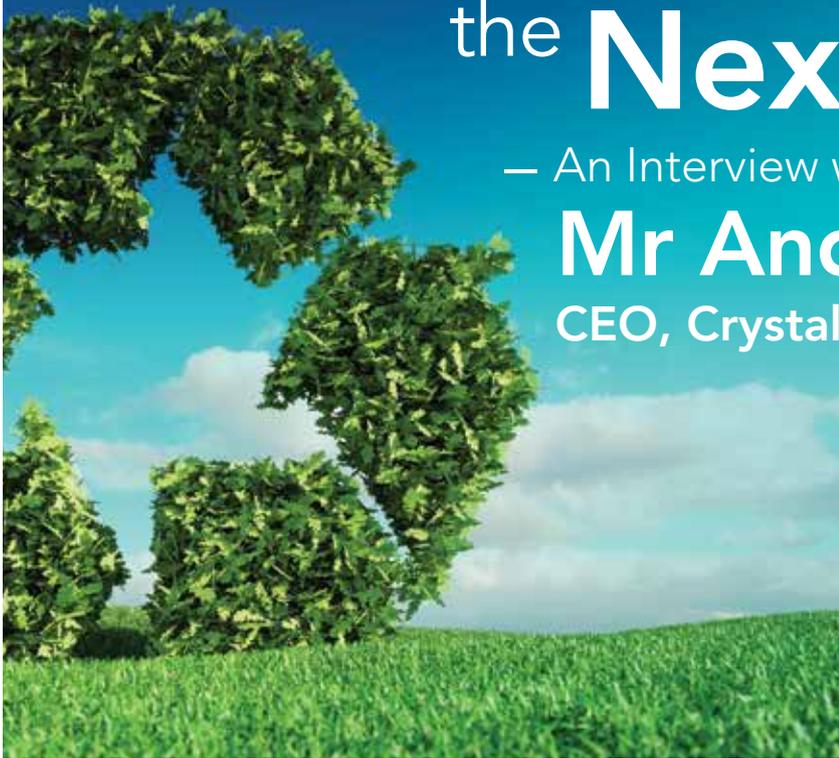


# Taking Sustainable Apparel Manufacturing to the **Next Level**

— An Interview with

**Mr Andrew Lo**

CEO, Crystal International Group



引領**可持續發展**

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— 專訪**晶苑國際集團**

行政總裁**羅正亮**先生

Linking the 2006 film-documentary *An Inconvenient Truth*, featuring former US vice-president Al Gore and leading global Hong Kong-based apparel manufacturer, Crystal International Group, may initially seem somewhat tenuous. However, the documentary's focus on environmental issues provided the catalyst for Crystal International's widely applauded commitment to holistic sustainability.

"Our sustainable growth strategies are pivotal to our strong performance and reputation," says Andrew Lo, Crystal International Group CEO, who explains how, after watching *An Inconvenient Truth*, his father, founder and chairman of the Crystal International Group, was motivated to ask questions about the climate crisis, and through the company's environmental stewardship efforts, endeavour to do something about it. At the time, Lo recalls, at the Group's executive management level, there were far-reaching discussions about the cost and risks of initiating sustainability practices. "Today, sustainability is a 'must have' business strategy, but at the time it was an aspiration held by my dad," Lo says. "As executives, we all had different opinions, which we needed to align."

One of the major concerns was the assumption that investment in sustainable strategies would push up costs and undermine competitiveness. But this proved to be unfounded. "Actually, we found the opposite," Lo says. "Once we started looking closely at sustainable solutions, it made commercial and environmental sense that we should invest in these areas," he adds.

《絕望真相》是一部 2006 年的紀錄片，由前美國副總統戈爾 (Al Gore) 主導拍攝，該片與總部位於香港的全球領先服裝生產商晶苑國際集團似乎扯不上任何關係。但是，正正就是這部關注環境問題的紀錄片促使晶苑國際重視其整體可持續發展的工作，並獲得廣泛讚譽。

晶苑國際集團行政總裁羅正亮指出：「我們的可持續增長策略對集團的強勁業績及聲譽至關重要。」他談到他的父親（即晶苑國際集團創辦人兼董事會主席）在觀看《絕望真相》之後如何受到觸動，主動詢問有關氣候危機相關事宜，並致力透過公司的環保措施為此盡一分力。羅先生憶述，當時集團的高級管理層就開展可持續發展實務的成本及風險進行了廣泛討論。羅先生坦言：「如今，可持續發展是一項『必備』業務策略，但當時這只是我父親的一個抱負。」「作為高級管理人員，大家各有看法，我們需要達成共識。」

當中的一個主要問題，是可持續發展策略的投資將令成本增加並削弱競爭力這個假設。但事實證明並非如此。羅先生表示：「事實上，我們發現情況恰好相反。」他補充道：「在我們開始仔細探討各種可持續發展方案後，投資於這些領域便變得具商業和環保意義。」

例如，在節能設備方面持續作出投資，不但有助節省成本，亦減少了碳排放量。公司在業界取得的首項重大突



For example, the ongoing investment in energy-reducing devices not only contributes to cost-savings, the initiative also reduces carbon emissions. Another area where the company has made significant industry-first breakthroughs is the reduction and reuse of water. "For instance, we are currently able to recycle seventy to eighty per cent of treated wastewater in our denim factories, and will further step up our efforts in the near future," Lo says.

To evaluate and measure its sustainability and environmental stewardship efforts, Crystal International sets targets on its carbon footprint, energy consumption, water use, waste management and tree planting. "It all ties into our ESG (environmental, social, governance) efforts," says Lo who emphasises that strong governance is the platform that drives the Group's goal to achieve its corporate mission and maximise economic, environmental and social returns.

While the Group has been recognised with numerous environmental and sustainability awards in Hong Kong and Mainland China, there is one award in particular which Lo says the Group is particularly proud of: being ranked 17th in Fortune Magazine's "Change the World" list in 2016. "This is an award we had no idea we were going to receive," he says. "It was a pleasant surprise, we were pleased to receive it after they took a good look at us," adds Lo.



破，是節約用水和循環再用。羅先生指出：「例如，我們的牛仔服廠房目前能重用百分之七十至八十的經處理廢水，並將致力繼續加強這方面的工作。」

為評估及量度集團的可持續發展及環保倡導工作，晶苑國際制定了碳足跡、能源消耗、用水、廢物管理及植樹等目標。羅先生說：「這一切都與我們的ESG（環境、社會、管治）工作息息相關。」他強調，強而有力的管治是一個推動集團實現其企業使命，並盡量提升經濟、環境和社會回報目標的平台。

雖然集團在香港及中國內地榮獲多個環境及可持續發展獎項，但羅先生表示其中一個獎項令集團特別引以為傲，那就是2016年躋身《財富》雜誌「改變世界的企業」排行榜第17位。他說：「公司獲頒這個獎項令我們感到十分意外。」羅先生補充說：「這是一個驚喜，經過他們對我們的全面考察，我們很高興獲得這個殊榮。」

羅先生承認，公司在環保工作方面榮獲著名獎項，令公司受益匪淺。例如，客戶日漸意識到消費者對環保議題的敏感度，當他們在尋找服裝生產商合作時，集團超越環保及可持續發展期望的表現使集團在客戶評核供應商的平衡計分卡上被認定為「可持續發展品牌」而非「可持續發展風險」。但是，羅先生強調集團採取這種營運方式並非由於外部壓力，而是因為這是「正確的事情」，而且可持續發展是集團的堅定信念。在這方面，公司連續10年刊發《可持續發展報告》足以證明了這一點，編寫該報告的歷史較公司於2017年首次公開招股還要早得多，而且當時仍未成為上市規則要求。

High-profile recognition for environmentally-friendly processes can lead to benefits, acknowledges Lo. For instance, when clients — who are increasingly aware of their customers' sensitivity to environmental issues — look for apparel manufacturers to work with, exceeding environmental and sustainability expectations identifies the Group as a "sustainability brand" instead of being a "sustainability risk" on the vendor scorecard. However, Lo stresses the Group operates the way it does, not because of external pressures, but because it is the "right thing to do" and sustainability is something the Group strongly believes in. This is also demonstrated by the Company's effort to publish a separate sustainability report annually for a consecutive 10 years already, which has a much longer history than the company's IPO in 2017 and well before it has become a requirement under the listing rules.

Listed on the main board of the Hong Kong Stock Exchange (HKEX) in 2017, Lo reveals the company's commitment to strong corporate governance and sustainable practices helped with the smooth facilitation of the listing process. "I would say the delta between what we were doing before we listed and what we needed to do to comply with the listing requirements was not too wide," Lo says. From the mid-1990s, the Group's board of directors has demonstrated a deep-seated commitment to corporate governance

2017年集團於香港聯合交易所主板上市，羅先生透露公司高度重視企業管治及在可持續發展實務的承諾，有助上市過程順利推進。羅先生表示：「我認為，上市之前我們一直以來所做的事情和為滿足上市要求而需要做的事情，兩者之間並無太大差異。」自上世紀九十年代中期起，集團董事會便彰顯對企業管治的堅定承諾，以全面的內部審核為基礎，確保有效並且高效地執行政策和策略。羅先生指出：「明白到我們有董事會及管治體系來避免任何企業『炸彈』爆炸，這減輕了我作為行政總裁的工作壓力。」

晶苑國際集團由羅先生父母於1970年在香港創立，由起初的一家小型毛衣廠發展成為今天擁有約20間生產設施的集團，在五個國家/地區聘用80,000名員工。公司為全球頂級品牌生產時尚服裝、牛仔服、內衣、毛衣、運動服及戶外服裝。

羅先生將自己的父母形容為帶領公司邁向正確道路的「先驅」，羅先生解釋說，晶苑國際早期的一個主要與眾不同之處在於，採用遍佈不同國家/地區的生產設施為不同的客戶類別生產服裝。羅先生說：「當時大多數服裝生產商只專門生產一種產品，並且集中在一個地方生產。」上世紀六十年代開始實施的紡織品及服裝出口



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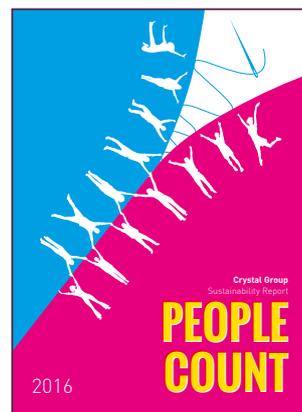
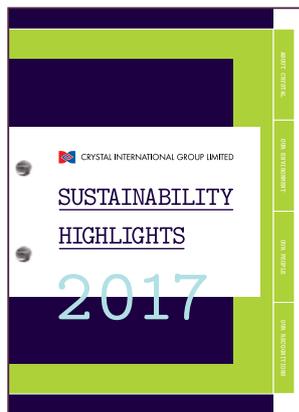
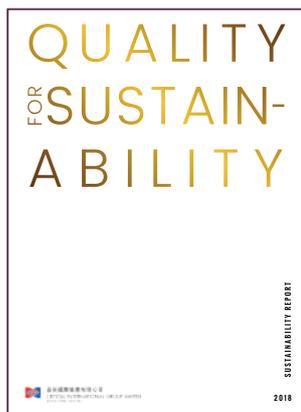
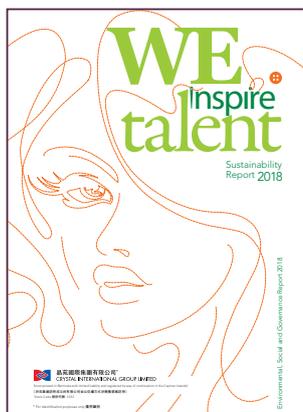
underpinned by a comprehensive internal audit to ensure that policies and strategies are executed effectively and efficiently. "It makes my job as the CEO less stressful knowing we have a board of directors and a governance system in place to prevent any corporate 'bombs' from blowing up," says Lo.

Established by Lo's parents in Hong Kong in 1970 as a small sweater business, today Crystal International Group comprises about 20 manufacturing facilities employing 80,000 staff across five countries. The company produces lifestyle wear, denim, intimate, sweater, and sportswear and outdoor apparel for best-in-class brands across the world.

Describing his parents as "pioneers" who set the company on the right track for future success, Lo explains that, one of Crystal International's key differentiators during the early days was producing apparel for different customer categories from production facilities located in different countries. "Most apparel manufacturers at the time concentrated on producing one type of product in one place," Lo says. Until the textile and clothing export quotas introduced in the 1960s were phased out shortly after the new millennium, Crystal International had operations established in countries including Madagascar, Mauritius, Sri Lanka and even Jamaica. The company was also a forerunner in the practice of partnering designers with clients to create unique value for customers — a process the company refers to as co-creation. The Company started off with manufacturing in sweater, lifestyle wear and denim in its early years. In 2004, the acquisition of a company that produces items for Marks & Spencer not only established a connection with the iconic brand, it also established Crystal International as a manufacturer of intimate wear. Later in 2016, the acquisition of Vista, a well-known sportswear and outdoor apparel products producer, further expanded Crystal International's product portfolio.



配額在千禧年後不久被逐步取消，至此晶苑國際的業務已擴展至馬達加斯加、毛里求斯、斯里蘭卡、甚至牙買加等國家。公司亦在設計師與客戶合作為消費者創造獨特價值方面開創先河。這個過程被公司稱為「共創Co-creation」業務模式。公司成立初期以生產毛衣、時尚服裝及牛仔服為主。2004年，晶苑國際收購一家為馬莎百貨生產貨品的公司，由此建立了與該知名品牌的聯繫，更晉身成為內衣生產商。其後於2016年，晶苑國際收購著名運動及戶外服裝產品生產商Vista，進一步擴大集團的產品組合。





Demonstrating the Group's nimble response to changing market conditions, Lo explains how in the wake of the US-China trade war, the Group has systematically reduced its exposure to China-to-the-US production to a single digit. At the same time, as a percentage of total production capacity, the Group continues to reduce the share of its operations in Mainland China as their overseas expansions continue. "Thanks to the team's effort and strong execution last year, our customers appreciated our quick response to reallocate orders amid the US-China trade war, which helped them minimized the tariff impact. I would say we are in a balanced position to move forward with strategies that benefit our customers, our employees, the Group and the environment," says Lo. **M**

— Chris Davis  
Editor

羅先生表示集團靈活應對瞬息萬變的市場形勢，解釋在中美貿易戰後集團如何有系統地將其由中國生產輸往美國市場的產能佔比降至單位數。同時，集團繼續擴充海外業務，並不斷縮減中國內地業務佔總業務的比例。羅先生指出：「我要感謝團隊在去年的努力和強勁的執行力，我們在中美貿易戰期間對重新分配訂單的迅速反應亦備受客戶欣賞，此舉讓客戶所受到的關稅影響減至最低。我認為我們能做到在推行策略時取得平衡，兼顧客戶、員工、集團及環境的多方利益。」 **M**

— Chris Davis  
主編

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