

Promote Sustainability through Problem-solving Strategies



2018

**SOCIAL
RESPONSIBILITY
REPORT**

Report Profile

Basis of Preparation

This report is prepared in accordance with the Notice of Guidance for Certification Bodies to Fulfill Social Responsibilities promulgated by The Certification and Accreditation Administration of the People's Republic of China (CNCA) and the various requirements in the ISO 26000:2010 Guidance on Social Responsibility of International Organisation for Standardisation, as well as with reference to the HKQAA CSR Index and the Core Option of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards). Hong Kong Quality Assurance Agency (HKQAA) undertakes and warrants the authenticity, objectivity, reliability and completeness of the information disclosed in this report.

Time Scope

This report covers the period from January to December of 2018 with some of the information beyond this scope.

Publication Frequency

This report is a kind of annual report and is published annually.

Source of Data

The data in this report are cited from the relevant official documents and statistical reports of HKQAA.

Reporting Scope

Having the Hong Kong Headquarters of HKQAA being the subject, this report simultaneously covers its subsidiaries namely HKQAA Certification (Shanghai) Limited and its Guangzhou branch and Xian representative office, and HKQAA Certification (Macau) Limited.

Acquisition of This Report

This report is published electronically. The PDF version of this report is available for downloading on our official website.

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"Guidance for Certification Bodies to Fulfill Social Responsibilities"

Chief Executive Officer's Message



If enterprises want to contribute to social responsibility, pursue social values, think about social issues and take action to benefit society, they must first be able to survive in a legal business environment and strike a balance between their own interests and those of stakeholders. This was the observation and suggestion made by the renowned American economist Howard R. Bowen¹ in 1953. This balanced approach enables enterprises to take on more social responsibilities and exceed the legal requirements, moral obligations and expectations of society. In doing so, they will consider how their decisions affect stakeholders, and protect the interests of employees, customers, users, suppliers, partners, investors and shareholders. Eventually, a win-win situation will be achieved and society as a whole will benefit, thereby paving the way for the realisation of sustainability goals.

Rapid development will bring significant growth and impressive business performance in the short run. Profits will be generated and employment opportunities will be created for the community. However, although continual expansion is beneficial to enterprises, they need to look forward and ask themselves some questions. For instance, are they developing in a balanced, stable and sustainable way? Will the enterprises over-produce and waste social resources in the medium and long term?

HKQAA utilises social resources in a balanced, stable and sustainable way. We have launched new services to cope with the diversified development of industry and society, rather than focusing only on business growth. In this way, HKQAA can utilise resources more wisely, realising society's potential and benefiting more stakeholders. For example, we developed the Green Finance Certification Scheme to support the development of green finance in the region. We also launched the "Strengthening Program for the Understanding and Implementation of the GB Quality Standard of Scrap Paper in Hong Kong Recycling Industry" to raise the industry level and foster scrap paper recycling. We have also held a symposium, published a sustainability research report about the Greater Bay Area and participated in the organisation of the Quality Building Award, which aim to facilitate knowledge exchange in the industry.

It is not just enterprises which have to practice social responsibility; every individual and group in society has to as well. By working together, we can contribute to the well-being of future generations. The development of more and more highly-populated cities is contributing to climate change, which damages the environment, eco-system, species diversity and weather patterns. For the sake of sustainable development, we have to strike a balance between urban development and environmental protection. Both of these only move forward and never go back; therefore, we must try our best to maintain a balance. Let us join hands to promote and practice social responsibility together. By making it everyone's mission, we can contribute to the sustainable development of our future.

Dr. Michael P.H. Lam
Chief Executive Officer

¹ Bowen, Howard Rothmann (1953). Social Responsibilities of the Businessman. New York, Harper.

About us

Hong Kong Quality Assurance Agency (HKQAA), a non-profit-distributing organisation established in 1989 by the Hong Kong Government, is one of the leading conformity assessment bodies in the Asia-Pacific region. HKQAA not only provides certification, assessment, registration, verification and validation, training, research and rating services to help organisations enhance management performance and competitiveness, but also develops a wide range of good management practices and related criteria to cope with increasingly diversified market demands and the growing needs for sustainable development, fostering a better environment and bringing benefits to the community.

In its early years, HKQAA's operation was funded by the Hong Kong Government. With its high quality professional services, HKQAA is able to realise its financial independence. It does not only maintain a sound financial position, but also utilises financial profits not only for business expansion as HKQAA keeps developing its operational size but also for resources allocation on the staff and society so as to play a role in promoting the development of industries and society.

In the wake of the booming economy of the Mainland, there is a growing demand for management system and professional certification among the industries. HKQAA has set up an office in Guangzhou since the 1990s. Approved by The Certification and Accreditation Administration of the People's Republic of China (CNCA) later on, HKQAA Certification (Shanghai) Ltd. and its Guangzhou branch were set up in the Mainland. In 2014, HKQAA further expanded its business by setting up a subsidiary in Macau. Since 2017, a representative office has been set up in Xian to maintain close cooperation with different sectors.

Vision

To be a leader in conformity services that is internationally recognised, so as to help improve our livelihood and society.

Mission

- To promote management concepts in accordance with the applicable management system standards
- To assist industries and commerce to implement relevant management systems
- To deliver world-class conformity services

HKQAA SHARED VALUES

As HKQAA continues to grow, our organisational culture “**GIFTS**”, the shared values, has been fostered among our teams. The term “**GIFTS**” means both “presents” and “innate talents”. “**G**rowth” represents that HKQAA together with the industries pursue growth. “**I**ntegrity” represents that the team adheres to integrity firmly. “**F**airness” emphasizes fairness and justice. “**T**eam with Joy” symbolises that the employees’ hearts are always filled with joy. “**S**ocial Responsibility” manifests that we do not only promote social responsibility while providing services, but also proactively fulfilling the social responsibility by making use of our own resources. “**GIFTS**” enables employees to make right decisions at work and facilitates the sustainable development of us and the society.

Growth

With a professional attitude, we incessantly make improvements so as to enhance the competitiveness of our clients and employees, and pursue the growth for our organisation, employees and clients.

Integrity

Our services are based on integrity, credibility and commitment internally and externally.

Fairness

We ensure that our stakeholders receive fair and just treatment.

Team with Joy

Our team members are motivated to perform at their best, and accomplish meaningful and valuable missions with joy.

Social Responsibility

We encourage individuals as well as teams to fulfill their social responsibility, devote to benefit the community and reciprocate the country.



PRIMARY FUNCTIONS OF HKQAA



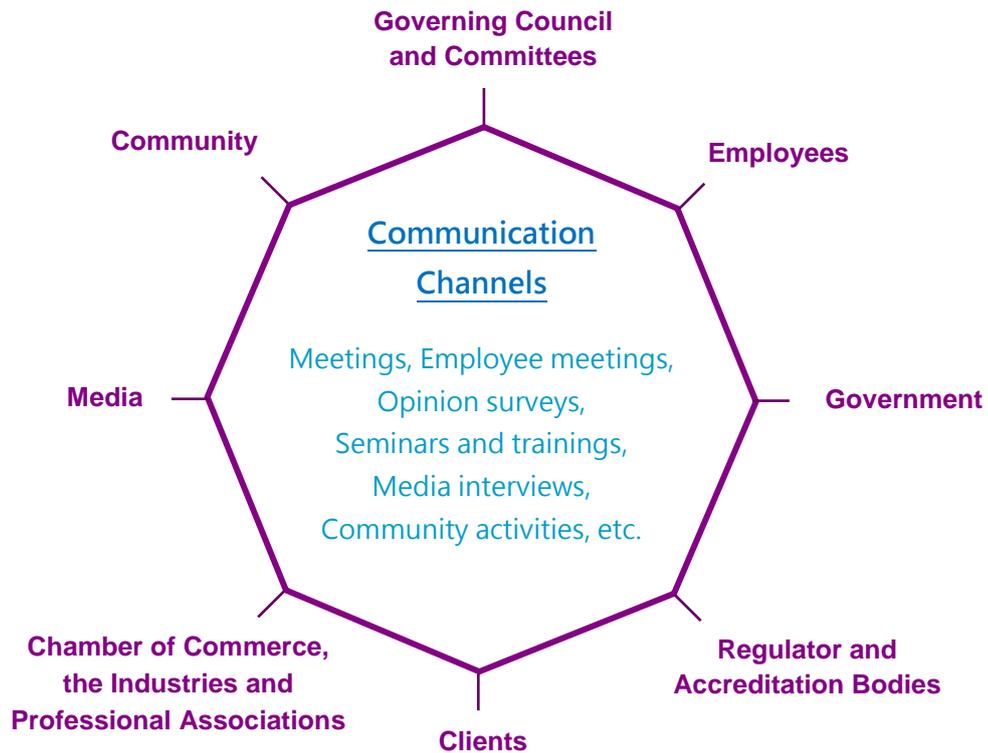
In order to boost the professional level and competitiveness of various industries in the society, the services of HKQAA perform three primary functions: providing assurance, sharing knowledge and transferring technology. We are devoted to providing certification services for the industries to assure their credibility and competence. We also organise various networking activities, trainings and seminars, and publish quarterlies and books, etc., for sharing the knowledge among industries and the community. To align with the market trends and needs, HKQAA keeps developing new services and conducting market researches, integrates and transforms advanced technology into specific services. We assist clients to enhance their management performance by transferring the technology to them.

SOCIAL RESPONSIBILITY MANAGEMENT



Acting as a bridge between the commercial world and the society in sustainable development, we strive to integrate social responsibility into our daily operations. To fully fulfill its social responsibility, an organisation should have an integral plan. Having the shared values as the basis, the organisation should establish a business strategy that matches its missions and goals. HKQAA practices its social responsibility with reference to the ISO 26000 Guidance on Social Responsibility as well as the seven core subjects and 40 recommended practices of the HKQAA CSR Index.

STAKEHOLDERS' INVOLVEMENT



Due to stakeholders' increasing awareness about sustainability, HKQAA highly values the opinions of stakeholders. We strive to maintain close communication with the stakeholders through various channels in order to understand their needs and expectations, so that we can continuously optimise and develop our sustainability work.

Our Governance

As a leading conformity assessment body in the region, we hold high standards of the strict code for our own governance system. With many years of hard work for establishing a good foundation of governance, HKQAA does not only carry on the principles of fairness and impartiality while operating, but it also operates in a transparent and standardised manner constantly. HKQAA also strictly complies with the laws and regulations such as “Regulations of the People’s Republic of China on Certification and Accreditation” and maintains an effective and reliable governance mechanism, which has laid a good foundation for the development of the organisation.

1. Governance Structure

The Governing Council

The Governing Council of HKQAA comprises a group of prominent members from different sectors and a permanent representative from the Hong Kong Special Administrative Region Government. They are elected and appointed for a fixed term of office and are serving on a voluntary basis. They represent the various stakeholders in the society and remain independent and fair. Various committees have been set up under the Governing Council. They provide advice and supervise effectively according to each of its respective functions so as to ensure the transparency and accountability of HKQAA’s operation.



New and retired governing council members who attended the Annual General Meeting 2018 took a photo.

The Governing Council is chaired by Ir Dr Hon Lo Wai Kwok, with Ir C.S. Ho serving as the Deputy Chairman. In 2018, Mr Simon Wong has been appointed as another Deputy Chairman. Two members of the Governing Council have retired and one Governing Council member has been appointed. There are 21 members of the Governing Council in total.

The structure of the Governing Council helps maintain a balance of interests of various parties and prevent conflicts of interest, which enables HKQAA to operate sustainably and effectively.

Operational Management

The Chief Executive Officer is appointed by the Governing Council and is responsible for leading around 120 employees in the Hong Kong Headquarters and around 70 employees in the Mainland and Macau to perform regular work duties.

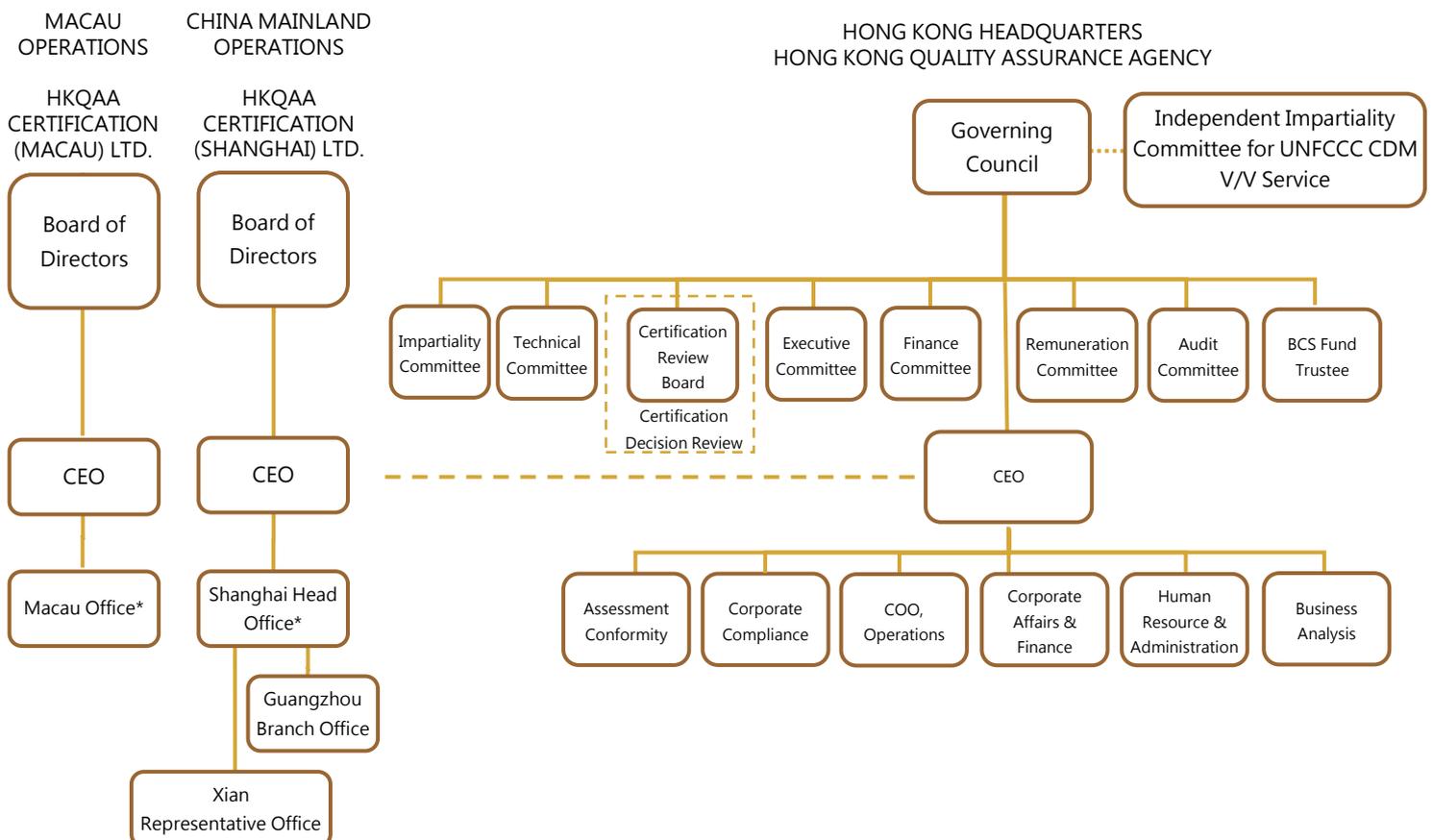
The Chief Operating Officer assists the Chief Executive Officer to manage the daily operation of Hong Kong, and the subsidiaries in the Mainland and Macau, so that HKQAA's structure can be tightened in an orderly manner and our integrity management in Hong Kong, Macau and the Mainland can be fully protected.

2. Formulate Direction of Development

The Governing Council holds regular meetings to discuss and resolve HKQAA's development plans, supervises the implementation of various measures and policies, considers and approves the annual plan for development strategies, significant projects and financial plans.

In 2018, the Governing Council agreed that promoting the sustainability of society continued to be our major strategic direction. Working plans were formulated to develop related business to further put our mission into practice. Under the supervision of the Executive Committee and the guidance of the Chief Executive Officer, staff members from various divisions execute the respective annual work plans and promote the development of society.

ORGANISATION FUNCTIONAL CHART OF HONG KONG QUALITY ASSURANCE AGENCY



* Chief Operating Officer is responsible for the operation in the Mainland and Macau including business development and assessment services.

3. Risk Management

The Governing Council and various committees are dedicated to safeguarding the impartiality, professionalism and financial soundness of HKQAA’s business, daily operation and human resources management so as to ensure the effectiveness of operational continuous management.



On the level of daily management and operations, HKQAA strictly controls the risks in aspects such as impartiality, technical knowledge and finance, and always be aware of the external environment and internal operation, and also keeps reviewing its organisational policies. For instance, according to the established procedures, when there are major changes take place, such as changes in the requirements for accreditation bodies, organisational structure or legal status, developing new business, starting to operate in other countries or regions, HKQAA would conduct a comprehensive risk analysis in order to ensure its certification and other services are impartial and effective. Under the condition that no major changes take place, HKQAA would conduct at least one comprehensive review annually, so as to guarantee that the operational risk of certification body has been kept under control.

Impartiality Risk Management	<p>HKQAA has set up Impartiality Committee and the Independent Impartiality Committee for Clean Development Mechanism (CDM) validation/verification Service established by the United Nations Framework Convention on Climate Change (UNFCCC). Members of the Governing Council perform the functions of the Impartiality Committee to safeguard the impartiality of HKQAA’s assessment services, while the Independent Impartiality Committee for UNFCCC CDM validation/ verification service is dedicated to supervising the impartiality of that service.</p> <p>In 2018, HKQAA conducted risk analysis for our certification and audit, registration, validation/verification, as well as mystery shopping assessment services. By conducting an integrated and systematic analysis on operation, control and performance, we can identify clearly the various changes in risk, and evaluate and confirm the effectiveness of control measures. The two sets of reports have been submitted to the Impartiality Committee and the Independent Impartiality Committee for UNFCCC CDM validation/ verification service and are considered and approved accordingly, thus affirming the impartiality of HKQAA’s services.</p> <p>Certification Review Board reviews the recommendations proposed by Operations Branch strictly and only grants certificates to organisations which fulfill the applicable standards so that the high quality and credibility of the certification results can be safeguarded.</p>
Financial Risk Management	<p>HKQAA has hired an independent financial investment advisor for providing professional investment recommendations. Such recommendations shall be reviewed by the Finance Committee. The independence of investment projects and reasonable investment returns can be safeguarded. During the period, HKQAA conducted two comprehensive risk analyses on financial responsibility to ensure that the risks were kept under control. The risk analysis reports and the control effectiveness report were submitted to, considered and endorsed by the Audit Committee.</p>
Certification Risk Management	<p>HKQAA is currently having 18 technical committees which are consist of professionals such as experts, scholars, government officials who come from various industries. They are responsible for providing professional opinion for formulating the certification standards. Besides, HKQAA emphasises the technical ability of the audit team. As such, comprehensive training and assessments are adopted for further enhancing auditors’ professionalism.</p>

4. Compliance Management

HKQAA has obtained a lot of international and regional recognition for the certification and assessment services, and is under constant supervision. We have effective internal control and early warning system. Mutual supervision, a system of checks and balances and clear accountability are also applied by HKQAA so that its management and operation comply with the relevant standards.

Compliance Management



The Corporate Compliance Branch of HKQAA is responsible for the management of internal compliance, while other divisions also fulfill compliance requirements accordingly to their respective roles and functions. For example, the Corporate Affairs Branch is responsible for ensuring the compliance with legal requirements and financial requirements by HKQAA, and the Accreditation Unit is responsible for ensuring the compliance with accreditation requirements.

12 office audits

20 witness accreditation audits

are conducted by accreditation bodies

HKQAA has conducted :

23 regular internal audits

External Governance	In 2018, HKQAA continues to be recognised by various international accreditation bodies such as China National Accreditation Service for Conformity Assessment (CNAS), Hong Kong Accreditation Service (HKAS), United Kingdom Accreditation Service (UKAS), Social Accountability Accreditation Service (SAAS), Clean Development Mechanism (CDM) Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) and Information Technology Service Management of The APM Group (APMG). During the period, these accreditation bodies confirm HKQAA has complied with necessary requirements after conducting 12 office audits and 20 witness accreditation audits.
Internal Governance	In order to ensure the management and operation of HKQAA are effective and compliant with relevant requirements, HKQAA conduct both regular and ad-hoc internal audits every year. In 2018, HKQAA has conducted 23 regular internal audits for its Hong Kong Headquarters, subsidiaries in the Mainland and Macau. The audits have mainly focused on three aspects, including the compliance with corporate management, the compliance with service delivery as well as the compliance with accreditation bodies, requirements. All audit results indicate that HKQAA has complied with the necessary requirements.
Reporting Mechanism	In addition, the Corporate Compliance Branch has conducted unannounced integrity audits. All audit results indicate that the auditors have fulfilled the integrity requirements. When incidents associated with impartiality or dishonest arise, employees can report to the CEO directly by submitting a "Report on Disturbance to Audit Team Member" or via email. In order to enhance the audit team's sensitivity to and vigilance about anti-corruption as well as reinforce work ethics, HKQAA emphasises on educating employees about impartiality, stresses on the correct measures for handling disturbance cases and the importance of reporting disturbance incidents. In 2018, none of the "Report on Disturbance to Audit Team Member" has been received by us.
Complaint Mechanism	HKQAA's website has a platform for collecting comments. Clients, consumers and the general public can provide suggestions on the services and professional ethics of HKQAA. HKQAA has clearly defined procedures in investigation, resolving and follow up of complaints. When an appeal against a decision of the certification is lodged by a client, HKQAA will form an independent committee to follow up the appeal hearing.
Mass Media Cases Follow-up	The Corporate Compliance Branch keeps on paying close attention to media reports and public incidents. In 2018, there is no negative news about HKQAA in media reports.

5. Fair Operation

Since its establishment, HKQAA has always adhered to the principles of honesty and impartiality to guarantee the stakeholders can be treated fairly in our daily operations. We respect and safeguard the right of stakeholders and other relevant groups, and combat all acts of discrimination. We also strive to cultivate an ethical culture among employees, practice and demonstrate our integrity, impartiality, fairness and openness.

Fair Operation



Independent and Impartial Audit Team	<p>In order to maintain the transparency and impartiality of audit, HKQAA has different units and personnel to handle various work procedures such as business liaison, audit arrangement, auditing, confirmation of audit results and certificates issuance. The Governing Council, the management team, the business team and all other supporting teams are not allowed to intervene the professional judgments of the audit team.</p> <p>HKQAA has clearly defined internal guidelines to ensure the independence and impartiality of the audit team. When the auditors encounter intervention, they can activate the reporting mechanism and report to the management.</p>
Conduct and Ethics of Employees	<p>All of the new employees in HKQAA are required to study the 'Code of Conduct' and sign the "Undertaking of Confidentiality and Conflict of Interest" on the first day at work to promise that their work will be done based on the principles of fairness, integrity and honesty. The "Code of Conduct" sets out regulations on personal conduct of employees, relationship with suppliers and contractors, true and fair accounting policies, etc., and states clearly the appropriate measures to be adopted by employees when incidents that are threatening HKQAA's reputation arise due to dishonest, bribery and corruption.</p> <p>Additionally, the Certification and Accreditation Administration of the People's Republic of China (CNCA) published "Interim Provisions on Administration of Discredit Certification Bodies and Accreditation Personnels" in 2018. HKQAA organised employee training related to the Provision to enhance their awareness of creditability.</p>  <p>Through the induction training for the new employees held by the CEO in person, the mission, culture and values of HKQAA are explained in depth, while the importance of impartiality and integrity are reinforced.</p>
Supervision of Anti-corruption	<p>Acting as public servants, the behaviours of HKQAA's employees in relation to integrity are under strict supervision of the Independent Commission Against Corruption (ICAC). In order to eliminate corruption as well as safeguard impartiality and integrity, all suspicious bribes and law-infringing cases in Hong Kong, Macau and the Mainland will be reported to the ICAC promptly.</p> <p>HKQAA has issued guidelines in respect of the report and claim system for auditors' transportation, catering, entertainment and accommodation during the audit period.</p>

Prevention of Unfair Competition	<p>HKQAA's pricing policy serves as a clear standard of the price of various products for the employees. It also implements multiple levels of independent review to guarantee the pricing is reasonable. Meanwhile, HKQAA complies with the "Fair Competition Norms for Certification Institutions – Interim Provisions on the Management System Certification Prices", "Anti-Unfair Competition Law of the People's Republic of China" and "Fair Competition Norms for Certification Institutions – Constraints for Actions against Fair Competitions relating to Certification Certificates", as well as the "Competition Ordinance", HKQAA expressly prohibits the subcontracting of certification business and sales activities through inappropriate channels. Also, HKQAA would definitely not engage in monopoly or price collusion, as well as boycott unfair competition with absolute determination.</p>
Fair and Pragmatic Procurement Control	<p>HKQAA adopts clearly defined procurement policy and work flow, as well as standard procedures and authority of approval that are implemented according to relevant risk factors. With deliberate consideration, the procurement criteria can be ensured as appropriate. HKQAA assesses the suppliers and logistic service providers who supply office equipments to HKQAA's offices in Hong Kong, Macau and the Mainland. HKQAA selects partners based on fair and justified procurement principles. According to the stipulated procedures, fair procurement can be carried out by having selection teams formed by different members for evaluating the suppliers' products, services and prices comprehensively.</p>
Respect of Property Right	<p>HKQAA respects intellectual property and would not engage in any right-violating activities such as forgery and plagiarism, etc. for acquiring and using properties to pay reasonable reward. In the progress of business development, design and composition, HKQAA insists on independent study and reasonable reference, and would not steal others' outcomes of know-how, and would not infringe others' property rights.</p> <p>HKQAA insists on the use of genuine computer software and conducts regular internal checks. Unless submitting application officially and being confirmed as legal, employees are prohibited to install any softwares and computer applications.</p>

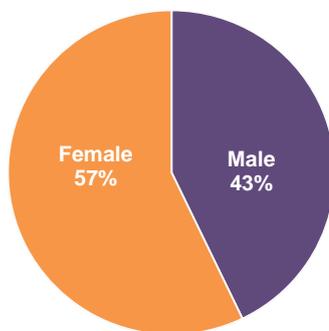
Our People

HKQAA recognises that employees is the drive of HKQAA's development, so we integrate the personal growth of our employees with the development of HKQAA by providing them with opportunities of various training and promotion, facilitating HKQAA and employees to grow robustly together. Besides, we are concerned with the physical and mental health and team spirit of employees. "Building a team of joy" is one of our shared values.

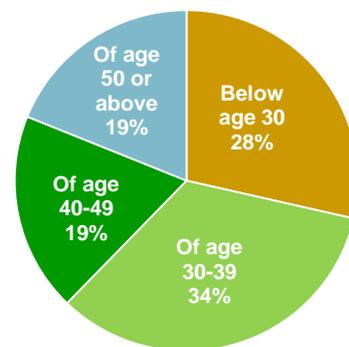
1. Human Resources

HKQAA endeavours to create a harmonious working environment for employees in where they can work happily under a fair condition. In the process of recruitment, selection, hiring, training, promotion and transfer, HKQAA adheres to fairness and provides equal opportunities to employees. We ensure that all people can be treated equally without regard to gender, age, marital status, ethnicity, disabilities status, religion and family status. In 2018, our offices in Hong Kong and the Mainland have employed two physically-challenged people, and have employed 218 physically-challenged people and elderly people with appropriate remuneration package according to the relevant laws and regulations. Both the healthy and physically-challenged people can utilise their strengths and get along together harmoniously.

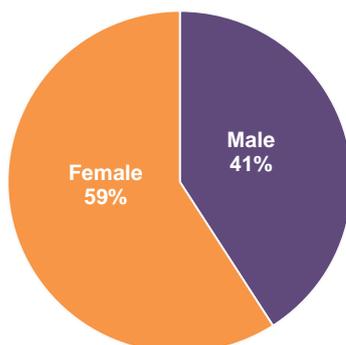
Gender Ratio of Employees in 2018



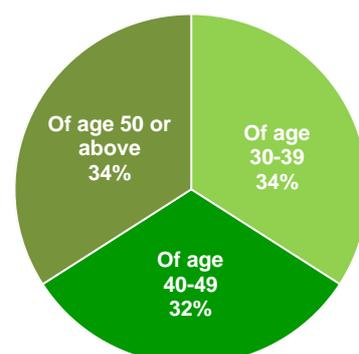
Age Distribution of Employees in 2018



Gender Ratio of Employees in Managerial Position in 2018



Age Distribution of Employees in Managerial Position in 2018



2. Rights and Interests of Employees

HKQAA is dedicated to guaranteeing the basic rights and interests of employees. On such basis, HKQAA offers competitive remuneration and fringe benefits in order to attract and retain talents of high caliber.



Remuneration and Fringe Benefits

In 2018, HKQAA reviewed the remuneration structure, fringe benefits system and promotion ladder comprehensively in accordance with the market condition, operational demand and employees' needs, so as to provide employees with a more ideal remuneration package. The remuneration package was approved by the Remuneration Committee accordingly.

HKQAA strictly complies with the Labour Legislation, pays salary on time, provides protection for employees and safeguards the rights and interests of employees. In Hong Kong, we obey the Labour Legislation including the Minimum Wage Ordinance and Mandatory Provident Fund Schemes Ordinance. We offer remuneration at a reasonable level as well as make contribution to the Mandatory Provident Fund Scheme. Starting from 2018, employees are free to choose their Mandatory Provident Fund Schemes providers. The subsidiary in the Mainland also complies with the national laws and regulations in respect of human resources and social security, signs and fulfills employment contracts and social insurance in accordance with the laws and legislation, and buys additional commercial insurance. Apart from the basic remuneration package required by law, HKQAA also offers fringe benefits such as health care, dental care, medical check-up and travel insurance.

HKQAA put a great emphasis on employee's work life balance and offer additional leave benefit to staff members. In 2018, Hong Kong office offers newly-added Birthday Leave and Professional Examination Leave for employees to prepare further studies and achieve work life balance.

Sharing from our employee

“In summer 2018, I had an examination from the Hong Kong Institute of Construction Managers, including written test and interview. I have utilised the Professional Examination Leave from HKQAA to prepare for the examination. During the period, I have received the support and caring from the Agency and successfully passed the examination.”

Mr Jimmy Fu

Employee from Hong Kong Office who applied the Professional Examination Leave



Human Rights and Labour Protection

HKQAA values equal opportunities, diversity and human rights. We make every effort to secure at all time that the rights of employees would not be violated. We are determined to guarantee and respect employees' human rights such as right to privacy, right to human dignity, right to security of person, right to property, right to liberty, freedom of religion and freedom of speech, etc. We also encourage a liberal political stance. Therefore, HKQAA has implemented different policies to protect the rights and interests of employees, including the “Policy against Sexual Harassment” and the “Breastfeeding Friendly Workplace” Guideline, declaring that we do not tolerate any form of sexual harassment and sex discrimination at the workplace, and also give support to the breastfeeding employees and facilitate them to express breastmilk in a suitable area at workplace.

Staff Activities

HKQAA cares about employees' health in both physical and psychological aspect. We therefore advocate the balance between work and life. We organise various types of staff activities, such as annual dinner, Spring Lunch, Chinese New Year riddles session, departmental meals, travelling tours, Happy Hours and badminton sessions etc., so that employees can still relax despite the busy work. These activities do not only enhance the morale among employees, but can also create a harmonious atmosphere at work.

During the period, HKQAA has organised a talk on “QiGong and Health Seminar”. The seminar was tutored by an instructor from The Institute of Chology Healing and were widely welcomed by the employees. HKQAA also has subsidy to employees' sports activities so as to encourage employees for doing more exercises.

In addition, HKQAA organised hiking tour for the employees. This does not only strengthen the friendly bonding among employees, employees' sense of belonging towards HKQAA can also be reinforced.



Enhancement of Work Procedures

HKQAA has made continuous improvement as its management principle. We review and streamline work procedures incessantly in order to enhance work efficiency and quality. Since 2013, each division aims at enhancement of efficiency, cost control and promoting HKQAA's shared values. They have reviewed work procedures and proposed improvement projects. In 2018, 26 improvement projects have been launched, including automation of work procedures, development of employees' talents, control of operational cost and preservation of knowledge, etc. Through these measures, the work efficiency and ability of employees can both be enhanced.

3. Safety and Health of Employees

HKQAA emphasises the importance of the employees' occupational safety and health. We do not only comply with the laws and regulations in relation to occupational health and safety, but also optimise the relevant policies and practices continuously. We strive to reduce the safety risk at workplace to minimal and safeguard as well as promote employees' safety and health. During the year, HKQAA has no employees injured at work.

HKQAA is devoted to providing a safe and clean working environment for the employees. In respect of fire safety, offices in both Hong Kong and Guangzhou organised fire drills so as to strengthen the fire safety awareness of employees and enhance their capability to cope with a fire accident. The Hong Kong office conducted a tap water test and an air test. The test result revealed that the level of lead, cadmium, nickel and chromium in the tap water sample met the standard of Water Supplies Department's Quality Water Supply Scheme for Buildings - Fresh Water (Plus) and that of World Health Organisation. It was also revealed that the water sample of water heater does not contain Legionella bacteria, employees can drink the water safely. Also, the air quality at the office has been classified as "Good" IAQ Class in the Indoor Air Quality (IAQ) Certification Scheme of the Environmental Protection Department.

4. Staff Development

HKQAA emphasises the nurturing of talents and supports staff development a lot. Hence, various projects are deployed for revealing and nurturing the talents of employees from various levels. Employees are able to utilise their potential. At the same time, HKQAA's sustainable development can be promoted. Employees and HKQAA are growing simultaneously.



On-the-job Training

All new employees would attend a series of induction training and courses on relevant laws and ordinances. Appropriate and relevant training are also provided for employees with various positions so as to ensure they possess the abilities and skills for handling their tasks and meet the requirements. In 2018, the training hours for the employees of Hong Kong office and Macau office reached 3,599 hours and the number of participants reached 1,417 times. The training hours for the employees of the subsidiaries in the Mainland reached 1,538 hours.

Training hours for the employees of Hong Kong office and Macau office:

3,599

Training hours for the employees of the subsidiaries in the Mainland:

1,538

In 2018, Technical Development conducted product training for business and back office staff monthly to enable their understanding about the products' characteristics. At the same time, HKQAA arranged auditors to attend China Certification & Accreditation Association (CCAA) recognised ISO 22301 and ISO 27001's auditors' training courses and green finance knowledge training. In order to encourage auditors to enhance their professional technical standard, HKQAA supports employees to acquire professional qualifications in various fields as it may require. Mainland offices arranged auditors to attend GB/T 50430 standard conversion course and SAI recognised SA 8000:2014 course etc. In this way, they are encouraged to participate in the activities of the industries, learn new knowledge, cater the market development trends and also raise the competitive edge of both individual and the Organisation.



Apart from professional courses for auditors, HKQAA also organises courses in relation to various aspects including management skills, law, harmonious workplace and green finance for the employees in Hong Kong, the Mainland and Macau to enhance their management skills, leadership and professional knowledge. Supervisors from different levels would also nominate employees to participate in various technical skills training programmes.

Nurturing Technical Experts

Audit services is HKQAA's core service. Hence, HKQAA has implemented the "Auditors' Development" programme for promoting the young auditors and consolidating our professional team. HKQAA arranges experienced auditors of Assessment Conformity Unit to be the trainers, while trainees are required to take assessment, as well as to be accompanied by the Assessment Conformity Unit to conduct the audit for clients, so as to ensure the audits have met the required standard. Moreover, HKQAA also encourages auditors to expand their professional fields. In 2018, six auditors have obtained professional qualification in addition to their original certification scope.

Second-tier Management Development Programme

HKQAA is passionate about nurturing new generations of executives at management level. We prepare a second-tier management staff for some middle-level and senior management positions. Through the quality and innovative meetings which are held monthly, their management capacity would be enhanced. This measure does not only help to identify and train young talents, it also ensures the sustainability of management functions and reduces the management risk.

Leadership Training Course

During the period, two employees of HKQAA were nominated to participate the training course organised by the Leadership Training Association. The training was conducted in the form of experiential learning. Participants' leadership, interpersonal skills and communication skills were enhanced through group activities, competitions and discussion sessions so as to prepare them for taking up managerial positions and other significant roles in the future.

Priority for Internal Promotion

HKQAA gives priority to existing employees when considering promotion for the replacement of a job position. This provides opportunity for employees to self-recommend themselves to take up a higher position. This does not only help to identify staff with potentials, but also boost their morale. During the period, eight employees had been promoted to managerial positions, including principal auditor, business managers etc.

5. Communication with Employees

Honest and effective internal communication motivates employees to be more dedicated to their work and is crucial for nurturing their sense of belonging. Hence, HKQAA has established multiple channels to let employees express any opinions they have on HKQAA. Employees can communicate with superiors, Human Resources Unit or Chief Executive Officer directly by various means such as emails. They can also communicate with colleagues during occasions such as divisional meetings, auditors' meetings and monthly quality meetings.

Performance Appraisal

Performance Appraisal is a combination of two sessions namely self-rating and appraiser's rating. This facilitates the communication between employees and their superiors, enables the identification of aspects such as advantages and shortcomings, work performance, improvement areas and training needs, etc. of the employees. It also allows the employees to set the goals for next stage and reach a consensus on possible ways for enhancing work performance together with their superiors. If employees do not agree to the review results, HKQAA will take follow-up action accordingly.

In 2018, in order to enhance the productivity and work performance of the employees, HKQAA has finished the performance appraisal for all employees, and has taken some follow-up actions and made some reminders to a few concerned cases. Meanwhile, HKQAA also adopts a reward system that which offers performance-based incentives and bonus to employees.

Company-wide Meeting for Staff Members

HKQAA's Hong Kong office, Guangzhou office and Shanghai office hold a company-wide meeting for staff members half a year to update employees with HKQAA's latest trend, business performance and future plan of development promptly. This is to exalt our organisational culture, promote the communication among employees and raise morale.



Team Building Activities

During the period, HKQAA has organised some team building activities. Participating employees form different teams and cooperation across divisions has been realised. Employees could bring their talents into full play for accomplishing the tasks. HKQAA hopes that through these events, understanding among employees would be better and team spirit would be enhanced. Also, each employee is enabled to understand their own advantages and shortcomings so as to enhance individual's ability.



Sharing from our employee

“During the team building activity, each member complemented one another. Everyone’s strength and value were demonstrated respectively. This is the Shanghai Office, where every member is full of passion, and we work together as one.

On that day, we also delivered water bottles for Shanghai’s workers in the street, for example: polices, cleaning workers, couriers, etc.”



Ms Lucky Hu

Employee from Shanghai Office who joined the team building

Our Services

With the continuous development of business, HKQAA actively develops an assortment of services. Apart from generating profit to support our own operation, we are also devoted to assisting industries to upgrade and enhance competitiveness, thus the society would be benefited as well. During the period, HKQAA has provided 36 types of certification services, 20 types of non-certifying assessment and verification services, various types of customised services and training services. By providing various pertinent systematic, scientific and traceable certification and assessment services, we respond to the needs of the society and the industries, as well as facilitate the sustainable development of the society.

1. Respond to the Needs of the Community, Develop Brand-new Services

HKQAA has always been close to the market trend and the development of the society, unceasingly innovates and makes advancement. During the period, HKQAA has launched many brand-new services and has introduced various advanced management methods to the industries, aiming to enhance their operational standard and performance in social responsibility so as to meet the expectation and demand of the society.

Green Finance Certification Scheme

Green Finance has become a strategic tool for promoting the economic development and regional cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area and along the Belt and Road. The 2018-19 Budget of the HKSAR Government also proposes launching a green bond issuance programme and a green bond grant scheme to foster green finance development in our city. In keeping with the development of the national Green Finance policy and being supported by the Hong Kong SAR Government, HKQAA has launched the Green Finance Certification Scheme. The Scheme aims at helping the financial sector to explore new commercial and business opportunities in the Green Finance market, promoting a common understanding of Green Finance, thereby paving the way to a greener and more sustainable future. Until the end of 2018, more than 20 cases have been completed, over 4 billion US dollars' worth of issued green bonds and loans were certified.

Until the end of 2018, Green Finance Certification Scheme:

20+ cases has been completed

Over **4 billion** US dollars' worth of issued green bonds and loans were certified



Sharing from the Secretary for Financial Services and the Treasury

“The Government welcomes the Hong Kong Quality Assurance Agency's Green Finance Certification Scheme, which has been developed with reference to a number of national and international standards. In fact, the scheme comes at a particularly timely moment for Hong Kong as green bonds, sustainable finance and responsible investing are increasingly gaining popularity and market traction. Indeed, the Government is fully committed to developing Hong Kong as a premier green finance hub in Asia. From an environmental angle, this will support sustainable development and combat climate change. From an economic angle, this will promote Hong Kong as a leading financing platform for local, Mainland and overseas enterprises which seek to raise funds through green bonds.”



Mr James Henry Lau Jr, JP

Secretary for Financial Services and the Treasury, the Government of HKSAR

Sharing from the Secretary for the Environment

“HKQAA's Green Finance Certification Scheme caters to international trends and the HKSAR Government's development of green finance. I am pleased to see that the Scheme was developed with reference to a number of international and national standards, and provide third-party conformity assessments of Green Finance instruments for issuers, thereby promoting environmentally friendly investments.”



Mr Wong Kam-sing, GBS, JP

Secretary for the Environment, the Government of HKSAR

Sharing from our client

“The Green Finance Certification Scheme benefits both investors and the industry. As a third-party conformity organisation, HKQAA's certification can increase the transparency of green finance products, enhance investor confidence in the products and help them make wise investment decisions. The industry can also utilise this opportunity to facilitate green development. Take Swire Properties as an example. It issued its first green bond with an amount of US\$500 million in early 2018 and obtained HKQAA Green Finance Certification. The proceeds raised from green finance will be used in the company's green projects, to demonstrate the effectiveness of the sustainable development concept.”



Dr Raymond Yau

**General Manager, Technical Services and Sustainable Development,
Swire Properties Limited**

First certified client of Green Finance Certification Scheme

Mystery Shopping Programme

One of the most important missions of HKQAA is to assist industries to constantly enhance the quality of services. HKQAA's Mystery Shopping Programme helps industries to better understand the frontline staff's performance in customer service and provides crucial data for the industries, so as to enable systematic planning in staff training, rewarding scheme and development. In the past year, the Mystery Shopping assessments we have completed amounting to 30,000 and cover industries such as food and beverage, cosmetics and beauty, finance, property management, jewellery, public and social welfare service, etc.

Number of Mystery Shopping assessments completed

30,000

KOL Favored Brand Award

Moreover, social media has grown rapidly in recent years and online influencers are part of this trend. HKQAA has developed the "KOL Favored Brand Award" to recognise organisations that provide outstanding customer service. We are pleased to have Big Big Channel Limited (big big channel) to be the creative consultant and new media partner of the KOL Favored Brand Award.

big big channel Service Ambassadors of the KOL Favored Brand Award and KOLs will visit participating stores as mystery shoppers and assess their service quality. The visits will be videoed. With the merchants' consent, the videos will be edited and broadcast on big big channel's mobile app and online platforms such as Facebook and YouTube. Apart from helping the participating stores to build a strong brand reputation and enhance brand awareness, we believe the Award can encourage the industry to enhance the level of service, and ultimately benefit consumers."



Sharing from our partner

"We are delighted to act as the creative consultant & new media partner of the KOL Favored Brand Award. By combining the consumer experience of our Service Ambassadors and the creative platform in big big channel, we wish to provide product and service information to consumers in an innovative way and make a contribution to enhance industry-wide service level."

Mr Felix To

Deputy General Manager (Programme and Production) of TVB

Creative consultant & new media partner of the KOL Favored Brand Award



Promotion of Sustainable Building Index in the Mainland

Sustainable development of building is crucial to the development of a city. In addition to the implementation of Sustainable Building Index (SBI) in Hong Kong, HKQAA has further developed the Index to the Mainland in 2016.

In 2018, HKQAA has completed the assessment service for 20 buildings in Tianhe Central Business District (Tianhe CBD). Until now, 68 buildings have completed assessments. The property management companies and owners of the



buildings have given positive feedback on the Index. They appreciated that the Index helped them review and improve facility management performance and energy consumption in the buildings. With the aim of increasing the satisfaction of the clients and value of buildings, the Index helped facilitate enhancement of property management service in the District, enabling them to meet international trends.

Wine Storage Management Systems (Mainland) Certification Schemes

With the fast pace of development, the consumer's behaviour has changed rapidly in the Mainland. In response to the huge potential of wine market needs, HKQAA has rolled out the Wine Storage Management Systems (Mainland) Certification Schemes to promote the protection of wine quality and value through systematic storage management.

Introducing Professional Services for Emerging International Standards

Moreover, HKQAA provides related certification, assessment, verification and training services of the International Standards such as ISO 22716 Cosmetics Good Manufacturing Practices Certification Scheme, ISO/IEC 27017 Code of practice for information security controls for cloud services. We aim to help organisations enhance their management performance and competitive advantage, so as to foster the sustainable development of organisations and society.

2. Promote Standardised Management Enhance Recognition Continually

Being a leading conformity assessment body in the region, HKQAA is devoted to helping enhance the management standard of the industry continually. HKQAA takes the lead to introduce the advanced international management system, and is recognised by various international accreditation bodies so as to help the industry develop accreditation.

During the period, HKQAA's certification service for ISO 45001 Occupational Health and Safety Management Systems has obtained accreditations through The Hong Kong Certification Body Accreditation Scheme (HKCAS) of HKAS and China National Accreditation Service for Conformity Assessment (CNAS). Also, ISO/IEC 27001 Information Security Management Systems (equal to GB/T 22080) has obtained the accreditation from CNAS. HKQAA Certification (Shanghai) Ltd., a subsidiary set up by HKQAA in the Mainland, has obtained the approval from CNCA for extending the certification service scope to Information Security Management Systems.

Apart from this, HKQAA has been nominated by the Innovation and Technology Commission of the HKSAR Government and the China National Institute of Standardization respectively to participate in the technical committee for ISO/TC 207/SC 4 and the working group for ISO/TC 207/SC 4/WG 7 to develop ISO 14030 Green bonds – Environmental performance of nominated projects and assets. In December 2018, the expert from HKQAA was nominated by the Commission to directly take part in the technical committee for ISO/TC 322, which is developing the ISO standard for sustainable finance.

3. Share Knowledge and Experience Facilitate Sustainable Development

"Sharing knowledge" is one of the primary functions of HKQAA. In order to provide the latest knowledge and information about management for the industries, HKQAA has held a symposium, various training courses and seminars during the period. This allows the industry to adapt to the market trend and social development, as well as enhance competitiveness. Through sharing of knowledge, their awareness about sustainable development can be raised. Also, HKQAA has collaborating with professional organisations to co-organise competitions and establishing awards, so as to increase the development of the industry by creating more opportunities for the industry to learn from each other.

Symposium with Foresight and Providence

HKQAA's annual flagship event, the HKQAA Symposium 2018, was held successfully in May 2018. The theme of Symposium was "Towards Sustainable Economy: Divergent Thinking in Business Strategies". Local and foreign speakers, including Dr David Chung, JP, Under Secretary for Innovation and Technology, Mr Mushtaq Kapasi, Chief Representative, Asia-Pacific, International Capital Market Association, Mr Daniel Wong, Director and Head

of Research & Analytics, Hang Seng Indexes Company Limited, Dr Wingco Lo,

JP, Vice-chairman, the Community Investment and Inclusion Fund Promotion and Development Sub-Committee, Prof C Y Jim, BH, JP, Chair Professor, Department of Geography, The University of Hong Kong

and Dr Nigel H Croft, Chairman, ISO Technical Subcommittee on Quality Systems (ISO/TC 176/SC 2) gathered to discuss the latest management trends and addressed investment strategies. The Symposium was a huge success with over 700 participants who came from different sectors exchanging their industry experience. Besides, HKQAA has organised 48 seminars on various topics, such as recycling industry practice note, sustainable development, food safety, sales and customer service management, energy management, information security and cosmetics manufacturing practices in Hong Kong, Macau and Mainland. Good practices are being shared among the industries.



48 seminars

has been organised for the industry



Moreover, during the HKQAA Green Finance Certification Scheme Launching Ceremony cum Seminar, Prof Shi Yingzhe, Vice-Director General of the International Institute of Green Finance, Central University of Finance and Economics and Mr Stephen Wong, Deputy Executive Director and Head of Public Policy Institute, Our Hong Kong Foundation were the speakers of the event. They have discussed the latest developments of Green Finance in Hong Kong and Mainland. The ceremony gathered numerous experts and practitioners from the

government departments, financial, business, academic and environment sectors.

In addition to seminars, HKQAA has participated in three international forums in Mainland and Hong Kong to support the development of Green Finance, including the 2nd “Belt and Road” High-end Forum on Quality held in Xian in May 2018, “2018 Green and Social Bond Principles Annual General Meeting and Conference” in June 2018 and “2018 Green Finance Forum & Launch of the Hong Kong Green Finance Association” in September 2018, to share about the contribution of HKQAA in supporting the development in green finance standards in Hong Kong and discuss the market trends.



Elected as Alternate Chair of Quality Building Award 2020

Quality Building Award (QBA) is jointly organised by nine professional organisations in Hong Kong, which aims to facilitate the building industry to increase the level of professionalism and competitiveness together. HKQAA has been elected as the Alternate Chair of QBA 2020 and our Honorary Chairman, Ir Peter K. W. Mok is taking the role of the Chairman of the QBA 2020 Organising Committee, leading the committee to start preparatory work.

Sharing from the Chairman of QBA Organising Committee

“The QBA aims to give public recognition to buildings of outstanding quality that demonstrate outstanding teamwork. To achieve success, it requires comprehensive teamwork and involves numerous stakeholders in the building industry, ranging from building design and engineering, to quality management and the construction field. With the joint effort of these professionals, the building process should be the best it can be and there should not be a single mistake throughout each session. We are expecting more professionals to enter the competition. By creating more opportunities for the industry to learn from each other, the Award can further foster the development of the building industry.”



Ir Peter K. W. Mok
Chairman of the QBA 2020 Organising Committee,
Honorary Chairman of HKQAA

25 brand-new
training programmes

250 public trainings

Total Training Hours
has reached:

2,300 hours

Innovative and Diversified Training

In 2018, HKQAA does not only develop new training programmes actively, but also holds training programmes with other institutes and professional organisations. 25 brand-new training programmes and 250 public trainings were held during the year, making up to 2,300 training hours in total.

On top of the traditional technical skills training courses, HKQAA also introduces many legal-related courses. In 2018, HKQAA organised courses such as “Legal Impacts and Recent Development of European Union GDPR and Hong Kong PDPO”, “Saying Sorry without Legal Liability and the Impacts for the Enactment of New Apology Ordinance” and “Workshop on Bank Culture Reform”. Professionals from the legal field were invited to conduct the courses.

During the period, HKQAA has also launched various courses in relation to management and personal enhancement including “HR 3.0 Sharing Seminar”, “Appathon Team Building Innovative Design Thinking Skills”, “Mainland Marketing-Micro-marketing Strategy”, so as to meet the demands of people coming from different sectors in an all-round manner.

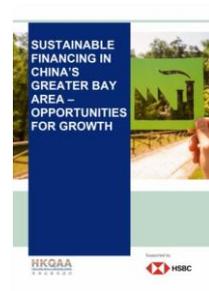
“VISION” and Electronic Communication

HKQAA publishes a magazine “VISION” quarterly. Contents of which include introduction of different international management systems and new standards for sustainable development by professionals from various fields, industry news, market trends, experience sharing by organisations and updates about HKQAA. We aim to provide latest news for the industries and help enhance standards. HKQAA also releases updates via electronic means from time to time, which enables clients and the industries to grasp the latest trends of management systems promptly.



Survey and Research on Performance in Sustainable Development

In order to understand the latest trend of the industry and promote sustainable advancement, HKQAA conducts various surveys and researches regularly to explore good practices and areas required to be improved. With the aim to examine how financing can aid the Greater Bay Area developing into a sustainable bay area, HKQAA published a research report on “Sustainable Financing in China’s Greater Bay Area – Opportunities for Growth”, with the support of the HSBC in 2018.



Sharing from our partner

“Green financing for a more sustainable economy is a natural choice for one of China’s most innovative regions. The advanced industries of the Greater Bay Area create a need for investment in technologies that save energy, reduce transport emissions and control pollution. Hong Kong is ideally placed to connect more of these projects with growing global demand for low-carbon investment opportunities. HSBC is delighted to support this important report from the HKQAA and looks forward to working with our partners towards the sustainable development of the Greater Bay Area.”



Ms Helen Wong
Chief Executive, Greater China, HSBC

4. Strengthen the Cooperation among Industries Cater to Market Trends

HKQAA is actively engaged in close connection with governments of different regions and industry organisations, so as to keep abreast of social developments.

Establish Strategic Partners to Promote Green Finance

In order to create more opportunities for collaborations and foster the development of Green Finance, Memorandum of Understandings were signed between HKQAA and numerous organisations, including International Finance Corporation (IFC), a member of the World Bank Group, Shaanxi Provincial Office of Finance, Bureau of Financial Affairs, Huadu, Guangzhou, the Authority of Qianhai, Shanghai Zhixin Low-Carbon Technology Research Center and the CECEP (Hong Kong) Investment Co. Ltd. etc.



Foster the Development of Finance and Technology between Shaanxi and Hong Kong

Office in Xian participated in three conferences organised by the Mainland government, including “Financial Policies and Labour Law Seminar”, organised by Hong Kong and Macao Affairs Office of Shaanxi Province and Shaanxi Liaison Unit, The Government of the HKSAR in January 2018; “Hong Kong Enterprises in Xian Seminar” organised by Shaanxi Provincial Department of Commerce in March; and the “Shaanxi, Hong Kong and Macao Technology Industries Innovation Development Forum” organised by Liaison Office of the Central People’s Government in the HKSAR and The People’s Government of Shaanxi Province. It is believed that the conferences will further foster the exchanges between Shaanxi and Hong Kong, creating more opportunities for cooperation and benefiting our country’s economy.



5. Understand the Need of Clients Dedicate to Optimising Services

Client is one of our most prominent stakeholders, so we have provided various channels for maintaining two-way communication with our clients in order to understand their needs and enhance their service experiences, so that we can refine and develop our services.

Increase Clients' Understanding of Services

In order to let our clients know more about the services of HKQAA as well as certification assessment, HKQAA would provide clients with the "HKQAA Regulations" and the relevant terms during the course of signing contracts for certification service, so as to guarantee the right to know of users and consumers as well as to state clearly the rules that are required to be complied by both parties. This does not only encourage clients to comply with various requirements for certification self-consciously, but also allows HKQAA to maintain its quality of certification services.

HKQAA conducts regular surveillance audit annually for clients who have obtained certification. Also, by means of close supervision and monitoring such as following up with media reports intently, HKQAA ensures clients are acting in accordance with the certification requirements strictly and maintaining good practices. When there are updates in the certification requirements, HKQAA would provide the information to clients promptly in order to have the clients informed and assist them to take appropriate actions for complying with the new certification requirements.

Survey on Clients' Satisfaction

Thanks to the valuable feedbacks given by our clients, HKQAA has been improving continuously. In this respect, HKQAA invites clients to evaluate our performances and voice their comments after every audit. In 2018, HKQAA has received 705 surveys in total and have earned an average score of 6.29 (out of 7). 0.43% of the surveys have scored below 4. HKQAA has taken the initiative to approach relevant clients for communication and follow up.

6. Protect the Privacy of Clients

For the sake of protecting the privacy of clients, our customer services branch has restricted the right for viewing of clients' data on the information system which is being used in daily operation, so as to ensure that the personal data of each and every client can only be viewed by the liaison officer. This can prevent the leak of private data and have adequate protection of clients' privacy. Information Technology Unit has also been updating our information system to further strengthen its confidentiality.

In 2018, HKQAA arranged employees to participate in the professional training on Personal Data (Privacy) Ordinance organised by Privacy Commissioner for Personal Data, Hong Kong so as to enhance their awareness in relation to protection of personal data.

Our Environment

Protecting the environment and facing the climate change have become challenges for the world. HKQAA is devoted to launch various initiatives which are related to environmental protection, assisting corporations to put environmental protection into practice, and adopting numerous environmental policies in the offices so as to do our very best to preserve the environment and love the earth.

1. To Promote Green Business

Introduce international advanced environmental practices

In order to cater to the demands in environmental protection of local industries and the society, HKQAA has developed various brand-new services and provides practical guidelines for industries to follow. In response to industry needs and national policy on scrap paper recycling, HKQAA was subsidised by the Recycling Fund of the Government to develop “Strengthening Program for the Understanding and Implementation of the GB Quality Standard of Scrap Paper in Hong Kong Recycling Industry”, which aimed to promote the understanding and implementation of the national standard “Environmental Protection Control Standard for Imported Solid Wastes as Raw Materials—Waste and Scrap of paper or Paperboard” in the waste paper recycling industry, thereby enhancing their professional level, boosting the development of the industry and contributing to circular economy. The Charter Scheme Pledge Ceremony cum Seminar for the project “Strengthening Program for the Understanding and Implementation of the GB Quality Standard of Scrap Paper in Hong Kong Recycling Industry” was held in the year for the programme.



Moreover, subsidised by the Recycling Fund, HKQAA has developed the “HKQAA Hong Kong Registration – Food Waste Recycling”. The “HKQAA Hong Kong Registration – Food Waste Recycling Presentation Ceremony cum Seminar” was also held in the year, which aimed at promoting good practices in food waste recycling to the industry, and helping enhance its performance. It also encouraged the business sector and the community to support food waste reduction at source, as well as recycling, thereby increasing the amount of food waste which is recycled.



Sharing from Chairperson of the Recycling Fund Advisory Committee

“To foster food waste recycling, HKQAA has developed the ‘HKQAA Hong Kong Registration – Food Waste Recycling’, which aims at promoting good practices in food waste recycling to the industry, and helping enhance its performance. It encourages the industry to keep track of the flow of food waste during recycling and motivates the right procedures of food waste collection and source separation, so as to increase the level of food waste recycling in the industry (including the catering industry, food recycling collectors and recyclers).”

Mr Jimmy Kwok, SBS, BBS, MH, JP
Chairperson of the Recycling Fund Advisory Committee



Sharing from the industry

"In the past, scrap paper recycling in Hong Kong gave a negative image to our clients, such as the impression of handling dirty and wet scrap papers. It was attributed to the bad practice of practitioners who used to wet the scrap papers. The 'Strengthening Program for the Understanding and Implementation of the GB Quality Standard of Scrap Paper in Hong Kong Recycling Industry' can gather the industry to improve the bad practice of some practitioners and increase the recycling amount of scrap paper. It can also encourage scrap paper recycling industry to meet the national standard."



Dr Jacky Lau
Chairman of Hong Kong Environmental Protection and Recycle Industry Sustainable Development Association

2. Green Workplace

In 2018, HKQAA has continued to committed to putting environmental protection into practice and adopting various environmental policies in the offices, so as to integrate environmental protection into workplace and work together to create a "Green Workplace".

Reducing Paper Consumption

HKQAA employees have always persevered in reducing unnecessary paper consumption through multiple ways, including replacing printouts by previewing documents in digital version, making good use of science and technology network system to achieve paperless, using the "print-on-both-sides" function, reusing the waste papers and papers which have only been used on single side. We also encourage the recycling of waste papers by setting up several waste paper recycling collection boxes in offices in order to promote the concept of environmental protection. During the period, HKQAA recycled 52 bags of papers and passed to Eco Association as well as confidential materials destruction service provider for handling. This campaign aims to reduce carbon emission and save the trees. The amount of HKQAA's recycled paper for the year is equivalent to reducing 5,552kg greenhouse gas emission and is also equivalent to planting 143 tree seedlings.



Amount of paper recycled is equivalent to planting

143 tree seedlings

Apart from utilising the papers in a proactive manner, our Guangzhou and Shanghai offices replace the use of tissue hand towel by using hand-dryer machine.

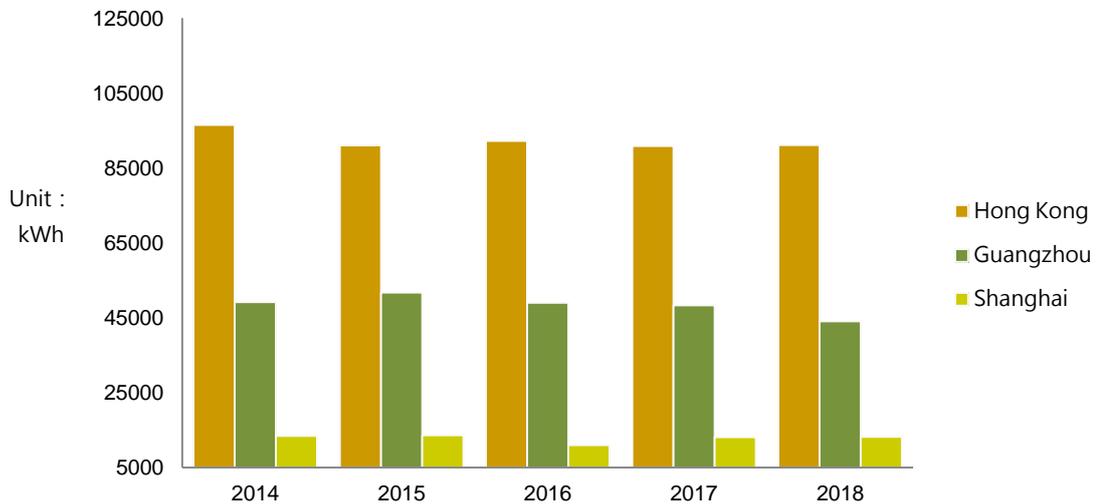
Energy Management

Energy saving is one of the keys to environmental protection. In order to optimise the use of energy and minimise wastage, many reduction measures have been consistently implemented in Hong Kong and the Mainland offices, such as switching off the lights in the offices during lunchtime everyday and

turning off all electronic devices including lights, computers, computer monitors and air-conditioners after office hour. In Hong Kong and Guangzhou offices, one fluorescent tube would be reduced from each panel so that we can provide a comfortable working environment for the employees and achieve energy-saving.

During the period, the overall electricity consumption of Hong Kong and Guangzhou offices decreased by 3% in total when compared to that of last year. In 2018, although Shanghai experienced the cold winter that led to an increase in use of air-conditioning, the electricity consumption in Shanghai office only increased slightly by 0.7%. Nevertheless, the electricity consumption of HKQAA in the past few years has been gradually decreasing on a whole. During the period of 2014 to 2018, it has reduced by 7% in total. This reflects that these energy-saving measures are effective and we will certainly continue to manage energy effectively, practise energy-saving and carbon reduction consistently, thus contributing ourselves to environmental protection.

Energy Consumption in Hong Kong, Guangzhou and Shanghai Office



Recycling

HKQAA has always been strongly supporting recycling. We do not only develop services which are relevant to recycling so as to raise the industries' awareness about recycling, but also adopt good practices ourselves so as to cherish every drop of resources that are provided to us by the Earth.

Our Hong Kong office has joined Friends of the Earth's "Toner & Ink Cartridges Recycling & Reuse Programme" and has donated 37 used printer cartridges in total. The proceeds had been donated to Friends of the Earth in full for promoting environmental protection. Also, Hong Kong office donated 34 used electric compliance to Friends of Tuen Mun to reduce wastage and help people in need.

Additionally, employees of HKQAA support waste sorting and separation and recycling very much. During the period, 85 aluminum cans and 408 plastic bottles were recycled using the bicolour recycling box in Hong Kong office. They were delivered to the designated collection points together with the used fluorescent tubes and batteries for recycling. The offices in the Mainland



37 used printer cartridges

85 aluminum cans

408 plastic bottles are recycled

also collect paper boxes, envelopes, paper dust of shredded documents, plastic bottles and aluminum cans for waste separation. The collected items shall then be passed to recyclers for recycling.

Xian office advocates employees to reduce the use of plastic bags and lunch boxes. Moreover, they have cultivated green plants in the office and cut off the fallen leaves as fertilisers.

3. Environmentally-friendly Activities

HKQAA organises environmentally-friendly activities for employees' participation from time to time. In December 2018, Hong Kong Office organised "Cape D'Aguiar Marine Reserve" one-day tour. Employees can learn to conserve the environment while appreciating the stunning sceneries.



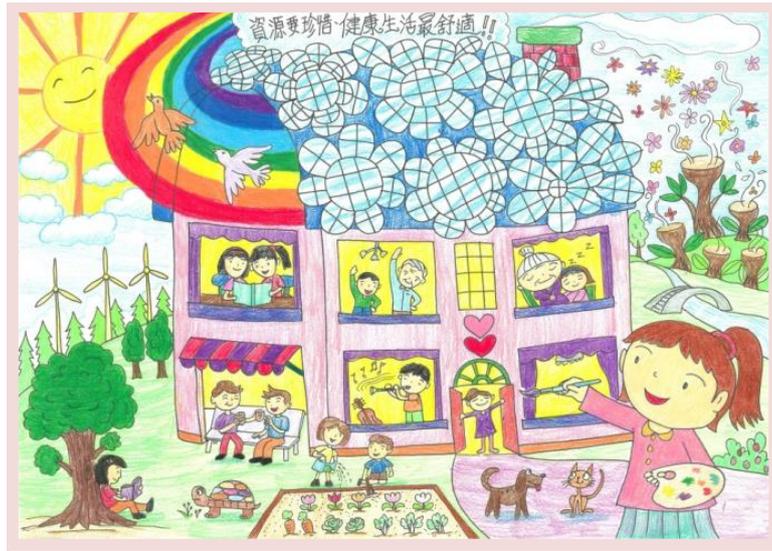
Our Hong Kong office embraces "green" festivals. After the Spring Festival in 2018, Hong Kong Office has organised the "Red Pocket Donation Campaign" to collect the used red pockets for recycling. After processed, the red pockets can be reused as brand-new red pockets for public use for free. Also, Hong Kong office has participated in the panama orange donation matching network and donated the panama orange to RTC Gaia School. When celebrating the festival at the annual Christmas party, employees paid a little effort to protect the environment by bringing along their own reusable utensils.



In addition, the offices in the Mainland continued to have the used clothes donation. They have donated the used clothes to Feimayi platform and the Guangzhou Social Donation Workstation. This activity did not only encourage employees to support recycling, but also facilitated the donation of old materials to charitable organisations and helped those in need.

Our Community

As one of the local pioneers for promoting social responsibility, HKQAA has always seen serving the community as one of its missions. HKQAA does not only serve as the bridge between the industries and the society, but is also devoted to participating in different social activities, supporting various sectors to respond to the social issues and promote philanthropy, mutual benefits and social inclusion, which would facilitate sustainable social development.



*Shortlisted entry of the Primary School Junior Section,
The 11th "My Dream Home" Contest"
by a primary student of SKH Ho Chak Wan Primary School*

HKQAA Business and Community Supporting Fund

During the period, HKQAA Business and Community Supporting Fund (BCS Fund) has subsidised 20 projects, including helping the underprivileged, supporting the advancement of education, encouraging employees to participate in community services, donating to humanitarian aid projects, subsidising research projects and organising seminars, etc. The total amount of donation for the year is about HK\$760,000.

In 2018, BCS Fund focused on projects which support the elderly including donation to Hong Kong Alzheimer's Disease Association and Hong Kong Wheelchair Aid Service. We hope that the elderly can always receive appropriate and timely assistances and care.

Corporate Social Responsibility (CSR) Ambassador

Every year, HKQAA's employees would select a CSR Ambassador by voting, who is responsible for initiating and organising various charitable events, and to encourage the active participation by employees, so as to enjoy and have fun when engaging in charitable activities.

In 2018, HKQAA's employees, being led by the CSR Ambassador, continued to devote themselves to participating in voluntary services. During the period, employees of HKQAA's offices in Hong Kong and the Mainland contributed over 630 hours to the participation in voluntary services. This shows our employees are caring as well as very much connected to the community.

20 Projects

subsidised by
HKQAA Business
and Community
Supporting Fund

“My Dream Home” programme:

Around **3,000** entries from Hong Kong and Guangzhou

Around **400** students participated in social responsibility workshop and seminars

Around **200** disadvantaged people joined the charity movie show

1. Nurturing Young Talents

Young new force is vital to the sustainable development of a community. Hence, HKQAA is devoted to assisting the youth to equip themselves and establish positive attitudes so that they will be able to make contribution to the society in near future.

Writing, Photography, Microfilm, Drawing and Poster Design Contest

During the period, HKQAA has organised the 11th “My Dream Home” Writing, Photography, Microfilm, Drawing and Poster Design Contest. In collaboration with the Education Bureau of Hong Kong and Guangzhou Youth Cultural Exchange Centre, we have received around 3,000 entries from Hong Kong and Guangzhou. We hope the Contest can cultivate the younger generation’s sense of responsibility to the society.



Event Planning Experience Programme, Social Responsibility Workshop and Seminars

To further expand the educational content and scope of “My Dream Home”, HKQAA has organised the Event Planning Experience Programme for secondary school students to accumulate experiences in managing major events. Also, social responsibility workshop and school seminars were held to introduce the role and concept of social responsibility to approximately 400 secondary students.



“My Dream Home” Charity Movie Show

HKQAA also held a charity movie show with the aim of extending “My Dream Home” from students to our neighbours. The Contest awardees, as well as around 200 disadvantaged people, judges and special guests enjoyed a movie about a father's unconditional love for his daughter.



Sharing from students

“I am delighted to participate in the ‘My Dream Home’ workshop and Event Planning Experience Programme. In addition to supporting the backstage arrangements, I acted as the guest MC during the Contest Award Presentation Ceremony. Although I was a bit nervous when facing the audience, I still treated it as a valued experience.”

Student from Hong Kong Red Cross Margaret Trench School
*Participant of the social responsibility workshop
and Event Planning Experience Programme*



“Since I was a child, I have been interested in taking photos everywhere under my mother’s influence. To me, My Dream Home is a place full of laughter, happiness and without any conflicts.”

Fang Chu Peng
San Jiang Zhen Zhong Xin Primary School
*Champion of the Guangzhou and neighbour areas section,
Photography Contest*



Student Work Experience

HKQAA actively provides work experiences opportunities for secondary and tertiary students. During the period, 8 secondary students and 11 university students participated in the Event Planning Experience Programme and summer internship programme of our Hong Kong office respectively. They were enabled to accumulate work experience and also earn industry knowledge.



Also, BCS fund provided scholarship to Youth College to recognise outstanding students. We believe the scholarship will encourage them to become future leaders and contribute to the society.



2. Contributing to the Society

Contributing with Warmth and Heart

During the period, both Shanghai office and Guangzhou office had held Used Clothing Donation Campaign regularly. All the used clothes donated by employees would be given to the people in need. This Campaign did not only let the people in need feel warm, but could also carry out our principles of environmental protection and treasuring resources.

Loving the Elderly

Employees of the Guangzhou office visited an elderly centre, delivering lunch and making Chinese Lanterns for the elderly. During the visits, employees chatted with the elderly. Distance between the two groups was narrowed, making it a well-spent afternoon filled with joy and warmth.



Humanitarian Aid Assistance

HKQAA promotes the concept of a caring society without boundaries and even extends care to other regions. During the period, BCS Fund supported various humanitarian aid projects including impoverished villagers in Northwestern China and victims in the Earthquake and tsunamis in Indonesia. Hopefully our tiny contribution would improve their lives.

Besides, in September 2018, Macau was unfortunately hit by Typhoon Mangkhut which led to floods, water and power outage. Employees of Macau office spontaneously participated in voluntary services organised by social organisations during the aftermath of the typhoon, such as assisting residents to get clean water, distributing fresh water and food to residents and singleton elderly who lived in high-rise buildings, so as to address their emergency needs.

Sharing from our employee

“We went to social work service station in Guangzhou to start our volunteer work. Our mission was to deliver lunch for an elderly called Ms Liang. The visit was full of joy and laughter. As one of the members of the HKQAA, I feel honoured to participate in the community service. I will keep on fulfilling my social responsibility and contributing to the society.”

Mr Jayden Gu

Employee from Guangzhou office who took part in community activities



3. Care for the Underprivileged

Building a Social Inclusion Environment

HKQAA has always been committed to putting social inclusion into practice. In 2018, HKQAA's Hong Kong office has employed 218 elderly and people with disabilities in total. Both Guangzhou office and Shanghai office have employed people with disabilities to perform data entry and translation tasks respectively. Even people with disabilities can also utilise their skills and integrate into the society.

Charitable Activities

The child sponsorship programme being arranged by the CSR Ambassador has been strongly supported by the employees. All proceeds obtained from the employees for purchasing food and snacks at the pantry and ice-cream selling in June 2018 at the Hong Kong office, together with the donation from BCS Fund would be donated to World Vision Hong Kong for sponsoring three children in Nepal, Albania and the rural village in Shaanxi respectively so as to help improve their living standard.



Thank you cards from the children who sponsored by donation from BCS fund

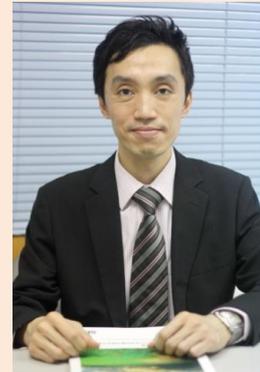
Additionally, Hong Kong Office has also participated in “Because I Am a Girl (BIAAG)” pencil donation by Plan International Hong Kong to support the girls from developing countries to learn in an enabling environment. Speaking of community services, HKQAA has sponsored 20 employees to join the “UNICEF Charity Run”.



Sharing from our employee

“As the CSR ambassador, I am committed to building the connection between employees and the people in need. In doing so, we can give back to society by helping the underprivileged. I believe all the community services that we have done are worthy.”

Mr Edmund Fung
CSR Ambassador of the Hong Kong Office



Looking Forward



HKQAA will soon enter its 30th anniversary in 2019. Our staff members will continue to join hands with the industry to address the challenges facing enterprises and society.

In response to the promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, HKQAA will utilise our professionalism and knowledge to support the development of the government and industry by providing brand-new services and training courses related to green finance, environmental protection and cyber security. We will keep cooperating with various stakeholders to support green finance and innovative industries so as to foster the sustainable development of different sectors.

We will also focus on optimising the remuneration and fringe benefits of employees, and encourage them to contribute with heart to the underprivileged. We will hold numerous educational programmes for young people as well as charity events and seminars for the wider community.

HKQAA will uphold its mission of promoting social responsibility and move forward with an innovative approach to developing value-added services. We will work together, with a shared commitment to social responsibility, promoting sustainability within organisations, the business community, society and the country.

Appendix 1: Index - “HKQAA CSR Index”

“HKQAA CSR Index” has been developed based on the guidance and principles provided by ISO 26000. The guidance of ISO 26000 was consolidated into 40 recommended CSR practices under seven core subjects as below:-

CSR Core Subjects	Recommended CSR Practices		Relevant Pages
Organisational Governance	OG1	Organisation should set its direction by making social responsibility an integral part of its policies, strategies and operations.	2-4, 7
	OG2	Organisation should establish programmes to raise awareness and build competency in social responsibility in the organisation.	3, 4,
	OG3	Organisation should be aware of applicable laws and regulations, as well as informing those within the organisation responsible for observing these laws and regulations to ensure that they are observed.	6, 8-11, 14
	OG4	Organisation should disclose its policies, decisions and activities about their known and likely impacts on society and the environment.	20-38
	OG5	Organisation should define its standards of ethical behaviour with reference to available international norms.	4, 6, 10
	OG6	Organisation should develop governance structures that help to promote ethical conduct within the organisation and in its interactions with others.	6-11
	OG7	Organisation should establish a two-way communication mechanism for stakeholders’ interests, as well as assisting in identifying areas of agreement and disagreement and negotiating to resolve possible conflicts.	5, 9, 17, 27, 28
Human Rights	HR1	Organisation should prevent the abuse of human rights resulting from the actions of any entities or persons whose activities are significantly linked to those of the organisation.	10-13
	HR2	Organisation should establish a transparent and independent governance structure to ensure that no party can interfere with the fair conduct of a particular grievance process.	6-9, 17, 28
	HR3	Organisation should provide stakeholders with channels to freely express their views, even in situations of disagreement with organizational decisions.	5, 9, 17, 28
	HR4	Organisation should ensure that it does not discriminate against employees, partners, customers, stakeholders, members and anyone else that the organisation has any contact with or can influence.	10-13
	HR5	Organisation should ensure no engagement with forced labour and child labour.	12, 13
Labour Practices	LP1	Organisation should encourage the organisations in its supply chain to meet legal labour requirements.	10, 11
	LP2	Organisation should ensure that conditions of its work comply with national laws and regulations.	12, 13, 15
	LP3	Organisation should establish dialogue with staff members to establish healthy labour-management relations.	5, 9, 17
	LP4	Organisation should implement measures to protect employees from health risks and adopt an occupational environment that meets the physiological and psychological needs of employees.	12-19
	LP5	Organisation should promote an occupational health and safety culture to employees and contractors.	15, 29
	LP6	Organisation should implement programmes to increase the capacity and employability of employees.	15-18

The Environment	EN1	Organisation should implement measures to prevent pollution and minimise waste.	20, 29-32
	EN2	Organisation should promote an environmental-caring culture to employees and contractors	19, 29-32
	EN3	Organisation should implement resource efficiency measures to reduce its use of energy, water and other materials.	29-32
	EN4	Organisation should implement measures to reduce Greenhouse Gases (GHG) emissions associated with its activities, products and services.	30-31
	EN5	Organisation should identify potentially adverse impacts on the ecosystem and take measures to eliminate or minimise these impacts.	29-32
Fair Operating Practices	FO1	Organisation should develop and implement programmes to prevent corruption.	9-11
	FO2	Organisation should prevent engaging in anti-competitive behaviour.	10, 11
	FO3	Organisation should incorporate social, ethical, environmental and gender equality criteria in its purchasing, distributing and contracting policies.	10, 11
	FO4	Organisation should develop and implement programmes to protect property rights.	11
Consumer Issues	CI1	Organisation should ensure no unfair or misleading marketing and information is delivered to customers or consumers.	10, 11
	CI2	Organisation should ensure that consumers are aware of their rights and responsibilities when products and services are delivered.	28
	CI3	Organisation should ensure that its products and services will not be inherently harmful to consumers' health.	20-28
	CI4	Organisation shall provide customers with socially and environmentally beneficial products and services that are able to reduce respective adverse impacts throughout their life cycle.	20-29
	CI5	Organisation should review complaints and take action to prevent recurrence.	9
	CI6	Organisation should implement measures to resolve dispute and enhance customer satisfaction.	9, 28
	CI7	Organisation should implement measures to protect consumers' data and privacy.	28
	CI8	Organisation should educate customers or consumers in order to enhance their understanding of the product and awareness of sustainable consumption.	20-29
Community Involvement and Development	CD1	Organisation should help to conserve and protect heritage. Especially where the organisation's operation has an impact on.	32
	CD2	Organisation should contribute to programmes that provide assistance or other necessities to vulnerable and low-income groups.	33-38
	CD3	Organisation should participate in skills development for the organisations in its supply chain in the community in which they operate.	20-27, 33-38
	CD4	Organisation should encourage healthy lifestyles in the community.	14,24, 29, 33-38
	CD5	Organisation should contribute to the development of the community in which they operate.	20-38

Appendix 2: CNCA’s “Guidance for Certification Bodies to Fulfill Social Responsibilities”

“Main Content for Certification Bodies to Fulfill Social Responsibilities” - Index

Main Content for Certification Bodies to Fulfill Social Responsibilities		Relevant Pages
Legal Compliance	Take the initiative to comply with various requirements of laws, regulations and an organisation’s standardized operation; Seriously fulfill moral and ethical standards as a corporation as well as a citizen; combat crooked competition, commercial bribery and fraudulence; voluntarily accept the supervision by the government, consumers and society; uphold the law and order within the accreditation industry	6-13, 15, 23
Standardised Operation	Develop internal control system for ensuring the impartiality of certification work, the scientific and standardised operation in business and personnel management, identification and prevention of certification risk; Develop and implement measures for effectively supervising organisations which have obtained certification; strengthen the management and control over the entire certification continually fulfill the certification requirements by providing them with practical and effective support.	6-11, 24, 28
Integrity	Take the initiative to adhere to the morality and ethics of the society, business and industry with self-discipline; engage in certification work in a fair, impartial and objective manner; deal with the relevant confidence of the society with scientific means, strict manner, standardised procedures, professionalism, quality services and reliable results	6-11
Enhancing Service Levels	Actively develop diversified services which can improve and enhance the managerial levels of an organisation and ensure the effectiveness of certification; facilitate organic integration of the management system established by an organisation into the practical management process; lay a solid foundation for provision of high-quality and reliable certification results	6-11, 20-28
Innovative Development	Actively expand the field of certification with the focus on development in national economy and the society; innovate the business mode of certification industry; satisfy the need of the government, industry and enterprises for certification utilize the positive effect of certification on economic continual growth and social harmony	20-28
Protecting the Environment by Energy-saving and Carbon-reduction	Make use of certification technology to facilitate environmental protection, energy-saving and carbon-reduction. Reduce exploitation and exhaustion of resources and energy as well as pollution during the process of management and certification work	20, 23, 29-32
Employees’ Rights and Interests	Comply with the national laws and regulations in relation to human resources and social security; sign contracts with employees and obey the terms and conditions therein and the requirement for social security in accordance with the law; establish policies and systems to protect employees’ rights and interests as well as their physical and mental health; refine remuneration allocation system; recognize and nurture talents; provide business development opportunities; foster employees’ esteem and sense of responsibility for the certification industry	12-19
Serving the Society	Actively engage in social welfare and community building; encourage the development of the certification for approved charitable activities and voluntary services; care about and give support to public welfare work such as education, culture and hygiene	33-38

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Hong Kong 香港

19/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong 香港北角渣華道191號嘉華國際中心19樓

Tel電話: (852) 2202 9111 Fax傳真: (852) 2202 9222 E-mail電郵: hkqaa@hkqaa.org

Shanghai上海

HKQAA Certification (Shanghai) Ltd. 標準認證服務(上海)有限公司

Unit 2007-2008, 20/F, Pole Tower, 425 Yishan Road, Xuhui District, Shanghai, China

中國上海市徐匯區宜山路425號光啟城20樓2007-2008室

Postal Code郵編: 200235

Tel電話: (86 21) 6876 9911 Fax傳真: (86 21) 6876 9922 E-mail電郵: info.sh@hkqaa.org

Guangzhou 廣州

HKQAA Certification (Shanghai) Ltd. Guangzhou Branch 標準認證服務(上海)有限公司廣州分公司

22/F, Nova Tower, 185 Yue Xiu Road South, Guangzhou, China 中國廣州市越秀南路185號創舉商務大廈22樓

Postal Code郵編: 510100

Tel電話: (86 20) 8383 3777 Fax傳真: (86 20) 8382 3066 E-mail電郵: info.gz@hkqaa.org

Xian 西安

HKQAA Certification (Shanghai) Ltd. Xian Representative Office 標準認證服務(上海)有限公司西安辦事處

Room 1712, 17/F, Ronghao Mansion, Intersection of Weiyang Road and Longshou Commercial Street, Xian Shi, Shaanxi Sheng, China 中國陝西省西安市未央路與龍首北路十字西北角榮豪大廈17樓1712室

Postal Code郵編: 710016

Tel電話: (86 29) 8636 0030 Fax傳真: (86 29) 8636 0031 E-mail電郵: info.xn@hkqaa.org

Macau 澳門

HKQAA Certification (Macau) Ltd. 標準認證服務(澳門)一人有限公司

Flat G, 3rd floor, Dynasty Plaza, No. 411-417 Alameda Dr. Carlos d'Assumpção, Macau

澳門新口岸宋玉生廣場411-417號皇朝廣場3樓G座

Tel電話: (853) 2875 1199 Fax傳真: (853) 2875 1609 E-mail電郵: info.mo@hkqaa.org