



製衣業訓練局  
CLOTHING INDUSTRY TRAINING AUTHORITY



可持續發展委員會  
Council for  
Sustainable Development  
Funded by the Sustainable  
Development Fund (SDF)

# Corporate Social Responsibility Guidebook

For Small and Medium Enterprises (SMEs) in Apparel Industry in Hong Kong





# Table of Contents

2	Foreword by Committee Chairman
4	Overview of the Guidebook
6	Understanding CSR
12	Introduction of GRI
14	Steps for Preparing the 1st Report
21	Frequently Asked Questions
23	GRI G3.1 Self-Assessment Checklist
25	CSR Pilot Study
32	Appendix I: Introduction of CSC-9000T and CSR-GATEs
33	Appendix II: Reference

# Foreword by Committee Chairman

I cannot emphasize enough the importance of developing a Sustainability Report as part of an organization's development going forward.

As we all know the world has operated for too long under a development model that is not sustainable and is slowly waking up to the fact that we need to change our habits and stop living beyond our means. This is true for an individual, a body corporate as well as for cities, states and nations. This brings into the need to develop a more sustainable model, which is called "Triple Bottom Line", where we try to balance our focus between, financial sustainability, environmental sustainability and social sustainability.

The Triple Bottom Line approach is the crux of any sustainability initiative and cannot be developed in an organization without proper documentation. This is where the Sustainability Reporting comes in. From my own experience the Sustainability Report will become a base camp upon which the sustainability initiative of an organization is developed. It becomes the central point upon which all information is documented on an annual basis.

We have found that the Sustainability Report is the most useful as an internal documentation tool as well as an internal communication tool. Without it, any sustainability initiative will find it hard to "sustain" the initiative itself. It is also a good tool for corporations to show their commitment to sustainability through the report, but this remains a secondary to its importance internally.

We are also pleased that through this project, we have been able to use two of the pre-eminent standards guiding Sustainability Reporting. The Global Reporting Initiative (GRI) has released globally recognized Sustainability Reporting Guidelines, and CSC9000T is the PRC standard developed specifically for the textile and apparel sector by the China National Textile and Apparel Council (CNTAC). Through this project, we have been able to harmonize these two guidelines in one report, which is the first of its

I want to thank the Sustainable Development Fund (SDF) for making this project possible, the team at Clothing Industry Training Authority (CITA), the Steering Committee members, as well as the three pilot companies. Everyone involved worked tremendous hard to make this possible and I thank them for their contributions.

Through this project, I trust many more companies, no matter what size, will commence Sustainability Reporting, and will pave the way forward for a more sustainable future.

A handwritten signature in black ink, appearing to be 'Pat-nie Woo', with a stylized, flowing script.

**Pat-nie Woo**  
Steering Committee Chairman

# Overview of the Guidebook

## Background

Under the definition of the Government of Hong Kong Special Administrative Region (the HKSAR), Small and Medium Enterprise (SME) is a manufacturing business which employs fewer than 100 persons in Hong Kong; or a non-manufacturing business which employs fewer than 50 persons in Hong Kong<sup>1</sup>. SMEs are an important backbone and driving force in Hong Kong's economy and society. By December 2009, there were about 282, 000 SMEs in Hong Kong, which constituted over 98% of the territory's business units and accounted for about 48% of private sector employment<sup>2</sup>.

In 2010, there were about 39,000 establishments and 191, 000 persons involved in textile, apparel and related industry in Hong Kong, including approximately 37,100 enterprises with 170,000 persons engaged in import and export, wholesale and retail trades, and merely 1,900 enterprises with 21,000 persons or so staying in the manufacturing sector<sup>3</sup>. According to the ratio of enterprises to employees, it evidently shows that SMEs are a majority part of the textile, apparel and related industry in Hong Kong, which have played a widely recognized role in Hong Kong in history and even nowadays.

In the process of economic transition, nearly all of the manufacturing sectors had been transferred to mainland China and Southeast Asia. After decades of years, increasing adversity from outer environments challenges the local Hong Kong enterprises and those based in Hong Kong. Corporate Social Responsibility (CSR) is a voluntary issue but arousing people's wide concern, as the local governments take enterprises' performance in society and environment seriously, international buyers push their suppliers to fulfill social responsibility, and the local public attaches importance to CSR when they select products or services even apply for jobs<sup>4</sup>.

It can be predicted that CSR will or is a trend guiding the future enterprises' management and performance. To shoulder social responsibility and unveil CSR report to the stakeholders becomes an essential routine to enterprises with foresight, as well as SMEs. Comparing to the big enterprises, SMEs are more flexible and close to their stakeholders. For the textile and apparel industry, the characterization of labor intensive, environmental dependence and consumer relation close together require SMEs to pay more attention to CSR.

\*\*\*Number of persons employed" include individual proprietors, partners and shareholders actively engaged in the work of the company; and salaried employees of the company, including full-time or part-time salaried personnel directly paid by the company, both permanent and temporary.

## Guidebook Outline

In order to help SMEs in textile and apparel industry to be equipped with CSR knowledge and guidelines on how to release their own CSR reports, this guide book is systematically composed including three parts.

The first part is to understand CSR which introduce the background, trends, contents and benefits of CSR. It also compares related standards and Guidelines such as Social Accountability 8000 (or SA 8000), Global Reporting Initiative (G3 / G3.1), ISO 26000, CSR—GATEs. As a popular guideline, GRI is recommended to SMEs for their CSR reports by introducing its history, framework, application levels and advantages.

The second part focuses on how to draft a CSR report. A step by step instruction for the 1<sup>st</sup> CSR report is demonstrated clearly. Frequently Asked Questions are prepared to avoid misunderstanding. A Self-Assessment Checklist based on G3.1 is a quick start of CSR report.

The third part is the pilot study of SMEs in the textile and apparel related industry. Three companies based in Hong Kong are guided to release their CSR report. Till now, they have successfully published their CSR reports, the main contents and their experiences will be shared to motivate other interested SMEs.

# Understanding CSR

## CSR: Background

The term social responsibility came into widespread use in the early 1970s. A range of associated terms and ideas including corporate sustainability, corporate citizenship, corporate social investment, the triple bottom line, socially responsible investment, business sustainability and corporate governance<sup>5</sup> have evolved for decades of years or even longer.

Corporate Social Responsibility (CSR), as a significant contribution towards sustainability and competitiveness, no universally accepted definition of it exists but high attentions have been paid to it globally.

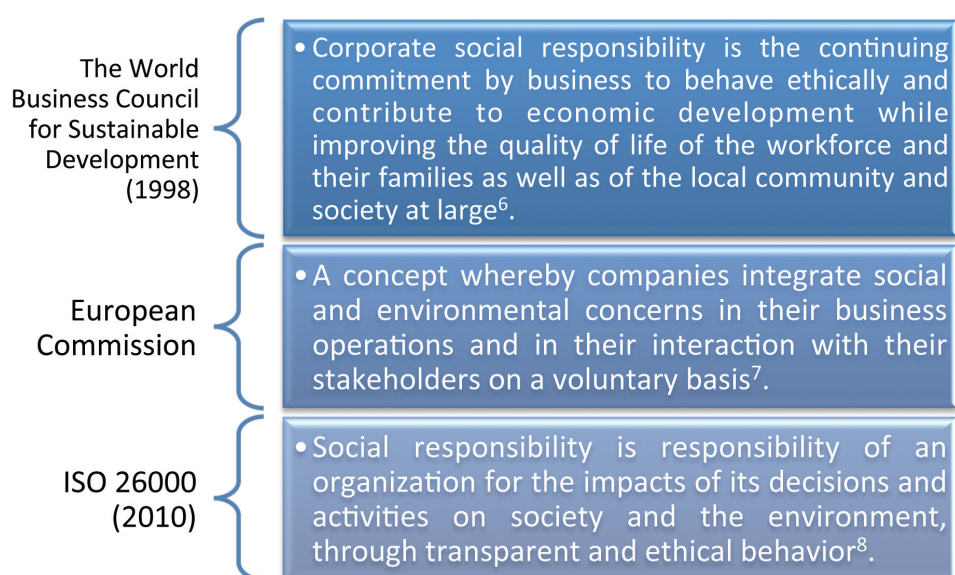


Figure No.1 Definition of CSR

In November 2010, the International Standards Organisation (ISO) released a voluntary guidance standard ISO 26000 Guidance on Social Responsibility, which is not intended for certification. ISO 26000 offers a common accepted definition of social responsibility as stated in Figure No.1. ISO 26000 uses the term “Social Responsibility” (SR) to refer to this concept which can be used by all kinds of organizations. Owing to the primary focus on business, the term “Corporate Social Responsibility” is more familiar to most people than “Social Responsibility”. Nowadays it is recognized that social responsibility is applicable to all organizations emerged as different types of organizations, not just those in the business world<sup>8</sup>.

Since this guidebook is designed especially for SMEs in Apparel Industry in Hong Kong, we have used “CSR” – the more familiar term – throughout.

## CSR : Trends & contents

Early social responsibility centered on philanthropic activities, labour practices and fair operating practices emerged a century or more ago. Other subjects, such as human rights, the environment, consumer protection, anti fraud and corruption, were added over time, as they received greater attention<sup>8</sup>.

Now demands for accountability, transparency, ethical behaviour, respect for stakeholder interests, the rule of law, international norms of behavior and human rights are becoming increasing worldwide, which consist of the principles of social responsibility in ISO 26000<sup>8</sup>.



Figure No.2 Principles of social responsibility in ISO 26000<sup>8</sup>

During about ten years of research, seven core subjects and issues are summarized for social responsibility by ISO 26000, including Organizational governance, Human rights, Labour practices, The environment, Fair operating practices, Consumer issues, Community involvement and development<sup>8</sup>.



Figure No 3. ISO 26000 SR Core Subjects<sup>8</sup>



## CSR benefits

To undertake the social responsibility, the below benefits will be achieved as ISO 26000 defines<sup>8</sup>: See Figure No.4 CSR benefits.

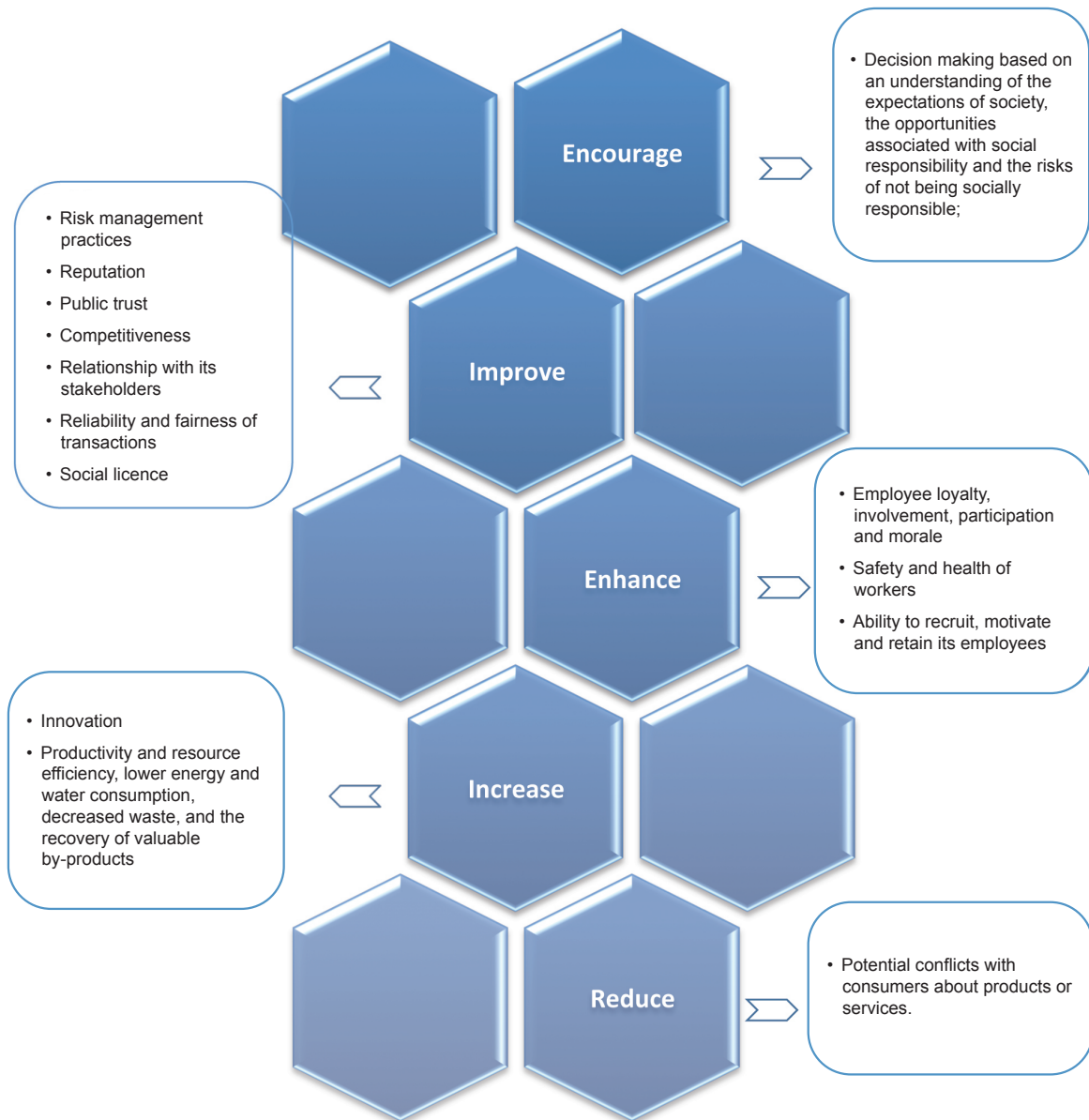


Figure No.4 CSR benefits<sup>8</sup>.

## CSR standards & Guidelines

There are some standards and guidelines related to social responsibility standards, such as Social Accountability 8000 (or SA 8000), Global Reporting Initiative (G3 / G3.1), ISO 26000, CSR—GATEs, as shown in the Table 1.

SA 8000<sup>9</sup> is a third-party certifiable standard which focuses on work labour protection. ISO 26000<sup>8</sup> is a voluntary guidance for organizations to undertake their social responsibility, which clearly demonstrates the contents and ranges of SR. GRI<sup>10</sup> guidelines (G3/G3.1) are most popularly adopted by organizations to compose their CSR report. CSR—GATEs<sup>11</sup> is the first guideline system in the textile and apparel industry in China, which emphasize on employees' rights and welfare. For the companies with textile and apparel manufacturing facilities in the mainland China, CSR-GATEs is an important option for CSR reporting.

Items		ISO 26000 <sup>8</sup>	GRI <sup>10</sup>	SA 8000 <sup>9</sup>	CSR—GATES <sup>11</sup> (CSC9000T)
Released Year		2010	2000*	1997	2008
Releasing Organization		International Standards Organisation (ISO)	Global Reporting Initiative (GRI)	Social Accountability International(SAI)	China National Textile & Apparel Council(CNTAC)
Related Topics	Economy		◆Economic Performance		◆Enterprise profiles and economic performance
	Environment	◆The environment	◆Environmental Performance		◆Energy-saving, Emission Reduction and Environmental Protection
	Society	◆Human rights ◆Labour practices	◆Human Rights Performance ◆Labor Practices and Decent Work Performance	◆Management Systems ◆Freedom of Association & Right to Collective Bargaining ◆Discrimination ◆Child Labour ◆Forced and Compulsory Labour ◆Health and Safety ◆Disciplinary Practices ◆Working Hours ◆Remuneration	◆Protection of Labor Rights and Interests
		◆Fair operating practices ◆Community involvement and development	◆Social Performance		◆Supply Chain Management and Fair Competition ◆Community Development and Public Welfare
		◆Consumer issues	◆Product Responsibility Performance		◆Product Safety and Consumer Protection
	Latest version	2010 version	G3.1 version	2008 version	2008 version
External Assurance		Guidance, No certification	Optional	Third-party verification**	Optional
Scope		International Any organization	International Any organization	International Any organization	China Companies in the Textiles and apparel industry
Levels		None	Three***	One	One

Table No.1 Comparison of SA 8000, GRI, ISO 26000 and CSR-GATES

Remarks:

\* G1 version released in 2000, G2 released in 2002, G3 released in 2006, G3.1 released in 2011.

\*\* SA8000 verification includes Audit (Pre-audit, Formal audit, Certification), Surveillance audit (every 6 months to one year), Renewal audit (every 3 years).

\*\*\* Three levels for self-declaration and corresponding three levels of external assurance.

# Introduction of GRI

## What is GRI?

CSR reporting is a practice of unveiling the social responsibility performance taken by the organizations towards the goal of sustainable development. Any report conveys the contents on social responsibility can be regarded as a CSR report including both positive and negative contributions. In fact, since 1999, more and more organizations follow the guidelines of GRI for their CSR reporting.

The Global Reporting Initiative (GRI) produces a comprehensive Sustainability Reporting Framework that is widely used around the world, to enable greater organizational transparency. The Framework, including the Reporting Guidelines, sets out the Principles and Indicators organizations can use to report their economic, environmental, and social performance. GRI is committed to continuously improving and increasing the use of the Guidelines, which are freely available to the public<sup>10</sup>.

GRI's core goals include the mainstreaming of disclosure on environmental, social and governance performance. GRI Guidelines apply to corporate businesses, public agencies, NGOs and others. From 1999 to 2011, more than 3000 organizations from about 70 countries and regions have published their sustainability reports in accordance with GRI Guidelines. About 230 SMEs from different countries submitted their report to GRI in 2010, covering about 12.5% of the total submissions in that year<sup>10</sup>.

## GRI reporting framework

GRI sets up a series of Reporting Framework with principles and performance indicators which organizations can use to measure and report their performance on economy, environment and society.

The cornerstone of the Framework is the Sustainability Reporting Guidelines. The most updated version of this set of guidelines is G3.1, which is just issued in 2011. G3.1 Guidelines are based on G3 Guidelines, which are the third version published in 2006 and still valid, but contain expanded guidance on local community impacts, human rights and gender<sup>10</sup>.

Other components of the Framework include Sector Supplements (unique Indicators for industry sectors) and National Annexes (unique country-level information). For apparel and footwear sectors, there is a pilot version of sector supplement. The Supplement addresses the distinctive reporting needs of apparel and footwear companies, such as supply chain standards and practices, materials, energy, wages and hours of employees, labor and management relations, diversity and equal opportunity and community investment.

## GRI Application Levels

Levels C, C+, B, B+, A or A+ are defined in GRI guidelines<sup>10</sup>, which contain each of the criteria that are presented in the column for the relevant Level, see figure below.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures <b>OUTPUT</b>	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures <b>OUTPUT</b>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators <b>OUTPUT</b>	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

\*Sector supplement in final version

Figure No.5 Application Level Criteria  
Re. [GRI] [(2006)] [GRI Application Levels] [Figure 1] [page 2]

A GRI Application Level declaration should be included in the report. According to the application level, an organization can submit its report to GRI with self-declarations or with a third party or a GRI Application Level Check to confirm their self-declaration. A customized GRI Application Level Check Statement with special GRI-Checked icon will be included in the report of organization successfully completed a GRI Application Level Check<sup>10</sup>.

GRI will only recognize reports on its website as GRI based if they contain, at minimum, a GRI Content Index. More information can be found at [www.globalreporting.org](http://www.globalreporting.org).

## GRI advantages

GRI guidelines are very flexible and reporting organizations can choose the contents to disclose and the language used, decide the application level and external assured, keep autonomy of the reporting frequency. GRI created a platform via its websites ([www.globalreporting.org](http://www.globalreporting.org)) for the organizations to submit their report and share with others internationally. All above motivate the organizations to pursue their continual improvements.

# Steps for preparing the 1<sup>st</sup> Report

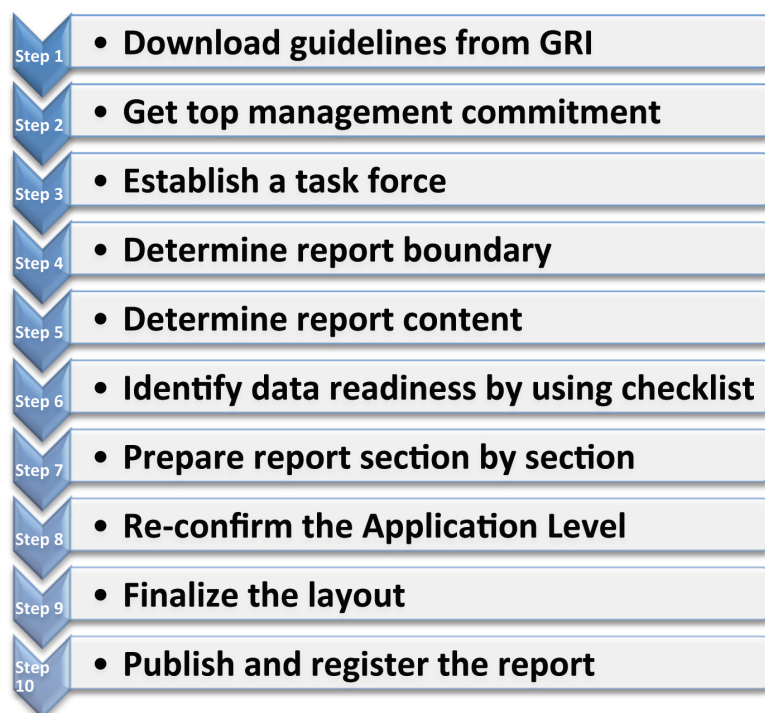


Figure No.6 Preparation steps for 1st report

## Step 1: Download guidelines from GRI

Before taking any action, it is a good start to having some official references from GRI. Simply go to GRI official site (<http://www.globalreporting.org>) to download guidelines for free. You can find a number of useful information there. The official set of guidelines (including the Reporting Guidelines, Application Levels, Indicator Protocols Set and Technical Protocol) is a must for your preparation works.

## Step 2: Get top management commitment

It is important that your Board and senior management know what you are planning to achieve.

It is also essential that your senior management fully supports corporate social responsibility (CSR) and aims at making the organization a responsible corporate citizen. Someone in senior management needs to have ownership of CSR. This means that he/she needs to be a 'champion' of CSR, from your planning work through to making sure everyone in your organization adopts the results as normal business practice.

Several tasks you may need to do in this step:

- You need the fullest possible picture of the complex interactions inside your organization and between you and your stakeholders.

- You'll have the chance to help your colleagues understand why corporate social responsibility is important.
- You want the people in your organization be involved. Knowing that their contribution is part of the planning and implementation process is important.
- You can include expert knowledge in every part of the CSR report.
- You can find out if any part of the business already has plans or procedures to deal with a specified GRI indicator.

### **Step 3: Establish a task force**

To complete your first GRI report, you need some manpower. A task force shall be established within your organization. An editor-in-charge, with hands-on skills in report writing and graphic presentation, shall be assigned to consolidate information collected from different sources. Moreover, a team of support members shall also be appointed, for helping the editor-in-charge to collect or measure, if required, information from different sources. Subject to the size of the organization, the size of the task force can range from 4-5 members to 8-9 members.

### **Step 4: Determine report boundary**

Then, the report boundary should be defined so that it is sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period. 'Boundary' refers to the range of entities (e.g. subsidiaries, joint ventures, sub-contractors, etc.) whose performance is represented by the report. In setting the boundary for its report, an organization must consider the range of entities over which it exercises control (often referred to as the 'organizational boundary', and usually linked to definitions used in financial reporting) and over which it exercises influence (often called the 'operational boundary'). Not all entities within the Report Boundary must be reported on in the same manner. The approach to reporting on an entity will depend on a combination of the reporting organization's control or influence over the entity, and whether the disclosure relates to operational performance, management performance, or narrative/descriptive information. The following figure is recommended by GRI when deciding the approach to disclose.

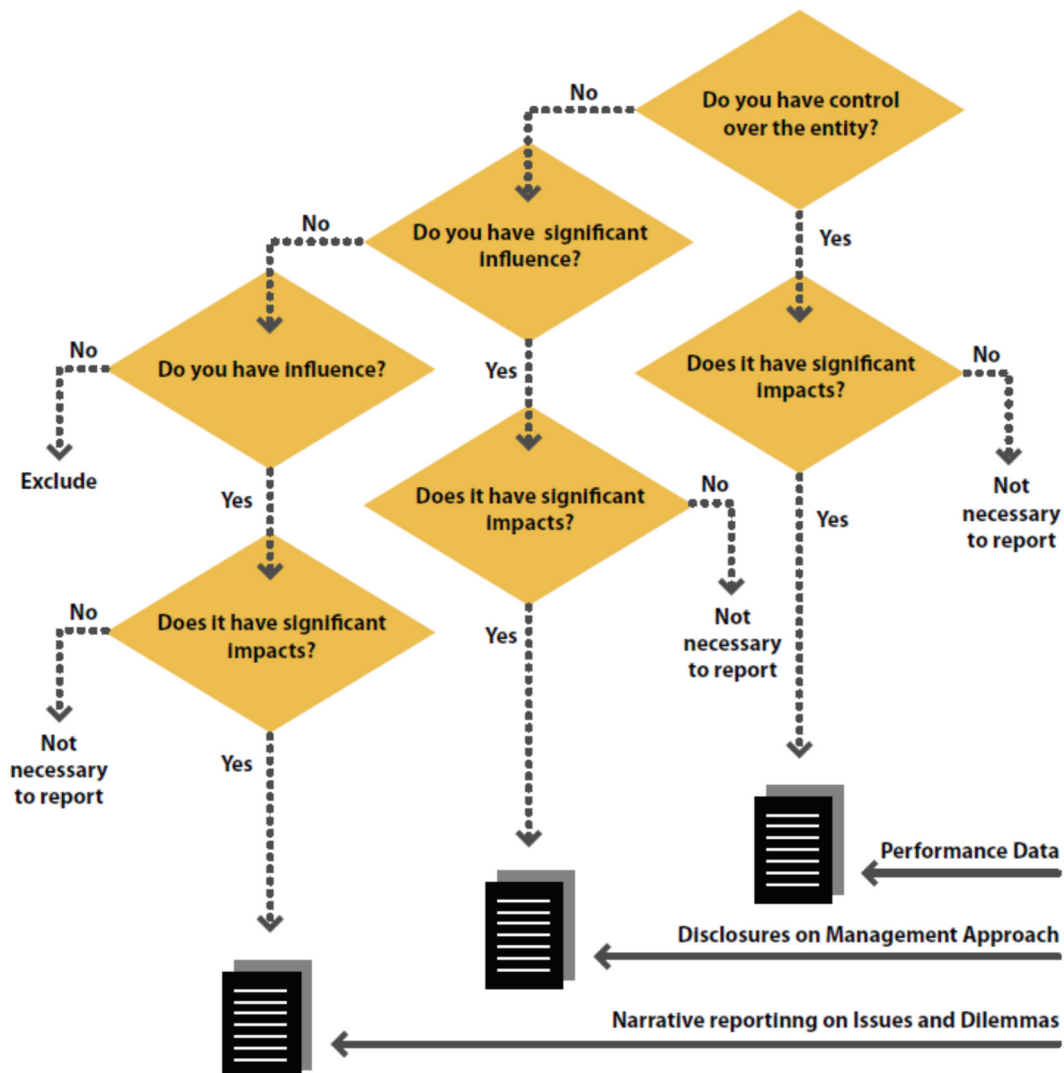


Figure No.7 Decision Tree for Boundary Setting  
 Re. [GRI] [(2006)] [Sustainability Reporting Guidelines] [Figure 6] [page 18]

## Step 5: Determine report content

Then, the task force shall draft a table of content of the report.

Besides a limited number of basic items that must be disclosed according to GRI framework, there are flexibilities that allow an organization to determine which indicators they will disclose. Although there is no standard approach on determining the report content and boundary, GRI Guidelines provide some recommendation on them.



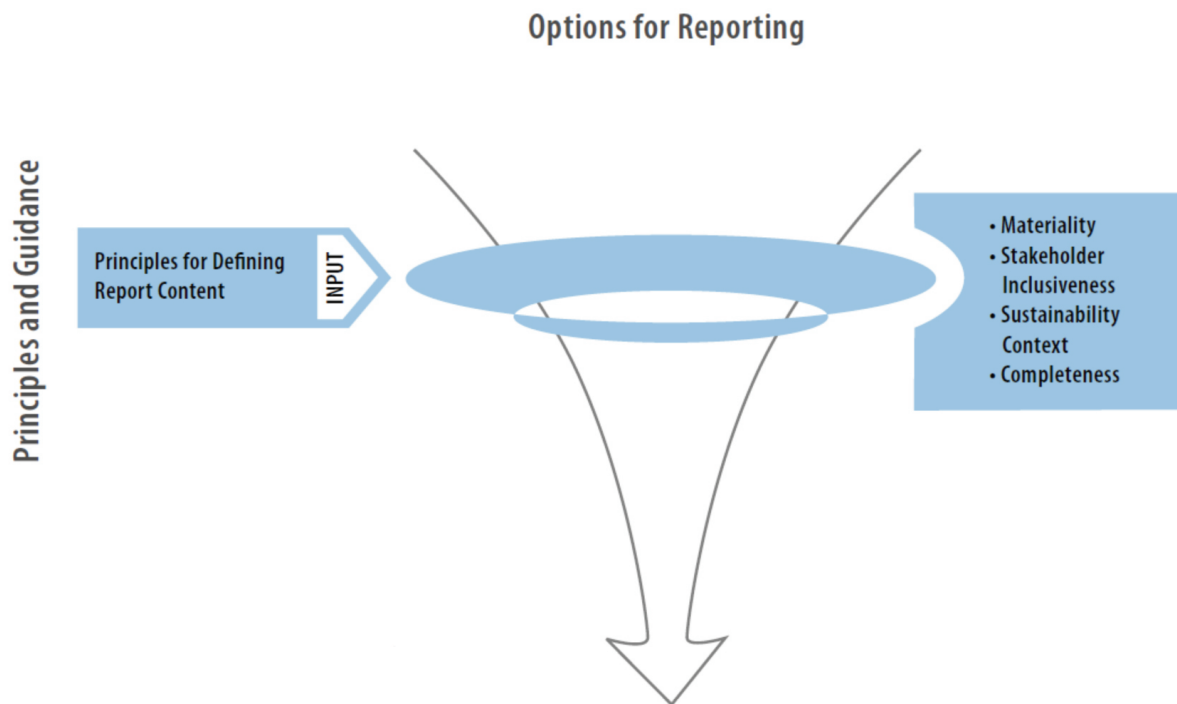


Figure No.8 Principles for defining report Content  
 Re. [GRI] [(2006)] [Sustainability Reporting Guidelines] [Figure 3] [page 7]

First, the organization should identify its set of stakeholders (i.e. Stakeholder Inclusiveness) and their key expectations.

Second, it can determine which information is material (i.e. Materiality), thus those indicators that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders. A combination of internal and external factors should be used to determine whether information is material, including factors such as the organization's mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations, and the organization's influence on upstream and downstream entities. Assessments of materiality should also take into account the basic expectations expressed in the international standards and agreements with which the organization is expected to comply.

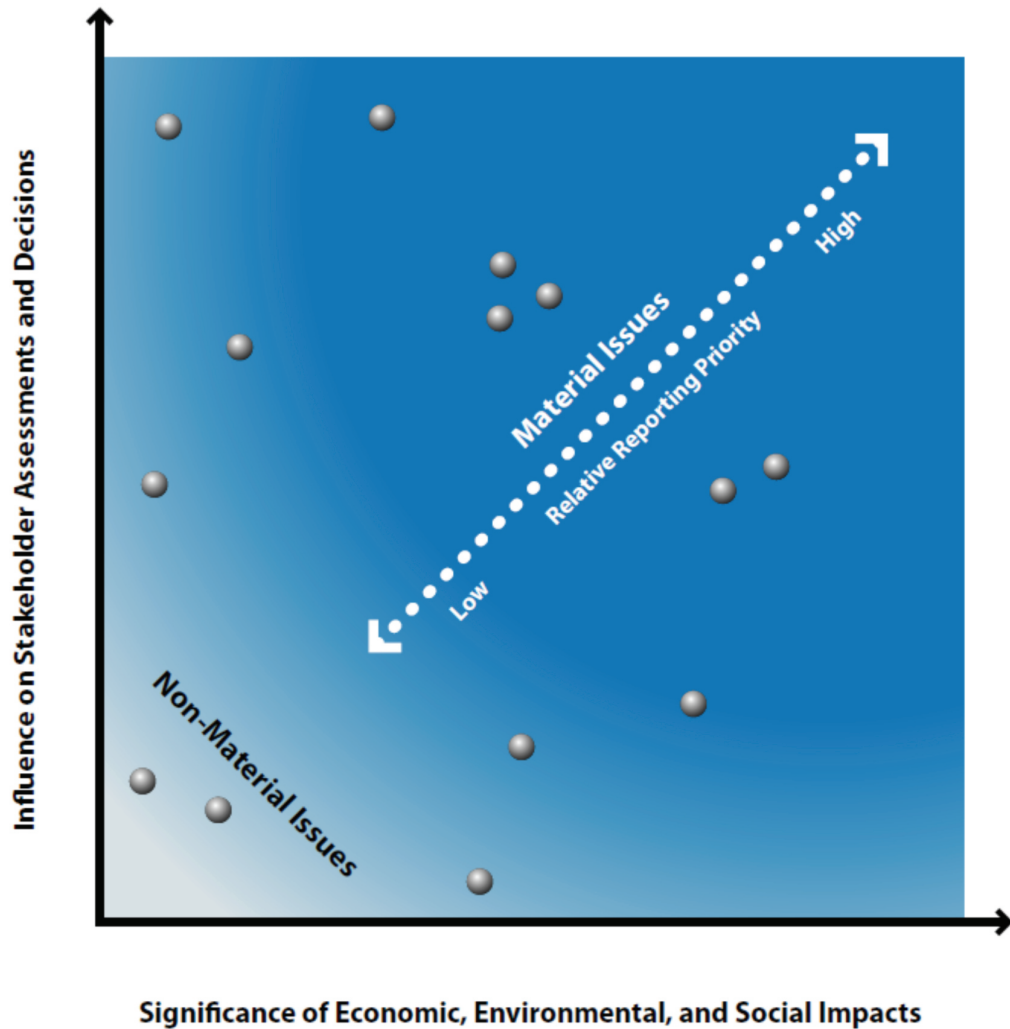


Figure No.9 Defining Materiality  
Re. [GRI] [(2006)] [Sustainability Reporting Guidelines] [Figure 4] [page 8]

## Step 6: Identify data readiness by using checklist

Then, you can use the checklist as included in appendix of this Guidebook to assess the data readiness of your organization. Identify whether the information is readily available or not for those topics and indicators determined in your report content. After this exercise, you can identify what information should be further collected or measured and what Application Level your organization can achieve.

If a big gap is found after conducting the self-assessment, you may need more time for your preparation. You can also consider preparing a partial GRI report first as a foundation and further enhance this report in the coming year.

## Step 7: Prepare report section by section

This step may take the longest time in the whole process. The task force needs to work with different data sources in your organization to collect data and draft the report section by section. The report should present the organization's performance in the wider context of sustainability. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, social conditions and developments, and trends at the local, regional, or global level. During the process, you need to make reference to the GRI Guidelines for the definitions of indicators and ensure the quality of reported information (i.e. balance, comparability, clarity, accuracy, timeliness, and reliability)

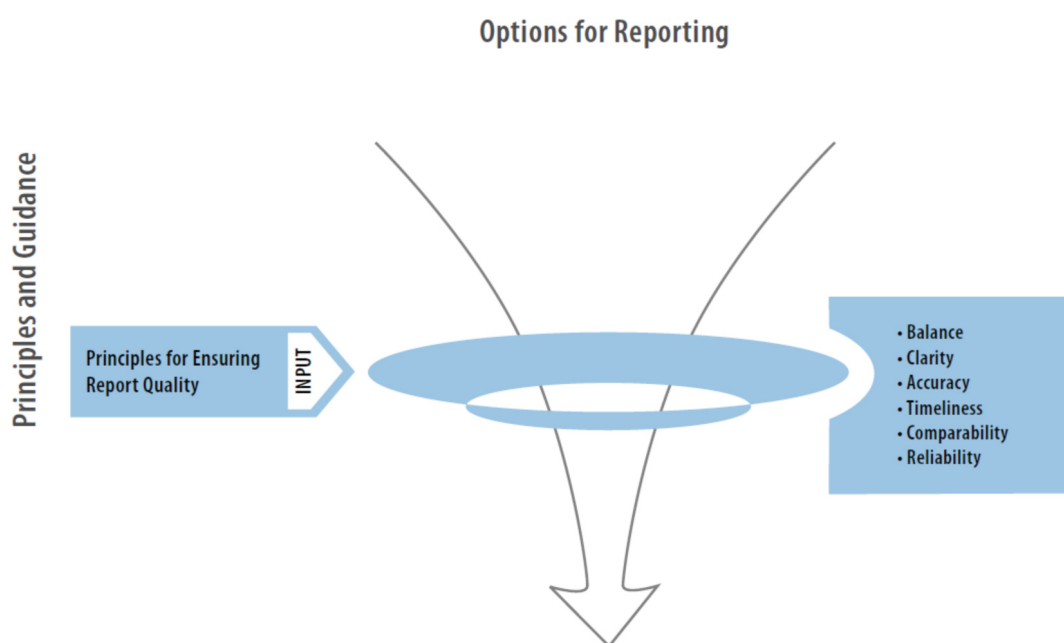


Figure No.10 Principles for Ensuring Report Quality  
Re. [GRI] [(2006)] [Sustainability Reporting Guidelines] [Figure 5] [page 14]

## Step 8: Re-confirm the Application Level

Once all wordings in the report are drafted, you can use the checklist to re-confirm whether criteria of a specified GRI Application Level are all met. If appropriate, some wordings may need to be amended after the check. Finally, you can then declare an Application Level for your report and prepare the GRI Content Index for your report.

## Step 9: Finalize the layout

After you confirm all wordings and meet the criteria of a specified GRI application level, you can then finalize your report layout, including your preferred fonts, artworks, photos, charts, etc. If you prefer, you can invite some professional designers to help you in this part.

## **Step 10: Publish and register the report**

When everything is ready, the final step is to register your report to GRI so that your report can be included in GRI's Sustainability Disclosure Database ( <http://database.globalreporting.org>) and let any interested party can access your report. Before this, you should upload your published report (preferably in pdf format and html format, if available) to a location on the Internet. Then, you can download the registration form from GRI and email it to GRI.

# Frequently Asked Questions

Q) What is sustainability reporting?

A) Sustainability reporting is a process for publicly disclosing an organization's economic, environmental, and social performance. Many organizations find that financial reporting alone no longer satisfies the needs of shareholders, customers, communities, and other stakeholders for information about the overall performance of the organization.

The term "sustainability reporting" is synonymous with citizenship reporting, social reporting, triple-bottom line reporting and other terms that encompass the economic, environmental, and social aspects of an organization's performance.

Q) Why do we need the GRI Reporting Framework?

A) Companies follow a generally accepted reporting framework for financial reporting. Without a similarly accepted framework for sustainability reports, such reports could lack the features that could make them broadly useful: credibility, consistency, and comparability. If the thousands of companies that voluntarily disclose their sustainability impacts did not refer to a generally accepted reporting framework, they would risk producing non-comparable reports, and/or reports which inadequately address the full spectrum of stakeholder interests. A generally accepted sustainability reporting framework also simplifies report preparation and assessment, helping both reporters and report users gain greater value from sustainability reporting.

Q) Is it a must to have an English version for the CSR report?

A) Although most of the reports listed in GRI Reports List are in English, there is no specified requirement from GRI that the report must in any specified language. Therefore, you can also register your non-English report to GRI.

Q) Is it a must to issue the CSR report every year?

A) No. There is no specified requirement about the frequency of reporting. It is only a norm that most of the registered organizations will prepare their reports every year. You can define the frequency for your organization.

Q) How much does registration of a report cost?

A) It is free of charge for registration of a report with GRI.

Q) Doesn't it cost a lot of money to prepare the CSR report?

A) According to our experience, the preparation of the CSR report does not cost a lot. It may cost tens of thousands if you want to seek for external assurance of the report but it is optional.

Q) How long should I need to prepare the CSR report?

A) Time required may be varied for different organizations. According to our experience, it may require 3-6 months for preparing the first report. After it, time required will be significantly reduced when you prepare the next report as you already got experiences.

Q) Is it a must to disclose the company's sensitive data such as profit margin?

A) GRI framework provides flexibility for organization to choose what to be disclosed, including how the economic performance is presented. Profit margin is not a mandatory item to be disclosed.

Q) What about assurance of a GRI-based report?

A) In response to stakeholder expectations, reporting organizations have adopted a variety of strategies for enhancing the credibility and quality of sustainability reports. One such strategy is external or independent assurance. GRI encourages the independent assurance of sustainability reports and the development of standards and guidelines for the assurance process to be followed by assurance providers. However, independent assurance of a sustainability report is not a requirement. Organizations can also assure their reports by self-declared.

If you have any other questions, please enquire hotline from CITA.

Ms. Man Lau

Tel: (852) 2263 6392

Fax: (852) 2795 0452

Email: [Man@cita.org.hk](mailto:Man@cita.org.hk)

# GRI G3.1

## Self-Assessment Checklist

A Self-Assessment Checklist based on GRI G3.1 is prepared for your quick start. GRI indicators and CSR-GATEs are listed together. The GRI Level C is highlighted in yellow. This is the first two page of self-assessment checklist. The whole table can be downloaded from [www.cita.org.hk](http://www.cita.org.hk).

Company / Organization:									Completed by:		Date:		To be completed by the Assessor	
GRI Indicator	CSR-GATES Ref	GRI Level	Section	Requirements	Examples of relevant information	Information can be presented	Supporting evidences available (Reference attachment if appropriate)	Data owner	Assessment	Remarks				
1.1	2.1.1-2.1.3, 2.2.1, 2.2.3, 2.2.4, 3.1.4, 5.1.1, 6.1.1, 6.2.3-6.2.4	C	Strategy and Analysis	<p>Top management's statement:</p> <ul style="list-style-type: none"><li>•Strategic priorities and key topics (short/medium-term) for sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;</li><li>•Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;</li><li>•Key events, achievements, and failures during the reporting period;</li><li>•Views on performance with respect to targets;</li><li>•Outlook on the organization's main challenges and targets for the next year;</li><li>•Goals for the coming 3-5 years; and;</li><li>•Other items pertaining to the organization's strategic approach.</li></ul> <p>(CSR-GATES: policy in reporting; declaration of data accuracy and integrity; declaration of accepting monitoring and questioning from stakeholder)</p>	Statement of sustainability vision and strategy signed by top management; CSR policy statement									
1.2	2.1.1-2.1.3, 2.2.2, 3.1.1, 3.1.4, 3.1.5, 3.2.1, 3.2.6, 5.1.2-5.1.3, 5.2.1-5.2.3, 5.3.1-5.3.3	B	Strategy and Analysis	<p>Description of key impacts, risks and opportunities:</p> <ul style="list-style-type: none"><li>•significant impacts the organization has on sustainability and associated challenges and opportunities;</li><li>•the approach to prioritizing these challenges and opportunities;</li><li>•key conclusions about progress in addressing these topics and related performance in the reporting period;</li><li>•assessment of reasons for underperformance or over performance;</li><li>•main processes in place to address performance and/or relevant changes;</li><li>•the most important risks and opportunities for the organization arising from sustainability trends;</li><li>•prioritization of key sustainability topics;</li><li>•targets, performance against targets, and lessons-learned for the current reporting period; and</li></ul>	A section describes the basic approach of the organization's CSR system, identified risks and opportunities, key sustainability topics identified,									

Company / Organization:				Completed by:		Date:		To be completed by the Assessor		
GRI Indicator	CSR-GATES Ref	GRI Level	Section	Requirements	Examples of relevant information	Information can be presented	Supporting evidences available (Reference attachment if appropriate)	Data owner	Assessment*	Remarks
1.1	2.1.1-2.1.3, 2.2.1, 2.2.3, 2.2.4, 3.1.4, 5.1.1, 6.1.1, 6.2.3-6.2.4	C	Strategy and Analysis	<ul style="list-style-type: none"> <li>•targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities;</li> <li>•concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.</li> </ul> (CSR-GATES: resources allocated, significant changes or obsolete of elements of CSR system, significant changes in internal and external factors)	summarized sustainability results of the period, key conclusion made, future goals and objectives, governance mechanism.					
2.1	1.1.1, 1.1.2	C	Organizational Profile	Name of the organization (CSR-GATES: Brief description of the company's development history)	As left					
2.2	1.1.3	C	Organizational Profile	Primary brands, products, and/or services - should indicate the nature of its role in providing these products and services, and the degree to	Description of product					
2.3	1.1.5	C	Organizational Profile	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Organization chart					
2.4	1.1.1	C	Organizational Profile	Location of organization's headquarters	Address; business registration					
2.5	1.1.7	C	Organizational Profile	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant	As left					
2.6	1.1.4, 1.1.5	C	Organizational Profile	Nature of ownership and legal form	Company profile; business registration					
2.7	1.1.6	C	Organizational Profile	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Market sector analysis					



# CSR Pilot Study

## Experiences sharing from 3 pilot companies

Three pilot companies were invited to attend this pilot study and share their experiences. The table of the contents are attached for your reference.

### Guided by G3

Zhongshan Yida Apparel Ltd., Crystal Apparel Ltd.

### Guided by G3

Hong Kong Non-woven Fabric Ind. Co., Ltd.

### Guided by both G3 and CSR--GATEs

Advancetex Fashion Garment Manufactory  
(Huizhou) Ltd., Glorious Sun Group

## Zhongshan Yida Apparel Ltd.<sup>12</sup>, Crystal Apparel Ltd.

### Experience sharing

Crystal Apparel Ltd. is one of the subsidiaries of Crystal Group, focusing on denim garments and serving markets of the United States, European and Asian countries.

Since 2007, Crystal Group has been on its journey to sustainability. Along the way, we have organized a lot of activities in the areas of Environmental Protection, Community Engagement and Employee Care. Sustainability reporting enables us to record all relevant activities in a systematic approach. It also acts as a communication tool to share our vision and objectives with our stakeholders, including but not limited to our customers, business partners, shareholders, employees, government authorities and general public.

Adhering to the Group's Sustainability objectives, this 1st Sustainability Report according to GRI (Global Reporting Initiative) Reporting Framework showed the approach taken and results achieved by Crystal Apparel Ltd. Under the framework, we do spend some time in co-ordination and collection of data as well as report preparation. A GRI indicator checklist summarizing the report content and outline assists us to write the report more efficiently and effectively.

In future, we will keep on publishing the Sustainability Report yearly as it is a very useful tool to help our Management to monitor the overall performance of environmental and social footprints in a systematic way.

Last but not least, we highly appreciate CITA's professional advice for us to compile the report successfully.

GRI Project Team  
Crystal Apparel Ltd.



## Table of contents

About Us	- About this report
	- Chairman Message
	- Our Mission & Value Statement
	- Business Structure
	- Our Product
	- Economic & Market Information
	- Future Perspectives
The Denim Jeans City	- Environment
	- Community Engagement
	- Employee Care
	- Awards & Recognition
Environmental Responsibility	- Environmental Policy
	- Five-year Environmental Targets
	- Energy Consumption
	- Waste Management
	- Sustainability via Innovation
Social Responsibility	- Approach to Stakeholder Engagement
	- Our Employee
	- Health & Safety
	- Fair and Equal Workplace
	- Legal Compliance
GRI	- GRI G3 Application Level
	- GRI Content Index

The fulltext of this CSR report can be downloaded from: <http://www.crystal-yida.cn/NewsContent.aspx?NewsId=245&NewsType=1>

# Hong Kong Non-woven Fabric Ind. Co., Ltd<sup>14</sup>

## Experience sharing

It is with pleasure and honor to be invited as a steering member of the committee to assist in driving the creation of the guidebook and at the same time being selected as the leading SME (Small Medium Enterprise) pilot partner to share our perspective in this exciting implementation.

We view Corporate Integrity as the core of our corporate strategy since the founding of Hong Kong Non-Woven in 1969. While we have innovated plenty of initiatives that has led to reduction of production waste, water usage, and energy consumption, yet we found it was too dispersed in its reporting effort. Through a well structure GRI reporting platform, we can effectively translate our efforts into tangible targets and to report them into a clear handbook that is understood and accessible for everyone within the company, as well as our value chain stakeholders.

To go alongside with our GRI reporting effort, we are also involved in piloting the effectiveness of LCMP (Low Carbon Manufacturing Programme) from WWF as the supporting engine, which we quickly realized that we have approached our efforts to reduce carbon footprint on an engineering level but perhaps still lacking in areas such as proper documentation.

The challenge we face over the years has more to do with the reliance of third party certification body to provide the process to examine the validity of a product with/without certain harmful substances or a compliance certification body to rectify our practice against global standards. With so many certifications required today, it is also creating an adverse effect of being vendor fatigue because of the high cost, results being ineffective and the response from consumer feeling greenwashed.

Our integration process strives with a laser focus on advocating product and industry integrity. By assessing the current situation on a wide range of disciplines not only related to actual production. It becomes more insightful how each discipline can contribute to go beyond carbon footprint reduction, water saving, and controlling chemical discharge but working in a total quality management manner rather than stand-alone efforts. As a result, we put together a strategy as the 361° approach as our mission to go beyond conventional expectation on triple bottom line management.

The GRI report is a practical tool that empowers a manufacturer to make an assessment on their current situation and offer clear, straightforward guidelines on the improvement processes available to provide clear identifiable references that are recognized internationally and encourage fair competition in free-market economics.

Anderson Lee  
Business Director, Hong Kong Non-Woven Fabric Ind. Co. Ltd.



## Table of contents

---

About this Report

---

361° Approach to Triple Bottom Line

---

### ABOUT US

- Statement from Head of Sustainability
  - The Story of Fiberfill
  - Group History
  - ECO Milestone
  - Accolades
  - Corporate Functional Structure
  - Board Structure
  - Our Products
  - Market Served
  - Stakeholder Groups
- 

### FINANCIAL

- Our Numbers
- 

### ENVIRON- MENTAL

- Recycle Program
  - Closed-Loop Production System
  - Consumption
  - Environmental Fines
- 

### SOCIAL

- Labor
  - Society
  - Product Integrity
- 

Endorsement

---

GRI Content Index and Application Level

---

The fulltext can be downloaded from: <http://www.advgm.com.cn/pdf/2011CSR.pdf>, <http://www.advgm.com.cn/pdf/20110712.pdf>

## Advancetex Fashion Garment Manufactory (Huizhou) Ltd., Glorious Sun Group<sup>13</sup>

### Experience sharing

Corporate Social responsibility (CSR) reflects how an enterprise shoulders social responsibility. As a communication platform, CSR plays important role to enhance the harmonious development among enterprises, society and interested parties, to propel innovation, constant improvement and core competitiveness. Identifying with this concept, our highest administrators made the decision to carry it out by actions and have achieved good efficiency now.



We spent about 6 months to collect data, design the framework, compile and finalize the report. Gathering data should be the most time consumption step which need close cooperation with different departments. This step encourages us to record data and photos from the company's performance such as economy, production, human rights and philanthropy activities. Actually, we have fulfilled social responsibility for a long time and a CSR report is a good summary to disclose these tracks to our interested parties.

When prepare this report, we have only 2 colleagues in Quality System Management Department concurrently working on this project with the supporting of other departments by delivering data and figures, proofread the draft version with feedback. A good teamwork links the highest administrators to department employees with cohesive force, involves the whole company understanding and implementing CSR concepts. It's a motive force for us to publish CSR report annually.

CSR-GATEs (2008) and G3 delivers guidelines to accomplish this report from an international and local point of view. We greatly appreciate supports and valuable comments obtained from China National Textile & Apparel Council Social Responsibility Office and Hong Kong Clothing Industry Training Authority.

Quality System Management Department  
Advancetex Fashion Garment Manufactory  
(Huizhou) Ltd., Glorious Sun Group

## Table of contents

Report Overview	- Authority Statement
Company Overview	- A Message from the Chairman - Company Profile - Organization Structure
Corporate Governance	- Economic Information - Quality Management - Supply Chain Management - Productivity Improvement
Social Responsibility Strategy	- Social Responsibility Policy - Social Responsibility Management System - Stakeholder Communication
Employees Performance	- Employment Structure/Employment - Salary and Welfare/Health and Safety - Training and Education/Trade Union - Features of employees/Leisure Activities
Environmental Performance	- Environmental Performance - Environmental Protection
Public Welfare	- Awards / Social Contributions - Community Relationship
Future Prospect	- Prospect of 2011
Reference	- CSR-GATEs Index - GRI Index

The fulltext can be downloaded from: [http://www.hknonwoven.com/eng/CSR/GRI/2010/GRI\\_2011.pdf](http://www.hknonwoven.com/eng/CSR/GRI/2010/GRI_2011.pdf)

# Appendix I: Introduction of CSC-9000T and CSR-GATEs

CSC9000T (China Social Compliance 9000 for Textile & Apparel Industry) is a Social Responsibility Management System based on China's laws and regulations, international conventions and standards, and China's particular situations, covering key elements for business enterprises to effectively manage their social responsibility.

The CSC9000T includes both specific requirements and management system requirements on social responsibility, which can be integrated into other management systems to meet the enterprises' social responsibility and financial objectives, reduce operational risks, and achieve continual improvement. Considering the current situation on workplace safety in China, this CSC9000T Management System has emphasized the management programs on occupational health and safety, in order to protect employees' wellbeing as well as reduce enterprise's business operational risks.

In 2008, China National Textile & Apparel Council released China Sustainability Reporting Guidelines for Apparel and Textile Enterprises (CSR-GATEs 2008 version) , which provided three-layer guidelines and 201 indicators to guiding Corporates in textiles and apparel industry to prepare their CSR report. See Table No.2 below for the Framework of CSR- GATEs<sup>11</sup>.

Grade 1 guidelines	Grade 2 guidelines	Number of Indicators in Grade 3 guidelines
Enterprise Profiles and Economic Performance	Enterprise Profiles	9
	Economic Performance	11
Social Responsibility Strategy and Policy	Social Responsibility Strategy	3
	Social Responsibility Policy	4
Social Responsibility Management System	Organization and Planning of Social Responsibility Management	7
	Operation and Control of Social Responsibility Management	9
	Evaluation and Auditing of Social Responsibility Management	6
	Stakeholder Participation and Engagement	7
Social Responsibility Performances	Product Safety and Consumer Protection	11
	Protection of Labor Rights and Interests	44
	Energy-saving, Emission Reduction and Environmental Protection	33
	Supply Chain Management and Fair Competition	22
	Community Development and Public Welfare	11
Development Environment and Social Responsibility Performance	Social Responsibility Incidents and Responses	3
	Social Responsibility Opportunities in Development Environments	3
	Social Responsibility Challenges in Development Environments	4
Reporting Scopes and Authorities	Reporting Scopes	6
	Authorities of the Report	8

Table No.2 Framework of CSR- GATEs



## Appendix II: Reference

1. The Trade and Industry Department (TID) of the Hong Kong Special Administrative Region (HKSAR), SME Loan Guarantee Scheme, retrieved September 23, 2011, from the World Wide Web: [http://www.smefund.tid.gov.hk/eng/eng\\_main.html?content=%2Feng%2Fsgs.htm%23SGS\\_eligibility](http://www.smefund.tid.gov.hk/eng/eng_main.html?content=%2Feng%2Fsgs.htm%23SGS_eligibility)
2. The Information Services Department of the Hong Kong Special Administrative Region (HKSAR), Hong Kong : The Facts., retrieved September 23, 2011, from the World Wide Web: <http://www.gov.hk/en/about/abouthk/factsheets/docs/trade&industry.pdf>
3. The Census and Statistics Department of the Hong Kong Special Administrative Region (HKSAR), Statistical data in 2010 (Analyzed by CITA), retrieved September 23, 2011, from the World Wide Web: [http://www.censtatd.gov.hk/hong\\_kong\\_statistics/index.jsp](http://www.censtatd.gov.hk/hong_kong_statistics/index.jsp)
4. The Hong Kong Council of Social Service, Caringcompany Yearbook 2010/11, retrieved September 23, 2011, from the World Wide Web: <http://www.hkcsc.org.hk/sdp/ccyearbook/>
5. Gail Thomas, Corporate Social Responsibility: A definition, 2005, retrieved September 29, 2011, from the World Wide Web: [http://www.business.curtin.edu.au/files/GSB\\_Working\\_Paper\\_No.\\_62\\_Corp\\_Social\\_Resp\\_A\\_definition\\_Thomas\\_\\_\\_Nowak.pdf](http://www.business.curtin.edu.au/files/GSB_Working_Paper_No._62_Corp_Social_Resp_A_definition_Thomas___Nowak.pdf)
6. World Business Council for Sustainable Development, WBCSD Stakeholder Dialogue on CSR, The Netherlands, 1998
7. European Commission, Sustainable and responsible business Corporate Social Responsibility (CSR), retrieved September 29, 2011, from the World Wide Web: [http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm)
8. International Organization for Standardization, ISO 26000: Guidance on social responsibility, 2010
9. Social Accountability International, SA8000:2008 Standard, retrieved September 29, 2011, from the World Wide Web: <http://www.sa-intl.org/index.cfm?fuseaction=Page.viewPage&pageId=937&parentID=479&nodeID=1>
10. Global Reporting Initiative, retrieved September 29, 2011, from the World Wide Web: <http://www.globalreporting.org>
11. The Responsible Supply Chain Association (RSCA), retrieved September 29, 2011, from the World Wide Web: <http://www.csc9000.org.cn/en/>
12. Sustainability Report 2010, Zhongshan Yida Apparel Ltd., Crystal Apparel Ltd., retrieved September, 2011, from the World Wide Web: <http://www.crystal-yida.cn/NewsContent.aspx?NewsId=245&NewsType=1>
13. 2010 Social Responsibility Report, Advantetex Fashion Garment Manufactory (Huizhou) Ltd., Glorious Sun Group, retrieved July, 2011, from the World Wide Web: <http://www.advgm.com.cn/pdf/2011CSR.pdf>, <http://www.advgm.com.cn/pdf/20110712.pdf>
14. Sustainability Report 2010, Hong Kong Non-Woven Fabric Ind. Co. Ltd., 2011, retrieved October, 2011, from the World Wide Web: [http://www.hknonwoven.com/eng/CSR/GRI/2010/GRI\\_2011.pdf](http://www.hknonwoven.com/eng/CSR/GRI/2010/GRI_2011.pdf)

**Corporate Social Responsibility Guidebook  
For Small and Medium Enterprises (SMEs)  
In Apparel Industry in Hong Kong**  
©2012 Clothing Industry Training Authority



Publication organization:  
Clothing Industry Training Authority  
Address: 63 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong  
Tel.: (852) 2754 4802 Fax: (852) 2795 0452  
Websites: [www.cita.org.hk](http://www.cita.org.hk)  
E-mail: [information@cita.org.hk](mailto:information@cita.org.hk)



Project funded by:  
The Sustainable Development Fund (SDF)  
Of the Government of the Hong Kong Special Administrative Region