LCQ16: Promotion of corporate social responsibility
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Following is a written reply by the Secretary for Commerce and Economic Development, Mr Frederick Ma, to a question by the Hon Fung Kin-kee in the Legislative Council today (November 28):

Question:

In his Policy Address delivered last month, the Chief Executive said that enterprises should fulfill their social responsibilities, and the business community and professionals should actively volunteer to participate in charity work. Yet, the results of a survey have indicated that the level of corporate social responsibility ("CSR") awareness among local companies was not particularly high, and companies' actions were mostly taken in compliance with the requirements of basic ethical norms or legal measures. Beyond that, these companies fulfilled their CSRs just because of the resultant commercial interests. In this connection, will the Government inform this Council:

(a) of its work plan for promoting CSR, and whether it will consider drawing up charters or guidelines for CSR and providing relevant training for companies, so as to increase the incentives for them to fulfill CSRs;

(b) whether it will consider revising its procurement policy to require various government departments to give priority to procure the goods and services of those companies which fulfill their CSRs; and

(c) given that the above survey focused specifically on four major dimensions of CSR, i.e. a corporation's commitment to ethical practices, minimising negative impact, social contribution and improving employees' well-being, and it only covered local companies, whether the Government will consider establishing a mechanism to monitor the behaviour and practices of Hong Kong-based multinational enterprises with reference to these dimensions, in order to ascertain if these enterprises have fulfilled their CSRs?

Reply:

Madam President,

(a) The HKSAR Government actively encourages the business sector to care about the community and put their resources, experience and expertise to good use in helping the needy as a way of fulfilling their corporate social responsibility (CSR). Relevant work in this regard includes:

(i) promoting a territory-wide volunteer movement which encourages employees of business organisations to take part in voluntary services. There are now 170 participating companies which contributed more than 450 000 service hours last year;

(ii) launching the Community Investment and Inclusion Fund to promote cross-sectoral collaboration and encourage the business sector and local organisations to jointly develop social capital and neighbourhood mutual support network, so as to help the needy move "from welfare to self-reliance". To date, the Fund has supported 147 projects which involve over 3 000 collaborating partners, including many large corporations as well as small and medium enterprises;

(iii) subventing the Caring Company Scheme of the Hong Kong Council of Social Service to give recognition to companies which are involved in community affairs, so as to encourage companies to care about the society and their own staff. Over 1 100 companies received recognition this year;

(iv) establishing the Partnership Fund, from which grants are disbursed to match the business sector's donations for welfare projects undertaken by non-governmental organisations (NGOs). To date, the Fund has provided grants to 65 NGOs which, together with 183 business organisations, have implemented 90 welfare projects, benefiting 350 000 persons; and

(v) organising different activities to promote good human resources management practices. The 9 industry-based tripartite committees and 18 Human Resources Managers Clubs under the Labour Department would discuss CSR and related topics from time to time. The Department will continue to partner with the business sector and NGOs to further its work in this regard.

In addition, the Committee on Promotion of Civic Education (CPCE) has been promoting "corporations" as good "citizens". The CPCE has also organised a Seminar on Corporate Citizenship this month to promote the concept of "corporate citizenship" and to provide an opportunity for corporations to share their views and experience.

We will continue to encourage the business community to actively take up CSR through different channels. At the moment, we do not have any plans to draw up charters or guidelines.

(b) Government's procurement policy is based on the principles of value for money, open and fair competition, transparency and public accountability. Giving preferential treatment to a particular type of enterprise is not in line with above principles.

(c) The HKSAR Government has been pursuing the policy of free market. We respect the autonomy and self-discipline of private enterprises. At this stage we have no plan to establish a mechanism to monitor the behaviour and practices of Hong Kong-based multinational enterprises to ascertain if these enterprises have fulfilled their CSRs.

Ends/Wednesday, November 28, 2007