#### 2.1.1. Definition

Although the idea of sustainable development is becoming more widely accepted, many corporate leaders are unfamiliar with it. The concept largely stays theoretical and abstract. It's a widely recognized business idea that an organization's capital should be protected. Organizations do not, however, frequently consider the possibilities of applying this idea to the planet's natural and human resources. Sustainable development must be incorporated into business planning and monitoring systems if it is to reach its full potential. To achieve this, the idea must be expressed in language that business owners are familiar with. It is advised to use the following definition:

For the business, sustainability involves implementing business plans and initiatives that address the demands of the organization and its stakeholders now while safeguarding, sustaining, and improving the natural and human resources that will be required in the future.

A healthy environment and economy definitely benefit businesses when viewed from a broader viewpoint. Globally, the strongest chances for market expansion will come from developing nations with growing and stable economies.

#### 2.1.2. Potential Benefits and Practical Measures

Sustainable business development can bring a number of positive signs of change. According to the organisation for economic co-operation and development, "There is now a chance for environmental and economic factors to work together, gradually incorporating these goals into legislation". Sustainable development can also improve management systems. It must be integrated into a company's policies and processes. It necessitates a shift in cultural emphasis as well as major advancements in techniques, methods, and procedures.

According to Business Strategy for Sustainable Development, there are some practical measures to indicate how to build up a company based on sustainable development.

Do a stakeholder analysis first. To determine who is directly or indirectly impacted by the company's activity, a stakeholder analysis is required. It outlines the issues, worries, and information needs of stakeholders in regard to the sustainable development initiatives of the organization. Business operations are increasingly intricate and regulated today. For the activities, numerous rules and regulations have been enacted. Future generations and natural resources are included in the stakeholder group as a result of sustainable development.

Secondly, to set sustainable development policies and goals. Environmental protection is only one aspect of sustainable development; it also addresses social issues like poverty alleviation and issues with education. Making sure management policies, objectives, and systems are in place is a difficult responsibility for directors and senior management.

To create a positive business culture is the third goal. It is crucial to make sure that the business and its personnel respect the company culture and policy framework.

Most of articles have talked about what benefits companies can get from if they implement their policies on sustainable development from perspectives of management and focus on some companies costing lots of energy. Stan Abraham (2013) [1] noted that the business strategy does not specify how to deliver unique value to meet customer needs. Haryati N. (2021) [2] examined how the canvas business model's nine components simplified the operation of the company. To keep the firm going, diversify the items, offer cooking classes, and mostly use online promotion. Political ties are growing as environmental legislation lessens the negative correlation between business

strategy and green innovation, according to Liu Chen and Kong Dongmin (2020) [4]. Han Ning (2022) [5] deeply discusses the issue of green innovation and enterprise sustainable development performance.

Based on the analysis, sustainable development can be easily developed from environment protection, however, with the fast-paced society, sustainability needs to consider more aspects of society.

## 2.2. Impacts of the Pandemic and New Trend

The pandemic has not only left a huge influence on public health, but also on economic development and provides the public a new trend for further economic development.

Some articles analyzed the important service in our life during the pandemic. Some articles analyzed investment strategies during the pandemic. Fu Han (2022) [10] found that the company business strategy optimization is becoming increasingly significant in the era of the digital economy, especially amid the COVID-19 pandemic. The value of pensions or individual savings accounts may change significantly due to movements in stock markets, where shares of firms are bought and sold. In 2020, the FTSE dropped 14.3%, which was a record low since 2008.

However, these impacts not only affect companies, more importantly, this means a difficult year for job seekers. According to the IMF, a ten-year period of employment growth came to an end in the United States when the percentage of unemployed people reached an annual total of 8.9%. Also, the airlines' decreased flight schedules and consumers' cancellation of vacations and business trips have seriously hurt the tourism industry. Therefore, all these influences can cause severe social problems. If one company wants to develop a sustainable form and to better meet up with challenges in this new era, it needs to take into account not only the environment, but also employment and other aspects [6-7].

## 2.3. Conclusion

Nowadays, enterprises are faced with more challenging social environment. It is not enough to only consider environmental protection like manufacturing enterprises, however, affected by the continual impacts of the pandemic, enterprises need to consider more aspects as mentioned in the book *Business Strategy for Sustainable Development* [8-9].

In addition, it is lack of specific example which uses the rules well. Therefore, based on the former studies, the following case study will focus on one specific example and how the enterprise reacted to the pandemic.

## 3. Case Analysis

### 3.1. Introduction

In 1993, SF Holding (SF) was founded in Shunde, Guangdong Province. The China Securities Regulatory Commission granted SF's application to list on a stock exchange on December 12, 2016, and on February 24 of 2017 the company's name was changed to SF Holding (SZSE:002352).

One of the top Chinese companies offering integrated express logistics services is SF. After years of work, SF now has a basic level of capability to provide its clients integrated one-stop logistics solutions, including warehousing management, sales forecasting, big data analytics, and financial management. Fast delivery service, freight service, cold chain service, pharmaceutical service, and international service are the five service areas that SF offers [10-11].

SF is a smart logistics company who benefits from network scale.

## 3.2. Sustainable Goals

A three-level sustainability system has been built in SF. In order to coordinate the sustainable development of SFS, the office of the board of directors serves as the reference group for sustainable development. It is tasked with gathering suggestions from various stakeholders on various sustainable development projects, carefully weighing them, and presenting them to the board of directors. They oversee and direct the report's preparation as well [12-13].

### 3.2.1. Sustainable Transport

In order to reduce GHGS across the logistics life cycle, SF Holding has put in place a plan that makes use of green shipping, green transportation, and green packaging. Environmental and energy management systems have been put in place in SF. Table 1 shows the consumption of land and air transport resources 2019-20 of SF Holding. SF Holding received certifications for ISO14001 and ISO50001 in July and December of 2020, respectively. We have increased the coverage of carbon emissions data and included more leased or outsourced energy usage in the field of statistics and management to better meet carbon neutrality targets and climate change risks in 2020. SF Holding has increased its investments in new energy logistics trucks since the release of the three-year air pollution action plan. China has had the highest rate of new energy vehicle adoption. 17,053 new energy cars were put into service in 2020, a 50% increase over 2019, when 185 cities participated.

Table 1: Consumption of land and air transport resources 2019-20 of SF Holding

	unit	2019	2020
Transportation on land uses electricity	kW•h	74,324,061.4	117,336,376.5
Gasoline consumption of land transportation	L	206,472.0	69,067,775.7
Diesel consumption of land transportation	L	151,920,855.0	913,116,365.4
Total GHGs from land transportation	tCO2e	477,390.9	2,705,510.6
Kerosene consumption of aviation	T	240,125.0	500,657.7
Water consumption of ground aviation	T	39,557.5	39,116.0
Electricity consumption of ground aviation	kWh	4,072,429.9	7,731,677.5
Gasoline consumption of ground aviation	L	94,105.8	81,891.6
Diesel consumption of ground aviation	L	753,549.7	1,149,079.0
Total GHGs of land and air transportation	tCO2e	760,028.5	1,585,863.2

Date source: 2020 SF Sustainable Report

### 3.2.2. Employee Development and Care

SF has four principles in place to protect its employees. According to SF, it sees employees as one of the most precious "jewels" and the heart of the company's competitiveness. The rights and interests of workers are first and foremost protected. The following rules for the protection of human rights have been made by SF Holding and are outlined in the employee handbook and employment contract. SF Holding views the protection of human rights as the minimum need for offering an equal working environment. SF Holding and its subsidiaries' directors, officers, and staff members who work there on a full-time, part-time, or other ad hoc basis are subject to the policies. For the express Business Group's employees, SF Holding developed a wellness management system, supportive management guidelines for those dealing with significant illnesses, and an employee emergency care and handling mechanism. We have implemented an extensive system of well-being and care. In order to combine different employee types and offer useful

advantages, the social protection system has been created not only for all employees but also for a few specific social protection groups.

It also has guidelines for hiring and promoting employees. Using campus recruitment, internal orientation, and internet recruitment, SF Holding hired new staff. To satisfy the company's demand for talent in a timely manner, we have worked to ensure the delivery of high quality and appropriate people through a stringent, fair, fair, and open standardized recruitment procedure. Table 2 shows the various constituent structures of employees.

Table 2: SF Holding workforce data

			Unit: Persons	
	Category	2019	2020	
By gender	Male	450,106	540,956	
	Female	72,806	93,372	
By job functions	Management employees (including primary-level managers)	18,313	20,351	
	Functional employees	33,203	36,722	
	Primary-level employees	471,396	577,255	
By educational background	Bachelor's degree or above	34,729	41,577	
	College degree	83,641	105,869	
	High school/technical secondary school and below	404,542	486,882	

Date source: 2020 SF Sustainable Report

Finally, SF offers staff members training and growth opportunities. In addition to offering a newly updated SF instructor management system and course management system throughout the year, SF Holding is dedicated to providing employees with a scientific, comprehensive, and up-to-date training system. Based on the objective of creating the Internet University, he updated and modified the organizational structure and functional teams of SF University in 2020 and continued to develop a training platform. As shown in Table 3, SF Express offers various training courses.

Table 3: SF Holding workforce training data in 2020

	Category	Training coverage		Online training sessions	
		2019	2020	2019	2020
By gender	Male	81.9	77.2	3,345,835	5,126,141
	Female	69.2	68.6	696,463	1,112,298
By job function	Management employees	97.5	98.3	577,037	1,022,739
	Functional employees	87.0	90.4	792,194	1,261,115
	Primary-level employees	79.1	74.3	2,673,067	3,954,585

Date source: 2020 SF Sustainable Report

The protection of health and safety is of the utmost importance. According to the "people and safety first" policy, SF Holding always puts employee safety first. The business rigorously abides by all applicable rules and regulations, including the People's Republic of China's legislation on production safety, occupational illness prevention and control, and measures for the management of emergency plans for workplace safety accidents. The activities associated with the operation and management of express delivery services that are compatible with SF Holding's operations are covered by the ISO45001: 2018 certification (GB/T 45001: 2020) that SF Holding has attained.

The Personnel Safety Index and the quantity of on-site fire accidents are two quantitative health and safety metrics that SF is still keeping an eye on in relation to employee health and safety. The

loss of time injury rate has decreased year by year as shown in Figure 1, demonstrating improved production performance in terms of safety.

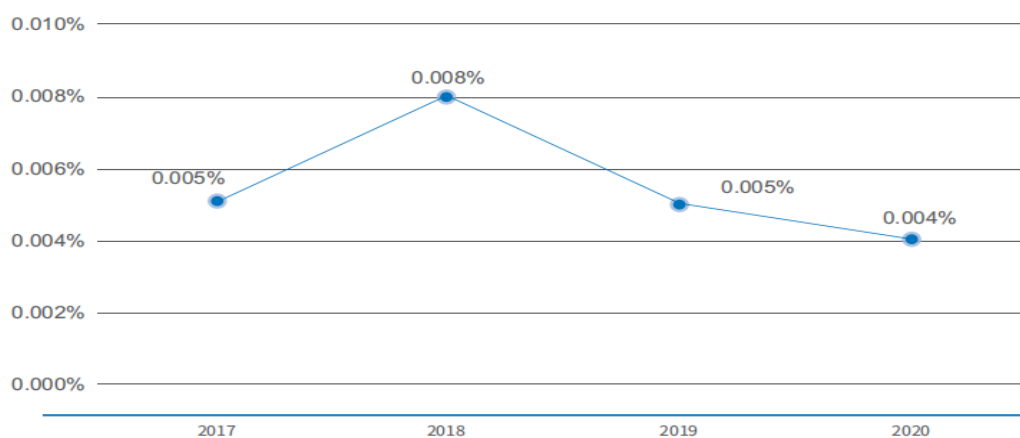


Figure 1: LTIR Trend (Date source: 2020 SF Sustainable Report)

### 3.2.3. Supporting Innovation Smart Industry

Technology advancements have made it possible for SF to alter the logistics industry into one that is intelligent, digital, visual, and individualized. The SF card, big data, information security, and intelligent O&M management platforms have all been independently researched and created by SF. These platforms also integrate our basic operating systems (including control, receive, transfer, transport, and dispatching). These platforms provided a quick, adaptable, secure, and comprehensive means of enabling businesses across all market segments and business scenarios. Additionally, by encouraging the linkage of information throughout the whole supply chain, these platforms have built a smart and sturdy foundation for the varied growth of the company's operations.

Moreover, couriers can learn more quickly and readily using online tools like socializing, gaming, and streaming videos. The collection and distribution efficiency of express delivery workers grew by 7% in 2020 as a result of new online training, and the accuracy rate of punctual delivery orders climbed by 27%.

### 3.3. CSR (Corporate Social Responsibility) During the Covid-19

The year 2020 has been a COVID-19 mess. The first "reverse flight" to Wuhan was provided by SF during the worst of COVID-19. In eight days, SF delivered more than 24.15 million items and 816 tons of goods. Among all logistics and courier businesses, SF operated the most flights to Wuhan throughout the pandemic.

Regardless of the potential risks, SF also finished all the tasks based on three aspects. First, SF make the speed assurance. Among express companies, speed comes to the first. However, the pandemic indeed made some trouble in speeding up the transportation. SF carried out significant monitoring and prioritized the processing of goods to guarantee timely delivery. The foundation initially started a crisis response mechanism right away, giving it full responsibility for transporting all aid and supplies donated by the government and other groups. The business also examined the credentials of charitable products and transportation services. The orders were also transferred to the foundation.

Second, SF makes life assurance. On the one hand, SF helps the neighborhood. The organization has started a number of public welfare initiatives, including free luggage delivery for medical teams



returning home, a partnership with 22 towns in Wuhan to supply 1,000 old people with life-care packages for a year, etc. SF, on the other hand, aids the most defenseless. For instance, SF worked with the Hubei Provincial Poverty Allowance Office to develop the SF Lianhua Special Pandemic Program and the Education Assistance Program in eight severely afflicted and impoverished counties. In the end, SF provided financial aid to 4,379 students, totaling \$14.01 million. SF Holding is committed to exporting high-quality agricultural goods and advancing superior agricultural product brands. By utilizing the advantages of air and refrigerated transportation, packaging innovations, and speedy distribution, SF Holding assisted farmers in developing their sales and logistics networks. The up-down service network for agricultural commodities includes 2,834 district-level cities nationwide and serves a total of more than 4,000 fresh fruits and vegetables in 2020 as SF Holding continued to investigate the special agricultural commodity transportation market. SF Holding has taken an active role in responding to the local government's policy of assisting farmers in order to better assist farmers, resume work, and produce the impact of COVID-19. With the help of 1,157 subsidized companies, a unique subsidy system was set up in time to help farmers. RMB 30,000,000 was invested in encouraging sales of agricultural products from 584 poor counties at the national level and more than 240 poor counties at the provincial level. A total of 36.44 million deliveries have been sparked by the system, bringing in around \$1,156,000,000 for nearby farms. Table 4 shows the key performance of SF ESG.

Table 4: SF ESG Key Performance

Index (Caring for people)	unit	2019	2020
Number of labour union members	10,000 people	15	20
Collective bargaining agreements cover rate	%	20.7	31.0
Resolution rate of workforce communication and advice	%	93	96
Employee satisfaction survey results	%	87	88
Employment contract signing rate	%	100	100
Total number of workforces	People	522,912	634,328
Couriers turnover rate	%	20.9	19.2
Percentage of rural workforce	%	80.0	70.7

Date source: 2020 SF Sustainable Report

#### 4. Conclusions

Sustainable development has become an important part in business. It can be obvious that sustainable development means to protect the environment in some enterprises, such as manufacturing and expressing. It is also widely recognized that enterprises should lower their carbon emission to deal with climate change. However, it doesn't stop here. There are more implements the companies can do than environmental protection.

SF Holdings mainly take into action from three aspects. As an express company, it can cost lots of energy, so SF needs to use green transport. In addition, SF implements lots of policies to protect its employees, which can cultivate a good company culture. This can also enable the company to act during the pandemic as soon as possible while ensuring its employees' safety. Most importantly, with development of new technologies, it has become very necessary for companies to make use of newly- invented technologies to promote company's procedure, also, companies are encouraged to spend on research to develop their own technologies.

As mentioned in case study of SF Holdings, basically, an enterprise needs to take the environment into consideration at first, and then, it needs to protect its employees as valuable competitiveness to provide care and training for the interests of employees. Finally, the company

needs to combine with newly-invented technology to improve the effectiveness. During the continual impacts of Covid-19, there is still a long way for enterprises to go through thin and thick. Thus, it is high time for enterprises to consider the business sustainable development, and make practical measures for themselves from three aspects mentioned in SF case study.

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