



公民教育委員會

Committee on the Promotion of Civic Education

# **Survey on Corporate Citizenship in Hong Kong**

## **Main Report**

**Prepared for  
The Committee on the Promotion of Civic Education**

**Prepared by  
Centre for Civil Society and Governance, The University of Hong  
Kong, and  
Policy 21 Ltd., The University of Hong Kong**

**November 2007**

## Table of Contents

	Page
<b>Executive Summary</b>	1
<b>Chapter I Background</b>	13
1.1 Objectives	13
1.2 Framework for data collection	14
1.3 Survey methodology	15
<i>Methods of data collection</i>	15
<i>Sample design and sample size for Phase Three</i>	16
1.4 Organization of the report	17
<b>Chapter II Profile of business establishments enumerated</b>	18
<b>Chapter III Commitment to contribute internally to improving the well-being of employees and their families</b>	22
<b>Chapter IV Commitment to minimize any negative economic, social and environmental impacts on the society</b>	25
4.1 Anti-discrimination in recruitment and employment	25
4.2 Environmental protection	29
<b>Chapter V Commitment to behave ethically in operating its business and optimizing its returns</b>	33
5.1 Dealing with customers	33
5.2 Dealing with suppliers	35
5.3 Dealing with competitors	39
<b>Chapter VI Commitment to contribute to the society</b>	40
<b>Chapter VII Perception and implementation of corporate social responsibility</b>	48
<b>Chapter VIII Observations and recommendations</b>	61
8.1 Overall Picture	61
8.2 Recommendations	63
<b>Appendix Questionnaire</b>	67

## ***Executive Summary***

### ***Methodology***

1. This study is commissioned by the Committee on the Promotion of Civic Education (CPCE) to obtain information on Hong Kong companies' corporate culture and values, their existing policies and practices as well as their understanding and awareness of corporate citizenship with a view to facilitating formulation of strategies and measures to promote corporate citizenship in Hong Kong. The study looks specifically into four dimensions of corporate social responsibility (CSR), namely (1) improvement of the well-being of employees and their families; (2) minimization of negative economic, social and environmental impacts on society; (3) ethical business operations; and (4) contributions to society.

2. Both quantitative and qualitative methodologies are adopted in the study, namely focus group discussions, case studies and territory-wide survey of companies. For the territory-wide survey, a total of 20 417 establishments were randomly selected from the sampling frame. After excluding 3 825 establishments found to be invalid, a total of 10 094 establishments were successfully enumerated, representing a response rate of 61%.

### ***Improvement of well-being of employees and their families***

3. More than half of the establishments paid attention to aspects like workplace safety (accounting for 64% of the establishments), hours of work (62%), salaries and other fringe benefits (58%), medical benefits (48%), education (48%) and training (40%). A lower proportion, on the other hand, covered family members, including organizing leisure and recreational activities for their staff and their family members (25%) and providing benefits for family members of staff (15%).

4. Most establishments considered that there was a business case for providing more benefits to staff. The views are as follows:

- 73% of the establishments believed that the cost of more fringe benefits provided to staff could be justified by improved efficiency;

- 77% of the establishments also believed that improving fringe benefits to staff would help reduce staff mobility;
- 61% of the establishments considered that it was part of their company's corporate culture or tradition to have equal opportunity.

5. The above 3 items can be regarded as the “internal” incentives for establishments to improve the well-being of employees and their families. Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement related to “internal” incentives to improve the well-being of employees and “10” denoting strongly agree, the overall index on “internal” incentives to improve the well-being of employees was quite high, at 7.0, which was well above the mid-point value of 5.5. Establishments that had at least one measure that was related to the welfare of employees and employees’ families, their index of “internal” incentives to improve the well-being of employees was higher, at 7.1, than that for establishments that had no measure related to the welfare of employees and employees’ families, at 6.1.

6. Establishments were law-abiding, as shown below:

- 53% indicated that they would implement anti-discrimination measures if such measures were required by the law;
- 56% indicated that they would provide fringe benefits to their staff only because it was required by the law.

7. The above 2 items can be regarded as the “external” incentives for establishments to improve the well-being of employees and implement anti-discrimination measures. The overall index on “external” incentives to improve the well-being of employees and implement anti-discrimination measures was 6.1, which was slightly above the mid-point of 5.5. It may also be of interest to note that for establishments that had at least one measure that was related to the welfare of employees and employees’ families, their index of “external” incentives to improve the well-being of employees and implement anti-discrimination measures, at 6.1, was the same as that for establishments that had no measure related to the welfare of employees and employees’ families.

### ***Minimize negative economic, social and environmental impacts on society***

#### *Anti-discrimination in recruitment and employment*

8. Only a small proportion of the establishments with employees had stated guidelines against discrimination in recruitment and employment. Only a small proportion of the establishments had stated guidelines against sex discrimination (14%), age discrimination (14%) and discrimination on grounds of disability (13%). About 10% had stated guidelines against family status discrimination and racial discrimination. About 9% had stated guidelines against discrimination on religious grounds.

9. About 19% of the establishments with employees had adopted measures to guard against discrimination in recruitment and employment. For these establishments, the more common measures adopted were conveying company policy on anti-discrimination to staff responsible for recruitment and employment (accounting for 78% of the establishments concerned) and explaining company policy on anti-discrimination to all employees (44%).

10. It may be of interest to note that only about 9% of the establishments had both stated guidelines and adopted measures. About 7% had only stated guidelines and did not have any measure against discrimination in recruitment and employment. A further 10% had measures but not stated guidelines against discrimination in recruitment and employment.

11. Only about 30% considered that it was their company's tradition to provide employment to disadvantaged groups and only about 35% considered that doing so would help promote the image of their company.

### *Environmental protection*

12. Most establishments had policies or measures that were aimed at conservation, as shown below:

- 63% had policies or measures to reduce the use of plastic bags;
- 65% had policies or measures to conserve water consumption;
- 71% had policies or measures for conservation of gas and electricity;
- 61% were keeping air-conditioned premises at 25.5 degrees Celsius in order to save energy.

13. More than half of the establishments (56%) had policies or measures on waste management. Apart from establishments not facing relevant situations, the majority also had policies or measures that were aimed at reducing the emission of

hazardous chemicals and controlling gas emission in order to avoid pollution.

14. About two-thirds of the establishments considered that it was part of their company's corporate culture to implement environmental protection measures (64%), or by doing so would help enhance the company's image (66%) and reduce costs (69%).

15. The overall index on attitude towards environment protection, or the "internal" incentives for environmental protection, was quite high, at 6.7, which was well above the mid-point value of 5.5. The index for establishments that had at least one measure on environmental protection and waste management, at 6.8, was higher than the index of establishments that did not have any measure on environmental protection and waste management, at 6.2.

16. Pressure from environmental groups was not a main consideration of the establishments in implementing environmental protection measures, with only 30% agreeing that this was a factor. A higher proportion of the establishments (51%) indicated that they implemented such measures because this was required by law and about 43% did so because this was required by their customers.

17. The index on the "external" incentives for environmental protection shows the impact of external pressure. Such pressure from environmental groups on company's attitude towards environmental protection was 5.1, which was below the mid-point of 5.5. It may be of interest to note that the index for establishments with at least one measure on environmental protection and waste management, at 5.9, was higher than the index of establishments that did not have any measure on environmental protection and waste management, at 5.0.

### ***Ethical business operations***

#### *Dealing with customers*

18. The majority of the establishments indicated that they had policies or measures in place to protect their customers, as indicated below:

- 86% of the establishments had policies or measures to provide clear and precise price information to their customers;

- 80% had policies or measures to protect the personal data of their customers;
- 77% had policies or measures to provide quality after sale services to their customers; and
- 74% had policies or measures to provide full and accurate non-price information (e.g. quality and safety) on their products or services to their customers.

19. As regards treating their customers well, the majority of the establishments were of the view that they had an obligation to sell goods or services that are safe and of good quality (88%) to their customers. The majority of the establishments also considered that ensuring the quality of goods or services would benefit their company in the long run (87%) and that it was their company's corporate value to treat its customers fairly (84%).

20. The overall index on attitude towards treatment of customers, indicating the "internal" incentives for behaving ethically towards customers, was very high, at 8.2, which was well above the mid-point of 5.5.

21. 69% of the establishments opined that the prices of goods and services sold by them were solely determined by the market and that their company would only do what was required by law regarding the safety of their products and services (66%). About 61% were of the view that they had no obligation to disclose all the information on its products and services to the customers, unless it was required by law to do so.

22. Expressed in a Likert scale of 10, with "1" denoting strongly disagree with the statement related to "external" incentives for behaving ethically towards customers and "10" denoting strongly agree, the overall index on "external" incentives for behaving ethically towards customers was quite high, at 6.8, which was well above the mid-point value of 5.5.

#### *Dealing with suppliers*

23. Only a small proportion of the establishments indicated that they had policies or measures to ensure that suppliers complied with laws or regulations in their countries (accounting for 31% of the establishments), that suppliers had taken steps to protect the environment (18%) and the suppliers had good employment practices

(16%).

24. For establishments that had policies or measures to ensure that suppliers had good employment practices, the main reason for doing so was that this was their company's corporate values (accounting for 47% of the establishments concerned). About 42% did so because it was a requirement of their buyers and another 27% indicated that it was a requirement of their headquarters.

25. The reasons why establishments in general did not exert much pressure on their suppliers to ensure that the suppliers were behaving ethically could probably be attributed to the belief of most of the establishments (72%) that it was up to the market force to determine their dealings with suppliers. The majority of the establishments (68%) were also of the view that their dealings with suppliers already complied with the law, and hence there was no need to do anything extra for the suppliers.

26. On the other hand, 69% of the establishments indicated that they would try to ensure that their suppliers could have reasonable profits. About 79% also indicated that they were keen to ensure that products supplied by their suppliers were safe.

#### *Dealing with competitors*

27. More than half (59%) of the establishments disagreed that it was alright to drive their competitors out of business. The majority of the establishments (77%) were also of the view that acting morally towards their competitors was more important than making higher profits.

#### *Contributions to society*

28. Only about 18% of the establishments had made donations to charitable organizations in the name of the company in the past 12 months prior to enumeration, and 14% had made donations though not in the past 12 months. More than half (64%) did not make any donation and had no plan to do so in the near future.

29. Only about 14% of the establishments had provided non-monetary support to charitable organizations in the name of the company in the past 12 months prior to enumeration, and 6% had provided non-monetary support though not in the past 12



months. The majority (75%) did not provide any non-monetary support to charitable organizations and had no plan to do so in the near future.

30. Only about 15% of the establishments had measures to encourage employees to donate to charitable organizations or participate in volunteer work in the past 12 months prior to enumeration, and 4% had done so though not in the past 12 months. 71% of the establishments did not have such measures and had no plan to do so in the near future.

31. On the other hand, more than half of the establishments recognized that contributions to community would promote the image of the company (accounting for 67% of the establishments), participation in volunteer work by employees together would help enhance employees' sense of belonging to the company (66%) and participation in volunteer work by employees together will help build up team spirit (69%).

32. The three items above may be regarded as representing the "internal" incentives for contributions to the community. Expressed in a Likert scale of 10, with "1" denoting strongly disagree with the statement related to "internal" incentives for contributions to the community and "10" denoting strongly agree, the overall index on "internal" incentives for contributions to the community was quite high, at 6.9, which was well above the mid-point value of 5.5.

33. The index on "internal" incentives for contributions to the community for establishments that had made any contribution to the community, by making monetary donations, or non-monetary contribution or encouraging staff to donate or participate in volunteer work, at 7.3, was higher than the index of establishments that had never made any contribution to the community, (i.e. they did not make any monetary or non-monetary donation, or encourage their staff to take part in volunteer work in the past 12 months), at 6.4.

### ***Perception and implementation of CSR***

34. Only about 23% of the establishments indicated that they were aware of CSR. Among these establishments, more than half (62%) did not have any specific programme implementing CSR.

35. Most establishments, on the other hand, considered that it was important to follow various principles of CSR. For example:

- 83% of the establishments considered it was important from their company's perspective to have continuing commitment to behave ethically in business operation;
- 81% considered it important to have continuing commitment to minimize any negative economic, social and environmental impacts on society;
- 68% considered it important to have continuing commitment to contribute internally to improving the well-being of its employees and their families, through appropriate values education, staff development and learning programmes, measures to raise the quality of life, etc.; and
- 62% considered it important to have continuing commitment to contribute to society, through its philanthropic acts, volunteering, charitable donations, etc.

36. In addition, views expressed by most establishments seemed to indicate that they were supportive of CSR. Their views were as follows:

- 74% of the establishments agreed that implementing CSR should be the responsibility of every company;
- 76% agreed that apart from their responsibilities to external parties, companies should also emphasize on fostering values and developing corporate culture within the company; and
- 76% agreed that implementing CSR would benefit company in the long run.

37. However, more than half of the establishments (63%) were also of the view that a company has already discharged its social responsibility by paying tax. Furthermore, as high as 81% considered that there should be different CSR requirements for different companies, depending on the company's resources. About half (49%) of the establishments considered that CSR was not only for large corporations, while the other half (48%) considered that CSR was only relevant for large corporations.

38. Despite the enthusiasm expressed by most establishments towards CSR, only a small proportion of them had put in place a mechanism to oversee the implementation of CSR practices. Furthermore, only about 8% of the establishments had stated guidelines or company mission statements concerning CSR and a further

20% indicated that it was already their company's tradition or practice though they did not have stated guidelines or company mission statements on CSR.

39. As regards support from the government, most establishments were of the view that the government should take a more active role in promoting CSR. Their views are as follows:

- 75% of the establishments agreed that the government should promote CSR to all employers in Hong Kong;
- 84% agreed that the government should set a good example by implementing CSR in government departments;
- 78% agreed that the government should develop a CSR charter for reference by companies; and
- 76% agreed that the government should provide training to companies to help them implement CSR.

40. The majority of the establishments were also of the view that the government should provide more incentives to employers. Their views are as follows:

- 78% of the establishments agreed that there should be more public recognition given to companies doing well in the area of CSR;
- 71% agreed that the government should accord preferential treatment to companies doing well in the area of CSR;
- 69% agreed that the government should provide tax incentives to companies doing well in the area of CSR.

## ***Observations***

### *CSR incentive structures*

41. An analysis of the incentive structure of CSR revealed two types which could be seen as internal or external to the company. Internal incentive structure refers to the internal source of CSR motivation, be it regarded as bringing benefit to the company, facilitating a harmonious working environment, or being a tradition of the company. External incentive structure refers to the adoption of CSR practices as a result of factors external to the company, such as abiding by the law, following market demands, or submitting to pressure groups. In general, internal incentive structure appeared to be more effective than external incentive structure in the provision of CSR procedures.

### *Summary observations*

42. In a nutshell, the survey findings indicate:

- CSR awareness:
  - Very low
- CSR practices:
  - Ethical business operations:
    - Customers—very good
    - Suppliers—unsatisfactory
  - Minimization of negative impact:
    - Environment protection practices/policies—rather good
    - Anti-discrimination guidelines—poor
  - Employee welfare: moderate
  - Social contributions: unsatisfactory
- Priority of CSR duties in descending order:
  - Ethical business operation
  - Minimization of negative impact
  - Employee welfare
  - Social contributions
- CSR incentive structure:
  - Internal incentive more important than external incentive
- CSR support:
  - High
- Role of the government:
  - Take the lead
  - Provide help and training
  - Raise CSR incentive

### ***Recommendations***

#### **Recommendation 1: Raise CSR awareness**

43. In view of the findings that CSR awareness was somewhat low (23%) and the rather prevalent view (49%) that CSR was relevant only to large companies, there is much room to raise CSR awareness. To do so, a well orchestrated campaign is called for. This should be accompanied by information dissemination through the printed and electronic media including the setting up of a website that caters specifically to the local context.

### Recommendation 2: Raise CSR incentive

#### *Internal incentives*

44. The establishment of both tangible and intangible reward systems is recommended. Highly publicized awards can be given to companies that have good CSR practices. These awards should take into account company size and nature to encourage participation. As far as tangible award is concerned, good CSR companies can be given priority in public projects.

#### *External incentives*

45. Since companies are mostly duty-based, the government could require companies to institute certain key CSR measures that may very well left undone if not required. For example, if the government and community believe that anti-discrimination is so important to a fair and just society to warrant regulation, then the government could make it a requirement for all companies to have written anti-discrimination guidelines with regard to their hiring policy and personnel matters.

46. Moreover, the government could require all listed companies to publish their CSR practices in their annual report. Also, financial institutions could be obliged to make public their investment policy to show the extent to which CSR is part of the company's investment consideration.

### Recommendation 3: Provide help and training

47. It will be useful to provide training and make resources easily available to companies intending to set up CSR measures. This is especially the case with small and medium-sized companies in which resources are usually in short supply. Written guidelines or suggestions of good CSR practices can be made readily available through booklets or the web.

#### Recommendation 4: Cooperate closely with civil society organizations

48. Civil society organizations such as professional bodies, business organizations, labour unions, and pressure groups can all play a part in promoting CSR. CSR procedures may vary according to the size of the company and the nature of the business. To establish sensible CSR guidelines and to promote adoption of these guidelines call for the cooperation between the government and different civil society organizations.

#### Recommendation 5: The role of the government

49. There is high expectation for the government to take the lead in the implementation of CSR. In doing so, the government should set an example by consciously practising CSR. In addition, the government could, as suggested above, increase internal and external incentives to entice companies to carry out CSR, and to help provide resources to make CSR an achievable mission.

50. The government could set up a committee or assign a “CSR official” to overlook CSR practices within the government structure and to promote CSR in society. This would not only send a strong signal to society about the determination of the government to implement CSR, but will also make coordination easier among different government departments.

## I BACKGROUND

### 1.1 Objectives

1.1.1 This study is commissioned by the Committee on the Promotion of Civic Education (CPCE) to find out the existing situation of corporate social responsibility (CSR) in Hong Kong with a view to facilitating formulation of strategies and measures to promote corporate citizenship in Hong Kong. The Committee is a government appointed advisory body on the promotion of civic education. More specifically, the scope of the survey is as follows:

- a) To find out Hong Kong companies' awareness and understanding of corporate social responsibility;
- b) To find out Hong Kong companies' corporate culture and core values, in particular whether corporate social responsibility principles have been integrated into the companies' organizational strategy and operations;
- c) To assess the existing policies and practices of Hong Kong companies in respect of the following major corporate social responsibility aspects:
  - (i) provision of leadership roles for addressing corporate social responsibility issues;
  - (ii) engagement with stakeholders in the workplace, marketplace, supply chain community, and in matters relating to public policy, and responding to their concerns and needs;
  - (iii) equal opportunities;
  - (iv) staff training, welfare and development;
  - (v) business operations, including procurement, production and marketing, etc.;
  - (vi) community involvement and investment;
  - (vii) environmental protection, and
  - (viii) communications with the public on the implementation of corporate social responsibility measures;
- d) To find out Hong Kong companies' strengths and weaknesses in implementing corporate social responsibility, and how the companies could enhance the long-term development of their trade or industry sectors through implementing corporate social

responsibility; and

- e) To gauge Hong Kong companies' views on the proposal for the government, non-governmental organizations and the business community to jointly promulgate a CSR handbook or a CSR (or corporate citizen) charter for the business sector.

## **1.2 Framework for data collection**

1.2.1 Corporate social responsibility generally refers to the positive contributions which a company should make to the wider community through its core business activities, its social investment and philanthropy programmes, and its engagement with the public at large. That contribution is determined by the manner in which a company manages its economic, social and environmental impacts and manages its relationships with different stakeholders, in particular shareholders, employees, customers, business partners, governments, communities and future generations.

1.2.2 It may be noted that “corporate citizens” means that a business corporation is also a citizen, which should take on civic and social responsibilities. These include the following:

- a) Responsibilities to abide by law;
- b) Responsibilities towards its customers, employees and other individuals;
- c) Responsibilities towards the environment; and
- d) Responsibilities to contribute to the society.

1.2.3 “Corporate citizenship” (CC), which means corporations' obligation to behave responsibly as citizens covering both civic and social responsibilities as indicated above, is often used interchangeably with the term “corporate social responsibility” (CSR). CSR generally refers to “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and the society at large”. It includes all the positive contributions which a company should make to the wider community through its core business activities, its social investment and philanthropy programmes, its engagement with the public at large, as well as all its internal work for its staff and their families. That contribution is determined by the manner in which a



company manages its economic, social and environmental impacts and manages its relationships with different stakeholders, in particular shareholders, employees, customers, business partners, governments, communities and future generations. With this, “corporate citizenship” or “corporate social responsibility” nowadays significantly goes beyond philanthropic acts, volunteering and charitable contributions.

1.2.4 To summarize from the above discussion, CC or CSR comprises the following four key fundamental concepts:

- a) A corporation’s continuing commitment to behave ethically in operating its business and optimizing its returns;
- b) A corporation’s continuing commitment to minimize any negative economic, social and environmental impacts on the society;
- c) A corporation’s continuing commitment to contribute to the society, through its various philanthropic acts, volunteering and charitable donations, etc.; and
- d) A corporation’s continuing commitment to contribute internally to improving the well-being of its employees and their families, through appropriate values education, staff development, learning programmes and measures to raise the quality of life, etc.

The above four fundamental concepts have been adopted in designing the survey questionnaire and in presenting the survey findings in this report.

### **1.3 Survey methodology**

#### ***Methods of data collection***

1.3.1 Both quantitative and qualitative methodologies are adopted in the study, namely focus group discussions, case studies and territory-wide survey of companies. A three-phase approach was adopted as follows:

- a) In Phase One, information was gathered from literature research, generating important issues worth considering and giving the theoretical framework supporting subsequent information gathering activities;
- b) In Phase Two, in-depth qualitative information was collected through a variety of techniques including in-depth interviews and

- focus group discussions. Based on the information gathered, the questionnaire for Phase Three was designed.
- c) Phase Three comprises a quantitative survey of a representative sample of about 10 000 business establishments.

### *Sample design and sample size for Phase Three*

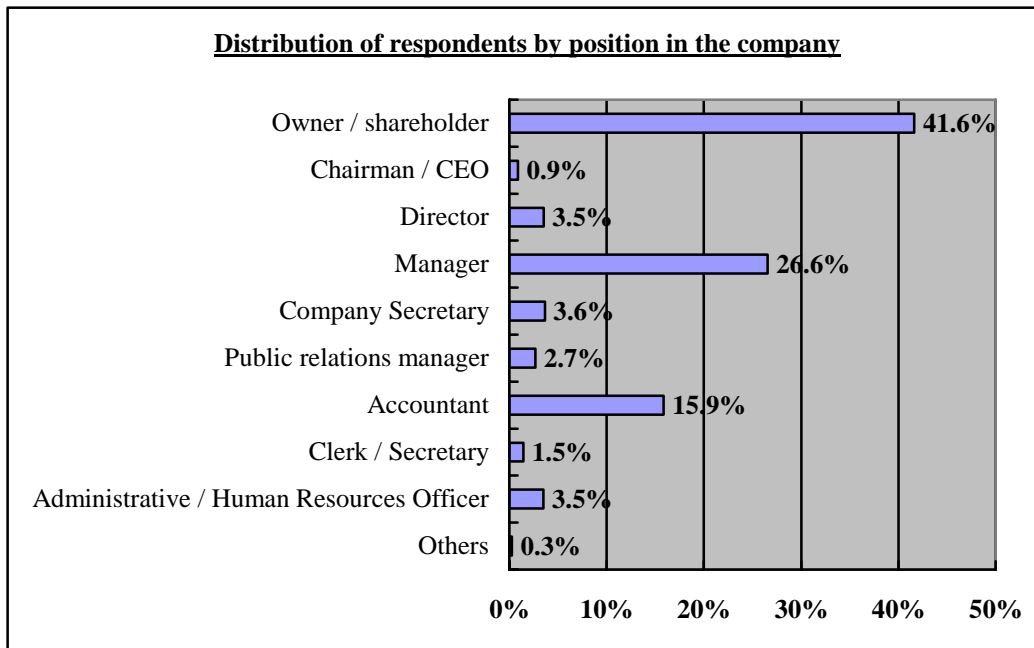
1.3.2 The sampling frame used in the survey was the Register of Establishments maintained by the Census and Statistics Department. This is the most up-to-date, complete and authoritative sampling frame available in Hong Kong. The Register covers all companies registered in Hong Kong, including the listed companies, multinational companies as well as small and medium enterprises.

1.3.3 A disproportionate stratified sample design was adopted, with the records in the frame of quarters stratified by industry sector and employment size. Systematic replicated sampling technique was used for the selection of sampling units.

1.3.4 A total of 20 417 establishments were randomly selected from the sampling frame. After excluding 3 825 establishments found to be invalid, a total of 10 094 establishments were successfully enumerated, representing a response rate of 61%. Details on the enumeration result are appended below:

a) Total number of establishments sampled	20 417
b) Number of closures or moved	3 825
c) Number of establishments enumerated	10 094
d) Number of non-contacts	2 819
e) Number of refusals	3 679
f) Response rate	<b>61%</b>

1.3.5 In the survey, attempts were made to interview owners or persons in management positions of the sampled establishments. As shown in the chart below, the majority of the respondents (76%) were owners, chairmen, CEOs, directors, managers or company secretaries and a further 22% were accountants, public relations managers or administrative or human resources officers.



**Base: All 10 094 sampled establishments (Weighted Total: 287 982 establishments)**

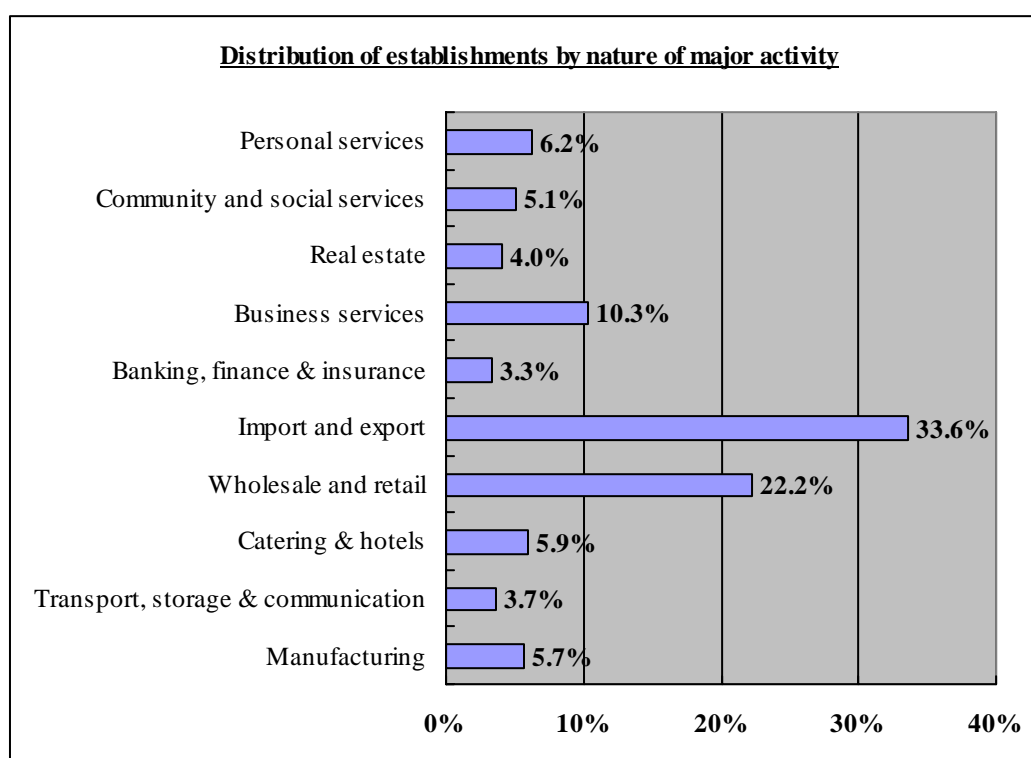
## **1.4 Organization of the report**

1.4.1 The report comprises the following sections:

- a) Background;
- b) Profile of business establishments enumerated;
- c) Commitment to contribute internally to improving the well-being of its employees and their families;
- d) Commitment to minimize any negative economic, social and environmental impacts on the society;
- e) Commitment to behave ethically in operating its business and optimizing its returns;
- f) Commitment to contribute to the society;
- g) Perception and implementation of corporate social responsibility;
- h) Observations and recommendations.

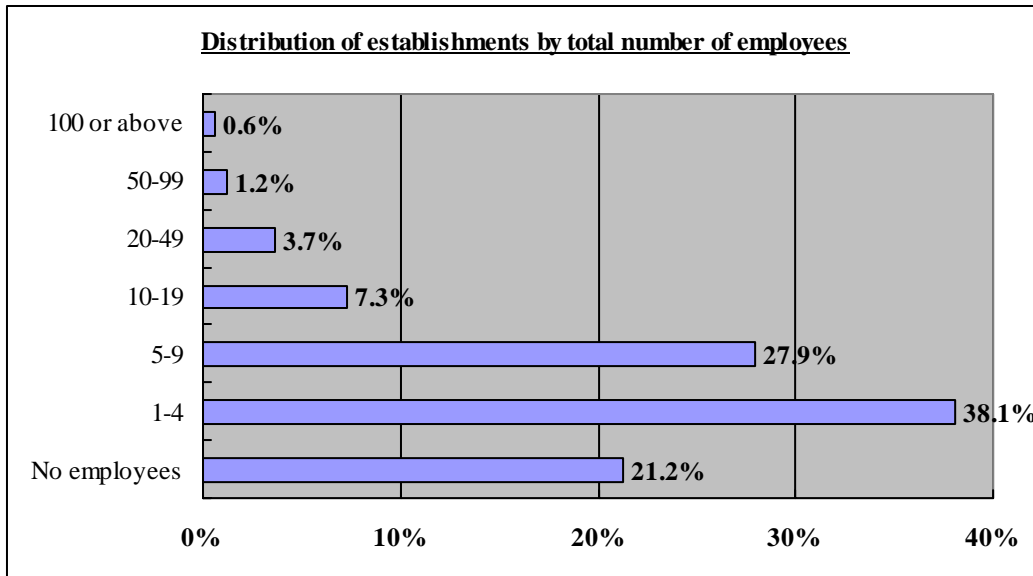
## II PROFILE OF BUSINESS ESTABLISHMENTS ENUMERATED

2.1 The majority of the establishments were engaged in the business related services sector, including import and export (accounting for 34% of all establishments), wholesale and retail (22%), business services (10%), catering and hotels (6%), banking, finance and insurance (3%) and real estate (4%). Community and personal services accounted for another 11% and manufacturing 6%.



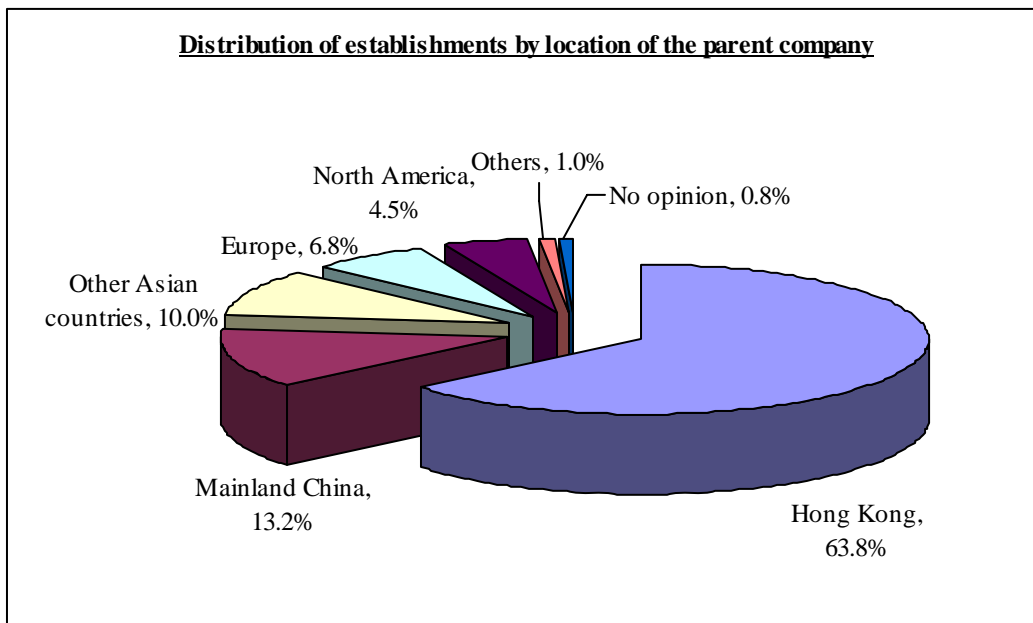
**Base: All 10 094 sampled establishments (287 982)**

2.2 The majority of the establishments (73%) were enterprises employing less than 20 employees, and a further 21% did not have direct employees. The latter group of companies could be mainly very small business enterprises which were operated by owners alone.



**Base: All 10 094 sampled establishments (287 982)**

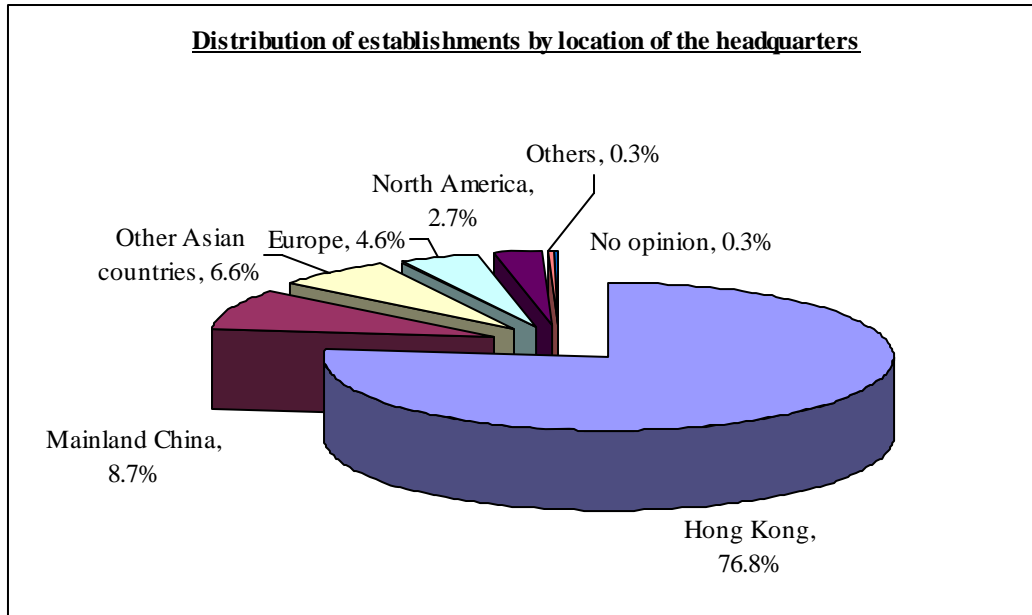
2.3 The majority of the establishments enumerated (78%) were not a subsidiary of a parent company. For the remaining 22% that were subsidiaries, their parent companies were located in Hong Kong (64%), Mainland China (13%), other Asian countries (10%), Europe (7%) and North America (5%).



**Base: 2 533 sampled establishments which were a subsidiary of a parent company (62 474)**

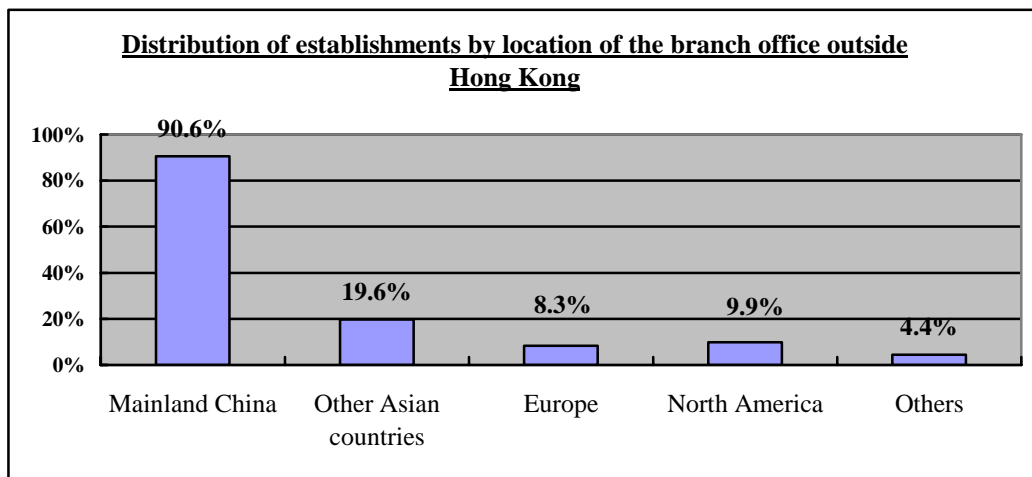
2.4 The majority of the establishments (72%) were not branch offices of their headquarters. For the remaining 28% that were branch offices, their headquarters were located in Hong Kong (77%), Mainland China (9%), other Asian countries (7%),

Europe (5%) and North America (3%).



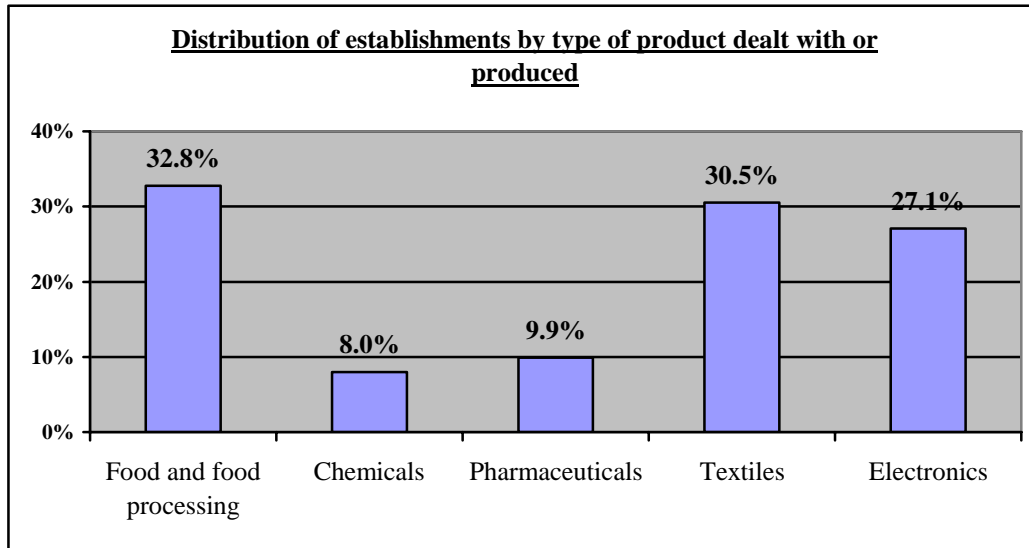
**Base: 3 229 sampled establishments which were a branch office of the company (80 693)**

2.5 The majority of the establishments enumerated (81%) did not have branch offices outside Hong Kong. For the remaining 19% that had branch offices outside Hong Kong, their branch offices were mainly located in Mainland China (91%). Other locations of branch offices were other Asian countries (20%), Europe (8%) and North America (10%).



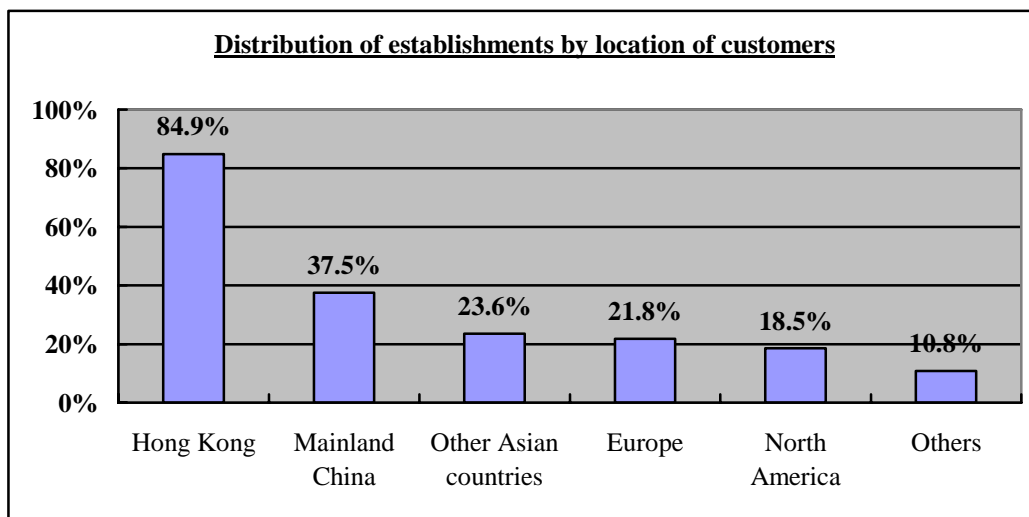
**Base: 2 341 sampled establishments which had branch office outside Hong Kong (55 826)**

2.6 About 32% of the establishments dealt with or produced food or food processing, chemicals, pharmaceuticals, textiles and electronics. For these establishments, the types of products or services dealt with are shown in the chart below.



Base: 2 886 sampled establishments which had dealt with or produced products such as food and food processing, chemicals, pharmaceuticals, textiles and electronics (92 338)

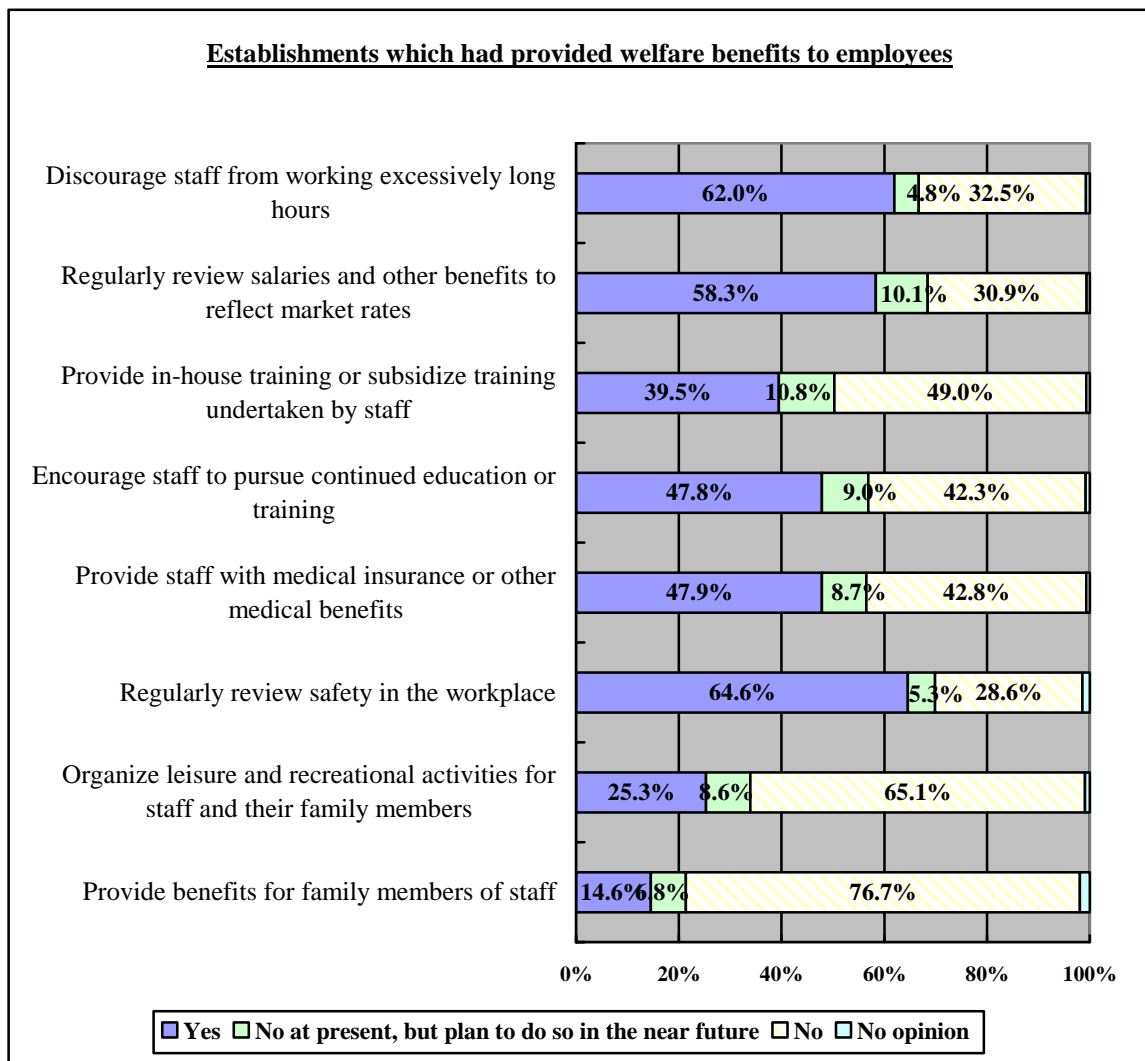
2.7 The majority of the establishments (85%) were serving customers in Hong Kong and a further 38% were serving customers in Mainland China. Other locations of customers were other Asian countries (24%), Europe (22%) and North America (19%).



Base: All 10 094 sampled establishments (287 982)

### III COMMITMENT TO CONTRIBUTE INTERNALLY TO IMPROVING THE WELL-BEING OF EMPLOYEES AND THEIR FAMILIES

3.1 In this section, findings related to businesses' commitment to contribute internally to improve the well-being of employees and their families are presented and discussed. It may be seen from the chart below that businesses had varying degree of success in caring for the well-being of their employees. A higher proportion of the establishments paid attention to aspects like workplace safety, hours of work, salaries and other benefits, and education and training. A lower proportion, on the other hand, covered family members, including organizing leisure and recreational activities for their staff and their family members and providing benefits for family members of staff.

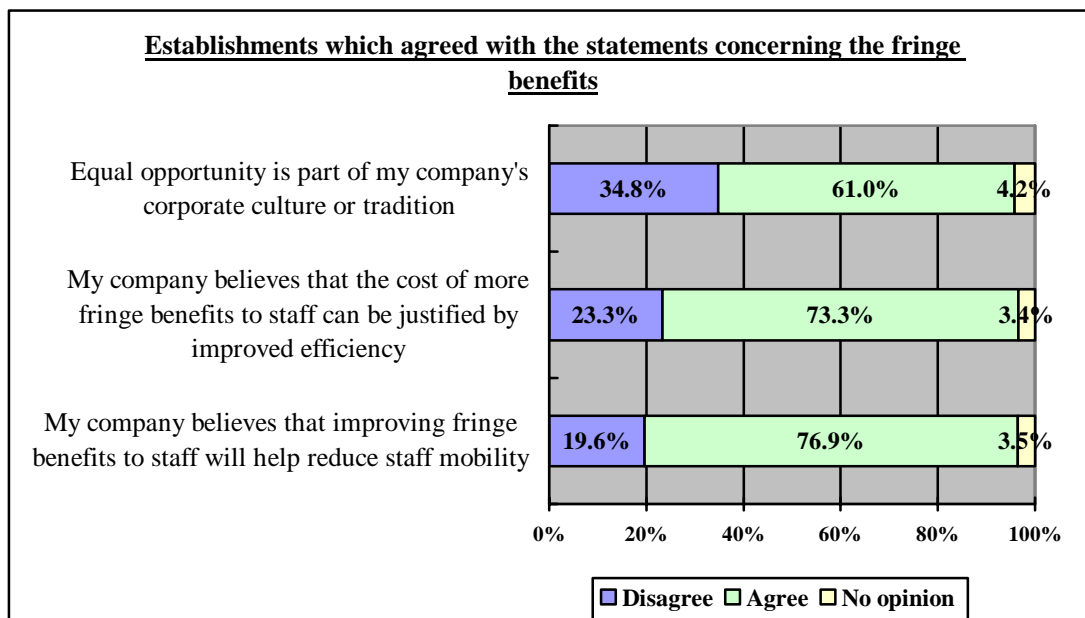


Base: 8 332 sampled establishments which had employees (226 879)



3.2 Most establishments considered that there was a business case for providing more benefits to staff. 73% of the establishments believed that the cost of more fringe benefits provided to staff could be justified by improved efficiency. 77% of the establishments also believed that improving fringe benefits to staff would help reduce staff mobility.

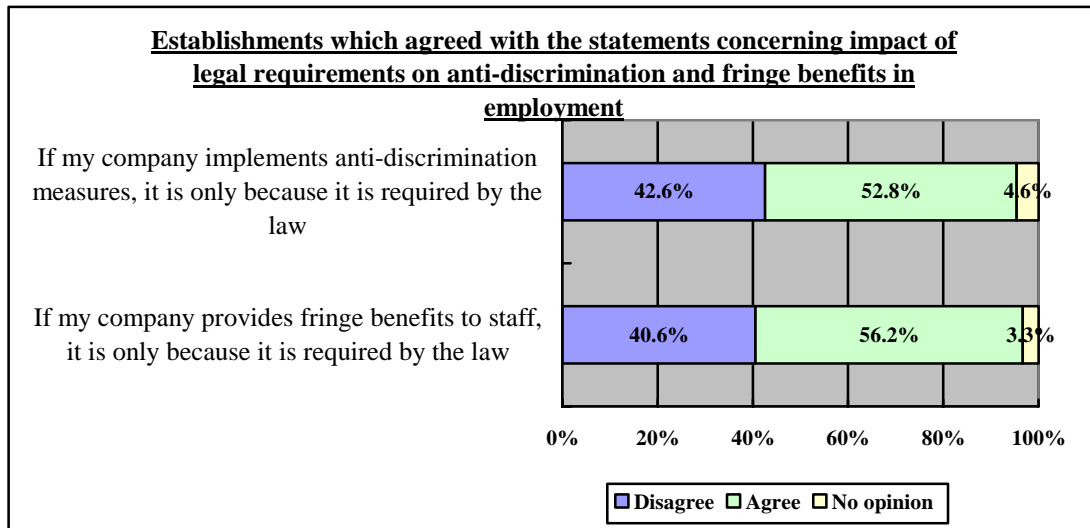
3.3 Furthermore, more than half of the establishments (61%) considered that it was part of their company’s corporate culture or tradition to have equal opportunity. Only 35% did not consider that it was their company’s corporate culture or tradition to have equal opportunity. The above 3 items can be regarded as the “internal” incentives for establishments to improve the well-being of employees and their families.



**Base: 8 332 sampled establishments which had employees (226 879)**

3.4 Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement related to the “internal” incentives to improve the well-being of employees and their families and “10” denoting strongly agree, an overall index on “internal” incentives to improve the well-being of employees may be compiled. The index was quite high, at 7.0, which was well above the mid-point value of 5.5. It may also be of interest to note that for establishments that had at least one measure that was related to the welfare of employees and employees’ families, their index of “internal” incentives to improve the well-being of employees was higher, at 7.1, than that for establishments that had no measure related to the welfare of employees and employees’ families, at 6.1.

3.5 Establishments were law-abiding. Slightly more than half indicated that they would implement anti-discrimination measures if such measures were required by the law (53%) and that they would provide fringe benefits to their staff only because it was required by the law (56%).



**Base: 8 332 sampled establishments which had employees (226 879)**

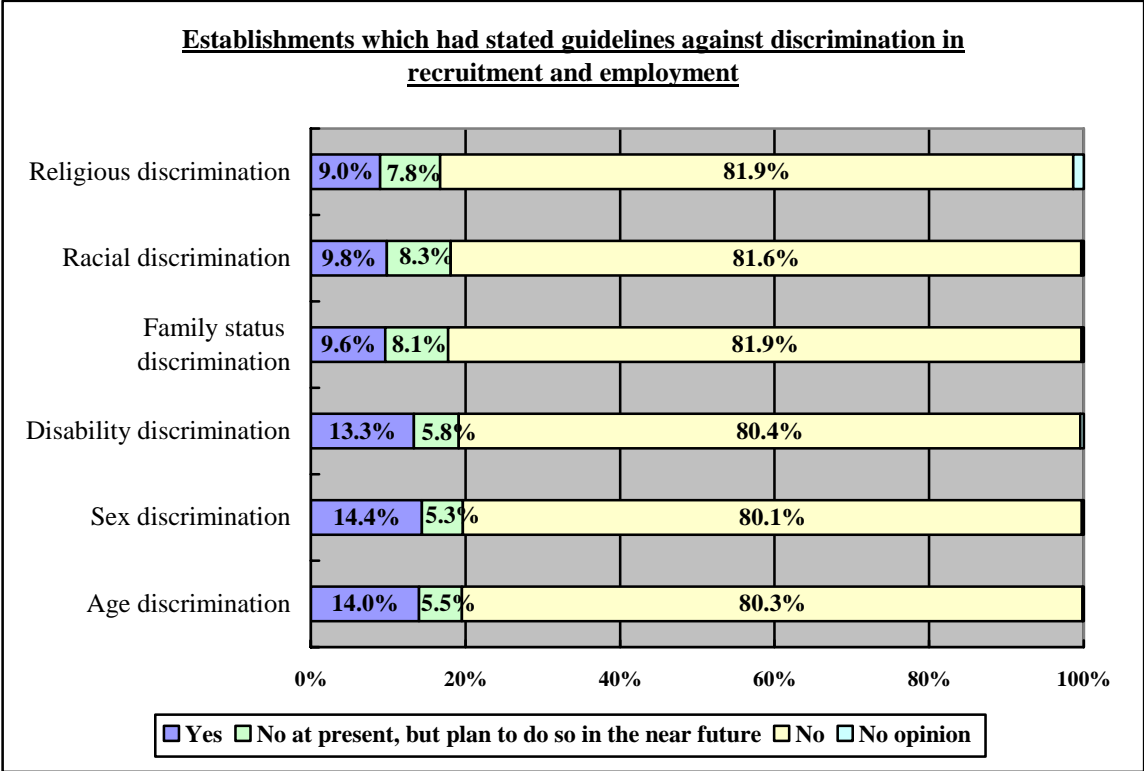
3.6 The above 2 items can be regarded as the “external” incentives for establishments to improve the well-being of employees and implement anti-discrimination measures. Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement related to the “external” incentives to improve the well-being of employees and implement anti-discrimination measures and “10” denoting strongly agree, an overall index on “external” incentives to improve the well-being of employees and implement anti-discrimination measures. The overall index was 6.1, which was slightly above the mid-point of 5.5.

3.7 It may also be of interest to note that for establishments that had at least one measure that was related to the welfare of employees and employees’ families, their index of “external” incentives to improve the well-being of employees and implement anti-discrimination measures, at 6.1, was about the same as that for establishments that had no measure related to the welfare of employees and employees’ families, also at 6.1.

**IV COMMITMENT TO MINIMIZE ANY NEGATIVE ECONOMIC,  
SOCIAL AND ENVIRONMENTAL IMPACTS ON THE SOCIETY**

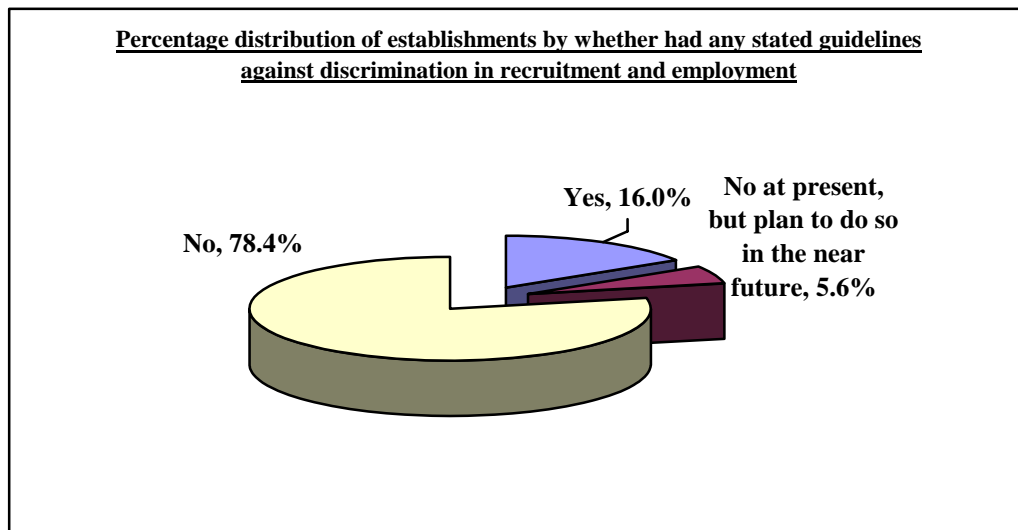
**4.1 Anti-discrimination in recruitment and employment**

4.1.1 Only a small proportion of establishments with employees had stated guidelines against discrimination in recruitment and employment. 14% of establishments had stated guidelines against sex discrimination, age discrimination (14%) and discrimination on grounds of disability (13%). About 10% had stated guidelines against family status discrimination and racial discrimination. About 9% had stated guidelines against discrimination on religious grounds.



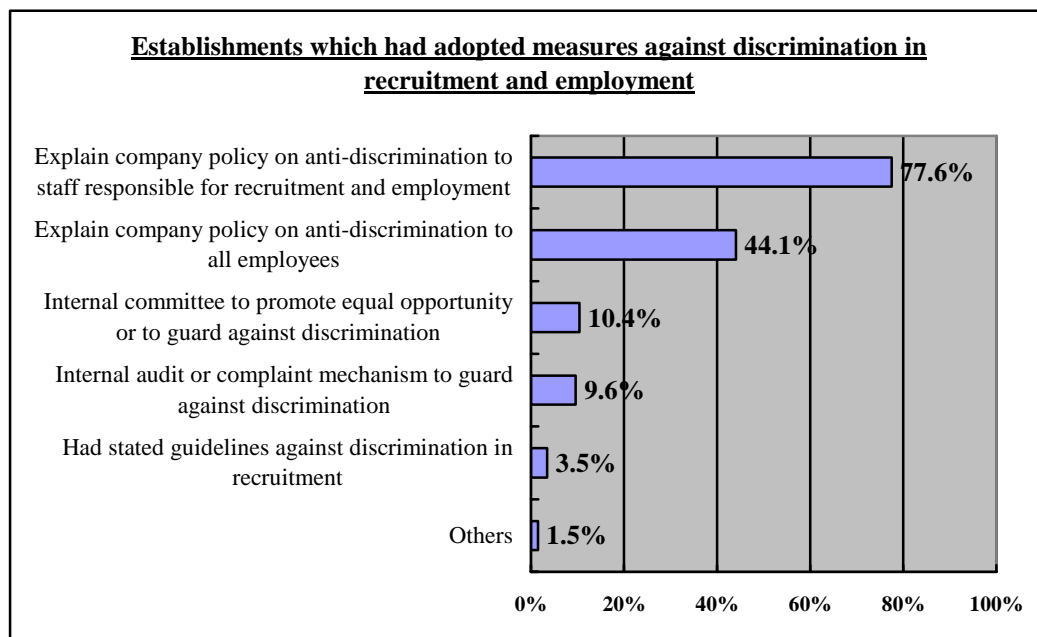
**Base: 8 332 sampled establishments which had employees (226 879)**

4.1.2 Taking any of the above stated guidelines against discrimination in recruitment and employment, only 16% of the establishments had stated guidelines against any discrimination in sex, age, race or discrimination on grounds of disability, family status or religion. About 6% did not have such guidelines but planned to have such guidelines in the near future.



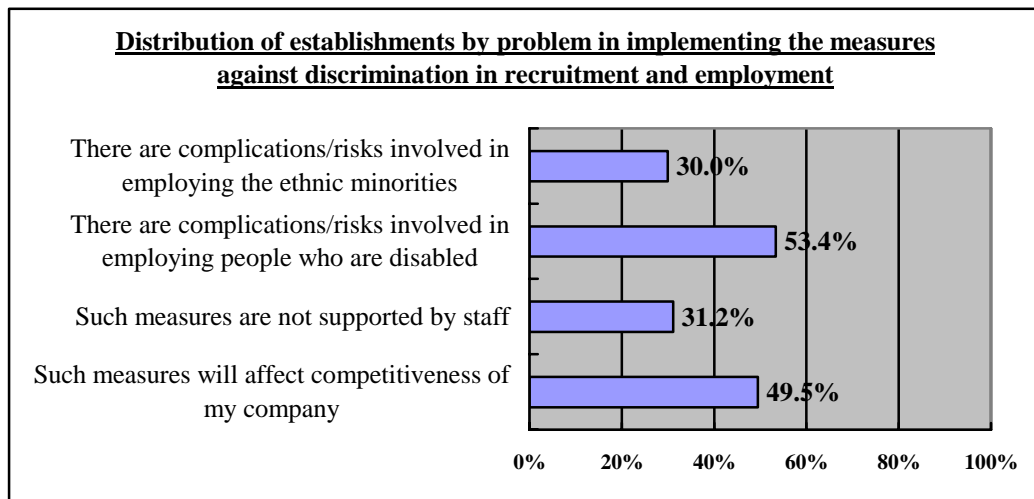
**Base: 8332 sampled establishments which had employees (226 879)**

4.1.3 About 19% of establishments with employees had adopted measures to guard against discrimination in recruitment and employment. For these establishments, the more common measures adopted were conveying company policy on anti-discrimination to staff responsible for recruitment and employment (accounting for 78% of the establishments concerned) and explaining company policy on anti-discrimination to all employees (44%).



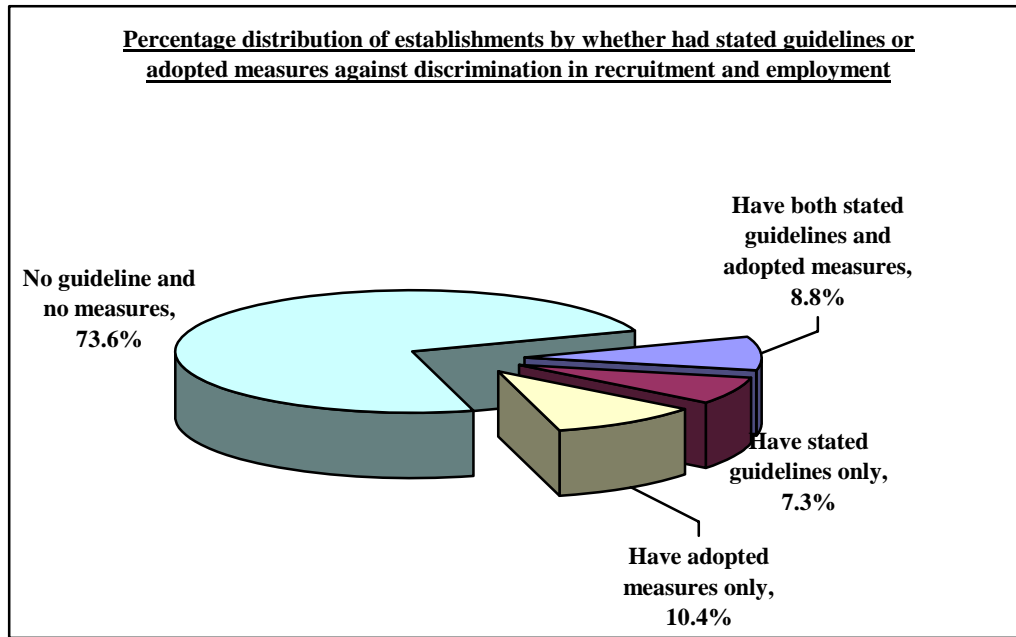
**Base: 1 971 sampled establishments which had adopted measures against discrimination in recruitment and employment (43 402)**

4.1.4 For establishments that had adopted measures to guard against discrimination in recruitment and employment, about 12% indicated that they had problems implementing such measures. The common problems were that there were complications or risks involved in employing disabled persons (accounting for 53% of the establishments that had encountered problems), and it would affect the competitiveness of the company (50%), that such measures were not supported by their staff (31%) and that there were complications or risks involved in employing ethnic minorities (30%).



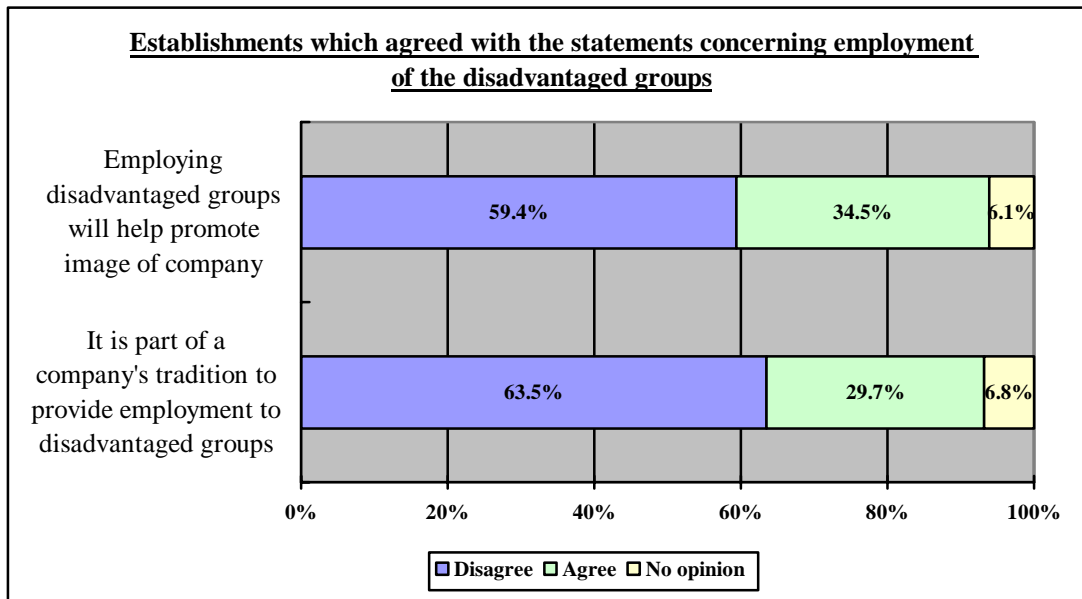
**Base: 248 sampled establishments which had problems in implementing the measures against discrimination in recruitment and employment (4 975)**

4.1.5 Taking having stated guidelines and adopting measures against discrimination in recruitment and employment together, it may be of interest to note that only about 9% of the establishments both had stated guidelines and adopted measures. About 7% had only stated guidelines and did not have any measure against discrimination in recruitment and employment. A further 10% had measures but not stated guidelines against discrimination in recruitment and employment.



**Base: 8332 sampled establishments which had employees (226 879)**

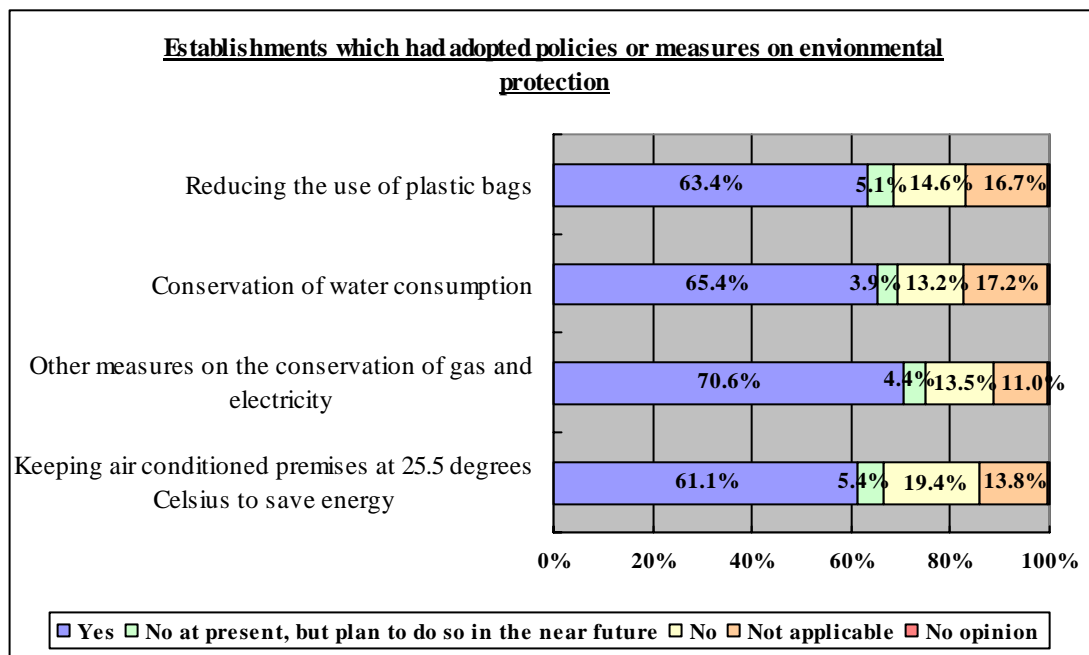
4.1.6 Only about 30% considered that it was their company's tradition to provide employment to disadvantaged groups and only about 35% considered that doing so would help promote the image of their company. Apparently, establishments embraced equal opportunity as part of their company's corporate culture or tradition more readily than providing employment to disadvantaged groups, though they might not be aware that equal opportunity should also embrace providing employment to disadvantaged groups. Obviously, there was room for promoting the concept of equal opportunity and to raise the profile of the establishments that had continuing commitment to reduce discrimination in employment and recruitment.



Base: 8 332 sampled establishments which had employees (226 879)

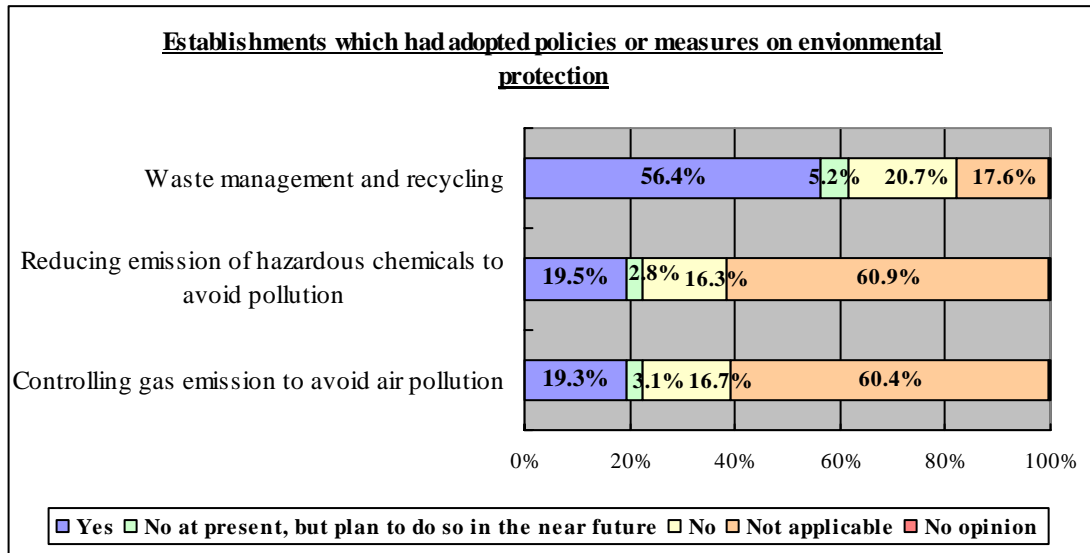
## 4.2 Environmental protection

4.2.1 Most establishments had policies or measures that were aimed at conservation. 63% had policies or measures to reduce the use of plastic bags. 65% had policies or measures to conserve water consumption, and the corresponding percentage for conservation of gas and electricity was 71%. In particular, 61% were keeping air-conditioned premises at 25.5 degrees Celsius in order to save energy.



Base: All 10 094 sampled establishments (287 982)

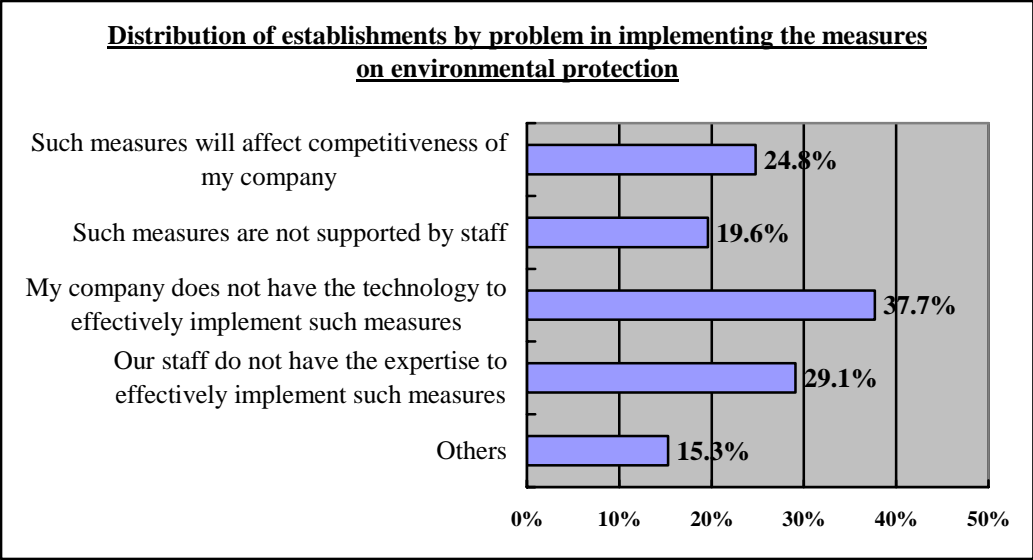
4.2.2 More than half of the establishments (56%) had policies or measures on waste management. Apart from establishments not facing relevant situations, the majority also had policies or measures that were aimed at reducing the emission of hazardous chemicals and controlling gas emission in order to avoid pollution.



**Base: All 10 094 sampled establishments (287 982)**

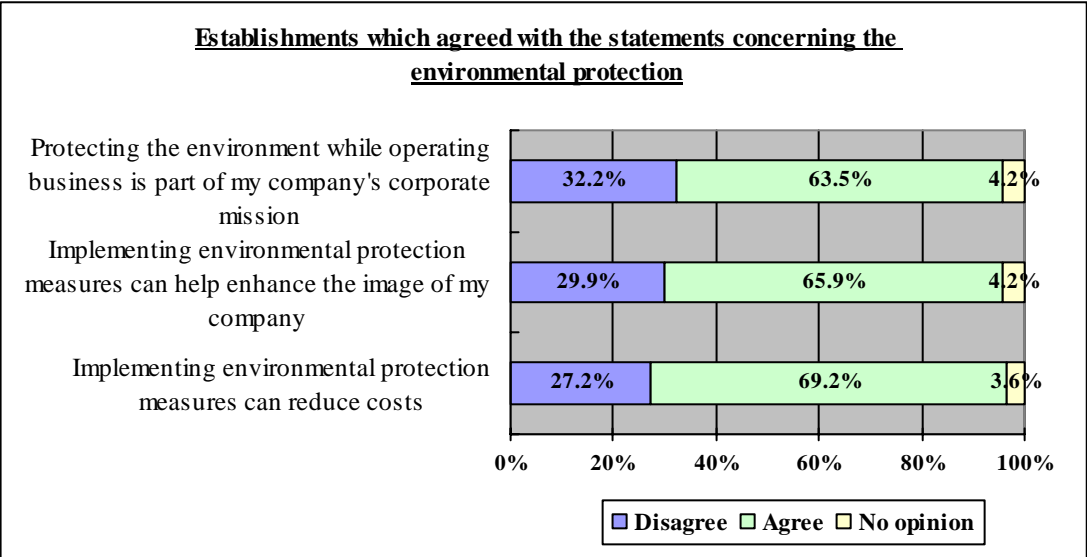
4.2.3 Among establishments that had at least one policy or measure on environmental protection and waste management, only 13% indicated that they had encountered problems in implementing such measures. The main problems were that they did not have the technology to effectively implement the measures (accounting for 38% of the establishments concerned), and their staff did not have the expertise to effectively implement the measures (29%) and such measures affected competitiveness of the company (25%).





**Base: 1 264 sampled establishments which had problems in implementing the measures on environmental protection (32 751)**

4.2.4 As regards implementing environmental protection measures, it may be of interest to note that more than half of the establishments considered that it was part of their company's corporate culture to do so, or that doing so would help enhance the company's image and reduce costs.

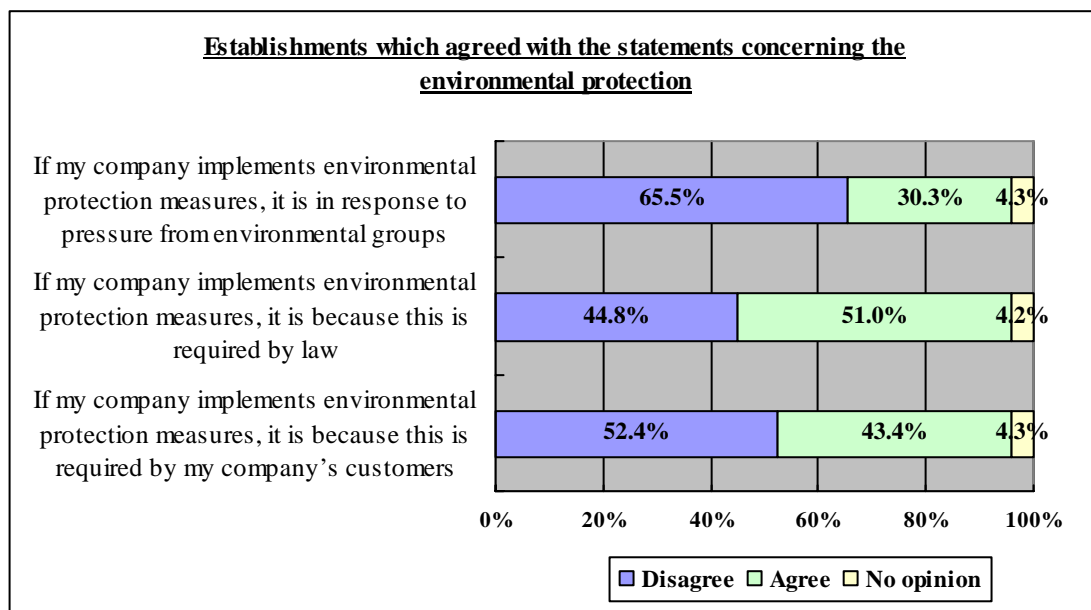


**Base: All 10 094 sampled establishments (287 982)**

4.2.5 The overall index on attitude towards environment protection was quite high, at 6.7, which was well above the mid-point value of 5.5, in a Likert scale of 10, with "1" denoting strongly disagree with the statement related to

environmental protection and “10” denoting strongly agree, indicating establishments in general had a positive view towards environmental protection. The index on attitude towards environmental protection may be regarded as the “internal” incentives for environmental protection. It may be of interest to note that the index for establishments that had at least one measure on environmental protection and waste management, at 6.8, was higher than the index of establishments that did not have any measure on environmental protection and waste management, at 6.2.

4.2.6 Pressure from environmental groups was not the main consideration of establishments in implementing environmental protection measures, with only 30% agreeing that this was a factor. A higher proportion of the establishments (51%) indicated that they implemented such measures because this was required by law and about 43% did so because this was required by their customers.



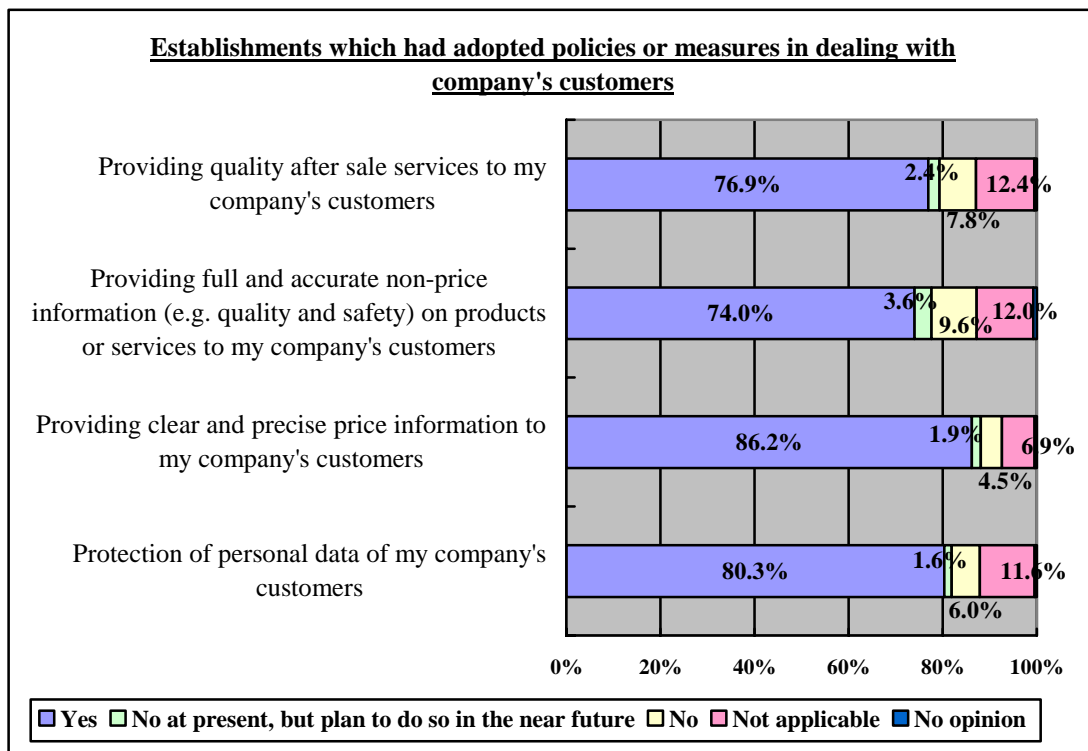
**Base: All 10 094 sampled establishments (287 982)**

4.2.7 Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement on the impact of external pressure such pressure from environmental groups on company’s attitude towards environmental protection, an index on the “external” incentives for environmental protection may be compiled. The index was 5.1, which was below the mid-point of 5.5. It may be of interest to note that the index for establishments that had at least one measure on environmental protection and waste management, at 5.9, was higher than the index of establishments that did not have any measure on environmental protection and waste management, at 5.0.

## V COMMITMENT TO BEHAVE ETHICALLY IN OPERATING ITS BUSINESS AND OPTIMIZING ITS RETURNS

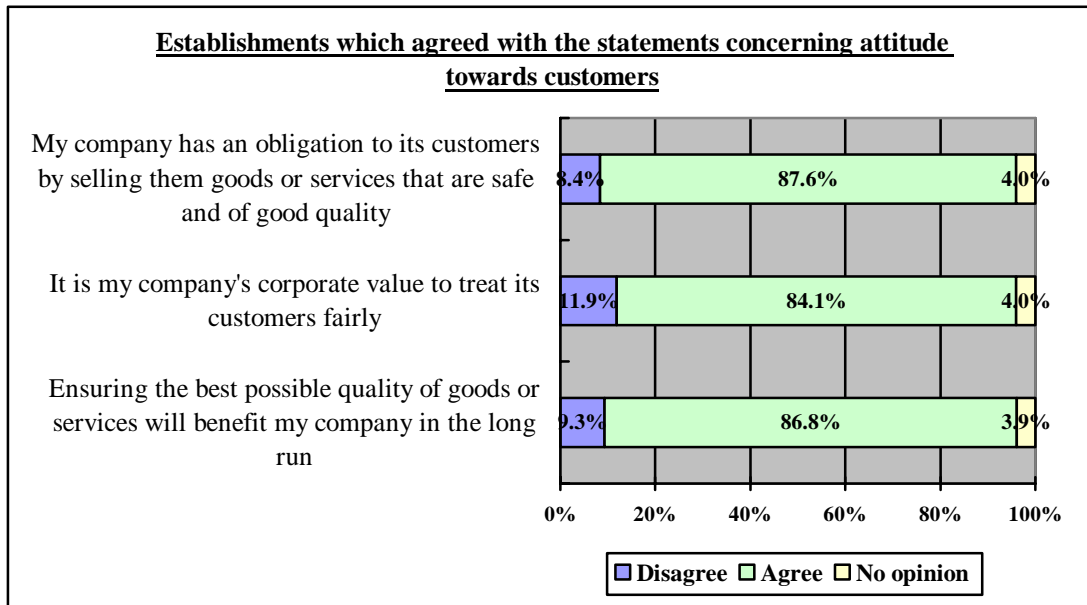
### 5.1 Dealing with customers

5.1.1 The majority of the establishments indicated that they had policies or measures in place to protect their customers. 86% of the establishments had policies or measures to provide clear and precise price information to their customers; 80% had policies or measures to protect the personal data of their customers; 77% had policies or measures to provide quality after sale services to their customers; and 74% had policies or measures to provide full and accurate non-price information (e.g. quality and safety) on their products or services to their customers.



**Base: All 10 094 sampled establishments (287 982)**

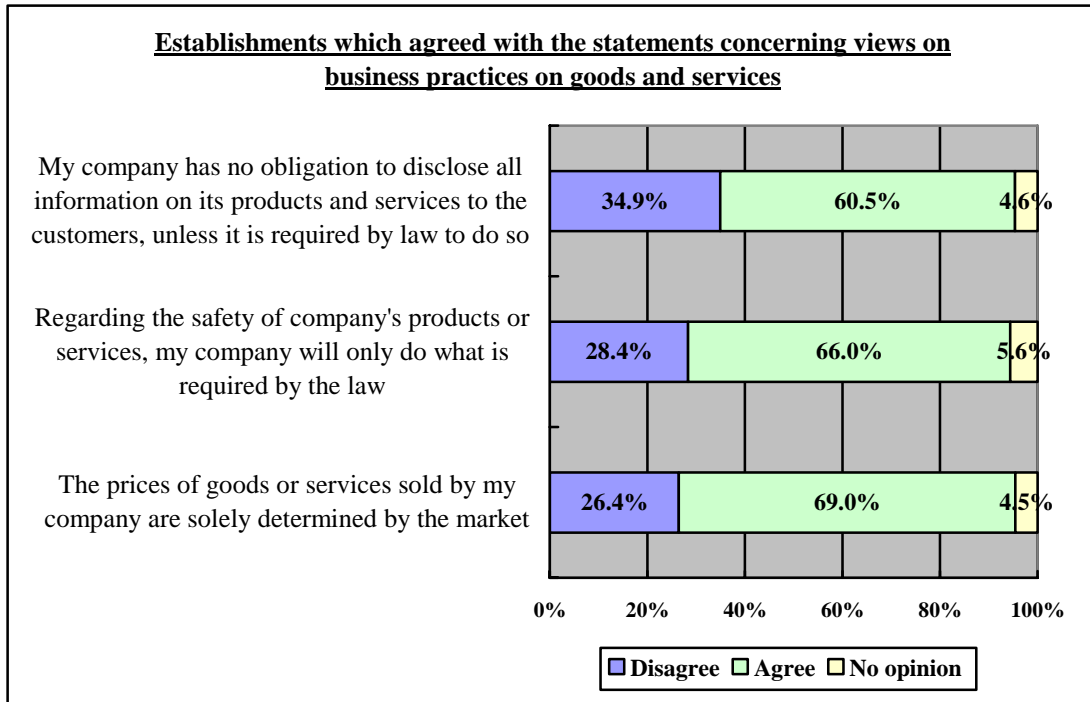
5.1.2 As regards treating their customers well, the majority of establishments were of the view that they had an obligation to sell goods or services that are safe and of good quality (88%) to their customers. The majority of the establishments also considered that ensuring the quality of goods or services would benefit their company in the long run (87%) and that it was their company's corporate value to treat its customers fairly (84%).



**Base: All 10 094 sampled establishments (287 982)**

5.1.3 Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement related to attitude on the treatment of customers and “10” strongly agree, the overall index on attitude towards treatment of customers was very high, at 8.2, which was well above the mid-point of 5.5. The index on attitude towards treatment of customers may be regarded as the “internal” incentives for behaving ethically towards customers.

5.1.4 69% of the establishments opined that the prices of goods and services sold by them were solely determined by the market and that their company would only do what was required by law regarding the safety of their products and services (66%). About 61% were of the view that they had no obligation to disclose all the information on its products and services to the customers, unless it was required by law to do so. In other words, more than half of establishments believed that conduct on the sales of goods and services was determined by market forces and they had no obligation to do more than what was required by law.

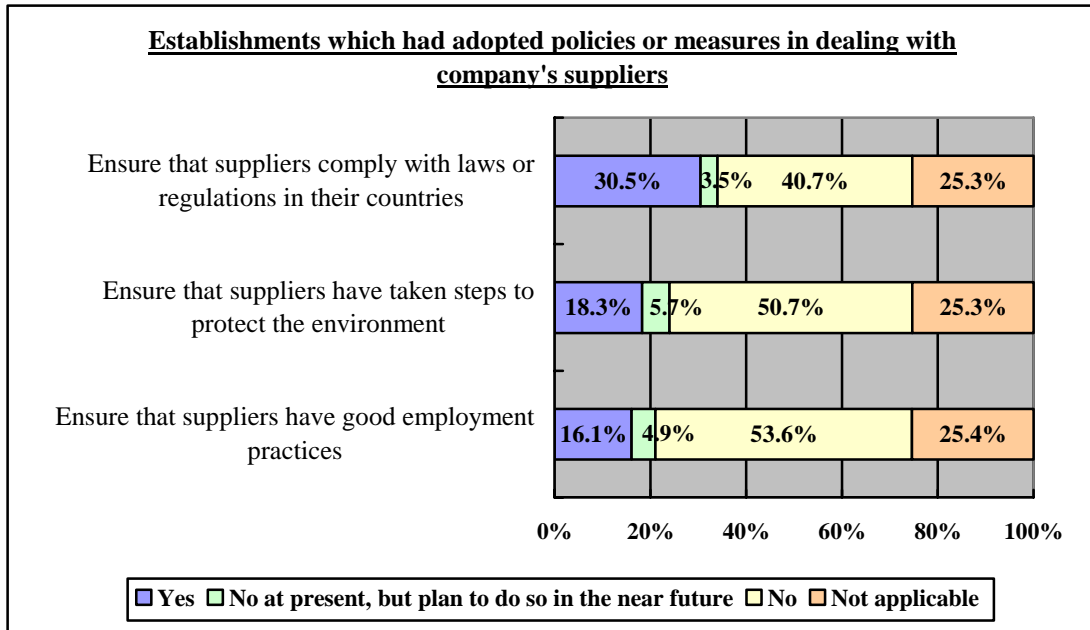


**Base: All 10 094 sampled establishments (287 982)**

5.1.5 Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement related to “external” incentives for behaving ethically towards customers and “10” denoting strongly agree, the overall index on “external” incentives for behaving ethically towards customers was above the mid-point value of 5.5, at 6.8.

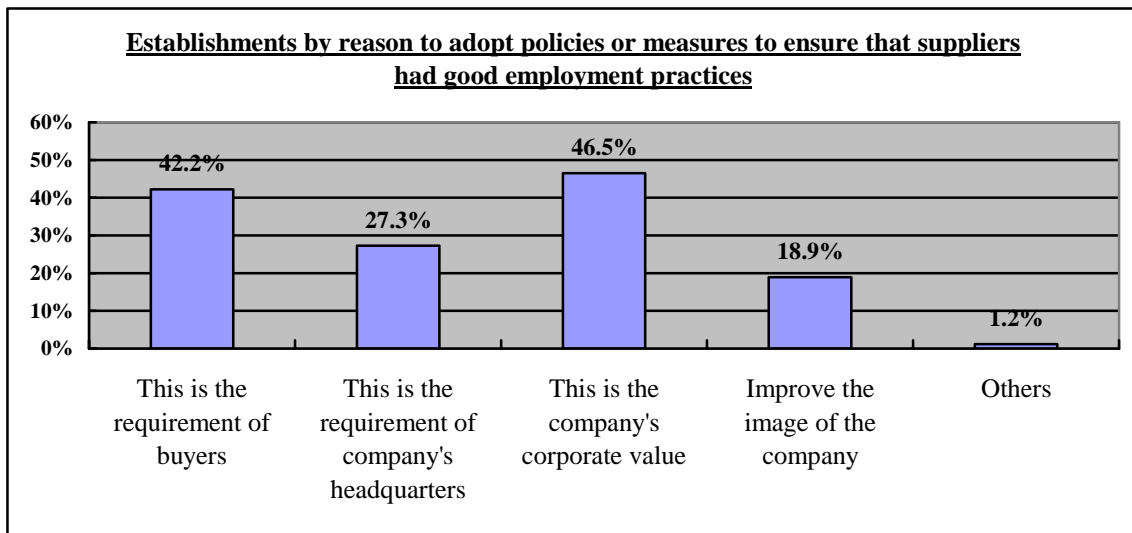
## 5.2 Dealing with suppliers

5.2.1 Only a small proportion of the establishments indicated that they had policies or measures to ensure that suppliers complied with laws or regulations in their countries (accounting for 31% of the establishments), that suppliers had taken steps to protect the environment (18%) and the suppliers had good employment practices (16%). Most establishments that had dealings with suppliers did not have such policies or measures. In other words, establishments in general did not exert much pressure on their suppliers to ensure that the suppliers were behaving ethically.



**Base: All 10 094 sampled establishments (287 982)**

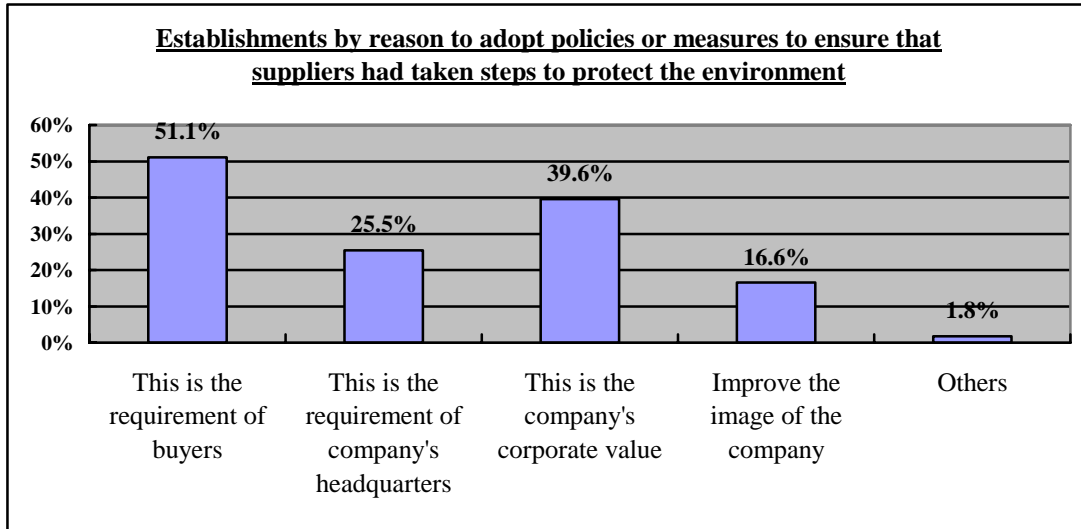
5.2.2 For establishments that had policies or measures to ensure that suppliers had good employment practices, the main reason for doing so was that this was their company's corporate values (accounting for 47% of the establishments concerned). About 42% did so because it was a requirement of their buyers and another 27% indicated that it was a requirement of their headquarters.



**Base: 1 736 sampled establishments which has adopted policies or measures to ensure that suppliers have good employment practices (46 416)**

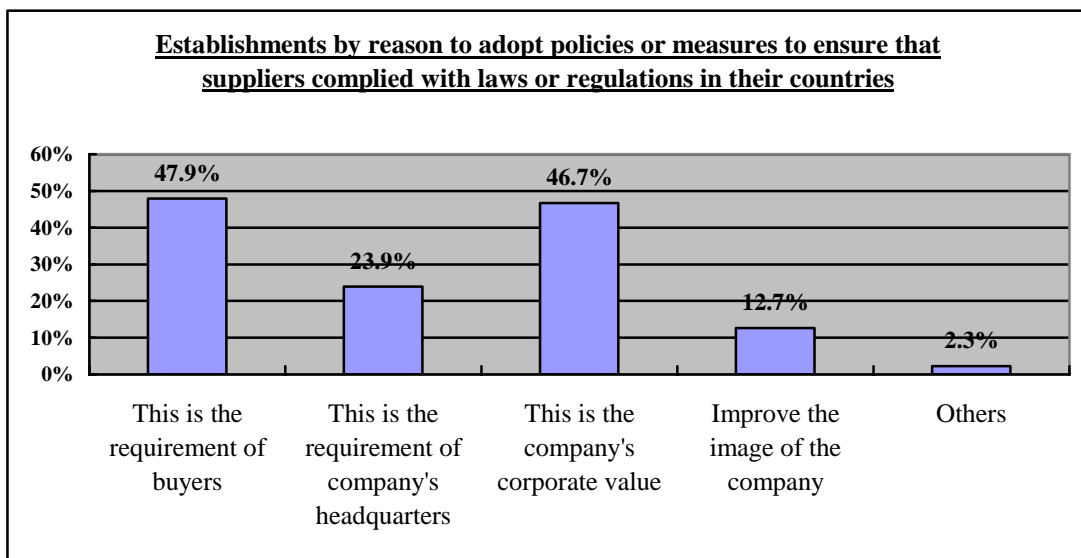
5.2.3 For establishments that had policies or measures to ensure that suppliers had taken steps to protect the environment, the main reasons for doing

so were that it was a requirement of their buyers (51%) and 40% indicated that it was their company's corporate values. About 26% did so because it was a requirement of their headquarters.



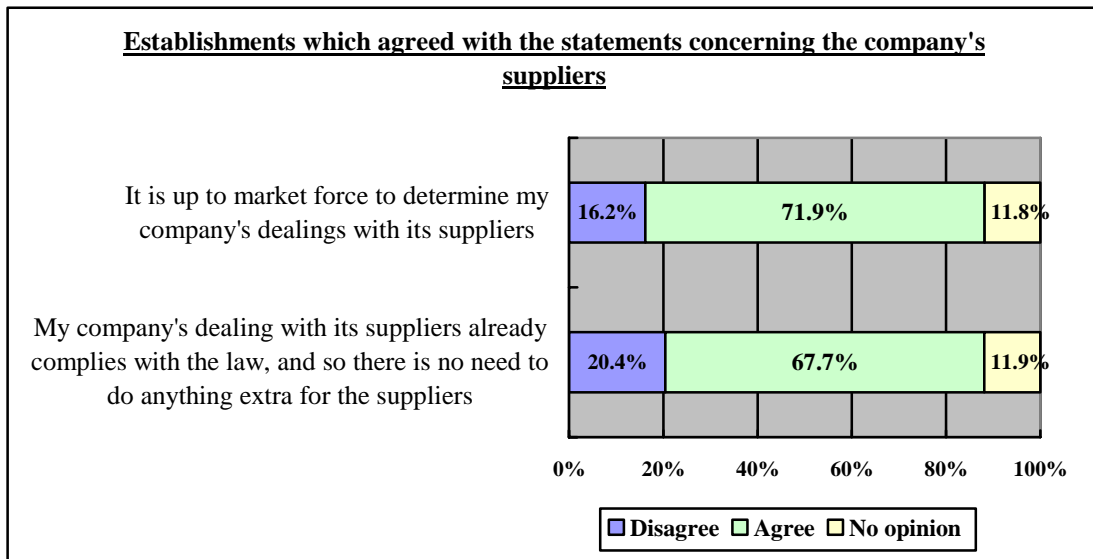
**Base: 1 912 sampled establishments which has adopted policies or measures to ensure that suppliers have taken steps to protect the environment (52 820)**

5.2.4 For establishments that had policies or measures to ensure that suppliers complied with laws or regulations in their countries, the main reason for doing so was that it was a requirement of their buyers (48%). About 47% did so because this was their company's corporate values and another 24% indicated that it was a requirement of their headquarters.



**Base: 3 037 sampled establishments which has adopted policies or measures to ensure that suppliers comply with laws or regulations in their countries (87 763)**

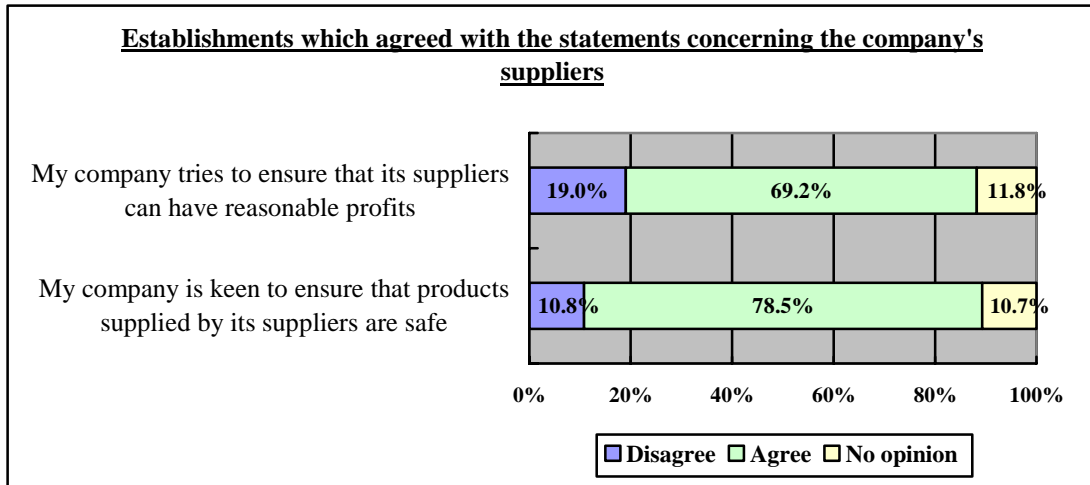
5.2.5 The reasons why establishments in general did not exert much pressure on their suppliers to ensure that the suppliers were behaving ethically could probably be attributed to the belief of most establishments (72%) that it was up to the market force to determine their dealings with suppliers. The majority of the establishments (68%) were also of the view that their dealings with suppliers already complied with the law, and hence there was no need to require extra for the suppliers.



**Base: All 10 094 sampled establishments (287 982)**

5.2.6 On the other hand, 69% of the establishments indicated that they would try to ensure that their suppliers could have reasonable profits. About 79% also indicated that they were keen to ensure that products supplied by their suppliers were safe. This indicates that apart from leaving to the market force to determine dealings with suppliers, most establishments also tried to behave ethically by ensuring that suppliers could have reasonable profit and that their products were safe.

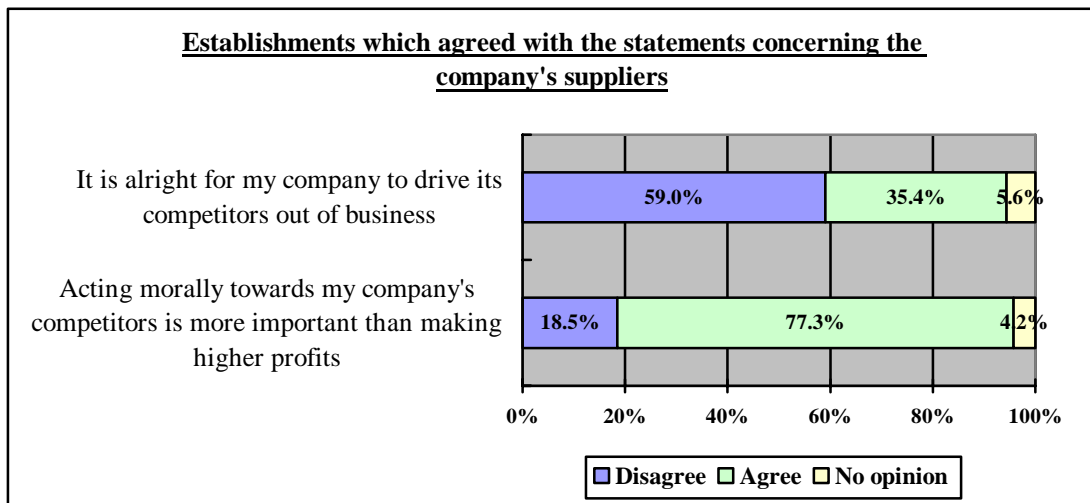




Base: All 10 094 sampled establishments (287 982)

### 5.3 Dealing with competitors

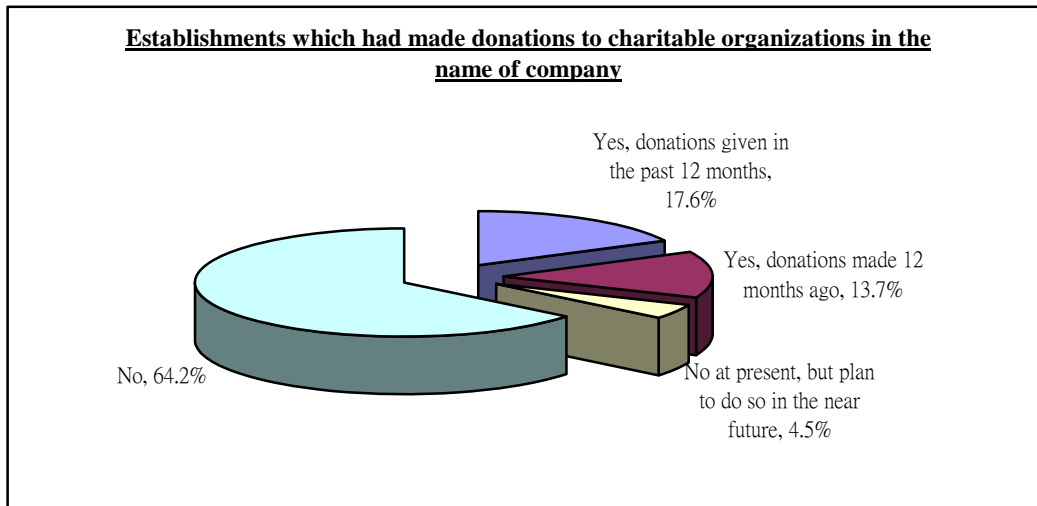
5.3.1 More than half (59%) of the establishments disagreed that it was alright to drive their competitors out of business. The majority of the establishments (77%) were also of the view that acting morally towards their competitors was more important than making higher profits.



Base: All 10 094 sampled establishments (287 982)

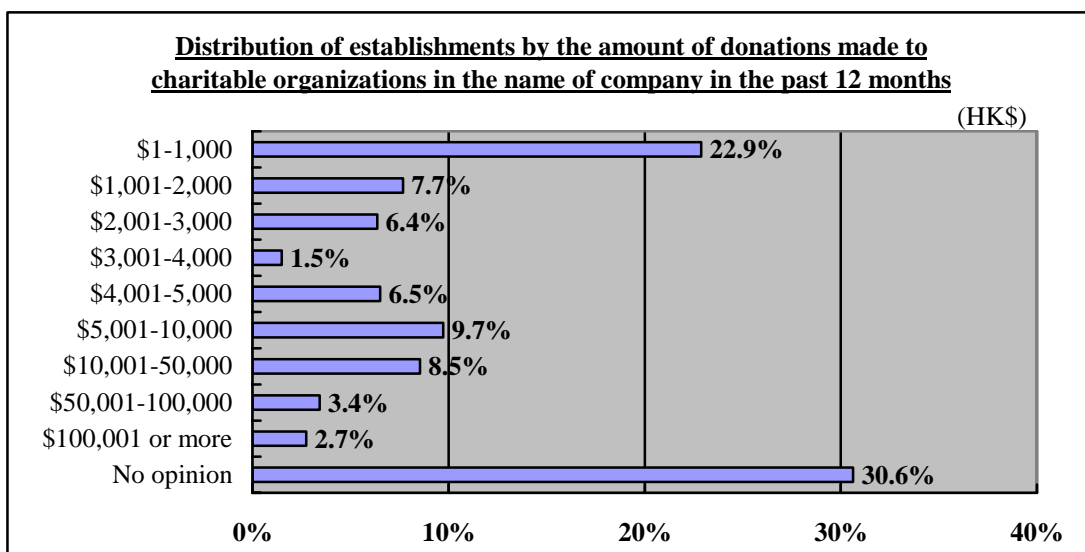
## VI COMMITMENT TO CONTRIBUTE TO THE SOCIETY

6.1 Only about 18% of the establishments had made donations to charitable organizations in the name of the company in the past 12 months prior to enumeration, and 14% had made donations though not in the past 12 months. More than half (64%) did not make any donation and had no plan to do so in the near future.



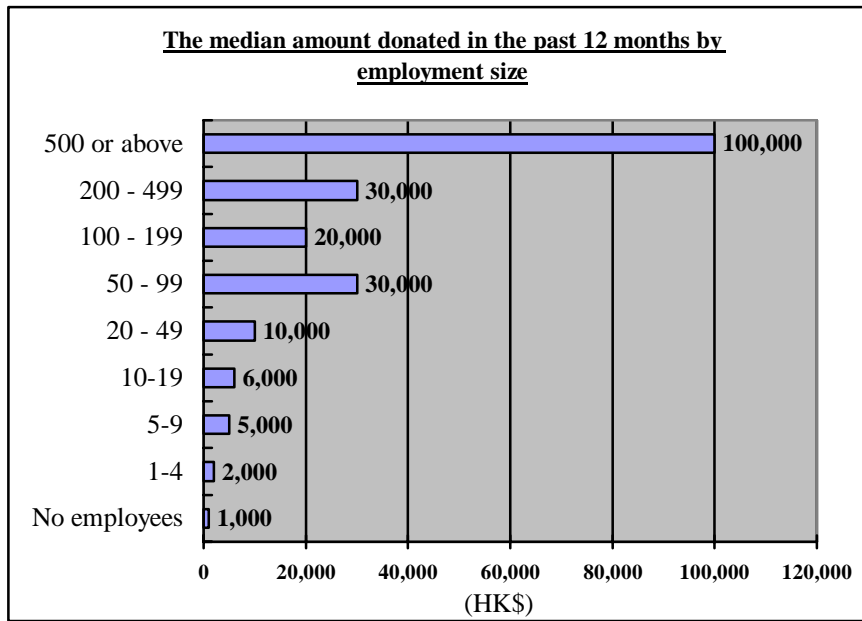
Base: All 10 094 sampled establishments (287 982)

6.2 For those establishments that had made donations to charitable organizations in the name of the company in the past 12 months, about 55% donated \$10,000 or less and 15% donated more than \$10,000. The mean was \$39,994 and the median was \$3,000.



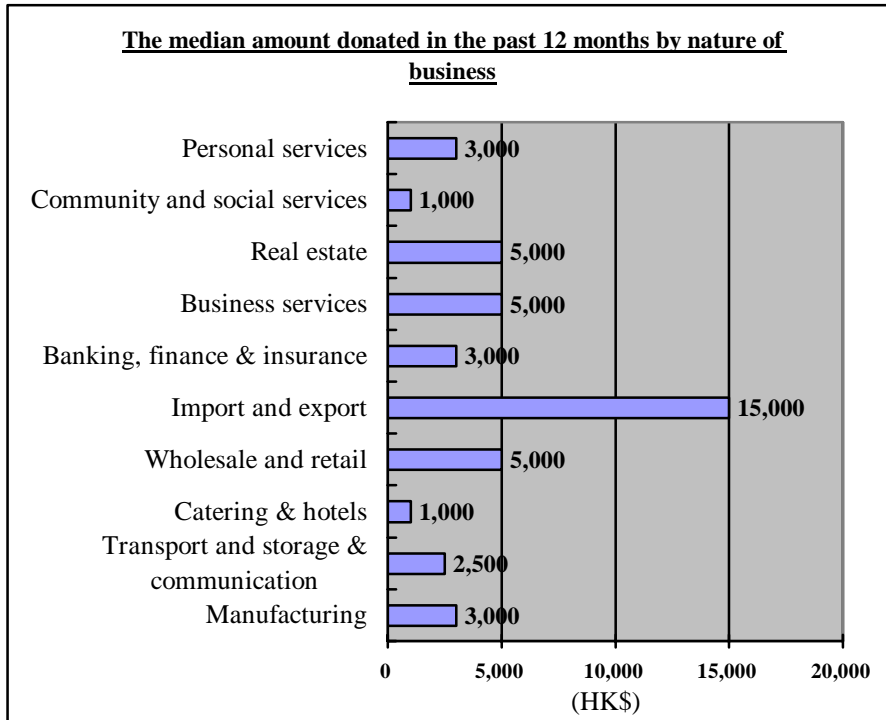
Base: 2 102 sampled establishments which had made donations to charitable organizations in the name of company in past 12 months (50 686)

6.3 The amount of donations were higher for establishments with a greater number of employees. The median amount of donation made in the past 12 months was \$100,000 for establishments with an employment size of 500 or above, but \$2,000 for those with 1 – 4 employees and only \$1,000 for those with no direct employee.



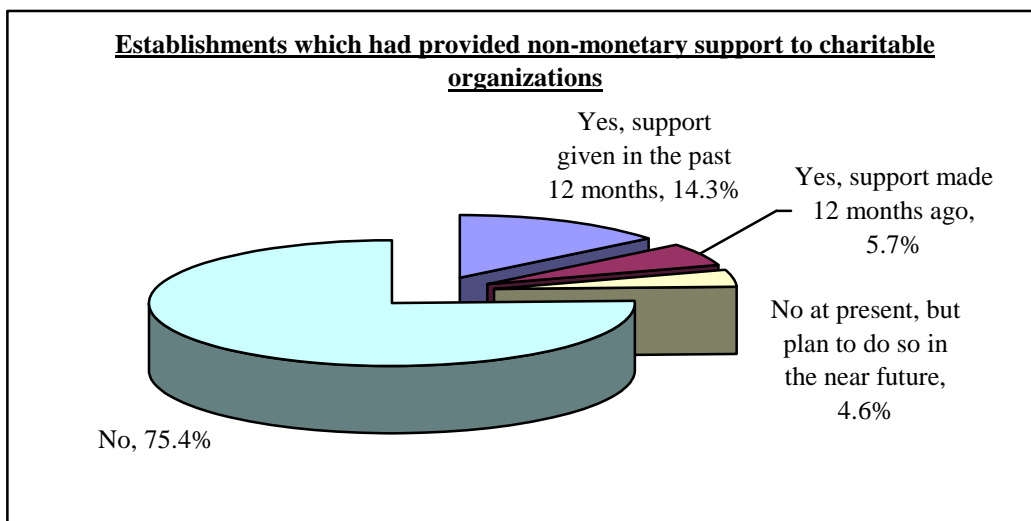
**Base: All 10094 sampled establishments (287 982)**

6.4 When analyzed by the nature of business, the median amount of donations made in the past 12 months was higher for establishments in the import and export trade (\$15,000) and was lower for those in the catering and hotel (\$1,000) and community and social services (\$1,000) industry groups.



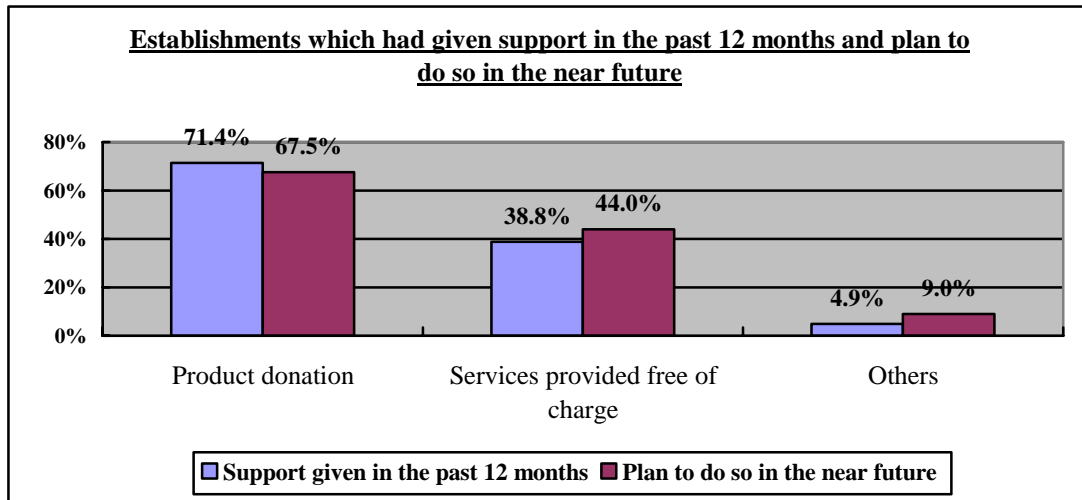
**Base: All 10094 sampled establishments (287 982)**

6.5 Only about 14% of the establishments had provided non-monetary support to charitable organizations in the name of the company in the past 12 months prior to enumeration, and 6% had provided non-monetary support though not in the past 12 months. The majority (75%) did not provide any non-monetary support to charitable organizations and had no plan to do so in the near future.



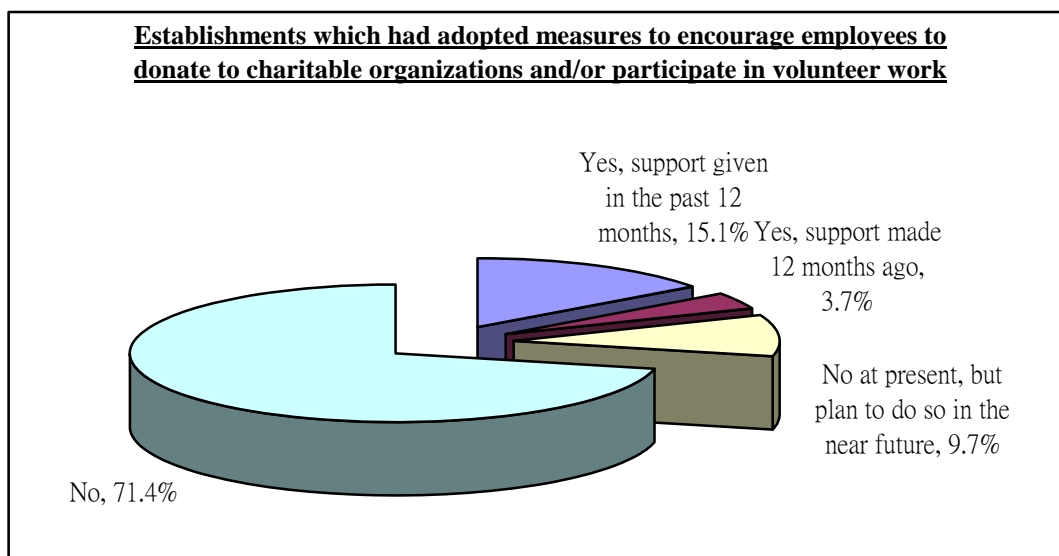
**Base: All 10 094 sampled establishments (287 982)**

6.6 For those establishments that had provided non-monetary support to charitable organizations in the past 12 months, 71% had donated products and about 39% provided services free of charge. For those that had made donations though not in the past 12 months, 68% had donated products and about 44% provided services free of charge.



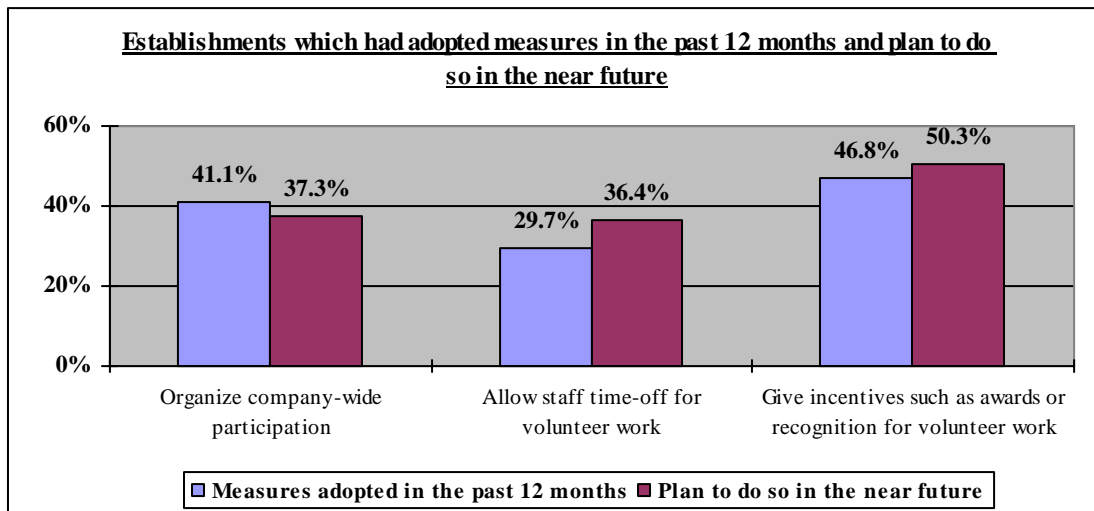
Base: 1710 sampled establishments which had given support in the past 12 months (41 094) / 418 sampled establishments which had planned to do so in the near future (13 304)

6.7 Only about 15% of the establishments had measures to encourage employees to donate to charitable organizations or participate in volunteer work in the past 12 months prior to enumeration, and 4% had done so though not in the past 12 months. About 71% of the establishments did not have such measures and had no plan to do so in the near future.



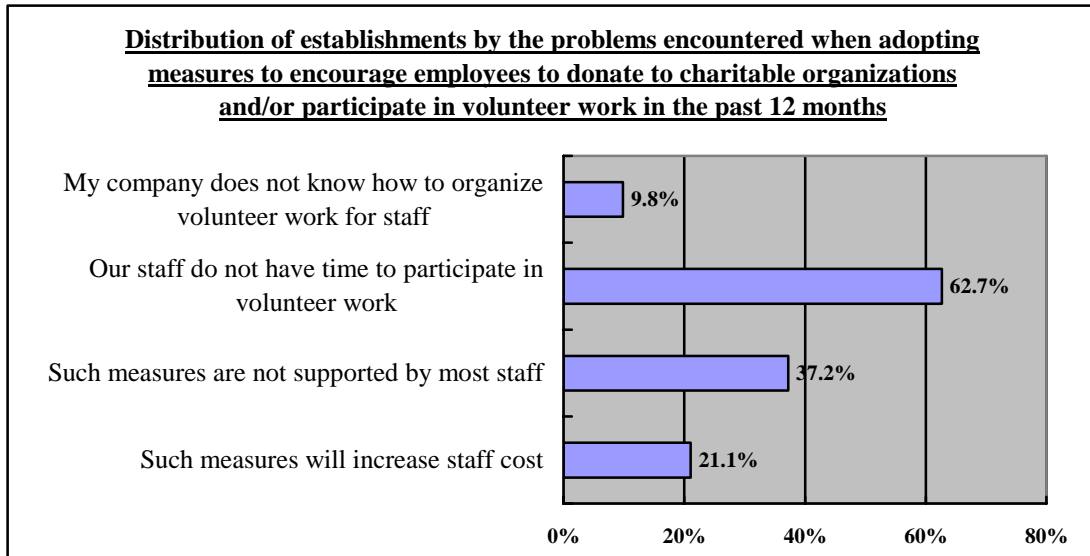
Base: 8 342 sampled establishments which had recruited and employed employees (227 214)

6.8 For those establishments that had measures to encourage employees to donate to charitable organizations or participate in volunteer work in the past 12 months, the measures adopted were organizing company activities (accounting for 41% of the establishments concerned), giving incentives such as awards or recognition for volunteer work (47%) and allowing staff time-off for volunteer work (30%). The pattern for those that had made donations though not in the past 12 months was similar.



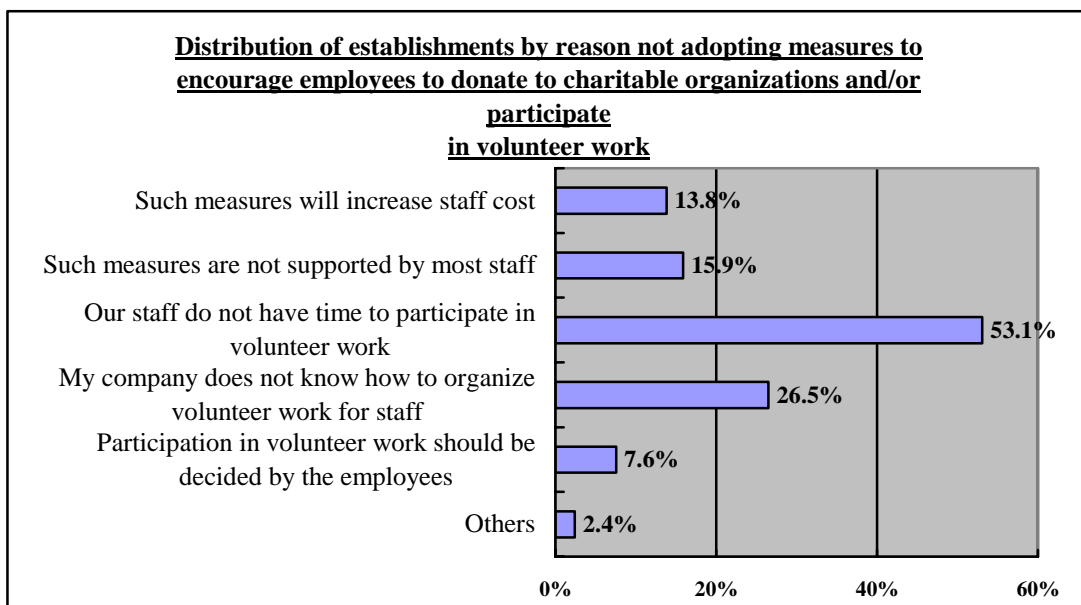
**Base: 1514 sampled establishments which had adopted measures in the past 12 months (34 372) / 815 sampled establishments plan to do so in the near future (22 101)**

6.9 For establishments that had measures to encourage employees to donate to charitable organizations or participate in volunteer work, about 19% indicated they had encountered problems doing so. The main problem encountered was that their staff did not have time to participant in volunteer work (accounting for 63% of the establishments concerned).



**Base: 292 sampled establishments which had encountered problems when given support in the past 12 months (6 638)**

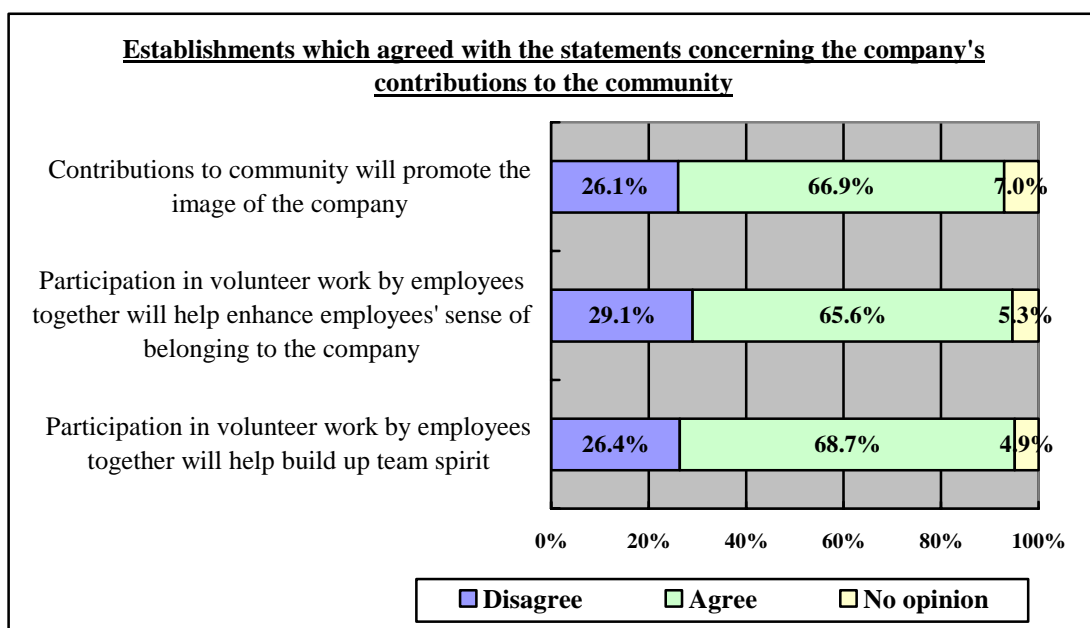
6.10 For establishments that did not have measures to encourage employees to donate to charitable organizations or participate in volunteer work, the main reason for not having such measures was that their staff did not have time to participate in volunteer work (accounting for 53% of the establishments concerned). Apparently, the reason that staff did not have time should not prevent establishments from adopting measures to encourage staff to participate in volunteer work, though this was definitely a problem that needs to be tackled.



**Base: 5644 sampled establishments which had not adopted measures to encourage employees to donate to charitable organizations and/or participate in volunteer work (162 333)**

6.11 Even though more than half of the establishments did not donate to

charitable organizations or did not have measures to encourage employees to donate to charitable organizations or participate in volunteer work, it may be of interest to note that more than half of them recognized that contributions to community would promote the image of the company (accounting for 67% of the establishments), participation in volunteer work by employees together would help enhance employees' sense of belonging to the company (66%) and participation in volunteer work by employees together will help build up team spirit (69%). In other words, there was a business case for establishments to contribute to the community and there is definitely room for further promoting donations and volunteer work in the business community.



**Base: The first statement: All 10 094 sampled establishments (287 982) / The second and third statements: 8332 sampled establishments which had employees (226 879)**

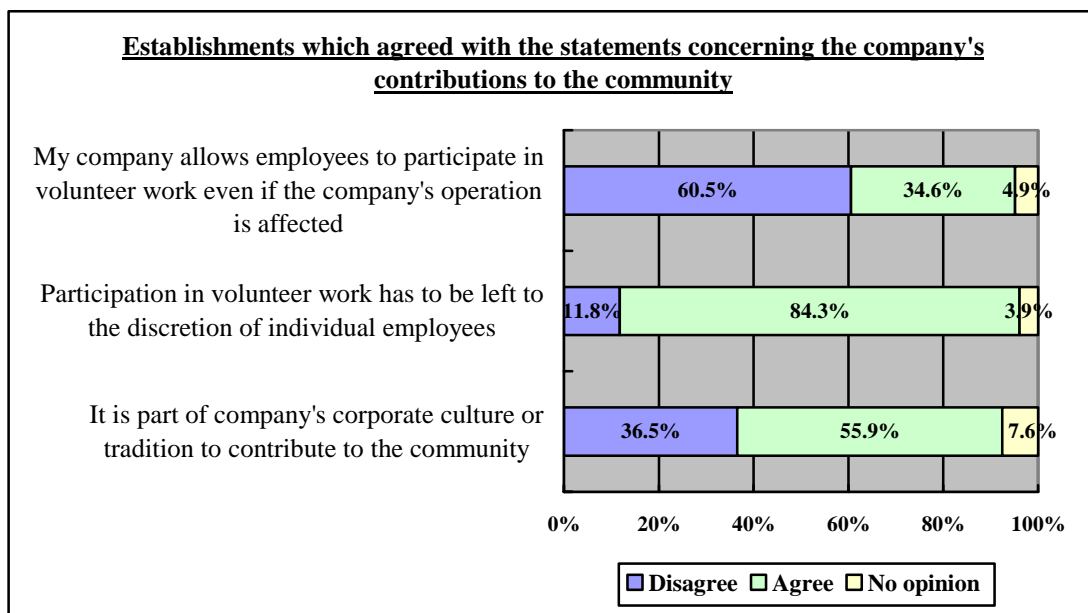
6.12 The three items above may be regarded as representing the “internal” incentives for contributions to the community. Expressed in a Likert scale of 10, with “1” denoting strongly disagree with the statement related to “internal” incentives for contributions to the community and “10” denoting strongly agree, the overall index on “internal” incentives for contributions to the community was also above the mid-point value of 5.5, at 6.9.

6.13 It may be of interest to note that the index on “internal” incentives for contributions to the community for establishments that had made any contribution to the community, by making monetary donations, or non-monetary contribution or encouraging staff to donate or participate in volunteer work, at 7.3, was higher than the index of establishments that had never made any contribution to the community,



(i.e. they did not make any monetary or non-monetary donation, or encourage their staff to take part in volunteer work in the past 12 months), at 6.4.

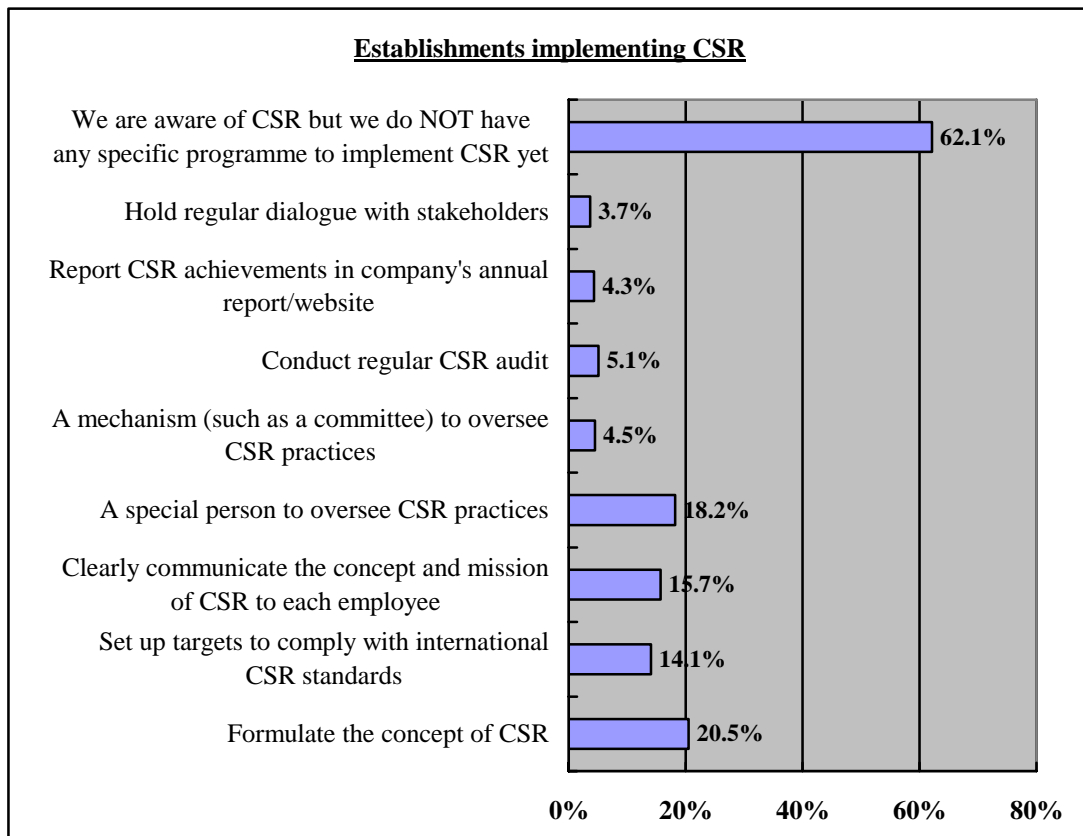
6.14 It may also be of interest to note that more than half (56%) of the establishments indicated that it was part of a company's corporate culture or tradition to contribute to the community. About 35% indicated that they would allow employees to participate in volunteer work even if the company's operation was affected. The majority (84%) considered that participation in volunteer work had to be left to the discretion of individual employees.



**Base: The first and second statements: 8332 sampled establishments which had employees (226 879) / The third statement: All 10 094 sampled establishments (287 982)**

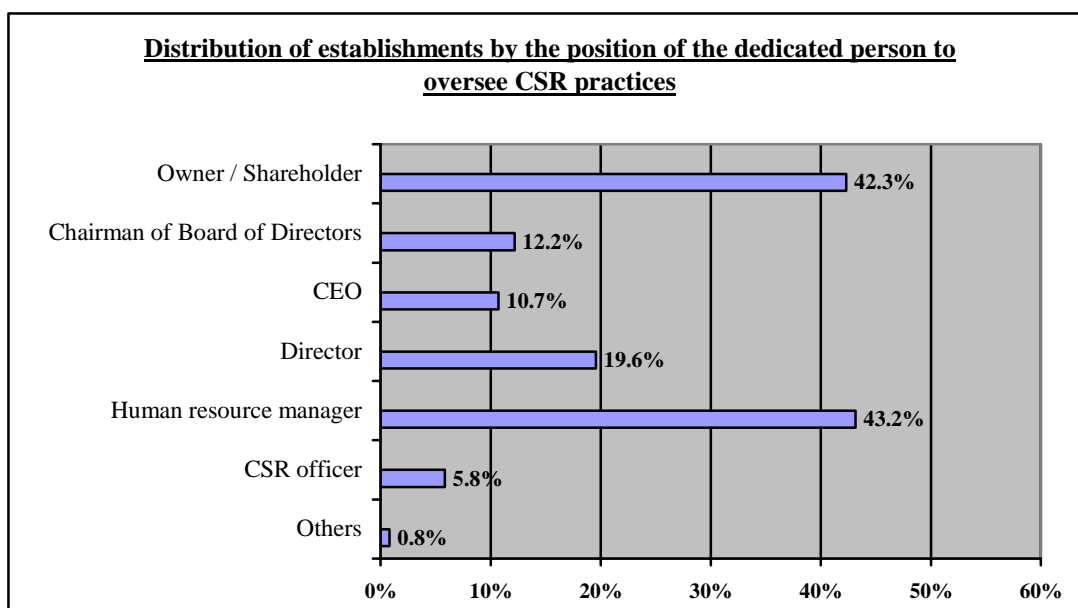
## VII PERCEPTION AND IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY

7.1 Only about 23% of the establishments indicated that they were aware of corporate social responsibility (CSR). Among these establishments, more than half (62%) did not have any specific programme implementing CSR. About 21% had a programme to formulate the concept of CSR, about 18% had a dedicated person to oversee CSR practices, about 16% clearly communicated the concept of CSR to their employees and 14% set up targets to meet international CSR targets.



**Base: 2 632 sampled establishments which had aware of "corporate social responsibility (CSR)" (66 983)**

7.2 For establishments with a dedicated person to oversee CSR practices, about 43% assigned their human resources managers to oversee CSR practices. In about 42% of the establishments, the owners were also involved.



**Base: 535 sampled establishments which had implemented a programme that a dedicated person to oversee CSR practices (12 178)**

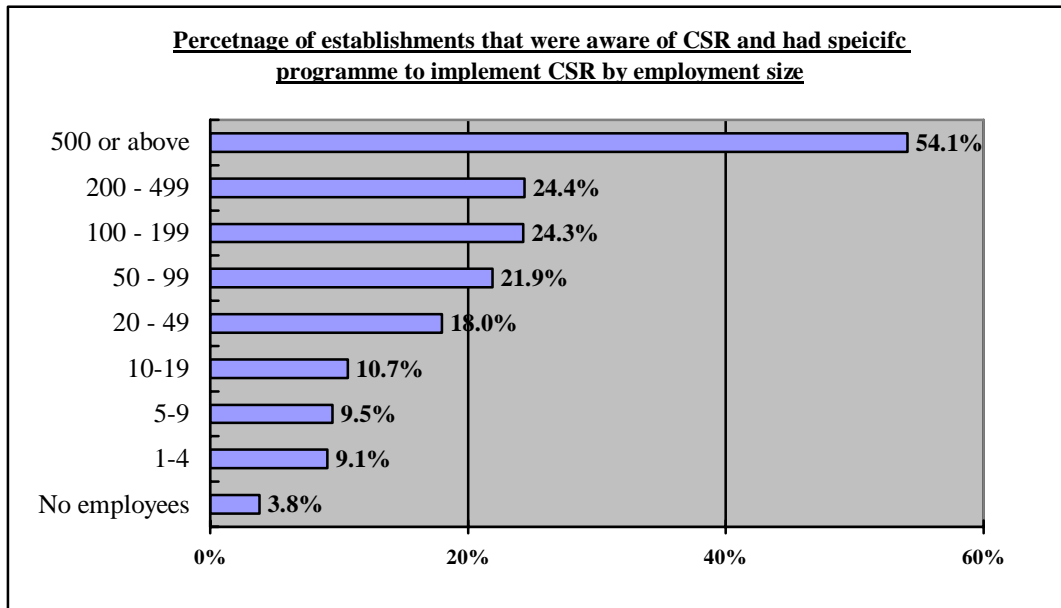
7.3 It may be of interest to note that establishments that were aware of CSR had a tendency of behaving ethically. For instance, companies that were aware of CSR were more likely than not to have already had at least one measure of CSR related to employees and employees' families.

Measures on welfare of employees and their families	Whether aware of CSR	
	No	Yes
No measure	89.2%	10.8%
At least one measure	73.8%	26.2%
All establishments	75.7%	24.3%

7.4 Similarly, establishments that were aware of CSR were more likely than not to have instituted at least one policy or measure on environmental protection and waste management.

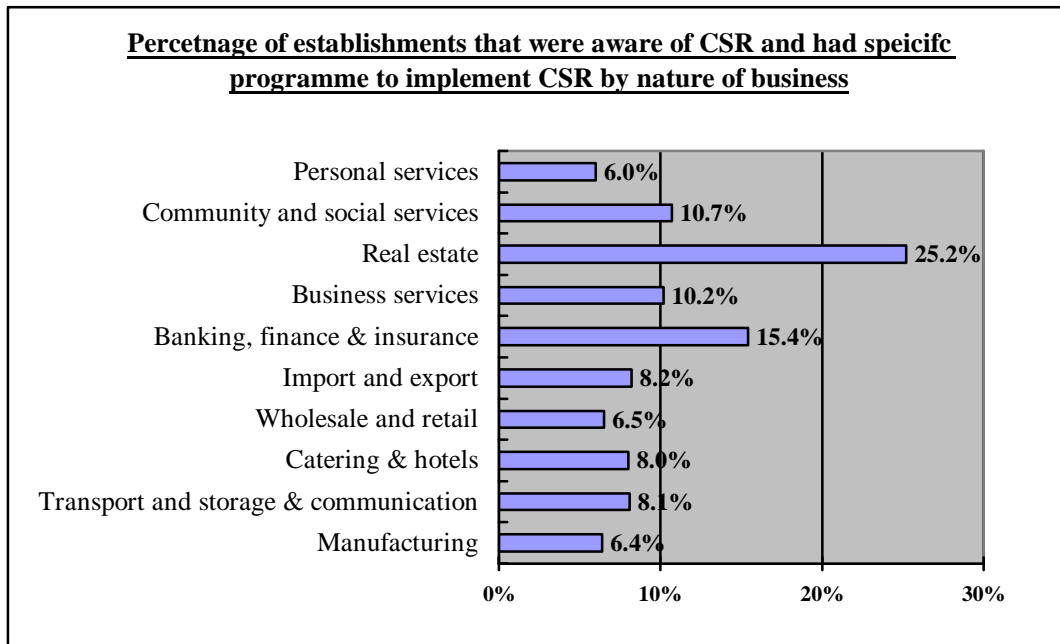
Measures on environmental protection and waste management	Whether aware of CSR	
	No	Yes
No measure	88.5%	11.5%
At least one measure	76.1%	23.9%
All establishments	76.7%	23.3%

7.5 Only about 8.8% of the establishments were both aware of CSR and had specific programme to implement CSR. The percentage was much higher for the larger establishments in terms of employment size. For example, the percentage as high as 54% for establishments with an employment size of 500 or above, 9% for those with 1 – 4 employees and only 4% for those with no direct employee.



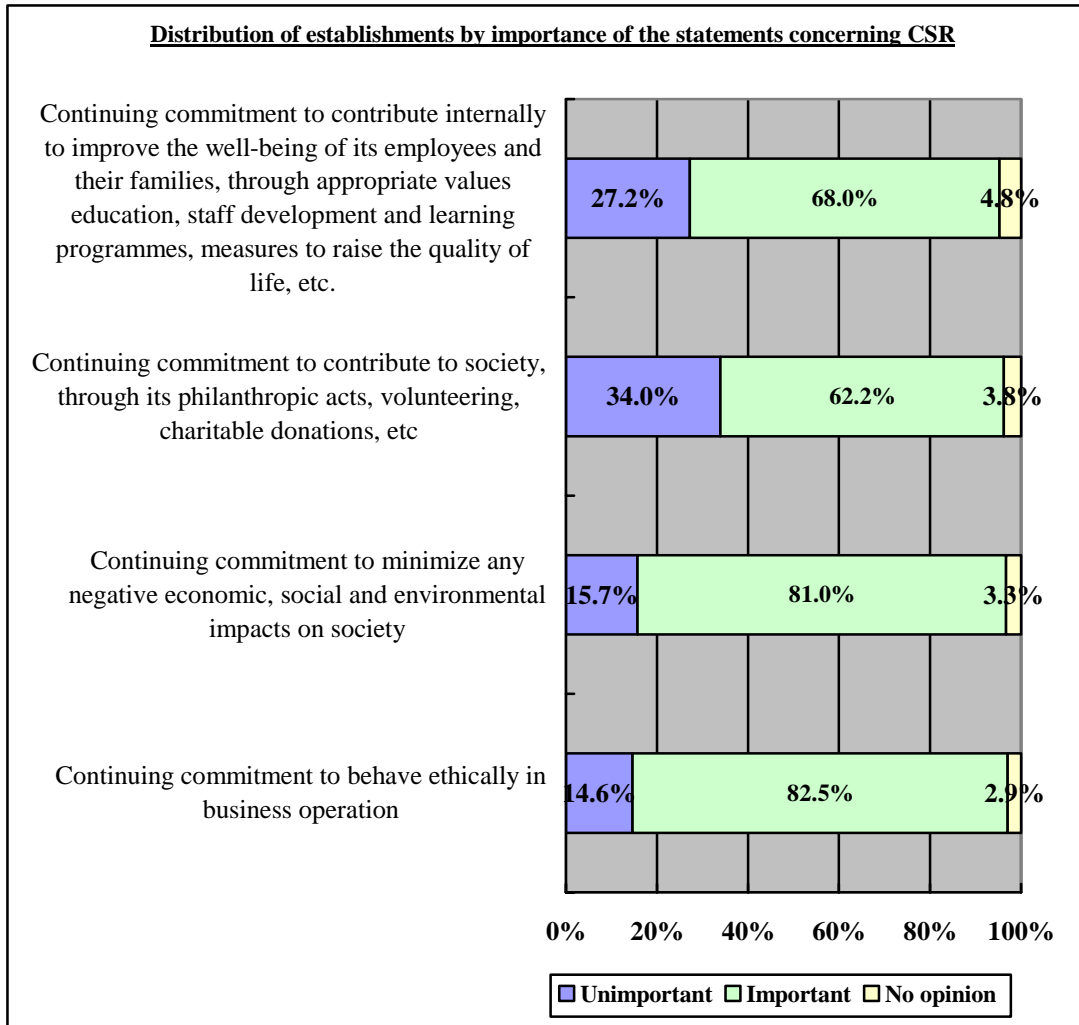
**Base: All 10 094 sampled establishments (287 982)**

7.6 When analyzed by the nature of business, the percentage of the establishments that were both aware of CSR and had specific programme to implement CSR was higher for establishments in the real estate (25%) and banking, finance and insurance (15%) industry groups, and was much lower for those in the manufacturing (6%), wholesale and retail (7%) and personal services (6%) industry groups.



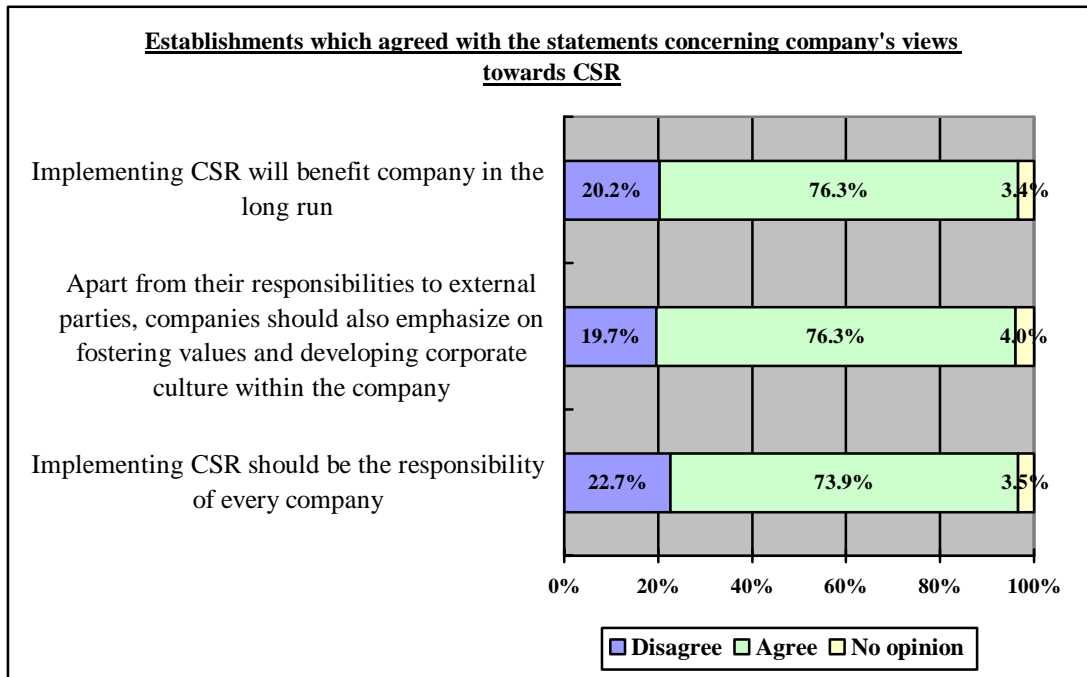
**Base: All 10094 sampled establishments (287 982)**

7.7 Most establishments, on the other hand, considered that it was important to follow various principles of CSR. About 83% of the establishments considered it was important from their company's perspective to have continuing commitment to behave ethically in business operation; about 81% considered it important to have continuing commitment to minimize any negative economic, social and environmental impacts on society; about 68% considered it important to have continuing commitment to contribute internally to improving the well-being of its employees and their families, through appropriate values education, staff development and learning programmes, measures to raise the quality of life, etc.; and about 62% considered it important to have continuing commitment to contribute to society, through its philanthropic acts, volunteering, charitable donations, etc.



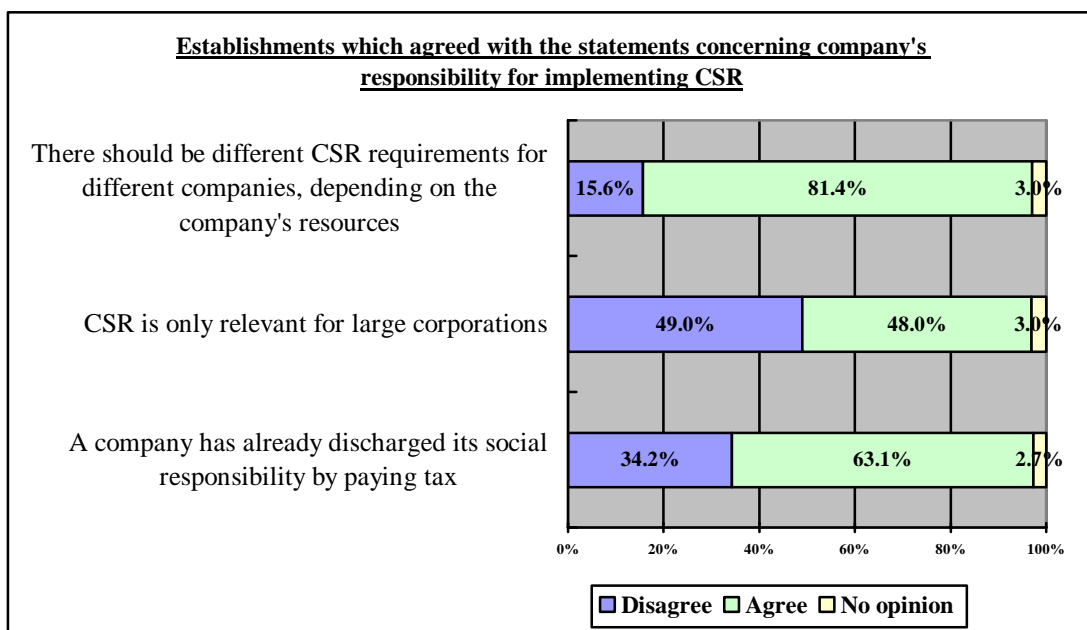
**Base: All 10 094 sampled establishments (287 982)**

7.8 In addition, views expressed by most establishments seemed to indicate that they were supportive of CSR. About 74% of the establishments agreed that implementing CSR should be the responsibility of every company; about 76% agreed that apart from their responsibilities to external parties, companies should also emphasize on fostering values and developing corporate culture within the company; and about 76% agreed that implementing CSR would benefit company in the long run.



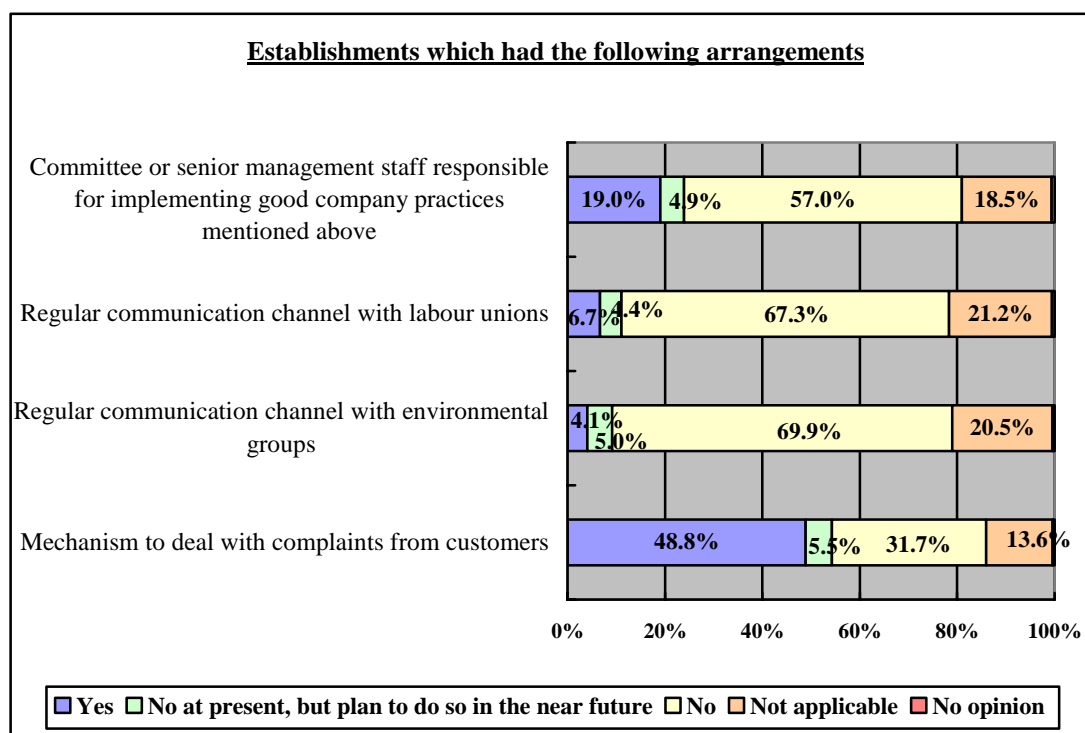
**Base: All 10 094 sampled establishments (287 982)**

7.9 However, more than half of the establishments (63%) were also of the view that a company has already discharged its social responsibility by paying tax. Furthermore, as high as 81% considered that there should be different CSR requirements for different companies, depending on the company's resources. About half (49%) of the establishments considered that CSR was not only for large corporations, while the other half (48%) considered that CSR was only relevant for large corporations.



**Base: All 10 094 sampled establishments (287 982)**

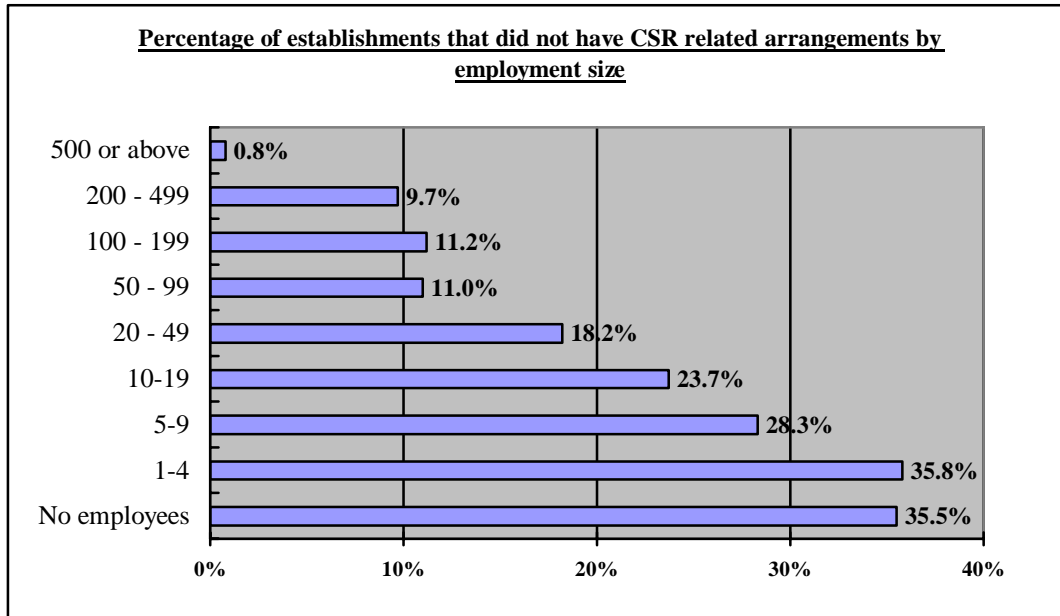
7.10 Despite the enthusiasm expressed by most establishments towards CSR, only a small proportion of them had put in place a mechanism to oversee the implementation of CSR practices. Only about 19% of the establishments had a committee or senior management staff responsible for implementing good company practices; only 7% had a regular communication channel with labour unions; and only 4% had a regular communication channel with environmental groups. A higher proportion (49%) had a mechanism to deal with complaints from customers.



**Base: All 10 094 sampled establishments (287 982)**

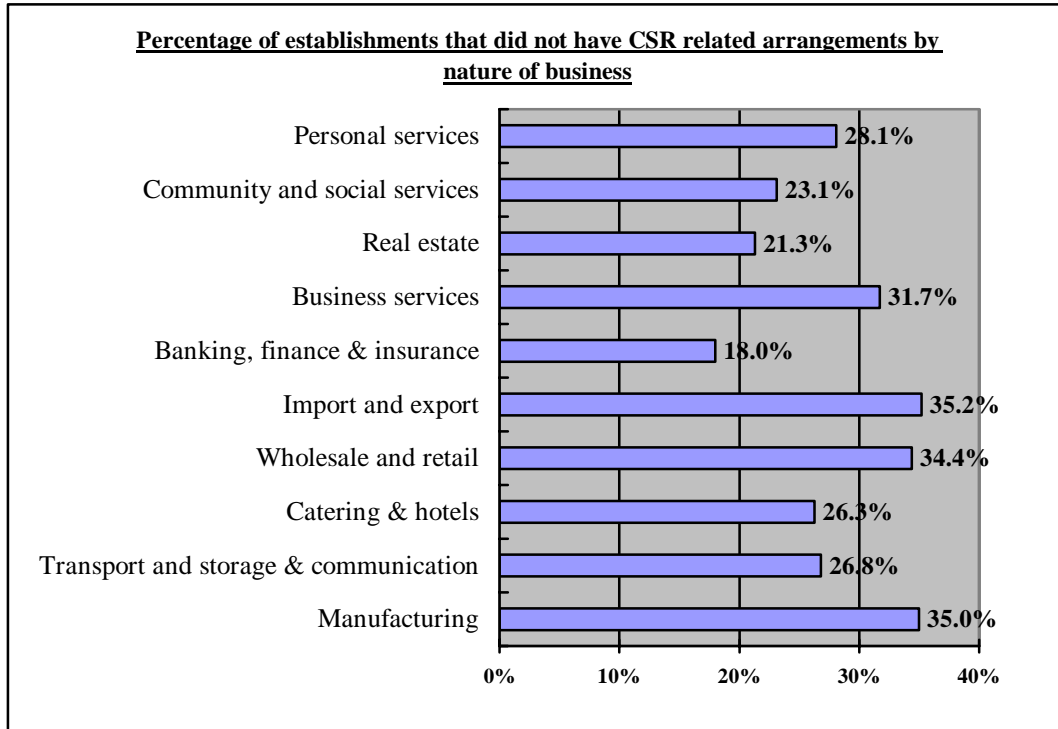
7.11 About 32% of establishments did not have any of the above 4 arrangements, i.e. a committee or senior management staff responsible for implementing good company practices, a regular communication channel with labour unions, a regular communication channel with environmental groups and a mechanism to deal with complaints from customers. The percentage was higher for the smaller establishments in terms of employment size. For instance, the percentage was less than 1% for establishments with an employment size of 500 or above, and was as high as 36% for those with an employment size of 1 – 4 or with no direct employee.





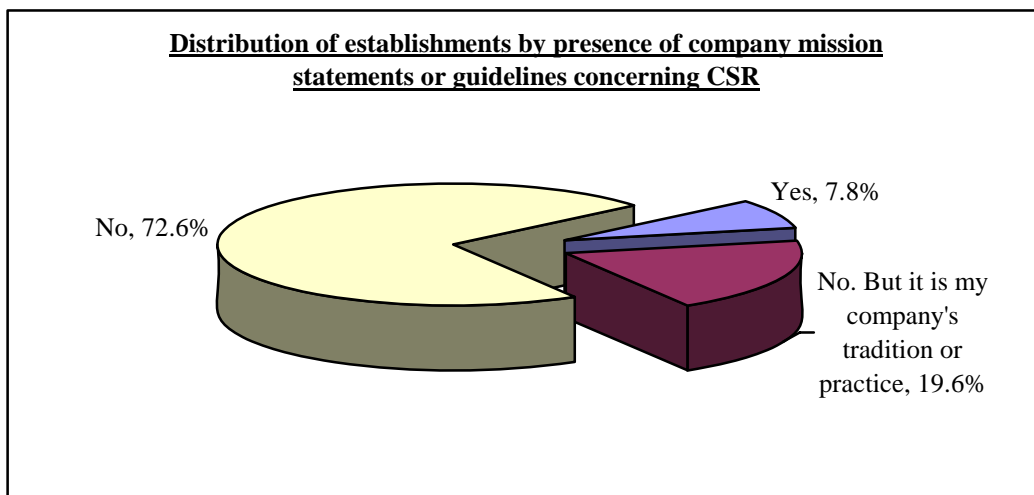
**Base: All 10094 sampled establishments (287 982)**

7.12 When analyzed by the nature of business, the percentage of establishments that did not have any of the above 4 arrangements, i.e. a committee or senior management staff responsible for implementing good company practices, a regular communication channel with labour unions, a regular communication channel with environmental groups and a mechanism to deal with complaints from customers, was lowest for establishments in the banking, finance and insurance (18%) industry group. The percentage was higher for establishments in the import and export (35%), manufacturing (35%) and wholesale and retail (34%) industry groups.



**Base: All 10094 sampled establishments (287 982)**

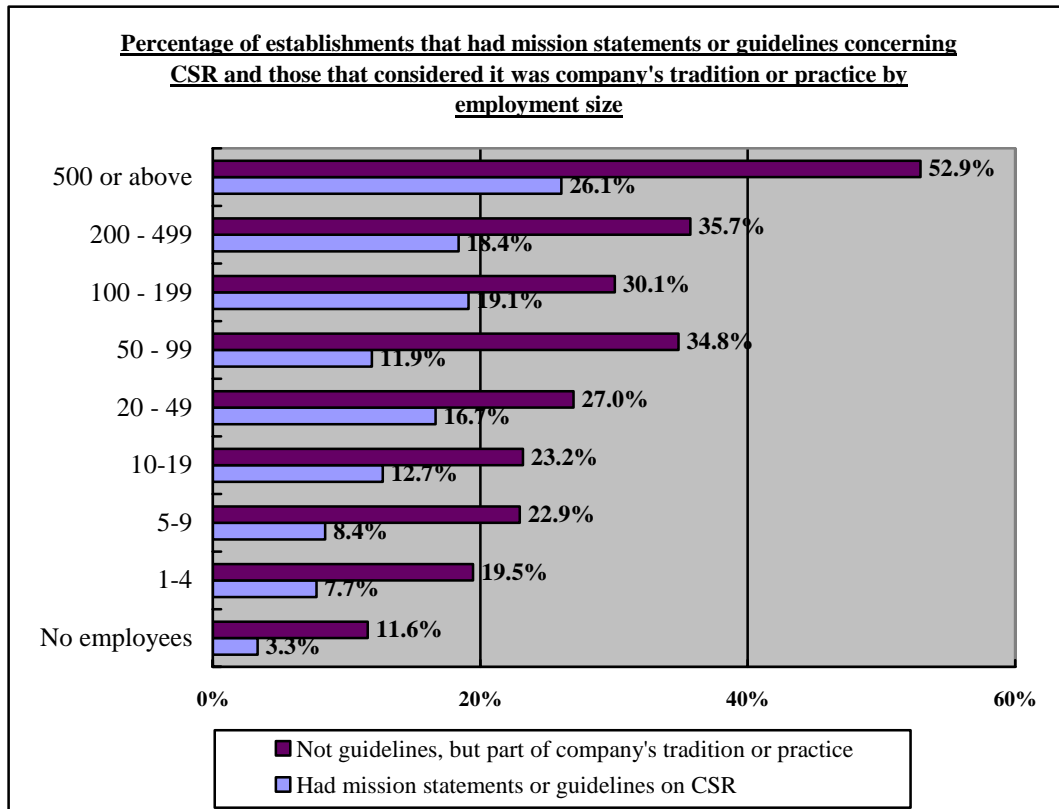
7.13 Furthermore, only about 8% of the establishments had stated guidelines or company mission statements concerning CSR and a further 20% indicated that it was already their company's tradition or practice though they did not have stated guidelines or company mission statements on CSR.



**Base: All 10 094 sampled establishments (287 982)**

7.14 When analyzed by employment size, a higher proportion of larger establishments in terms of employment size either had stated guidelines or company mission statements concerning CSR or though without guidelines or mission

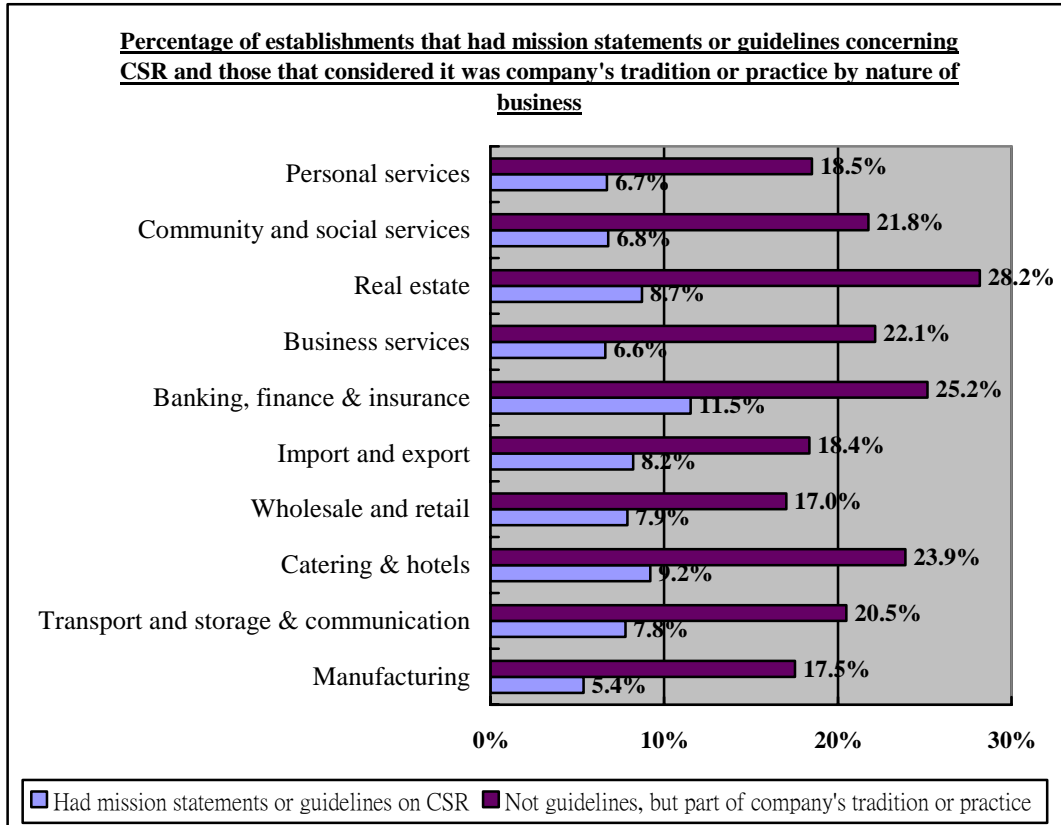
statements, considered it was already their company’s tradition or practice. For example, the percentage of establishments with mission statements or guidelines on CSR was 26% for those with an employment size of 500 or above, but was 8% for those with 1 – 4 employees and only 3% for those with no employee.



**Base: All 10094 sampled establishments (287 982)**

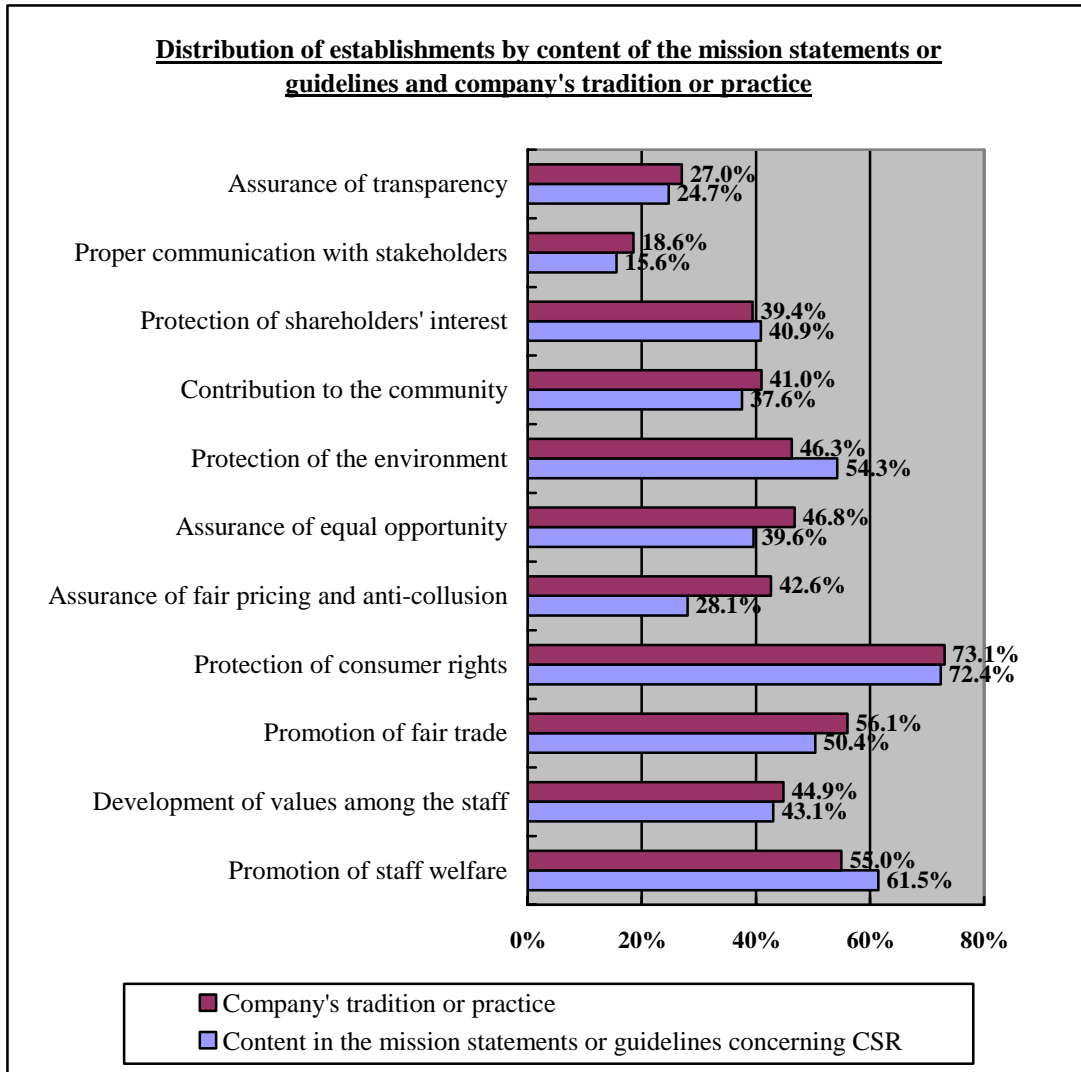
7.15 When analyzed by the nature of business, the percentage of establishments that either had stated guidelines or company mission statements on CSR was higher establishments in the banking, finance and insurance (12%) industry group, and was lower for those in the manufacturing (5%) industry group.

7.16 As regards the percentage of establishments that did not have stated guidelines or company mission statements on CSR or but considered it was already their company’s tradition or practice, it was higher among establishments in real estate (28%) and banking, finance and insurance (25%) industry groups, and was lower for those in the manufacturing (18%), import and export (18%) and wholesale and retail (17%) industry groups



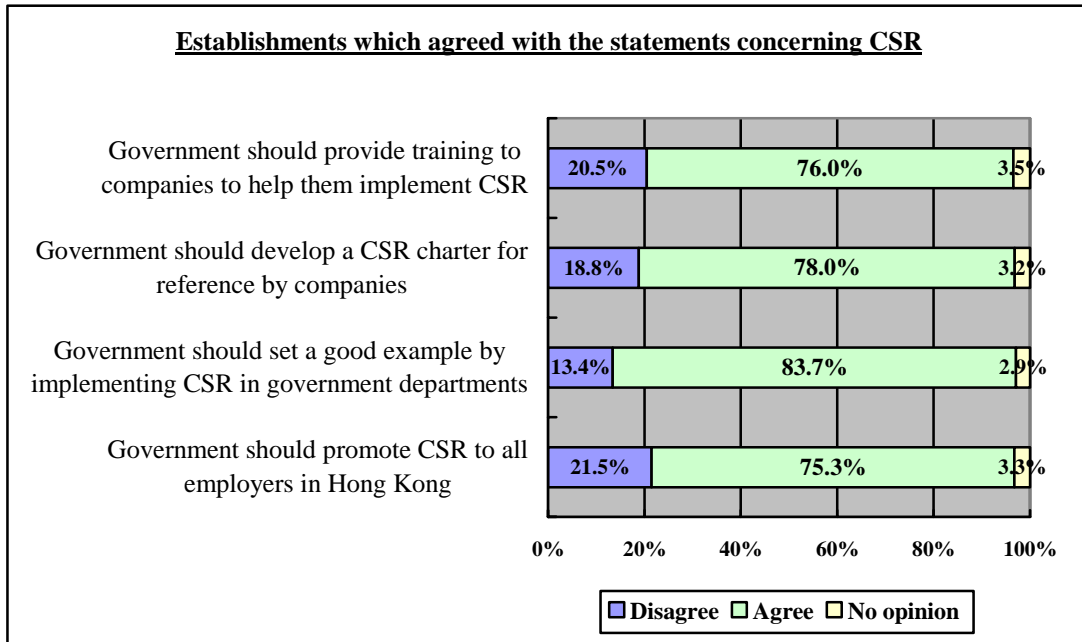
**Base: All 10094 sampled establishments (287 982)**

7.17 For those establishments that had stated guidelines or company mission statements on CSR or it was already their company’s tradition or practice, the more common elements of such guidelines or tradition were protection of consumer rights, promotion of staff welfare, protection of the environment, promotion of fair trade, development of values among staff, protection of shareholders’ interests, contribution to the community and assurance of equal opportunity. The less common elements were assurance of fair pricing and anti-collusion, assurance of transparency and proper communication with stakeholders.



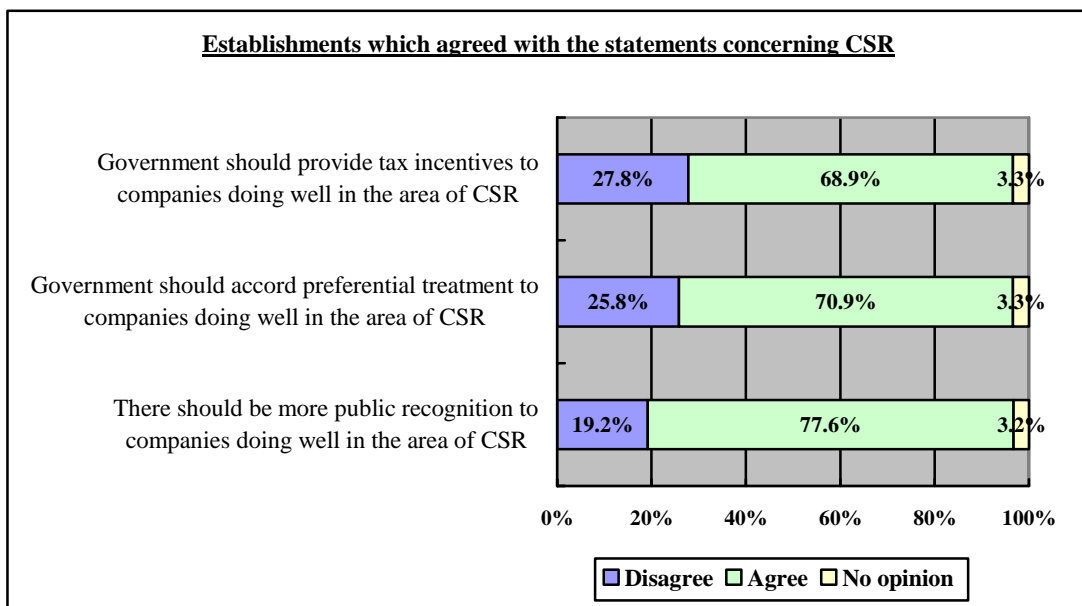
**Base: 942 sampled establishments which had company mission statements or guidelines concerning CSR (22 525) / 2 172 sampled establishments which had tradition or practice (56 480)**

7.18 As regards support from government, most establishments were of the view that the government should take a more active role in promoting CSR. About 75% of the establishments agreed that the government should promote CSR to all employers in Hong Kong; about 84% agreed that the government should set a good example by implementing CSR in government departments; about 78% agreed that the government should develop a CSR charter for reference by companies; and about 76% agreed that the government should provide training to companies to help them implement CSR.



**Base: All 10 094 sampled establishments (287 982)**

7.19 The majority of the establishments were also of the view that the government should provide more incentives to employers. About 78% of the establishments agreed that there should be more public recognition given to companies doing well in the area of CSR; about 71% agreed that the government should accord preferential treatment to companies doing well in the area of CSR; and about 69% agreed that the government should provide tax incentives to companies doing well in the area of CSR.



**Base: All 10 094 sampled establishments (287 982)**

## VIII OBSERVATIONS AND RECOMMENDATIONS

### 8.1 Overall Picture

#### *Four dimensions of CSR*

8.1.1 The study looks specifically into four dimensions of corporate social responsibility (CSR), namely (1) improvement of the well-being of employees and their families; (2) minimization of negative economic, social and environmental impacts on society; (3) ethical business operations; and (4) contributions to society.

#### *CSR practices*

8.1.2 With respect to the practices of CSR, it was found that a vast majority of companies had responsible measures and policies in place when dealing with customers (i.e. dimension 3). Most companies were also rather keen on minimizing negative environmental impact on society (dimension 2). A good portion of the companies provided some welfare to their employees (dimension 1). Contribution to society in terms of donation, non-monetary support or volunteering was on the whole low (dimension 4).

#### *Perception of CSR duties*

8.1.3 The study findings on CSR practices mirrored what companies thought about the relative importance of the four dimensions of CSR. A higher percentage of companies held ethical business operations (i.e. dimension 3) more important than minimization of negative impact on society (dimension 2), which in turn was held as more important than improvement of employee well-being (dimension 1). Social contribution was regarded as the least important of all dimensions.

#### *CSR incentive structures*

8.1.4 An analysis of the incentive structure of CSR revealed two types which could be seen as internal or external to the company. Internal incentive structure refers to the internal source of CSR motivation, be it regarded as bringing benefit to the company, facilitating a harmonious working environment,

or being a tradition of the company. External incentive structure refers to the adoption of CSR practices as a result of factors external to the company, such as abiding by the law, following market demands, or submitting to pressure groups. In general, internal incentive structure appeared to be more effective than external incentive structure in the provision of CSR procedures. Companies that practised CSR to a greater extent tend to believe that they could benefit from practicing it; they may also have already internalized the values of CSR and regarded them as part of the companies' culture or tradition.

### ***CSR awareness***

8.1.5 Despite the effort to publicize the idea of CSR, only 23 percent of the companies claimed to be aware of the concept of CSR. The companies which were aware of the CSR concept consistently had better CSR practices. It was also encouraging that about three out of four companies in the survey showed positive views about implementing CSR.

### ***Expectation of government's role***

8.1.6 The government has been assigned an important role in the promotion of CSR. Companies expected the government to take the lead through implementation of CSR within the government bureaucracy. The government was also counted on in the development of relevant CSR charters, as well as in the provision of training to those that wanted to implement CSR. The companies believed that the government could raise the incentive for practicing CSR by instating reward systems.

### ***Summary observations***

8.1.7 In a nutshell, the survey findings indicate:

- CSR awareness:
  - Very low
- CSR practices:
  - Ethical business operations:
    - Customers—very good
    - Suppliers—unsatisfactory
  - Minimization of negative impact:
    - Environment protection practices/policies—rather good



- Anti-discrimination guidelines—poor
- Employee welfare: moderate
- Social contributions: unsatisfactory
- Priority of CSR duties in descending order:
  - Ethical business operation
  - Minimization of negative impact
  - Employee welfare
  - Social contributions
- CSR incentive structure:
  - Internal incentive more important than external incentive
- CSR support:
  - High
- Role of the government:
  - Take the lead
  - Provide help and training
  - Raise CSR incentive

8.1.8 In conclusion, the following issues are worth noting:

- Companies' actions are duty-based showing compliance with basic ethical norms or legal measures
- Beyond duty-based action:
  - Profit-based; practise CSR only when it helps commercial interests
  - Weak in positively contributing to employee welfare or to society in general (beyond the call of duty)
- The government is expected to take the lead in the promotion of CSR

## 8.2 Recommendations

### *Overseas experience*

8.2.1 CSR has been a major programme for many western countries beginning in the late 1990s. In some countries, there are designated officials or

government departments responsible for promoting CSR. For example, the UK appointed a CSR minister. The Spanish government created the Technical Advisor Committee of Experts on CSR within the Employment and Social Affairs Ministry. The Italian government established and funded a foundation, the Italian Centre for Social Responsibility. It also set up the Italian Multi-stakeholder Forum for Corporate Social Responsibility.

8.2.2 Other than supra national regimes such as the European Union, national governments usually play a major role in the promotion of CSR by providing incentives and passing regulations. Encouraging companies to make socially responsible investments has been a common task in many western countries. To this end, Germany, France, Sweden, and UK have various pension laws requiring companies to report their social, environmental and ethical criteria for investment.

8.2.3 In general, governments provide incentives to encourage CSR along four areas: namely community, workplace, market place, and environment. Different prizes are awarded to companies that have done well in any of these areas. These prizes are both tangible and intangible. In the area of the workplace, Hungarian companies can compete for Family Friendly Employment Prize or the Best Workplace Award; and Spanish companies, Flexible Company Award (on work-life balance). In the area of the environment, the Irish government provides financial assistance, support and training through its Environmental Management Scheme; and the German government offers financial support to SMEs (Small and Medium Enterprises) to develop environmental friendly practices and policies. In the area of the community, the “Equality is Quality” award is given to Portuguese companies with exemplary equal opportunities policies. In the market place, the German government has a budget for the promotion and marketing of fair trade projects. These are but a few examples of how governments promote CSR in their respective countries.

### ***Promotion of CSR in Hong Kong***

8.2.4 In view of the findings and the lessons from overseas, it is believed that CSR in Hong Kong could be promoted through measures presented below.

#### **Recommendation 1: Raise CSR awareness**

8.2.5 The study findings show that only 23% of companies were aware of CSR and that those which were aware of CSR had better CSR practices suggest that it is worthwhile promoting the understanding of CSR. Along this line, it may be imperative to correct the rather prevalent view (49%) that CSR was relevant only to large companies.

8.2.6 To raise CSR awareness, a well orchestrated campaign is called for. This should be accompanied by information dissemination through the printed and electronic media including the setting up of a comprehensive website that caters specifically to the local context.

### Recommendation 2: Raise CSR incentive

#### *Internal incentives*

8.2.7 Companies which regarded CSR as part of their tradition or which saw the benefit that CSR brought were more likely to implement CSR measures. The establishment of both tangible and intangible reward systems is recommended. Highly publicized awards can be given to companies that have good CSR practices. These awards should take into account company size and nature to encourage participation. As far as tangible award is concerned, good CSR companies can be given priority in public projects. For example, in public bidding for government projects, bonus points should be given to companies which have won CSR awards.

#### *External incentives*

8.2.8 Since companies are mostly duty-based, the government could require companies to institute certain key CSR measures that may very well left undone if not required. For example, if the government and community believe that anti-discrimination is so important to a fair and just society to warrant regulation, then the government could make it a requirement for all companies to have written anti-discrimination guidelines with regard to their hiring policy and personnel matters.

8.2.9 Moreover, the government could require all listed companies to publish their CSR practices in their annual report. Also, financial institutions could be obliged to make public their investment policy to show the extent to

which CSR is part of the company's investment consideration.

### Recommendation 3: Provide help and training

8.2.10 Sometimes, companies have the motivation but not the know-how to implement CSR. It will be useful to provide training and make resources easily available to these companies. This is especially the case with small and medium-sized companies in which resources are usually in short supply.

8.2.11 Written guidelines or suggestions of good CSR practices can be made readily available through booklets or the web. These guidelines or suggestions should be size and industry sensitive to make compliance easy and sensible. Training should be provided to help companies implement CSR and to encourage them to enter into CSR award competitions.

### Recommendation 4: Cooperate closely with civil society organizations

8.2.12 Civil society organizations such as professional bodies, business organizations, chambers of commerce, labour unions, and pressure groups can all play a part in promoting CSR. The survey shows that implementation of CSR is related to company size and nature. CSR procedures may vary according to the size of the company and the nature of the business. To establish sensible CSR guidelines and to promote adoption of these guidelines call for the cooperation between the government and different civil society organizations.

### Recommendation 5: The role of the government

8.2.13 There is high expectation for the government to take the lead in the implementation of CSR. In doing so, the government should set an example by consciously practising CSR. In addition, the government could, as suggested above, increase internal and external incentives to entice companies to carry out CSR, and to help provide resources to make CSR an achievable mission.

8.2.14 The government could set up a committee or assign a "CSR official" to overlook CSR practices within the government structure and to promote CSR in society. This would not only send a strong signal to society about the determination of the government to implement CSR, but will also make coordination easier among different government departments.

# Appendix

## Survey on Corporate Citizenship in Hong Kong

Sample no: \_\_\_\_\_

Enumerator no: E \_\_\_\_\_

**1. The total number of employees of your company is:**

- |  |  |
|--|--|
| <p>(1) <input type="checkbox"/> 0 (Go to Q7)</p> <p>(2) <input type="checkbox"/> 1 - 4</p> <p>(3) <input type="checkbox"/> 5 - 9</p> <p>(4) <input type="checkbox"/> 10 - 19</p> <p>(5) <input type="checkbox"/> 20 - 49</p> | <p>(6) <input type="checkbox"/> 50 - 99</p> <p>(7) <input type="checkbox"/> 100 - 199</p> <p>(8) <input type="checkbox"/> 200 - 499</p> <p>(9) <input type="checkbox"/> 500 or above</p> |
|--|--|
- } (Go to Q2)

} (Go to Q2)

**2. Has your company implemented the following regarding the welfare of employees?**

	Yes (1)	No at present, but plan to do so in the near future (2)	No (3)
a) Discourage staff from working excessively long hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Regularly review salaries and other benefits to reflect market rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Provide in-house training or subsidize training undertaken by staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Encourage staff to pursue continued education or training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Provide staff with medical insurance or other medical benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Regularly review safety in the workplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Organize leisure and recreational activities for staff and their family members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Provide benefits for family members of staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Others, please specify: _____			

**3. Does your company have any *stated guideline* against the following types of discrimination in recruitment and employment?**

	Yes (1)	No at present, but plan to do so in the near future (2)	No (3)
a) Age discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Sex discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Disability discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Family status discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Racial discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Religious discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Others, please specify: _____			

**4. Has your company adopted any measures against discrimination in recruitment and employment?**

- (1)  Yes, the measures are: ( More than one choice may be chosen )
- (a)  Explain company policy on anti-discrimination to staff responsible for recruitment and employment
  - (b)  Explain company policy on anti-discrimination to all employees
  - (c)  Internal committee to promote equal opportunity or to guard against discrimination
  - (d)  Internal audit or complaint mechanism to guard against discrimination
  - (e)  Other measures, please specify: \_\_\_\_\_
- (2)  No

**5. Are there any problems in implementing any of the above measures mentioned in Q4 against discrimination in recruitment and employment?**

- (1)  Yes, the problems are: (More than one choice may be chosen)
- (a)  Such measures will affect competitiveness of my company
  - (b)  Such measures are not supported by staff
  - (c)  There are complications/risks involved in employing people who are disabled
  - (d)  There are complications/risks involved in employing the ethnic minorities
  - (e)  Others, please specify: \_\_\_\_\_
- (2)  No problems encountered
- (3)  No measures implemented against discrimination in recruitment and employment mentioned in Q4

**6. Do you agree or disagree with the following statements concerning your company's employees?**

(Please tick the appropriate box below. The scale is from (1) being "totally disagree" to (10) being "totally agree".)

	Totally disagree										Totally agree									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) It is part of company's tradition to provide employment to disadvantaged groups (e.g. disabled, ex-offenders)																				
b) If my company provides fringe benefits to staff, it is only because it is required by the law																				
c) My company believes that providing fringe benefits to staff will help reduce staff mobility																				
d) My company believes that the cost of more fringe benefits to staff can be justified by improved efficiency																				
e) Employing disadvantaged groups (e.g. disabled, ex-offenders) will help promote image of company																				
f) If my company implements anti-discrimination measures, it is only because it is required by the law																				
g) "Equal opportunity" is part of my company's corporate culture or tradition																				

**7. Does your company have the following policies or measures *in dealing with your company's customers*?**

	Yes (1)	No at present, but plan to do so in the near future (2)	No (3)	Not applicable (99)
a) Protection of personal data of my company's customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Providing clear and precise price information to my company's customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Providing full and accurate non-price information (e.g. quality and safety ) on products or services to my company's customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Providing quality after sale service to my company's customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**8. Do you agree or disagree with the following statements *concerning your company's products and services*?**

(Please tick the appropriate box below. The scale is from (1) being "totally disagree" to (10) being "totally agree".)

	Totally disagree					Totally agree				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) The prices of goods or services sold by my company are <b>solely</b> determined by the market										
b) Regarding the safety of company's products or services, my company will <b>only</b> do what is required by the law										
c) Ensuring the quality of goods or services will benefit my company in the long run										
d) It is my company's corporate value to treat its customers fairly										
e) My company has an obligation to its customers by selling them goods or services that are safe and of good quality										
f) My company has no obligation to disclose all information on its products and services to the customers, unless it is required by law to do so										

9. **Does your company have the following policies or measures *in dealing with your company's suppliers?***

a) Ensure that suppliers have good employment practices

(1)  Yes, the reasons for doing so: (More than one choice may be chosen)

(a)  This is the requirement of buyers

(b)  This is the requirement of company's headquarters

(c)  This is the company's corporate value

(d)  Improve the image of the company

(e)  Others, please specify: \_\_\_\_\_

(2)  No at present, but plan to do so in the near future

(3)  No

(99)  Not applicable

b) Ensure that suppliers have taken steps to protect the environment

(1)  Yes, the reasons for doing so: (More than one choice may be chosen)

(a)  This is the requirement of buyers

(b)  This is the requirement of company's headquarters

(c)  This is the company's corporate value

(d)  Improve the image of the company

(e)  Others, please specify: \_\_\_\_\_

(2)  No at present, but plan to do so in the near future

(3)  No

(99)  Not applicable

c) Ensure that suppliers comply with laws or regulations in their countries

(1)  Yes, the reasons for doing so: (More than one choice may be chosen)

(a)  This is the requirement of buyers

(b)  This is the requirement of company's headquarters

(c)  This is the company's corporate value

(d)  Improve the image of the company

(e)  Others, please specify: \_\_\_\_\_

(2)  No at present, but plan to do so in the near future

(3)  No

(99)  Not applicable



**10. Do you agree or disagree with the following statements concerning your company's suppliers?**

(Please tick the appropriate box below. The scale is from (1) being "totally disagree" to (10) being "totally agree".)

	Totally disagree					Totally agree				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) My company is keen to ensure that products supplied by its suppliers are safe										
b) My company tries to ensure that its suppliers can have reasonable profits										
c) My company's dealing with its suppliers already complies with the law, and so there is no need to do anything extra for the suppliers										
d) It is up to market force to determine my company's dealings with its suppliers										

**11. Do you agree or disagree with the following statements concerning your company's competitors?**

(Please tick the appropriate box below. The scale is from (1) being "totally disagree" to (10) being "totally agree".)

	Totally disagree					Totally agree				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) Acting morally towards my company's competitors is more important than making higher profits										
b) It is alright for my company to drive its competitors out of business										

**12. Does your company make any contributions to the community?**

a) Making donations to charitable organizations in the name of company

- (1)  Yes, the approximate amount donated in the past 12 months: HK\$
- (2)  Yes, donations made 12 months ago
- (3)  No at present, but plan to do so in the near future and the amount set aside is: HK\$ /year
- (4)  Never

b) Providing non-monetary support to charitable organizations

- (1)  Yes, support given in the past 12 months: (More than one choice may be chosen)
- (a)  Product donation
- (b)  Services provided free of charge
- (c)  Others, please specify: \_\_\_\_\_
- (2)  Yes, support provided 12 months ago
- (3)  No at present, but plan to do so in the near future (More than one choice may be chosen)
- (a)  Product donation
- (b)  Services provided free of charge
- (c)  Others, please specify: \_\_\_\_\_
- (4)  Never

c) Adopting measures to encourage employees to donate to charitable organizations and/or participate in

volunteer work

- (1)  Yes, (i) the measures adopted in the past 12 months: (More than one choice may be chosen)
- (a)  Organize company-wide participation
  - (b)  Allow staff time-off for volunteer work
  - (c)  Give incentives such as awards or recognition for volunteer work
  - (d)  Others, please specify: \_\_\_\_\_
- (ii) Are there any problems?
- (1)  Yes, the problems are: (More than one choice may be chosen)
- (a)  Such measures will increase staff cost
  - (b)  Such measures are not supported by most staff
  - (c)  Our staff do not have time to participate in volunteer work
  - (d)  My company does not know how to organize volunteer work for staff
  - (e)  Others, please specify: \_\_\_\_\_
- (2)  No problems encountered
- (2)  Yes, measures adopted 12 months ago
- (3)  No at present, but plan to do so in the near future (More than one choice may be chosen)
- (a)  Organize company-wide participation
  - (b)  Allow staff time-off for volunteer work
  - (c)  Give incentives such as awards or recognition for volunteer work
  - (d)  Others, please specify: \_\_\_\_\_
- (4)  Never, the reasons for not doing so are: (More than one choice may be chosen)
- (a)  Such measures will increase staff cost
  - (b)  Such measures are not supported by most staff
  - (c)  Our staff do not have time to participate in volunteer work
  - (d)  My company does not know how to organize volunteer work for staff
  - (e)  Others, please specify: \_\_\_\_\_
- (99)  Do not recruit and employ employees

**13. Do you agree or disagree with the following statements concerning your company's contributions to the community?**

(Please tick the appropriate box below. The scale is from (1) being "totally disagree" to (10) being "totally agree".)

	Totally disagree										Totally agree										No employee (99)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
a) Participation in volunteer work by employees together will help build up team spirit																					<input type="checkbox"/>
b) Participation in volunteer work by employees together will help enhance employees' sense of belonging to the company																					<input type="checkbox"/>
c) Contributions to community will promote the image of the company																					
d) It is part of company's corporate culture or tradition to contribute to the community																					
e) Participation in volunteer work has to be left to the discretion of individual employees																					<input type="checkbox"/>
f) My company allows employees to participate in volunteer work even if the company's operation is affected																					<input type="checkbox"/>

**14. Does your company have the following policies or measures on environmental protection?**

	Yes (1)	No at present, but plan to do so in the near future (2)	No (3)	Not applicable (99)
a) Controlling gas emission to avoid air pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Reducing emission of hazardous chemicals to avoid pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Keeping air conditioned premises at 25.5 degrees Celsius to save energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Other measures on the conservation of gas and electricity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Conservation of water consumption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Reducing the use of plastic bags	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Waste management and recycling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**15. Are there any problems in implementing any of the above measures mentioned in Q14 on *environmental protection*?**

- (1)  Yes, the problems are: (More than one choice may be chosen)
- (a)  Such measures affect competitiveness of my company
- (b)  Such measures are not supported by staff
- (c)  My company does not have the technology to effectively implement such measures
- (d)  Our staff do not have the expertise to effectively implement such measures
- (e)  Others, please specify: \_\_\_\_\_
- (2)  No problems encountered
- (3)  No measures implemented on environmental protection mentioned in Q14
- (99)  Not applicable

**16. Do you agree or disagree with the following statements *concerning your company's environmental protection*?**

(Please tick the appropriate box below. The scale is from (1) being “totally disagree” to (10) being “totally agree”.)

	Totally disagree					Totally agree				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) Implementing environmental protection measures can reduce costs										
b) Implementing environmental protection measures can help enhance the image of my company										
c) If my company implements environmental protection measures, it is because this is required by my company's customers										
d) If my company implements environmental protection measures, it is because this is required by law										
e) Protecting the environment while operating business is part of my company corporate mission										
f) If my company implements environmental protection measures, it is in response to pressure from environmental groups										

**17. Does your company have the following arrangements?**

	Yes (1)	No at present, but plan to do so in the near future (2)	No (3)	Not applicable (99)
a) A mechanism to deal with complaints from customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) A regular communication channel with environmental groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) A regular communication channel with labour unions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) A committee or senior management staff responsible for implementing good company practices mentioned above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**18. Is your company aware or not aware of “corporate social responsibility (CSR)”?**

(1)  Yes. What is your company’s programme in implementing CSR?

(More than one choice may be chosen)

*(Please attach copies of annual report, CSR charter or CSR report, if available)*

- (a)  Formulate the concept of CSR
- (b)  Set up targets to comply with international CSR standards
- (c)  Clearly communicate the concept and mission of CSR to each employee
- (d)  A special person to oversee CSR practices
  - i  Owner / Shareholder
  - ii  Chairman of Board of Directors
  - iii  CEO
  - iv  Director
  - v  Human resource manager
  - vi  CSR officer
  - vii  Others, please specify: \_\_\_\_\_
- (e)  A mechanism (such as a committee) to oversee CSR practices
- (f)  Conduct regular CSR audit
- (g)  Report CSR achievements in company’s annual report/website
- (h)  Hold regular dialogue with stakeholders
- (i)  Others, please specify: \_\_\_\_\_
- (j)  We are aware of CSR but we do NOT have any specific programme to implement CSR yet

(2)  No, not aware

**19. From your company’s perspective, please rate the level of importance of the following aspects of “corporate social responsibility”.**

(Please tick the appropriate box below. The scale is from (1) being “totally unimportant” to (10) being “extremely important”.)

	Totally unimportant					Extremely important				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) Continuing commitment to behave ethically in business operation										
a) Continuing commitment to minimize any negative economic, social and environmental impacts in society										
c) Continuing commitment to contribute to society, through its philanthropic acts, volunteering, charitable donations, etc.										
d) Continuing commitment to contribute internally to improving the well-being of its employees and their families, through appropriate values education, staff development and learning programmes, measures to raise the quality of life, etc.										

**20. Do you agree or disagree with the following statements concerning “corporate social responsibility (CSR)”?**

(Please tick the appropriate box below. The scale is from (1) being “totally disagree” to (10) being “totally agree”.)

	Totally disagree					Totally agree				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a) Implementing CSR should be the responsibility of every company										
b) A company has already discharged its social responsibility by paying tax										
c) Apart from their responsibilities to external parties, companies should also emphasize on fostering values and developing corporate culture within the company										
d) CSR is only relevant for large corporations										
e) Government should promote CSR to all employers in Hong Kong										
f) Implementing CSR will benefit company in the long run										
g) There should be different CSR requirements for different companies, depending on the company’s resources										
h) Government should set a good example by implementing CSR in government departments										
i) Government should develop a CSR charter for reference by companies										
j) Government should provide training to companies to help them implement CSR										
k) There should be more public recognition given to companies doing well in the area of CSR										
l) Government should accord preferential treatment to companies doing well in the area of CSR										
m) Government should provide tax incentives to companies doing well in the area of CSR										

**21. Does your company have a company mission statement or guideline concerning “corporate social responsibility (CSR)”?**

(1)  Yes. The main points are about: (More than one choice may be chosen)

*(Please attach copies of company mission statement or guideline.)*

- (a)  Promotion of staff welfare
- (b)  Development of values among the staff
- (c)  Promotion of fair trade
- (d)  Protection of consumer rights
- (e)  Assurance of fair pricing and anti-collusion
- (f)  Assurance of equal opportunity
- (g)  Protection of the environment
- (h)  Contribution to the community
- (i)  Protection of shareholders’ interest
- (j)  Proper communication with stakeholders

(k)  Assurance of transparency

(l)  Others, please specify: \_\_\_\_\_

(2)  No. But it is my company's tradition or practice, the purpose is: (More than one choice may be chosen)

(a)  Promotion of staff welfare

(b)  Development of values among the staff

(c)  Promotion of fair trade

(d)  Protection of consumer rights

(e)  Assurance of fair pricing and anti-collusion

(f)  Assurance of equal opportunity

(g)  Protection of the environment

(h)  Contribution to the community

(i)  Protection of shareholders' interest

(j)  Proper communication with stakeholders

(k)  Assurance of transparency

(l)  Others, please specify: \_\_\_\_\_

(3)  No

**22. The nature of the MAJOR activity of your company is:**

(1)  Agriculture, fishing and mining

(2)  Electricity, gas and water

(3)  Manufacturing

(4)  Construction

(5)  Transport and storage

(6)  Communication

(7)  Hotels

(8)  Catering and restaurants

(9)  Wholesale and retail

(10)  Import and export

(11)  Banking and finance

(12)  Insurance

(13)  Business services

(14)  Real estate

(15)  Community and social services

(16)  Personal services

**23. Does your company deal with / produce the following products? (More than one choice may be chosen)**

(1)  Food and food processing

(2)  Chemicals

(3)  Pharmaceuticals

(4)  Textiles

(5)  Electronics

(6)  Do not deal with / produce the above products

**24. Is your company a subsidiary of a parent company?**

(1)  Yes, my parent company is located in:

(a)  Hong Kong

(b)  Mainland China

(c)  Other Asian countries (including Australia, New Zealand)

(d)  Europe

(e)  North America

(f)  Others (including South America, Africa)

(2)  No parent company

**25. Is your company a branch office of your company's headquarters?**

- (1)  Yes, the headquarters of my company is located in:
- (a)  Hong Kong
  - (b)  Mainland China
  - (c)  Other Asian countries (including Australia, New Zealand)
  - (d)  Europe
  - (e)  North America
  - (f)  Others (including South America, Africa)
- (2)  No headquarters

**26. Does your company have branch office(s) outside Hong Kong?**

- (1)  Yes, my company has branch office(s) in the following places: (More than one choice may be chosen)
- (a)  Mainland China
  - (b)  Other Asian countries (including Australia, New Zealand)
  - (c)  Europe
  - (d)  North America
  - (e)  Others (including South America, Africa)
- (2)  No

**27. Your company's customers are from:** (More than one choice may be chosen)

- |  |  |
|--|--|
| (1) <input type="checkbox"/> Hong Kong   | (4) <input type="checkbox"/> Europe                                      |
| (2) <input type="checkbox"/> Mainland China  | (5) <input type="checkbox"/> North America                               |
| (3) <input type="checkbox"/> Other Asian countries<br>(including Australia, New Zealand) | (6) <input type="checkbox"/> Others<br>(including South America, Africa) |

**28. Please indicate below your position in the company.** (Please tick **ONLY ONE** that you consider most appropriate)

- |  |  |
|--|--|
| (1) <input type="checkbox"/> Owner / Shareholder | (6) <input type="checkbox"/> Public Relations Manager      |
| (2) <input type="checkbox"/> Chairman / CEO      | (7) <input type="checkbox"/> Accountant                    |
| (3) <input type="checkbox"/> Director            | (8) <input type="checkbox"/> Clerk / Secretary             |
| (4) <input type="checkbox"/> Manager             | (9) <input type="checkbox"/> Others, please specify: _____ |
| (5) <input type="checkbox"/> Company Secretary   |  |

-- Thank you very much for your cooperation --

Please attach relevant copies  
(e.g. annual report, CSR charter or CSR report, company mission statement or guideline)