

【PRESS RELEASE】

***Index shows high Corporate Social Responsibility level
in Hong Kong for 2nd year***

(HONG KONG – 26 November, 2010) The **Hong Kong Quality Assurance Agency** held today the **HKQAA Symposium 2010**, its annual flagship event for the tenth year in a row, attracting a total of nearly 800 participants. Its **HKQAA-HSBC CSR (corporate social responsibility) Index 2010 benchmarking results** was announced in the afternoon session, revealing that the index has edged up to 4.57 this year.

Socially-and-environmental-friendly products become trend

The **HKQAA-HSBC CSR Index**, which provides a quantitative metrics system to measure organisations' maturity level in practicing their social responsibilities, comprises of two indices, namely the **Hong Kong CSR Advocate Index** and the **Hong Kong 100 CSR Index**.

A total of 27 government departments and renowned corporations have participated in the **Hong Kong CSR Advocate Index** this year and have yielded an average score of 4.57 (out of 5), which is slightly higher than last year's 4.53. This shows that most participating organisations have implemented mature in-house systems to manage CSR-related issues.

Among of the 7 core elements of CSR, the two highest scoring subjects were Consumer Issues and Labor Practices. The research shows that the organisations are becoming more conscious of developing socially-and-environmentally-beneficial products, as well as spending more resources on staff development.

Environment and Fair Operating Practices received the lowest scores. Although nearly all participating organizations have emphasized the importance of environmental protection in their policies, not all of them are capable of managing their carbon emissions systematically.

Participating organisations include:

- Hong Kong Housing Department,
- MTR Corporation Limited,
- Wharf T&T Limited,
- Canon Hongkong Company Limited,
- Super Star Group,
- The Hong Kong Polytechnic University,
- The Link Management Limited,
- Hang Seng School of Commerce and Hang Seng Management College Limited,
- China State Construction International Holdings Limited,
- Shui On Construction And Materials Limited, and
- Fuji Xerox (Hong Kong) Limited, among others.

About HKQAA-HSBC CSR Advocate Index

The **HKQAA-HSBC CSR Advocate Index**, designed with reference to the ISO 26000 Guidance on Social Responsibility, measures an organisation's maturity level in practicing their social responsibilities. More specifically, this quantitative metrics contains 7 core elements with a 5-point scoring approach. The 7 core elements are:

- **Organizational Governance,**
- **Human Rights,**
- **Labor Practices,**
- **The Environment,**
- **Fair Operating Practices,**
- **Consumer Issues, and**

- Community Involvement and Development

Another key component of the **HKQAA-HSBC CSR Index** – the **Hong Kong 100 CSR Index**, measures the transparency in the disclosure of CSR issues from 100 companies selected from 14 industrial sectors. The study is based on their websites, policy documents, reports and other publicly available information. Higher score means higher transparency. The Hong Kong 100 CSR Index for 2010 is 66, (out of a total score of 100), which is 3 points higher than last year's 63. Among the 14 sectors, the Public Services and Education sections got the highest score whereas the Manufacturing, Catering and Retail sectors scored the lowest.

The first such index in Hong Kong

The index is based on the ISO 26000 Guidance for Social Responsibility (recently officially published on 1st November 2010) and is the first of this kind of index in Hong Kong.

"Setting clear targets and conducting regular review is the first step for corporates to fulfill their social responsibilities," said Ms Teresa Au, Head of Corporate Sustainability Asia Pacific Region, HSBC. "HSBC and HKQAA jointly launched the HKQAA-HSBC CSR Index to encourage companies and organisations in Hong Kong to measure and improve corporate social responsibility (CSR) performance and enhance the associated information disclosure and communication with their stakeholders. This aligns with HSBC's strategy which incorporates sustainability into our corporate culture, business and people strategies."

"We believe that corporate social responsibility is integral to sound business principles which should not limit to community development, but also consider the needs of employees and customers."

Implementation of the International Guidance on Social Responsibility

With the recent official publication of the **ISO 26000 Guidance on Social Responsibility**, Dr Michael Lam, Chief Executive Officer of HKQAA, said, "Unlike in the past, when CSR was an abstract concept that organizations could only implement in a confined area, they could now have a better understanding and a practical guidance to follow, making it a future trend in the industry and the society as a whole."

More details about the results of the two indices, please refer to the attached Abstract of the **HKQAA-HSBC CSR Index 2010 Report** or the full report version to be uploaded on the HKQAA website (<http://www.hkqaa.org>).

###

Media Enquiries

Hong Kong Quality Assurance Agency

Mr Eastro Mak

Tel : +852-2202-9569

Fax : +852-2202-9222

e-mail : eastro.mak@hkqaa.org

About HKQAA

Established by the Hong Kong Government in 1989, the Hong Kong Quality Assurance Agency (HKQAA) is a non-profit organisation dedicated to assisting industry and commerce to develop effective quality management systems. Since it was first held in 2001, the HKQAA Symposium has been instrumental in guiding the development of inspirational practices, helping management decision-makers and planners to formulate their key business strategies.

-End of the Release-



Ir Prof. Peter K. W. Mok, Chairman of HKQAA (1st row, 4th from right), Dr Michael P. H. Lam, CEO of HKQAA (1st row, 3rd from right) and Ms Teresa Au, Head of Corporate Sustainability Asia Pacific Region, HSBC (1st row, 2nd from right), with representatives of the 27 CSR Advocate Mark holders at the presentation ceremony.

Abstract of the HKQAA-HSBC CSR Index 2010 Report

The HKQAA-HSBC CSR Index is a joint initiative by the Hong Kong Quality Assurance Agency (HKQAA) and the Hongkong and Shanghai Banking Corporation Limited (HSBC) since 2008. It is the first index in Hong Kong that is compiled with reference to the ISO 26000 Guidance on Social Responsibility, with the aim to measure the CSR (corporate social responsibility) performance of organisations in Hong Kong with an established standard.

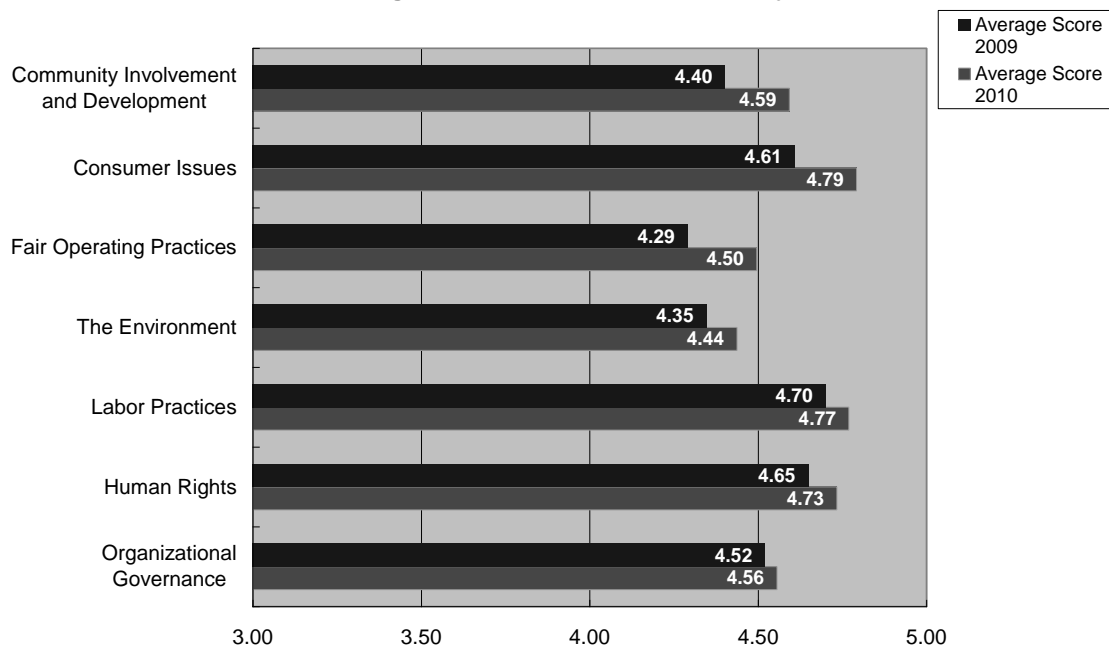
HKQAA-HSBC CSR Advocate Index

The Hong Kong CSR Advocate Index is an annual voluntary benchmarking project. The participating organisations are assessed by HKQAA on their maturity in 40 recommended CSR practices and are given a score of 1 to 5. Those receive an average score of 3 or above would receive an HKQAA-HSBC CSR Advocate Mark:



27 organisations have participated in the Index this year. The overall average score is 4.57, up slightly from last year's 4.53. The Index comprises seven indicators and the results are as follows:

Average Score of CSR Seven Core Subjects



Consumer Issues: Addressing the expectation and needs of the consumers is always the top priority of companies. Among the assessed organizations, the ISO 9001 Quality Management System is a common tool for assuring customer satisfaction and managing complaints. Besides, the organizations are more conscious of developing socially-and-environmentally-beneficial products.

Labor Practices: The organisations tend to implement more programs to increase the capacity and employability of employees this year, showing that they are more willing to spend resources in staff development and see employees as an asset of the organization. Moreover, many of them have implemented the OHSAS 18001 occupational health and safety management system.

Human Rights: The organisations have well-established systems to prevent child labor, forced labor and discrimination.

Community Involvement and Development: Philanthropy and volunteerism are widely-adopted, but less resources has been allocated for developing the competence of local community.

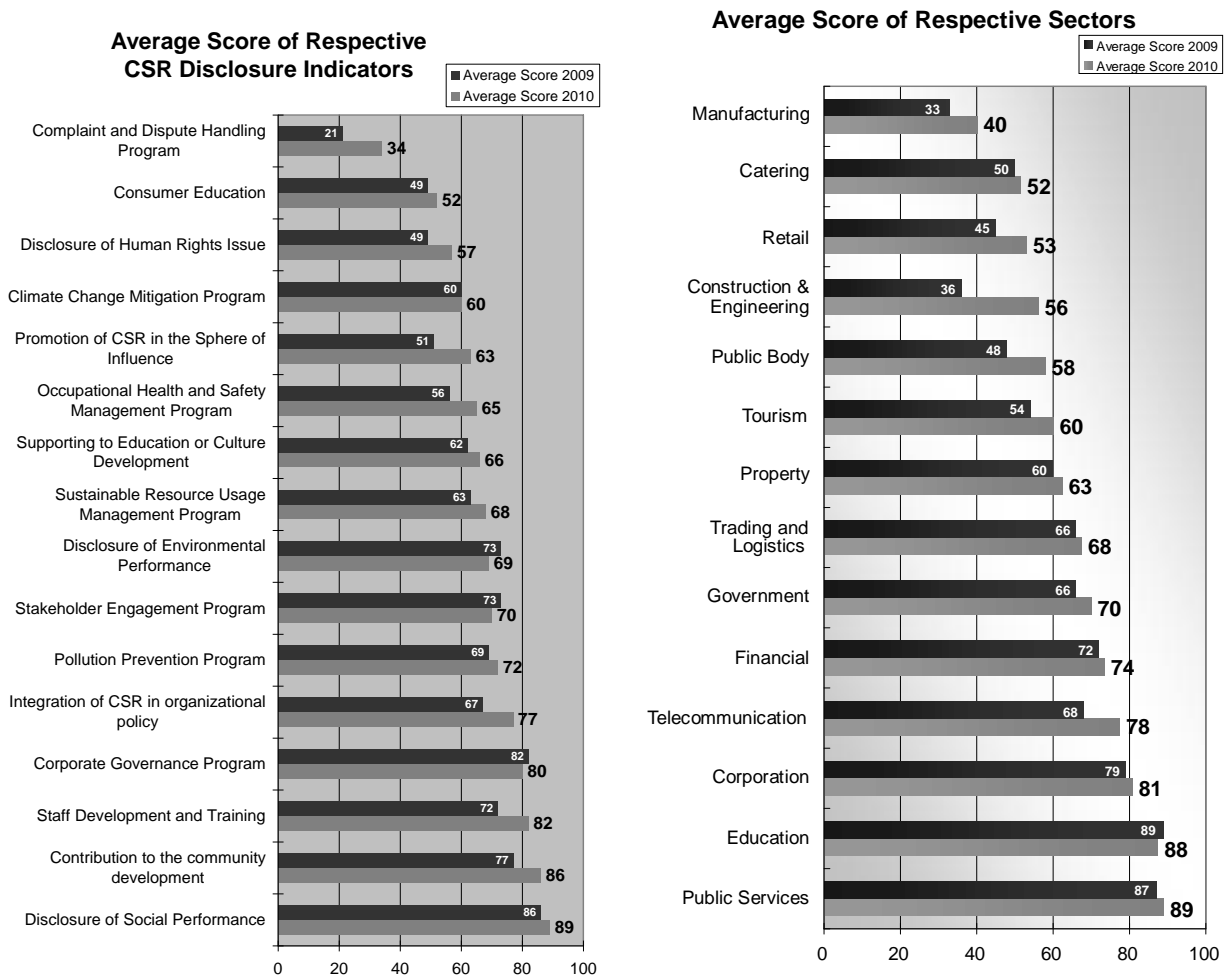
Organizational Governance: Most of the participating organizations have set directions by making social responsibility an integral part of their policies, strategies and operations. Some organisations form governance structures like CSR steering committees to carry out CSR awareness programs. Nevertheless, structured CSR training program is not commonly found.

Fair Operating Practices: Programs in relation to corruption prevention and property right protection are widely practiced in the participating organisations. However, some organisations are not aware of fair competition issues.

The Environment: Although nearly all participating organizations have emphasized the importance of environmental protection in their policies, not all of them are capable of managing their carbon emissions with a systematic approach.

Hong Kong 100 CSR Index

The Hong Kong 100 CSR Index measures the transparency in the disclosure of CSR issues from 100 companies selected from 14 industrial sectors. The study is based on their websites, policy documents, reports and other publicly available information. Higher score means higher transparency. The Hong Kong 100 CSR Index for 2010 is 66, (out of a total score of 100), which is 3 points higher than last year's 63.



###