

# 2024 ESG Reporting Study for Hong Kong Listed Companies



普华永道





# Table of Contents

01

## Background and Methodology of the Study

2

02

## Our focuses of this year

5

2.1 Case study 1: Disclosure quality is improving, ushering in an era of mature reporting 6

2.2 Case study 2: As companies are actively addressing climate challenges, climate-related disclosures are advancing 15

2.3 Case study 3: Introducing the TNFD framework, reshaping biodiversity disclosures 26

03

## Details of the Study

31

3.1 Overview 32

3.2 Mandatory disclosure requirements 37

3.3 Management and disclosure of environmental information 42

3.4 Management and disclosure of social information 49

04

## Conclusion and Outlook

59

Appendix: Citation List

61

Authors

66



The background of the slide is a photograph of a tea plantation. The tea bushes are lush green and filled with buds, set against a soft, hazy sky. The image is overlaid with several decorative elements: a white square with diagonal lines in the top left, a solid orange square on the left side, a dark grey horizontal bar across the middle, a solid orange square in the bottom right, and a white checkerboard pattern in the bottom right corner.

01

# Background and Methodology of the Study



# Background and methodology

Since the launch of the Environmental, Social and Governance Reporting Guide (the ESG Reporting Guide) in 2013, Hong Kong Exchanges and Clearing Limited (HKEX) has continuously reviewed its ESG reporting framework and rules, which facilitate high-quality ESG disclosure by issuers and promote ESG and sustainability commitments of listed companies. Entering the 11th year of the implementation of the ESG Reporting Guide, the ESG information disclosure of Hong Kong listed companies has entered a new stage, becoming more comprehensive and mature. The HKEX ESG rules and guidelines have also evolved to become more stringent and sound. In April 2024, HKEX released the Consultation Conclusions on Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework to facilitate the preparation of listed companies for Climate disclosure requirements based on the International Sustainability Standards Board (ISSB) climate disclosure standards.

Based on the ESG Reporting Guide, the consultation conclusions on climate disclosures, and Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework and other ESG-related papers of HKEX, PwC conducted a study on ESG reports published by Hong Kong listed companies in 2023 and selected a certain amount of Hong Kong listed companies from various industries according to the 12 industries of the Hang Seng Industry Classification System for this in-depth study. This is the eighth consecutive year that we have conducted the study.

This study analyses the samples from the following dimensions:

- Overall disclosure of ESG reporting
- Mandatory disclosure requirements
- Management and disclosure of environmental information
- Management and disclosure of social information
- Disclosure maturity of each ESG issue

Research limitations: All analyses are based on weighted random samples reflecting the industry and market capitalisation distribution of Hong Kong listed companies, etc. Due to the possible sampling error of the estimated actual population, the research findings may not perfectly reflect the actual performance of individual companies in their ESG reporting.

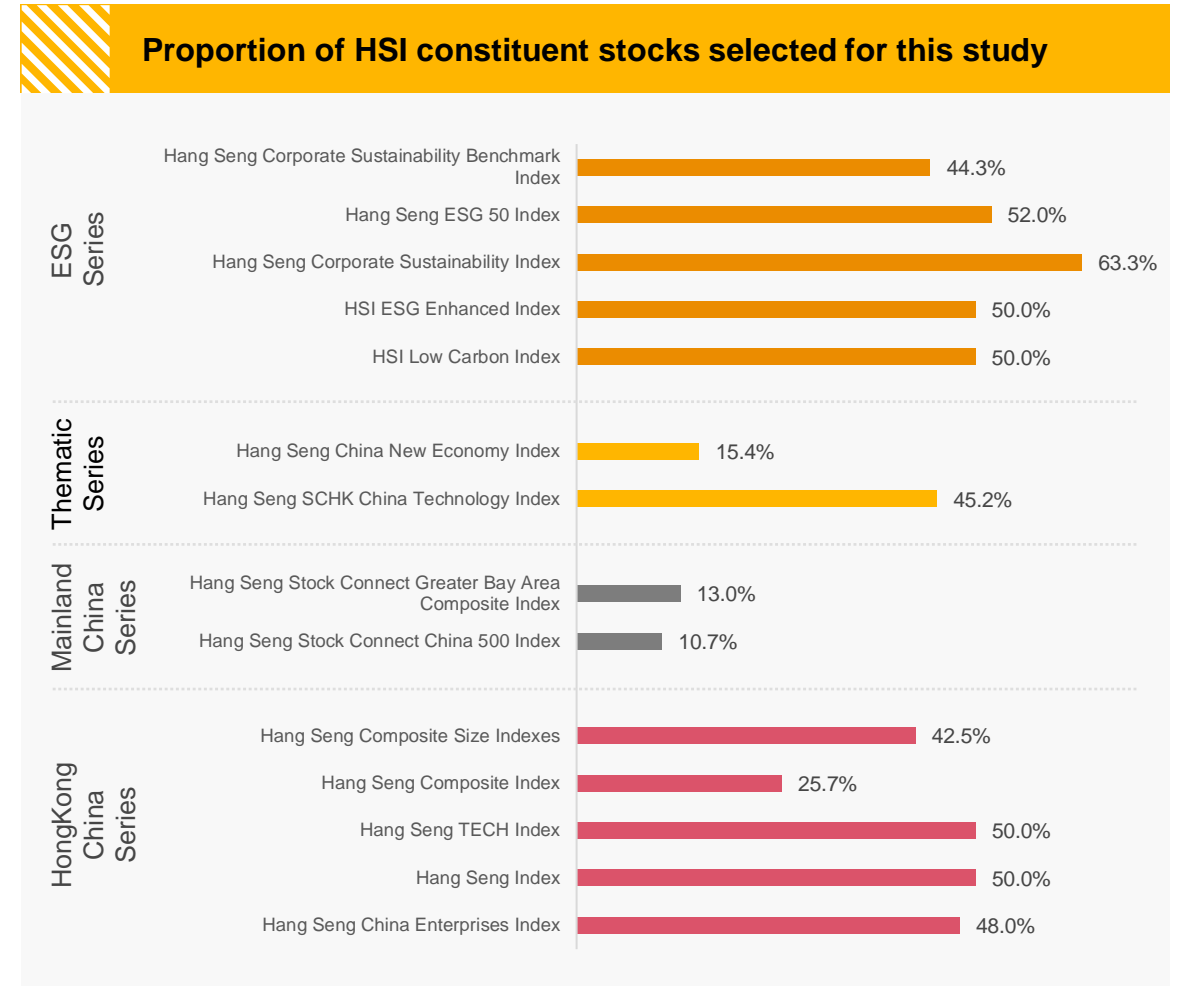
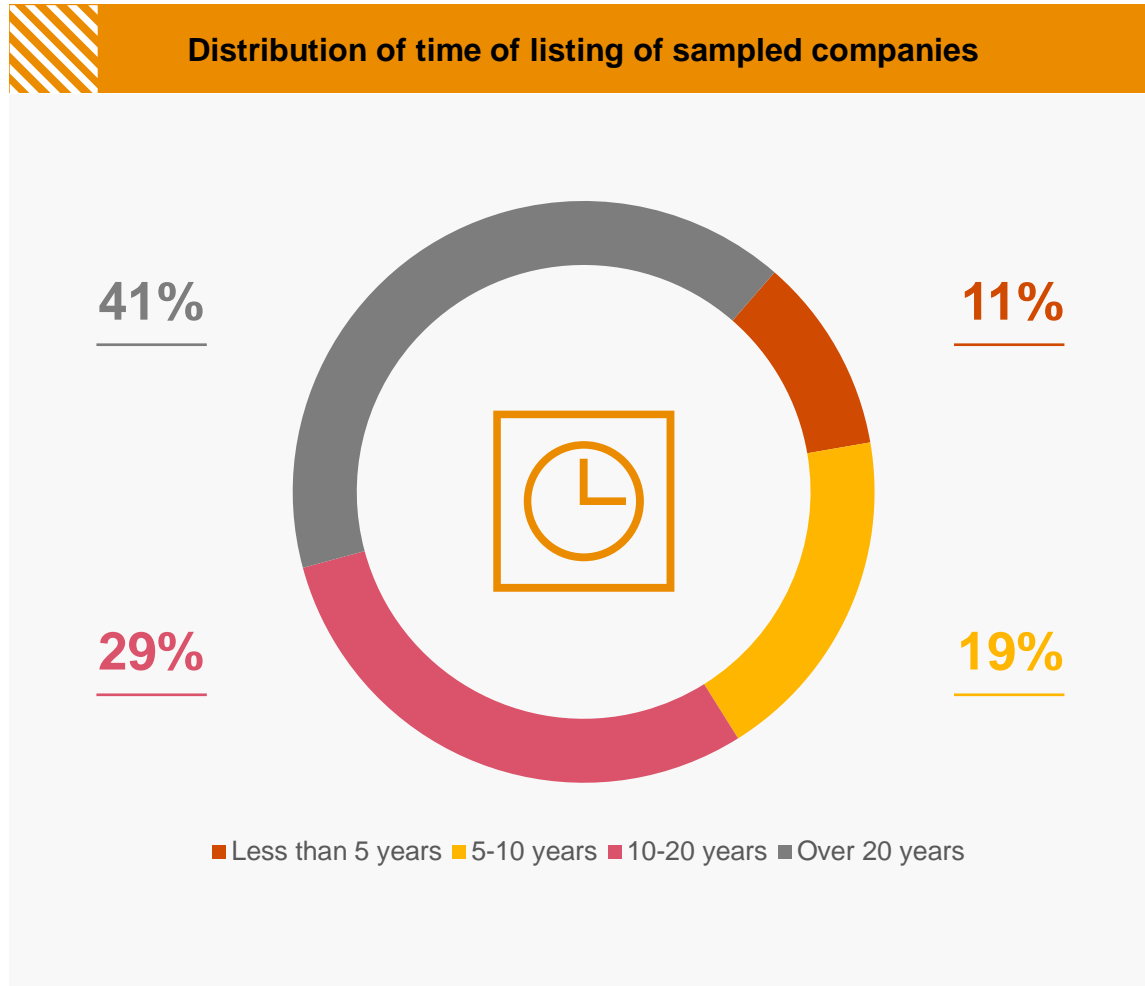


Industry distribution of sampled companies (by Hang Seng Industry Classification System)

# Sample distribution of listed companies surveyed



The distribution of companies studied in terms of time of listing and HSI constituents are as follows:







02

# Our focuses of this year

- 2.1 Case study 1:  
Disclosure quality is improving, ushering in an era of mature reporting
- 2.2 Case study 2:  
As companies are actively addressing climate challenges, climate-related disclosures are advancing
- 2.3 Case study 3:  
Introducing the TNFD framework, reshaping biodiversity disclosures





## Case Study 1

# Disclosure quality is improving, ushering in an era of mature reporting

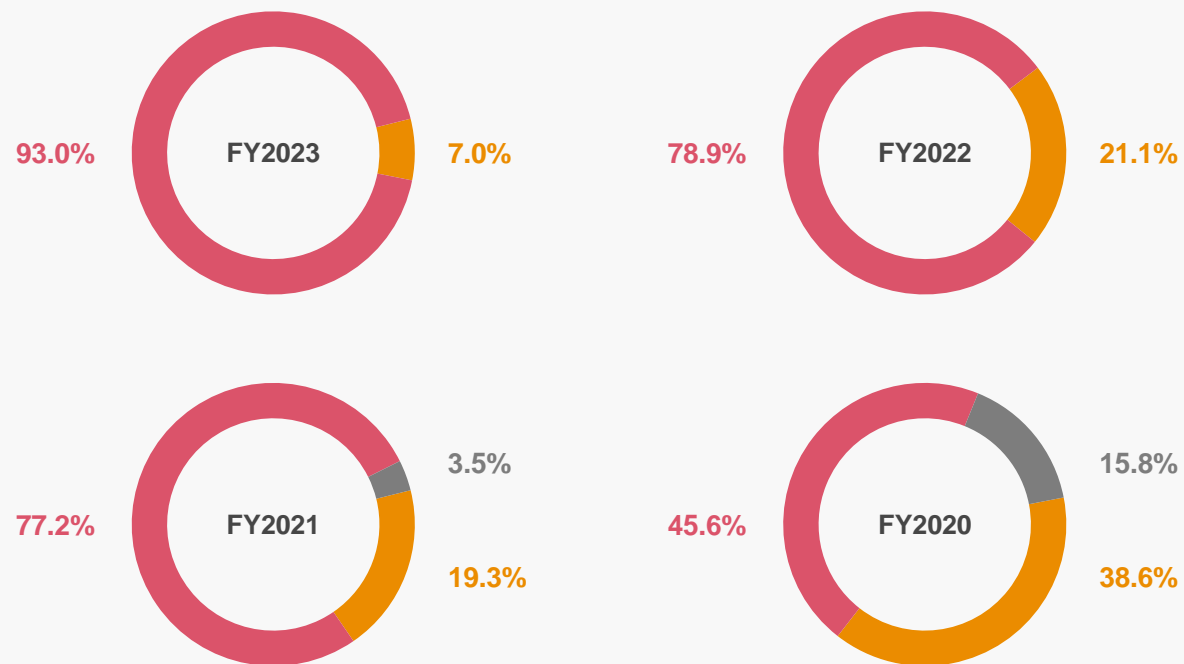
On April 19, 2024, HKEX published the consultation conclusions on enhancement of climate-related disclosures under the environmental, social, and governance (ESG) framework. The consultation resulted in amendments to Appendix C2 of the "Listing Rules", renaming the "ESG Reporting Guide" to the "ESG Reporting Code" ("ESG Code"). This change has further increased the mandatory nature of ESG disclosure for listed companies. Concurrently, the "ESG Code" is committed to aligning with international standards by introducing new climate disclosure provisions consistent with the ISSB's climate standards, aiming to accelerate the implementation of ISSB standards by listed companies. The revised "Listing Rules" will come into effect on January 1, 2025, enhancing the transparency and comparability of ESG reporting while also setting higher standards for the quality of ESG disclosure.

# Hong Kong listed companies' ESG report disclosure has fully entered the maturity phase

Entering the fiscal year of 2023, companies listed on the Hong Kong Stock Exchange have made significant progress in ESG disclosure. Overall, the proportion of mature indicators with a disclosure rate greater than 80% has reached 93.0%, an increase of 14.1% compared to 2022. There has been a notable increase in disclosure rates in key areas such as board oversight of ESG matters, climate change and ESG management in the supply chain. The comprehensive optimisation and overall improvement of ESG information disclosure not only help to enhance the transparency and accountability of listed companies, but also provide investors and other stakeholders with more information about the company's sustainability performance.



## Trends in the disclosure of ESG issues from FY2020 to FY2023



## Disclosures of ESG Issues



**Well-disclosed: disclosure ratio > 80%.** As these issues are relating to daily operations and the difficulty of disclosure is low, most companies have already met the compliance requirements and entered the stage of optimised management.



**Moderately-disclosed: disclosure ratio between 50% and 80%.** Most of these issues are emerging areas of attention, such as climate change policy/environmental objectives/supply chain ESG management. The disclosure ratio has shown a continuous upward trend in the past two years.



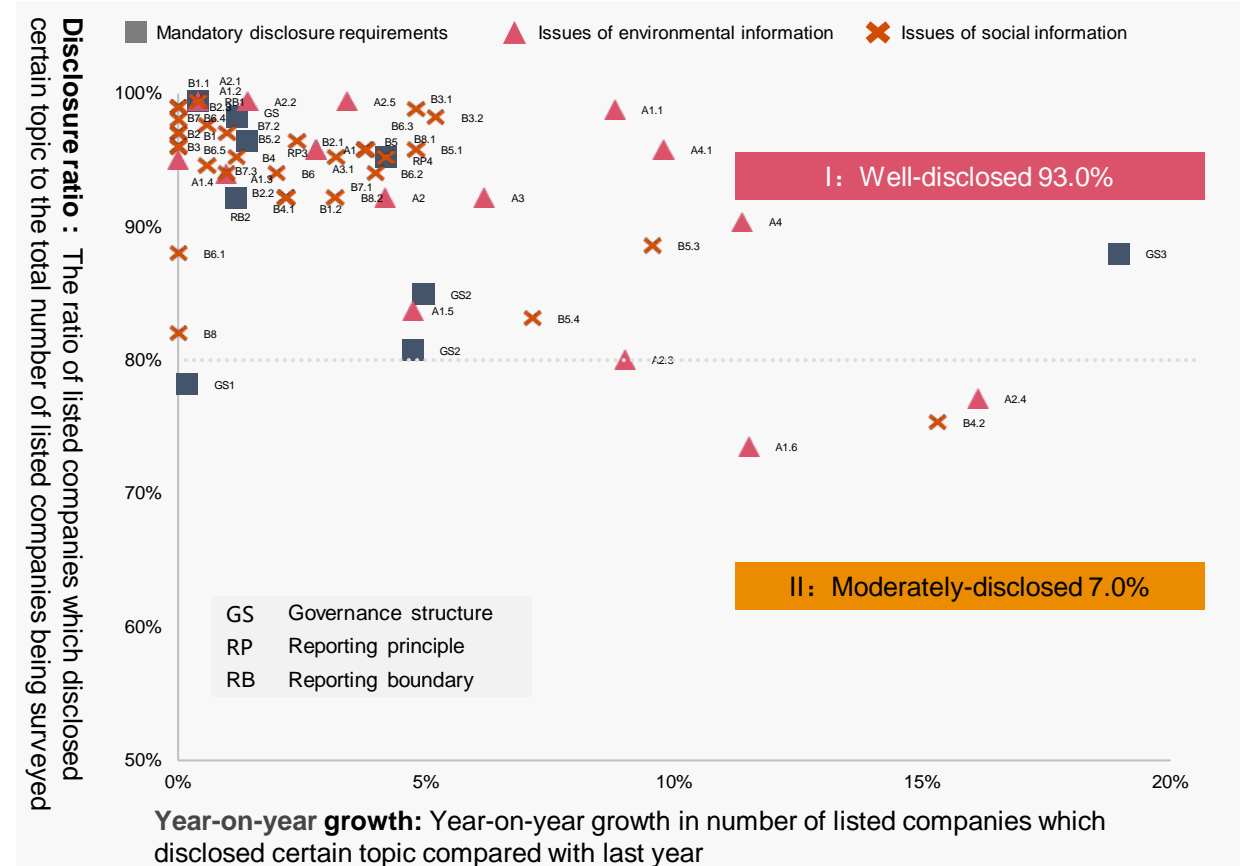
**Under-disclosed: disclosure ratio < 50%.** With increasing importance attached to ESG governance by listed companies, since 2022 the disclosure ratio of all issues has exceeded 50%, and no disclosure items belong to this category.



# Hong Kong listed companies' ESG report disclosure has fully entered the maturity phase (continued)

According to the survey results, the disclosure rate for all topics in the "ESG Reporting Guide" within the ESG reports of the sample companies has exceeded 70%, reflecting the strengthening of listed companies' supervision of ESG-related matters and their in-depth practice in ESG governance policies and strategies. Among them, in terms of year-on-year growth, the indicators with the fastest growth rates include the establishment of ESG committees, the board's review of ESG-related targets, the setting of environmental goals and climate change policies, indicating that listed companies are actively adapting to the global trend of sustainable development and enhancing their overall sustainability performance by strengthening ESG management and disclosure.

Disclosure maturity: Disclosure maturity by ESG issues and YoY growth	
Category	Disclosure Status
<b>I: Well-disclosed</b>	<ul style="list-style-type: none"> <li>High level (over 80%)</li> <li>Mandatory requirements (8/9)</li> <li>Environmental issues (15/17)</li> <li>Social issues (30/31)</li> </ul>
<b>II: Moderately-disclosed</b>	<ul style="list-style-type: none"> <li>Medium level (between 50% and 80%)</li> <li>Mandatory requirements (1/9)</li> <li>Environmental issues (2/17)</li> <li>Social issues (1/31)</li> </ul>
<b>III: Under-disclosed</b>	<ul style="list-style-type: none"> <li>Low level (less than 50%)</li> <li>None</li> </ul>





# I: Well-disclosed category



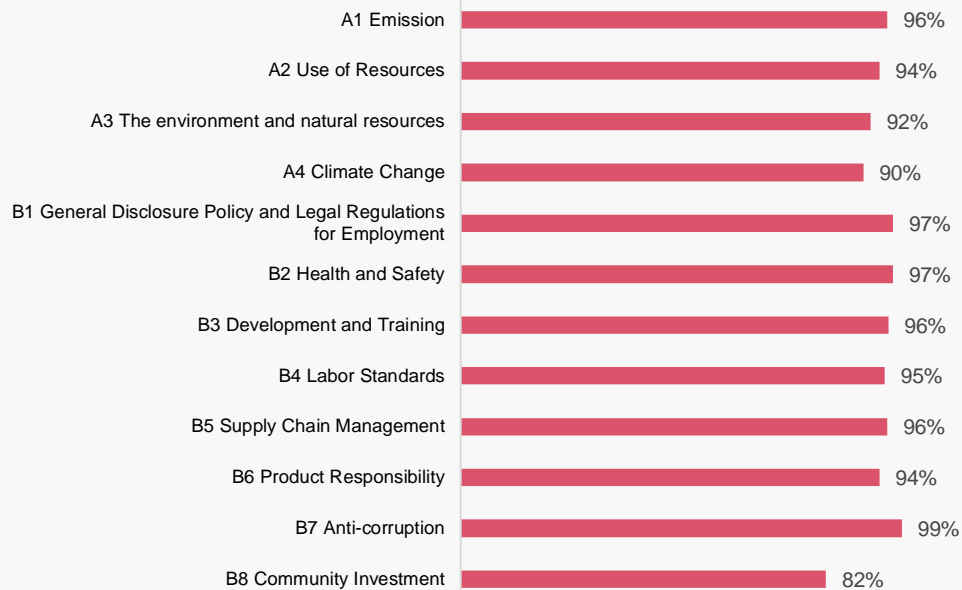
In the environmental and social categories, the disclosure level of the vast majority of ESG policy and performance data indicators has reached the "mature" category. Except for community investment policies, the disclosure rates for indicators such as environmental and natural resources policies, employment policies, supply chain management policies and anti-corruption policies have all reached over 90%. As these topics have entered the stage of optimised management, companies can enhance the management quality of these issues based on the results of materiality assessments, better addressing the substantive impact of ESG issues on the company's business strategies and operational activities.



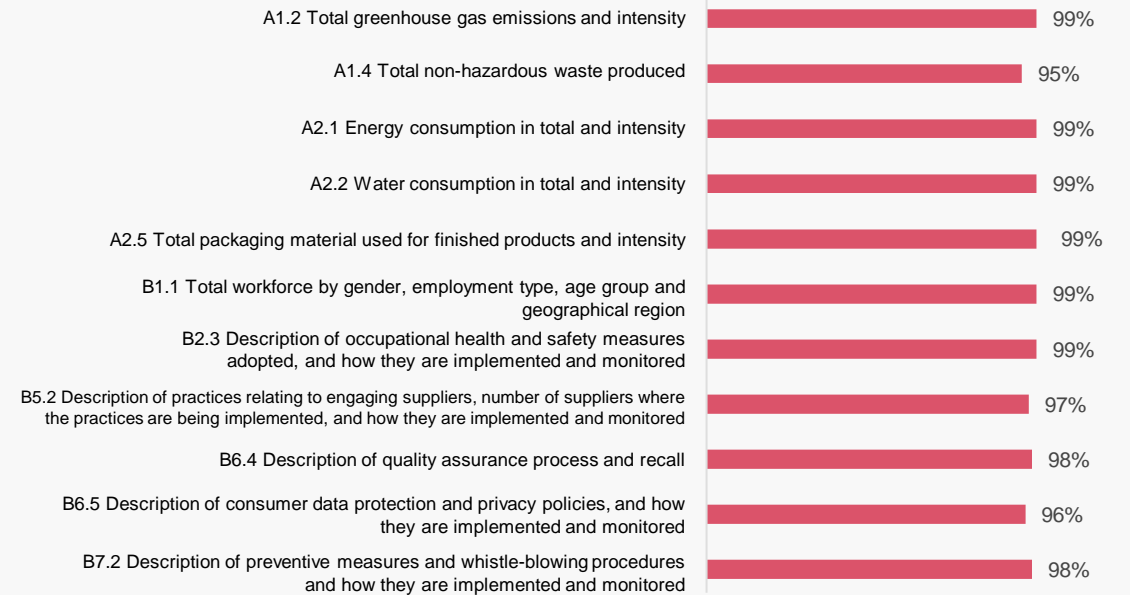
**Policy:** The vast majority of companies disclosed the various types of ESG policies required by the ESG Reporting Guide.

**KPI:** The disclosure of most environmental and social KPIs has also matured, with more than 90% of them disclosed.

## Disclosure of ESG policies



## Disclosure of KPI

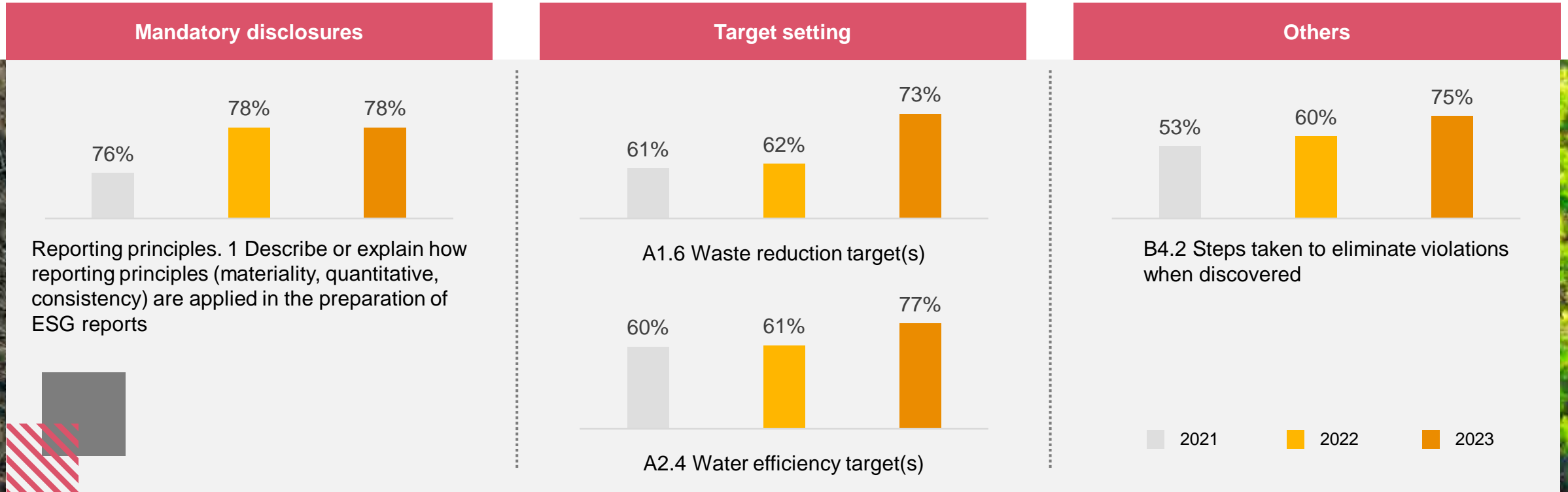




# II: Moderately-disclosed category



Compared to the fiscal year of 2022, Hong Kong listed companies have gradually improved their disclosure on issues related to governance structure, target setting and supply chain ESG management, with the disclosure rate for most issues exceeding 80%, reaching the well-disclosed category. The disclosure rates for the application of reporting principles, waste reduction target setting, water efficiency target setting and response to labour standard violations have also increased from over 60% to over 70%. Listed companies are actively responding to regulatory requirements and market expectations, continuously optimising and deepening their ESG management strategies, and enhancing management practises in key ESG areas.





# Examples of ESG disclosure for Hong Kong listed companies

Employment: Livzon Pharmaceutical has established a comprehensive diversified management system and disclosed various goals and employment data

## Livzon Pharmaceutical



### About the company

Livzon Pharmaceutical Group Inc., founded in 1985, is headquartered in Zhuhai and has approximately 9,000 employees. The company was listed on the Main Board of the Shenzhen Stock Exchange in 1993 (stock code: 000513. SZ) and on the Main Board of the Hong Kong Stock Exchange in 2014 (stock code: 01513. HK). It is a comprehensive pharmaceutical group company that integrates research and development, production and sales of pharmaceutical products. The company continues to pay attention to new molecules and cutting-edge technologies in the global field of new drug research and development. Based on clinical value and differentiated forward-looking layout, it innovates drugs and high barrier complex formulations, focusing on the fields of digestive tract, assisted reproduction, psychiatry, tumor immunity, etc., forming a complete product cluster and a differentiated product pipeline covering the entire research and development cycle. The company's ESG performance has also been widely recognised both domestically and internationally, with all ESG ratings ranking at the leading level among domestic peers.

Source: *Livzon Pharmaceutical 2023 ESG Report*,  
Livzon Pharmaceutical official website

## B1 Employment

“The Group is committed to the principles of diversity, equality and inclusion and fully respects the diversity and differences of its employees. We incorporate the principle of diversity into the recruitment and hiring policies of each enterprise of the Group, and explicitly reject any discriminatory and prejudicial behaviour. We create and maintain an inclusive and equal working environment, and strive to provide each employee with equal opportunities and a broad career development platform.

- We have set a quantitative diversity target of “the share of female employees is no less than 49% by 2032”.
- Each year, the human resource head office of the Company regularly reviews the implementation of the Group's diversity work in the current year, collects relevant quantitative data, evaluates the progress of the implementation of diversity targets, and prepares annual diversity report.
- The Group's trainings on diversity covered all (100%) of the management officers. The trainings included aspects such as social multiculturalism, corporate culture of Livzon, and organizational culture.
- We offer a special “female leadership development training program” for female employees to help them better plan their career development paths and set career development goals.”

- *Livzon Pharmaceutical 2023 ESG Report*





# Examples of ESG disclosure for Hong Kong listed companies

Supply Chain Management: Master Kong promotes ESG practices in the industrial chain and is committed to creating a green, safe and sustainable industrial chain

## Master Kong



### About the company

Tingyi (Cayman Islands) Holding Corp. is mainly engaged in the production and sales of instant noodles and beverages in China, and was listed on the Main Board of the Hong Kong Stock Exchange in February 1996. In March 2012, it completed a strategic alliance with PepsiCo's beverage business in China. As of December 31, 2023, the company has 348 branches and 303 warehouses to serve 76,875 distributors and 217,087 direct retailers, with a market value of HKD 53.6 billion. It is a constituent stock of the Morgan Stanley Capital International China Index and the Hang Seng Index. Master Kong is the only food and beverage company in China that has been honored with the "Forward Faster Global Early Mover - Pioneer" title by the United Nations Global Compact.

Source: Master Kong 2023 Annual Report, Master Kong 2023 Sustainability Report

## B5 Supply Chain Management

“Master Kong has been cultivating green, secured, and sustainable agriculture for years. Aiming at green and sustainable development, we have integrated practices in sustainability such as environmental friendliness and digitalization into the core of the Company’s strategic development. We have established “Environmentally Friendly Vegetable Base” in Kangba Nuo’er area of Kangbao County of Hebei Province Shenmu area of north Shaanxi Province, and Kashgar area of Xinjiang. By leveraging our technology and scale advantage, we have developed the “enterprise plus base plus farmers” industrial chain model. Master Kong also collaborate with suppliers to introduce smart agricultural technology.

We utilise an “AI automated agriculture” operation mode to ensure that vegetables would not touch the ground throughout the entire process of planting, harvesting, and processing. We have innovatively used biodegradable mulch technology, and discarded disposable mulch film would completely degrade into organic matter after being buried in the soil for several months, with zero pollution to the environment, ensuring the quality and safety of the products.

100% of palm oil suppliers in the Instant Noodles Business have obtained Roundtable on Sustainable Palm Oil (RSPO) certification. For the white sugar suppliers of Master Kong Beverages Business and Pepsi Beverages Business, 30% of the total supply comes from suppliers have obtained the Bonsucro certification. 100% of suppliers that provide paper-based products such as cardboard boxes and cartons possess Forest Stewardship Council (FSC) certification.

In 2023, Master Kong’s greenhouse gas (Scope 1 and Scope 2) emissions per million of revenue (tons/RMB’million) decreased by 21.1% compared with 2017. The combined energy consumption per million of revenue (MWh/RMB’million) decreased by 16.4% compared with 2017. ”



- Master Kong 2023 Sustainability Report



# Examples of ESG disclosure for Hong Kong listed companies

Product Responsibility: Midea Group has established a comprehensive product lifecycle management system and disclosed sustainable development goals and progress related to its products



## Midea Group



### About the company

Midea Group Co., Ltd. was founded in 1968, listed on the Main Board of the Shenzhen Stock Exchange in 2013 (stock code: 000333. SZ), and listed on the Main Board of the Hong Kong Stock Exchange in 2024 (stock code: 00300. HK). After 55 years of development, Midea Group has become a global technology group integrating five major sectors: smart home, new energy and industrial technology, intelligent building technology, robotics and automation and other innovative businesses. It has also formed a multi brand portfolio including Midea, Little Swan, Toshiba, Hualing, COLMO, Clivet, Eureka, GMCC, Weiling, Gaochuang, Hekang, Kelu, Lingwang Elevator, KUKA, Ande, Wandong Medical, etc. So far, Midea has over 400 subsidiaries, 33 research and development centres, and 43 major production bases worldwide, with business coverage in more than 200 countries and regions. The company's ESG performance has also been widely recognised both domestically and internationally.

Source: Midea Group 2023 Environmental, Social and Governance (ESG) Report, Midea Group official website

## B6 Product Responsibility

"Midea Group adheres to the concept of "Creating a Better Life for Everyone in the World", focuses on core business and products, integrates the concept of sustainable development into every aspect of product life cycle management, and is committed to creating shared value together with stakeholders.

- Product R&D: Low carbonization, intelligence, humanization, health, use of environmentally friendly materials;
- Supply Chain Procurement: Procurement of green materials, control of hazardous substances;
- Manufacturing: Innovative technology, upgraded equipment, intelligent testing, quality and safety certification;
- Logistics & Transportation: Automation, digitalization, intelligent logistics system;
- Product Distribution: Global distribution network, digital marketing, integration of online and offline retail resources;
- Product Use: After-sales service, recall management, carbon emission accounting in product trial stage;
- Product Recycling: Recycling network and channels, used machine recycling, trade-in, dismantling management."

- Midea Group 2023 Environmental, Social and Governance (ESG) Report



Product lifecycle management



Sustainable Development Goals and Progress



# Examples of ESG disclosure for Hong Kong listed companies



Community Investment: Shanghai Electric promotes the construction of key projects of the “Belt and Road”, and actively carries out community investment to serve the local people

## Shanghai Electric



### About the company

Shanghai Electric Group Company Limited is a leading global supplier of industrial-grade eco-friendly smart system solutions. It has always adhered to the strategic direction of "serving the national strategy, developing new quality productivity, and achieving high-quality development." The company focuses on two major sectors: energy and industry. From energy production and transmission, to intelligent industrial production and automation systems and the full industrial chain of "sea, land, air, network, and oil," Shanghai Electric drives technological innovation, empowers various industries, and creates green, sustainable value for a better human life.

Source: *Shanghai Electric 2023 ESG Report*, Shanghai Electric official website

## B8 Community Investment

"The Pakistan Thar Block I Energy Integration Project undertaken by Shanghai Electric Power Station Engineering Company, a subsidiary of Shanghai Electric, is a key project of the "Belt and Road" and the China-Pakistan Economic Corridor. The project includes a coal mine with an annual output of 7.8 million tons and two 660 MW coal fired power stations, located in the Thar Desert area in the southeast of Sindh Province, Pakistan. The Tal region has long faced challenges in infrastructure, education, healthcare, and employment.

Shanghai Electric actively participates in social responsibility projects in Pakistan, and through its contributions to infrastructure construction such as improving quality of life, eliminating poverty, and enhancing the level of medical service facilities, it promotes cultural exchange and co construction in the local community, and establishes a positive image. By the end of 2023, the project has created over 18,000 direct employment opportunities and invested over 1.3 million US dollars in corporate social responsibility, contributing substantial assistance to the local society. The project provides continuous, stable, clean, and affordable electricity to 4 million households in Pakistan every year, while playing a positive role in improving Pakistan's energy structure, enhancing energy security, and reducing foreign exchange risks."

- *Shanghai Electric 2023 ESG Report*, Shanghai Electric official website



# Case Study 2

## As companies are actively addressing climate challenges, climate-related disclosures are advancing

In recent years, global regulators, organisations and ESG rating agencies have continuously strengthened the requirements for climate-related disclosures, which has attracted a high level of attention from investors. By 2025, companies listed on the Hong Kong Stock Exchange will also officially enter the era of mandatory climate-related disclosures. The consultation conclusions released by HKEX in April 2024 shows that the revised "ESG Code" introduces new climate-related disclosure requirements under Part D, requiring companies to disclose climate information in detail from four major dimensions: governance, strategy, risk management and metrics and targets. The implementation of the new rules will encourage listed companies to take measures to reduce greenhouse gas emissions, improve energy efficiency and explore new business models to adapt to the challenges of climate change.



### Governance

The governance process, controls and procedures used to monitor and manage climate-related risks and opportunities

### Risk Management

The process used to identify, assess and manage climate-related risks and opportunities

### Strategy

The strategy employed to address significant climate-related risks and opportunities

### Metrics and Targets

The metrics and targets utilised to measure, monitor and manage significant climate-related risks and opportunities, along with the assessment of performance (including progress towards the targets set)

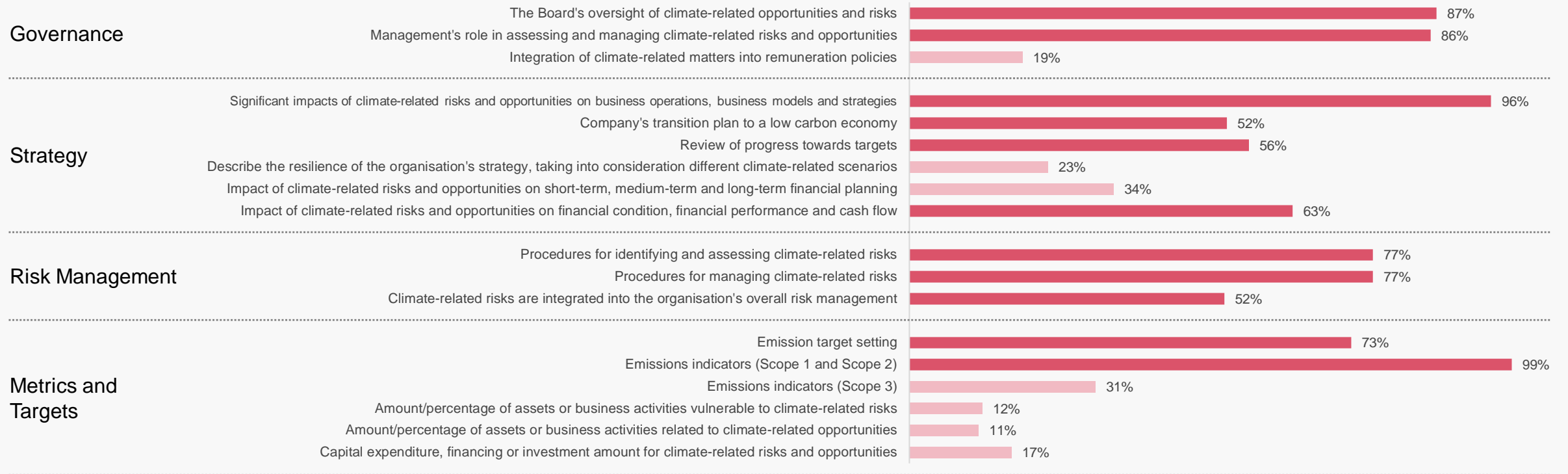


# Current status of climate-related disclosures



Based on the provisions of the "ESG Code" in the consultation conclusions released by HKEX, PwC conducted a study on the 2023 ESG reports of sample companies to understand the current status and gaps in the climate-related disclosures by listed companies, providing a reference for companies to prepare in advance for new disclosure requirements. The results show that listed companies have shown a positive attitude towards the disclosure of climate-related information, especially in governance, strategy and greenhouse gas emissions. Most companies have established regulatory mechanisms for climate-related risks and opportunities at the board and management levels, identified climate-related risks and opportunities strongly related to their business operations and disclosed Scope 1 and Scope 2 emissions. However, at this stage, listed companies are still in the initial phase in cutting-edge areas such as climate scenario analysis, financial effect assessment and Scope 3 emissions. To meet the disclosure requirements of HKEX, they will need to continue to refine their climate-related management practises.

Based on the climate-related disclosure requirements mentioned in the Consultation conclusions, the listed companies sampled have different disclosure ratios for each metrics.



# Climate-related disclosure: Governance



## New climate-related disclosure requirements

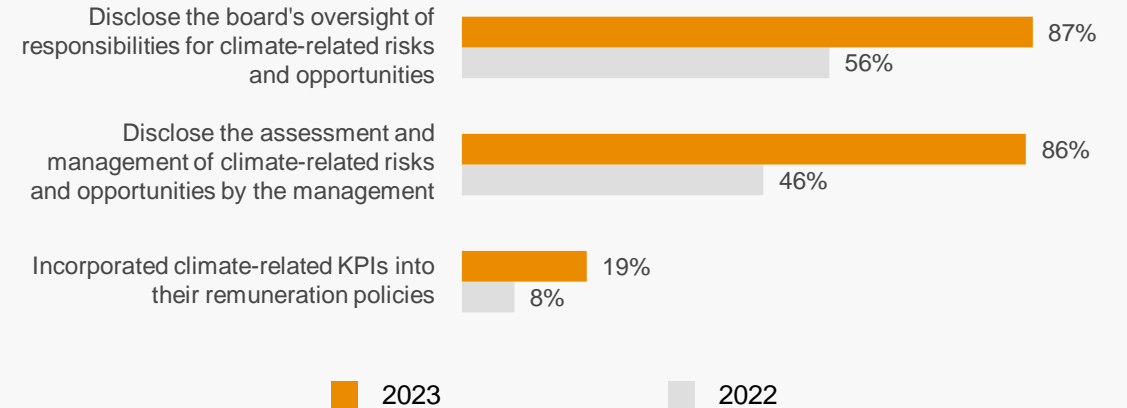
An issuer shall disclose information about:

- the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities;
- Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities;
- An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.



## Data analysis and interpretation

According to the study,



• In the fiscal year of 2023, the disclosure of information in the governance dimension by Hong Kong listed companies has become more comprehensive compared to the fiscal year of 2022. The majority of sample companies have disclosed the board of directors' oversight of responsibilities for climate-related risks and opportunities, as well as the management's assessment and management of climate-related risks and opportunities.

• It is recommended that the boards of directors or management of listed companies consider incorporating climate-related KPIs into their remuneration policies to further promote the management of climate-related risks and opportunities within the enterprise.



# Climate-related disclosure: Strategy



## New climate-related disclosure requirements

- **Climate-related risks and opportunities:** An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.
- **Business model and value chain:** An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.
- **Strategy and decision-making:** An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.
- **Financial position, financial performance and cash flows:** An issuer shall disclose the current and anticipated financial effects of climate-related risks and opportunities.
- **Climate resilience:** An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities.

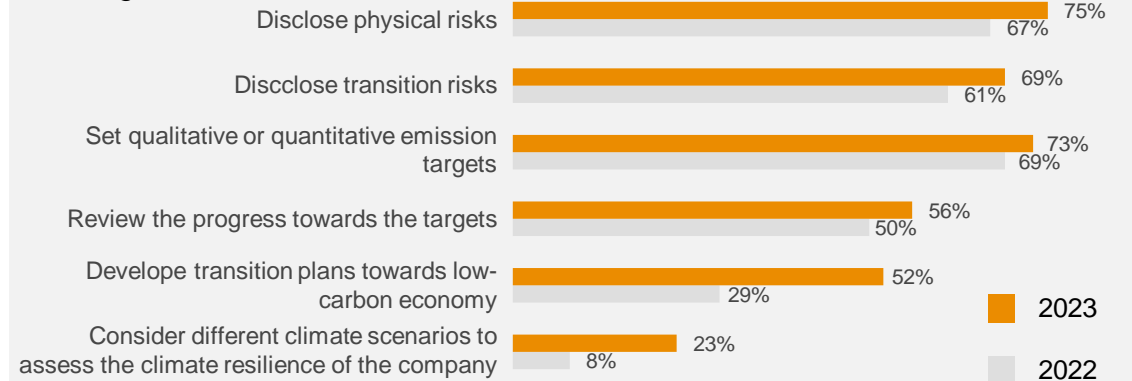


## Data analysis and interpretation

According to the study,



Among them:



- 96% of the samples disclosed the significant climate-related risks which include physical risks and transition risks and opportunities. 73% of the samples set qualitative or quantitative emission targets.

- It is recommended that listed companies, based on the identification and assessment of climate-related risks and opportunities, and in conjunction with the characteristics of their own business operations, conduct climate scenario analysis and develop transition plans with reference to appropriate temperature rise pathways.

# Climate-related disclosure: Risk Management



## New climate-related disclosure requirements

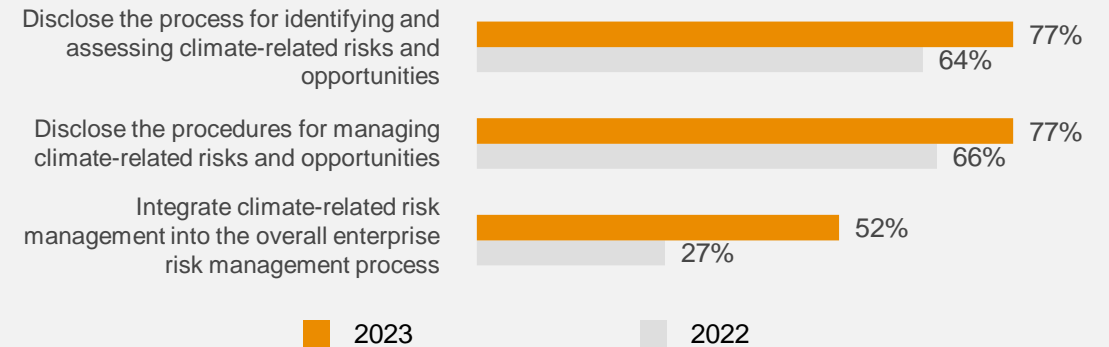
An issuer shall disclose information about:

- the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;
- the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);
- the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.



## Data analysis and interpretation

According to the study,



- 77% of the sampled companies have disclosed their processes for identifying and assessing climate-related risks and opportunities, as well as corresponding management procedures. However, only half of the listed companies have integrated climate-related risk management into their overall enterprise risk management.

- It is suggested that listed companies, on the basis of identifying and assessing climate-related risks and opportunities, prioritise them, identify key management areas and consider integrating climate risks into a comprehensive risk management system.



# Climate-related disclosure: Metrics and Targets



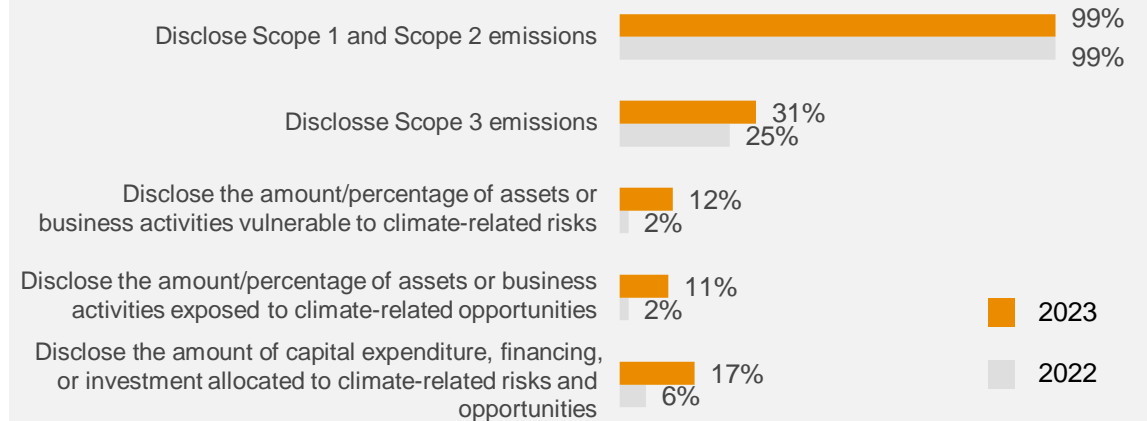
## New climate-related disclosure requirements

- Greenhouse gas emissions: An issuer shall disclose its scope 1,2 and 3 absolute gross greenhouse gas emissions.
- Climate-related transition risks, physical risks, and opportunities, as well as capital deployment: An issuer shall disclose the amount and percentage of assets or business activities that are vulnerable to transition/physical risks or aligned with climate-related opportunities; and the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.
- Internal carbon prices: An issuer shall disclose an explanation of whether and how the issuer is applying a carbon price in decision-making or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.
- Climate-related targets: An issuer shall disclose the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals, any targets the issuer is required to meet by law or regulation, and its approach to setting and reviewing each target.



## Data analysis and interpretation

According to the study,



- The majority of sampled companies has developed a foundation in the management and disclosure of Scope 1 and Scope 2 emissions, but only 31% of the sampled companies disclosed Scope 3 emissions data.
- It is recommended that listed companies accurately and completely inventory the sources and scenarios of greenhouse gas emissions, formulate work plans and calculate and disclose Scope 3 emissions data according to the boundaries of responsibility.
- It is recommended that listed companies further identify assets and business activities that are vulnerable to climate change, strengthen the management of climate-related indicators, in order to better assess the financial effects of climate-related risks.

# HKEX New Climate Requirements Compliance Roadmap

The Consultation conclusions indicate that for fiscal years commencing on or after January 1, 2025, all listed issuers will be required to mandatorily disclose Scope 1 and Scope 2 greenhouse gas emissions, and all Main Board Issuers will be required to reported on new climate requirement other than Scope 1 and 2 emissions on a "comply or explain" basis. We recommend that companies begin to prepare for climate-related disclosures.



## Preparation Period

### • Governance:

Continuously improve and incorporate climate-related issues into the ESG governance framework, and consider gradually including climate-related performance indicators in compensation policies.

### • Strategy:

1) Identify climate-related risks and opportunities.

2) Qualitatively assess the effect of climate-related risks and opportunities on the company's business model, value chain, strategy and decision-making.

3) Qualitatively assess the current and anticipated effects of climate-related risks and opportunities.

### • Risk Management:

Establish or improve management systems and processes for climate-related risks and opportunities.

### • Metrics and Targets:

Conduct scope 1 and scope 2 emissions accounting, and identify applicable scope 3 categories.



## Transition Period

### • Strategy:

1) Quantitatively assess the current and anticipated effects of climate-related risks and opportunities.

2) Conduct climate scenario analysis to assess the climate resilience of the enterprise.

### • Metrics and Targets:

1) Gradually conduct scope 3 emissions accounting by category.

2) Identify the proportion of assets or business activities that are vulnerable to transition and physical risks, align with climate-related opportunities, as well as the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

3) Set quantified climate-related targets.



## Full Compliance Period

• Expand the data scope of scope 3 emissions accounting in a timely manner.

• Continuously monitor the progress towards climate-related targets and explore setting absolute or intensity targets that cover scope 3 emissions.

• Closely monitor updates to climate-related regulatory requirements and international standards.



# Examples of ESG disclosure for Hong Kong listed companies

Fosun Tourism Group has compiled its first climate-related disclosure report, providing comprehensive climate-related information in accordance with the TCFD framework

## Fosun Tourism Group



### About the company

Fosun Tourism Group is one of the world's leading integrated tourism and leisure groups. The Group was listed on the Main Board of the Hong Kong Stock Exchange in 2018 (01992.HK). It is an integral part of Fosun's Happiness Ecosystem, one of its four strategic segments - Health, Happiness, Wealth and Intelligent Manufacturing. Forging ahead with the mission of "Better Holiday, Better Life", it endeavors to pioneer the holiday lifestyle and create a world-leading family leisure and tourism ecosystem. In recent years, Fosun Tourism has continuously pursued strategic innovation and transformation, defining its development strategy around two main dimensions, "vacation-like lifestyle, lifestyle-based vacation."

Source: Fosun Tourism Group 2023 Climate-Related Disclosures Report, Fosun Tourism Group 2023 ESG Report, Fosun Tourism Group official website

## Climate-related disclosures

"To address the challenges posed by climate change, Fosun Tourism Group has prepared the first climate-related disclosures report, which covers the Group's climate governance framework, assessment of climate-related risks and opportunities, climate strategies and responses, as well as targets and metrics management. This can increase our understanding of the effects of climate change and help us build our long-term climate resilience.

This Report is prepared from four aspects, namely Governance, Strategy, Risk Management, and Metrics and Targets, in alignment with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). The Report analyses the risks and opportunities posed by climate change to the company, highlighting Fosun Tourism Group's proactive actions in risk management, capacity building, energy conservation, and carbon reduction. Fosun Tourism Group has made great efforts to "mitigate" and "adapt" to the effects of climate change, including actions for energy conservation and emission reduction, green certification for products and services, and adoption of business continuity plans. Additionally, we have developed the "carbon neutral and net-zero strategy" based on the 2030 Sustainable Development Goals and implemented a range of "innovative" initiatives to support sustainable development, such as urban vacation strategy, green tourism products, and sustainable financing.

In addition, Club Med, a subsidiary of Fosun Tourism Group, uses high-contrast scenarios to comprehensively and quantitatively analyse the impact of climate risks across short, medium, and long-term dimensions. It also evaluates the measures taken by its global resorts to address climate risks and opportunities, further enhancing climate resilience."

- Fosun Tourism Group 2023 Climate-Related Disclosures Report



# Examples of ESG disclosure for Hong Kong listed companies



CK Infrastructure assessed the resilience of its diverse businesses through climate scenario analysis to inform the business strategy

## CK Infrastructure Holdings Limited



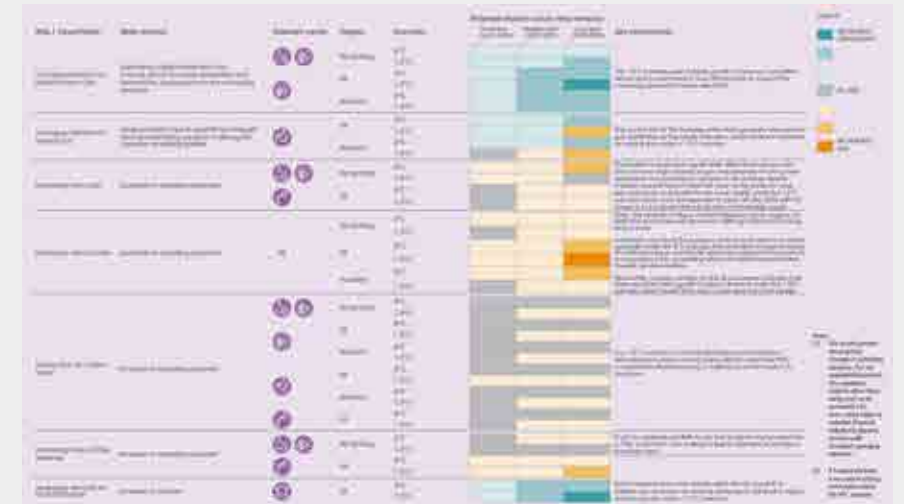
### About the company

As a constituent of the Hang Seng Composite LargeCap Index, CK Infrastructure Holdings Limited is a global infrastructure company with diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy, Household Infrastructure and Infrastructure Related Businesses. Its investments and operating locations span Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

Source: CK Infrastructure official website

## Climate Scenario Analysis

“To inform strategy, we use two scenarios to 2050 to assess the resilience of our businesses against inherent uncertainty. Aligning with the TCFD recommendations, a high-emissions/business-as-usual pathway (4° C scenario) and a stringent pathway striving to achieve a lower - carbon economy (1.5° C scenario) are selected to serve as bookends to adequately consider both physical and transition risks and develop an understanding of how the key value drivers of our businesses might be affected under different future states. The results do not consider mitigation strategies, such as decarbonisation plans, structural reinforcements, emergency response plans, and other relevant initiatives, in place at the business unit level and, as such, post-mitigation risk levels are generally likely to be lower.”



- CK Infrastructure Sustainability Report 2023



# Examples of ESG disclosure for Hong Kong listed companies

China Overseas Land & Investment Limited systematically conducts climate risk management, and through scenario analysis, evaluates and ranks the risk levels of different urban groups



## China Overseas Land & Investment Limited



### About Company

China Overseas Land & Investment Limited (referred to as “the Company”) is a member of China State Construction Engineering Corporation. The Company was founded in Hong Kong in 1979 and listed on the Hong Kong Stock Exchange in 1992 (Stock code: 00688.HK, “COLI”). The Company was selected as one of the Hang Seng Index Constituents in 2007. The Company has over 40 years of property development and commercial property management operation experience, developing business in Hong Kong, Macau and over 80 cities in Mainland, as well as in countries such as the UK and Singapore. As the largest office developer and operator in Chinese Mainland, the Company is capable of leading the industry in design, development, construction, operation and property services. Hua Yi Design, a wholly-owned subsidiary of the Company, ranked as one of the top 100 design institutes in China. Another subsidiary, China State Grand Wealth Investment Limited (中建宏達), has obtained the special-grade qualification as main contractor for construction of housing projects. Throughout over 40 years of development, the Company has established three major businesses — “Residential Development”, “Urban Services” and “Design Services”. The Company is at the forefront of the industry in the field of sustainable development, being selected as a constituent stock of the Hang Seng Sustainability Enterprise Index in 2024, and becoming the only mainland real estate company to be included in this index.

Source: *China Overseas land & Investment limited 2023 ESG report*, China Overseas land & Investment limited official website

## Climate-related Risk Assessment and Management

“As we operate in multiple regions and cities in China, and regional differences in climate variables need to be projected based on the location of operations, we have categorised our major properties in Hong Kong and the Chinese Mainland into 18 city groups for climate exposure assessment based on regional distribution. We assessed three physical climate risks, including extreme precipitation, flooding, and typhoons.

Through scenario analysis, we classify risks into five levels: very low, low, medium, high, and very high. By examining the likelihood and severity of the three climate risks mentioned above, COLI assessed and ranked their risk levels to gain insight into the physical risk levels faced by properties in the regions.

According to the results of the analysis, the risk of extreme precipitation in 2030 is high in Beijing, Tianjin, Shijiazhuang, Changsha, Nanchang and Wuhan, and in the Yangtze River Delta and Pearl River Delta under the RCP8.5 scenario. In 2050, most of the cities will face a high risk of extreme precipitation. Jinan, Chengdu, Guiyang, Kunming, Chongqing, Hainan, and Xinjiang have medium-low risk of extreme precipitation under different scenarios due to the low severity of precipitation. Although Hong Kong and Macau are in the south, the frequency and severity of extreme precipitation hazards in the regions are the lowest in China due to their small urban areas and sound drainage systems.”

- *China Overseas land & Investment limited 2023 ESG report*



# Examples of ESG disclosure for Hong Kong listed companies

ENN Energy sets short-term, medium-term and long-term climate-related goals, and regularly monitors the progress towards achieving these targets

## ENN Energy Holdings Limited



### About company

ENN Energy is one of the largest clean energy distributors in China. The principal business of the Group is the investment in, and the construction, operation and management of gas pipeline infrastructure, the sales and distribution of piped gas, LNG and other multi-energy products. The Group also provides customers with digital and intelligent services related to low-carbon integrated solutions and develops diversified value-added business based on customer needs.

ENN Energy's ESG efforts have been widely recognised by stakeholders, with its key ESG ratings maintaining a leading position within the industry.

Source: *Decarbonisation Action 2030 – The Journey to Net Zero 2024 Edition*

## Climate-related target setting

“ENN Energy has set and clarified its short- and mid-term decarbonisation targets by 2030 and long-term carbon neutrality targets by 2050. The Company reviews and adjusts these targets every three years to ensure that they are scientific, reasonable and timely.

- City-gas Business: Through continuously optimising methane control management and promoting energy conservation and emission reduction, the GHG emission intensity of the city-gas business was reduced by 28.5% compared to 2019, surpassing the target of a 20% reduction by 2030, significantly ahead of schedule. The target has been updated to a 50% reduction compared to the base year.
- Integrated Energy Business: The GHG emission intensity per unit of energy generated in integrated energy business decreased by 36.5% compared to 2019 through continuous exploration and promotion of renewable energy to realise a more diversified clean energy mix. The Company is making progress toward the target of a 48% reduction by 2030.
- Green Office: The photovoltaic power generation of self- owned office buildings will account for 5% of the total electricity consumption by 2025. The target is updated to: the photovoltaic power generation of self- owned office buildings will account for 10% of the total electricity consumption by 2030. To achieve this target, the Company will continuously increase the usable photovoltaic power area of the workspace by virtue of strong technical advantages of integrated energy business, to further decrease energy consumption per unit area of office buildings.”



- *Decarbonisation Action 2030 – The Journey to Net Zero 2024 Edition*



## Case Study 3

# Introducing the TNFD framework Reshaping biodiversity disclosures

With the expansion of human activities, the global natural environment is deteriorating and climate-related risks are constantly increasing. Climate change has changed the marine, terrestrial and freshwater ecosystems around the world, leading to a decrease in local species, an increase in diseases, large-scale deaths of flora and fauna and accelerated loss of biodiversity, posing a serious threat to human survival and development. About half of the greenhouse gases generated by human activities are absorbed by land and oceans, and these ecosystems and the biodiversity they contain serve as natural carbon sinks, providing nature-based solutions to address climate change. Therefore, climate change and biodiversity are interrelated, requiring companies to collaborate on strategic risk management and disclose relevant information based on a consistent framework of dimensions.

# Current Status of Biodiversity Disclosure



## Data analysis and interpretation

According to the study,  
28% of the sampled companies disclosed the impact of biodiversity on their business, strategy, financial plans, etc.

36% of the sampled companies disclosed methods or action measures taken to manage biodiversity impacts or related risks and opportunities.



Hong Kong listed companies are still in the early stages of disclosing biodiversity issues, with only a few companies beginning to disclose natural related information from dimensions such as risk, opportunity and impact in accordance with the TNFD framework.



## Current disclosure requirements for biodiversity issues

### ESRS E4 Biodiversity and Ecosystems

**Policy:** Enterprises should describe the policies they have adopted to manage the significant impacts, dependencies, risks and opportunities related to biodiversity and ecosystems.

**Actions and Resources:** Enterprises should disclose their actions related to biodiversity and ecosystems, as well as the resources allocated to take these actions.

**Targets:** Enterprises should disclose their established goals related to biodiversity and ecosystems.

**Impact indicators:** Enterprises should report indicators related to significant impacts on biodiversity and ecosystems.

**Key Biodiversity Areas:** Enterprises should pay special attention to Key Biodiversity Areas (KBA) or Biodiversity Sensitive Areas (BSA) and disclose them separately.

### Guideline on Self-Regulation of Listed Companies – Sustainability Report (Trial) (Sustainability Reporting Guideline)



“Article 32: If the production and operation activities of the disclosing entity have a significant impact on the ecosystem and biodiversity, the following content shall be disclosed during the reporting period:

- (1) Exiting production and business activities, disposing of related facilities, etc. within the ecological protection red line;
- (2) The measures taken and the results achieved in the protection and restoration of key ecological functional areas, ecological protection red lines, nature reserves and other areas with important ecological functions or sensitive and fragile ecological environments around production and operation sites;
- (3) Measures taken and results achieved in the protection of wildlife and plants, as well as the restoration of natural habitats;
- (4) Measures taken and results achieved in the protection, sustainable utilisation, access and benefit sharing, monitoring and early warning and risk management of biological genetic resources;
- (5) The actions taken and the results achieved to reduce the impact and dependence of the entire product lifecycle on ecosystems, biological species and their habitats, biological genetic resources, etc.



# Biodiversity Disclosure Framework



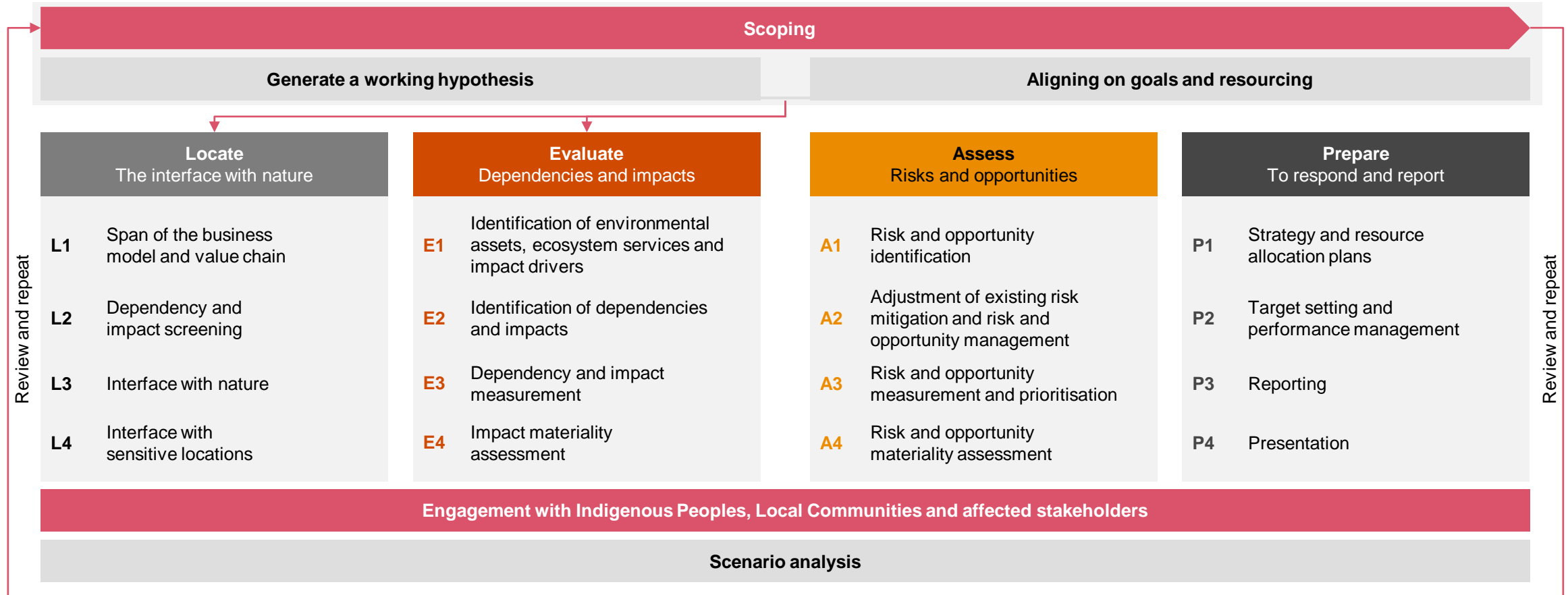
 <b>TNFD's recommended disclosures</b>			
Governance	Strategy	Risk & Impact Management	Metrics & Targets
<p>Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.</p>	<p>Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.</p>
 <b>Additional recommendations compared to the TCFD</b>			
<p>Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders</p>	<p>Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.</p>	<p>Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s) .</p>	<p>Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature</p>

Source: Recommendations of the Taskforce on Nature-related Financial Disclosures, September 2023



# Methods for managing biodiversity issues

TNFD has proposed a work method (LEAP) consisting of four stages: Locate, Evaluate, Assess and Prepare, to support companies in assessing nature-related impacts and dependencies on their direct operations and value chains, and prioritising nature-related risks and opportunities. The LEAP method emphasises the incorporation of a science-based, location first approach into company and portfolio risk management. Through this method, companies can better understand and respond to nature-related risks, seize nature-related opportunities and achieve sustainable development in strategic planning and operations.



Source: Recommendations of the Taskforce on Nature-related Financial Disclosures, September 2023



# Examples of ESG disclosure for Hong Kong listed companies



Henderson Land is one of the early adopters to align with the TNFD recommendations by 2025

## Henderson Land



### About the company

As a constituent of the Hang Seng Composite LargeCap Index, Henderson Land Development Company Limited is a leading property developer founded in 1976 with main operations in Hong Kong and the Chinese Mainland. Its core businesses consist of investment holding, property development and investment, construction, project and property management, department store and supermarket operations, hotel operation, travel and food and beverage operations, gas production and distribution.

Source: Henderson Land Sustainability Report 2023

TNFD: Initiated the LEAP assessment, as recommended by TNFD, to understand how its business activities depend on and affect the natural world

“In 2023, the Group embarked on our nature-positive journey with the primary objective of gaining a deeper understanding of the intricate relationship between our real estate portfolio and the natural world. We have initiated the LEAP assessment, an approach recommended by the TNFD.

The Group’s initial phase of LEAP assessment focused on undertaking the Locate and Evaluate steps within our direct operations. The outcomes of these initial steps will serve as a foundation for the subsequent Assess and Prepare steps, enabling us to acquire a comprehensive understanding of the specific natural context surrounding our direct operations and further analyse and prepare for nature related risks and opportunities. Additionally, outcomes from Locate and Evaluate steps will inform our approach to understanding and managing nature-related issues across our entire value chain.”

Dependency heatmap of our business activities

Heat: the different segments of the real estate sector are dependent on the ecosystems services, focusing on the ecosystem services with high dependencies.

Ecosystem services	Description of dependency (adapted from TNFD)	Exposure by stage and type			
		1. Supply development (construction)	2. Property management	Operational use and maintenance	Use
▲ Tropical cyclone	Storms can damage buildings, cause flooding, and power outages, leading to temporary or permanent company closures and revenue loss.	●	●	●	●
▲ Landslide	Landslides pose risks to human life and economic activities, often caused by human disturbances like land-cover change and infrastructure expansion.	●	●	●	●
▲ Extreme heat	Extreme heat affects human health and various sectors, including the built environment, by influencing building and infrastructure design.	●	●	●	●
● Surface water	Surface water is provided through freshwater resources from collected precipitation and water flows from natural sources.	●	●	●	●
● Ground water	Groundwater is water stored underground in permeable rocks, soil, and sand, sourced from rainfall, snow-melts, and natural freshwater resources.	●	●	●	●

Legend: ● Low, ● Medium, ● High, ● No impact  
● TNFD core, ● TNFD non-core

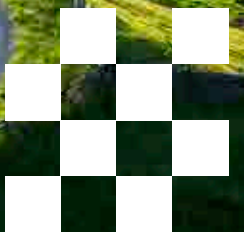
- Henderson Land Sustainability Report 2023



03

# Details of the Study

- 3.1 Overview
- 3.2 Mandatory disclosure requirements
- 3.3 Management and disclosure of environmental information
- 3.4 Management and disclosure of social information





# Overview: Format for disclosure

The ESG information disclosure level of Hong Kong listed companies has reached a new height, with steadily rising comprehensiveness and coverage reached over the years. Listed companies prepare independent reports on industry-specific and company-specific key issues, based on their respective operations and in compliance with the HKEX ESG Reporting Guide. Companies disclose qualitative and quantitative information in a differentiated manner according to the importance of the issues, reflecting the deep understanding and high importance that listed companies attach to ESG issues.

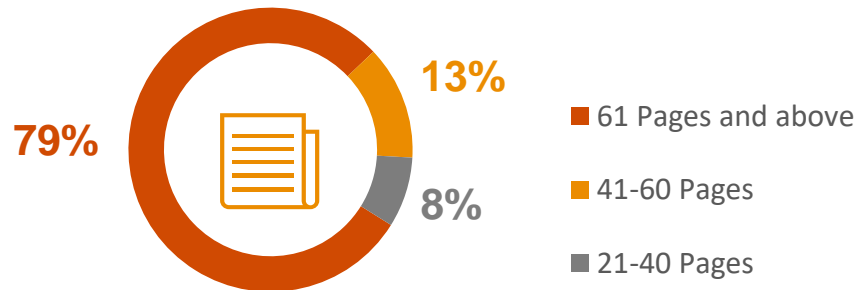
## Data analysis and interpretation

According to the study:

**81%** of the samples disclosed stand-alone ESG reports.

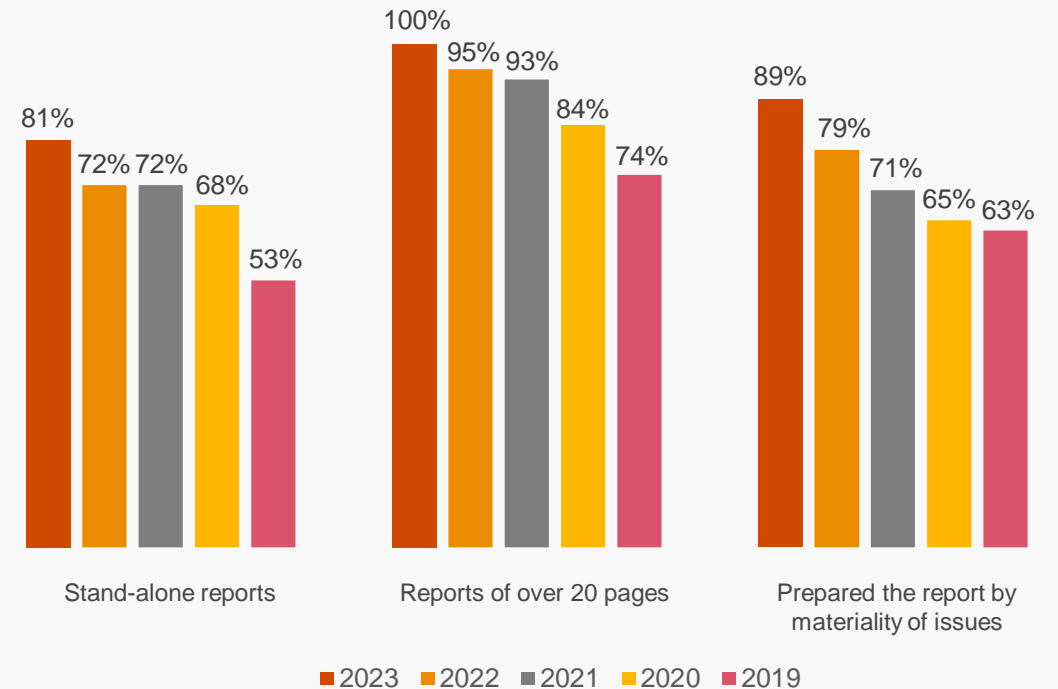
**100%** of the reports were over 20 pages, of which **79%** were over 60 pages, **13%** were between 41 pages and 60 pages, **8%** were between 21 pages and 40 pages.

Analysis on reports of over 20 pages



Nearly **9/10** of the samples prepared reports by materiality of the ESG issues.

## Report disclosure formats



# Overview: Reporting standards

Hong Kong listed companies exhibit diversity and internationalisation in choosing ESG reporting standards. In addition to complying with the requirements of the HKEX ESG Reporting Guide, an increasing number of companies have incorporated other relevant international reporting standards, such as GRI standards, TCFD frameworks, SASB guidelines, etc. when preparing ESG reports.



## Data analysis and interpretation

The proportion of Hong Kong listed companies following reporting standards in addition to the ESG Reporting Guide has been increasing over the years. **64%** of the samples referred to other reporting standards, among which are:

- The adoption rate of the Global Reporting Initiative (“GRI”) standards reached **88%**. **38%** of the samples declared use of TCFD framework. Among the top 9 reporting standards by adoption rates, 4 are China’s ESG standards.
- The selection of reporting standards by sampled companies reflects industry characteristics, indicating the increasing sophistication of China’s ESG disclosure system with industry-specific features.
- It is worth noting that some companies stated in their reports that they have used the methodologies of ESG rating agencies, proactively addressing investors’ concerns through ESG reporting.



**64% of sampled companies referred to other reporting standards, among which are:**

GRI Standards	88%
TCFD Framework	38%
SASB Standards	19%
SSE guidelines	14%
Chinese Corporate Social Responsibility Report Preparation Guide (CASS-CSR4.0/CASS-ESG5.0)	13%
ISO 26000: Guidance on Social Responsibility	11%
Methodologies of ESG rating agencies	7%
Guidelines of Shenzhen Stock Exchange for the Regulated Operation of Listed Companies by Shenzhen Stock Exchange (SZSE)	4%
Guidelines on Social Responsibility (GB/T 36000-2015)	3%



# Overview: Organisation structure

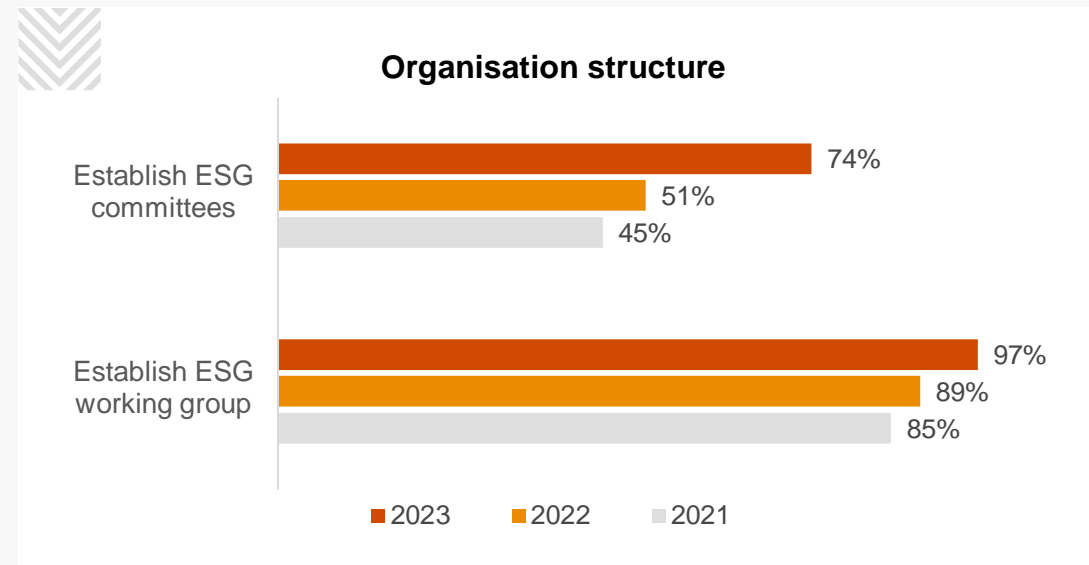
A sound ESG governance structure is the cornerstone for companies to achieve sustainable development. In recent years, Hong Kong listed companies have shown significant progress and deepening in the establishment and improvement of ESG governance structures. Many companies have elevated the oversight of ESG matters to the Board-level, and have established ESG committees and ESG working groups according to their specific ESG risks to effectively promote the implementation of corporate ESG strategies.

## Data analysis and interpretation

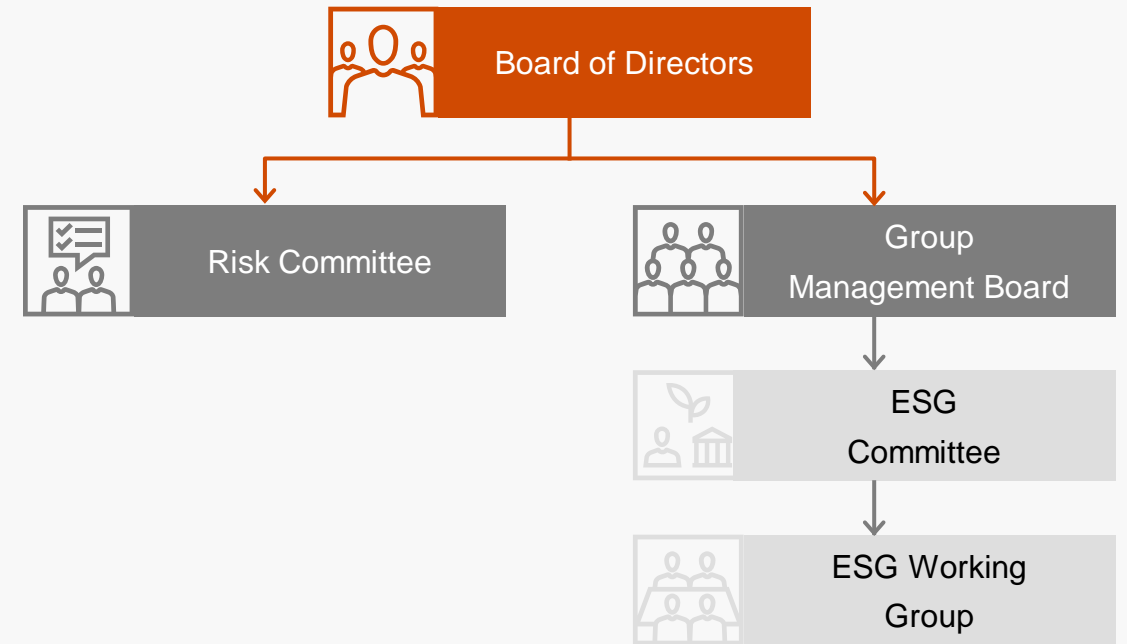
According to the study,

**74%** of the samples have established ESG committees.

**97%** of the samples have established ESG working groups.



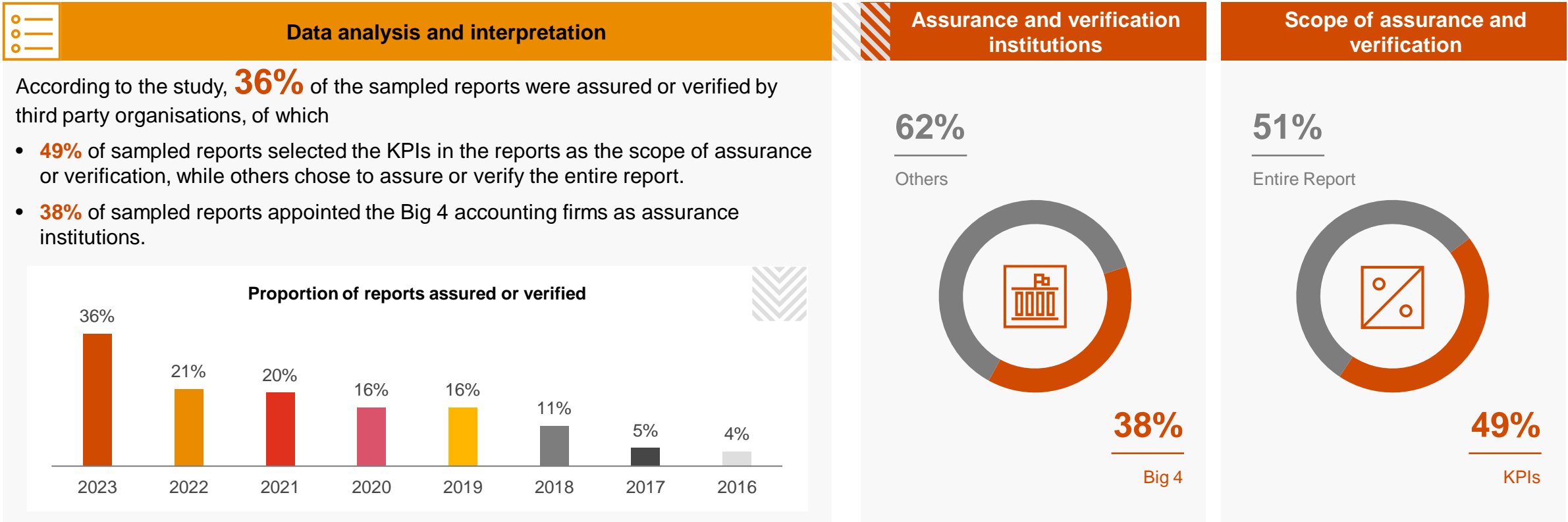
The board of directors of a listed company can establish an ESG governance structure suitable to its own business. An example of the ESG governance structure is as follows:



Source: Making Inroads into Good Corporate Governance and ESG Management

# Overview: Reporting assurance

The quality and credibility of ESG information disclosure are crucial for users. The Corporate Sustainability Reporting Directive (CSRD) issued by EU requires in-scope companies to provide limited assurance on sustainability reports, Global ESG reporting standards such as Sustainability Reporting Standards issued by GRI encourages companies to obtain independent assurance and disclose the results in their ESG reports, and IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information issued by the ISSB requires companies to state the third-party assurance of ESG disclosure indicators. At the same time, in order to enhance information transparency and reliability, HKEX also encourages listed companies to obtain independent assurance on ESG reports. Listed companies should consider obtaining independent third-party assurance on ESG reports to enhance the credibility of ESG information disclosure.





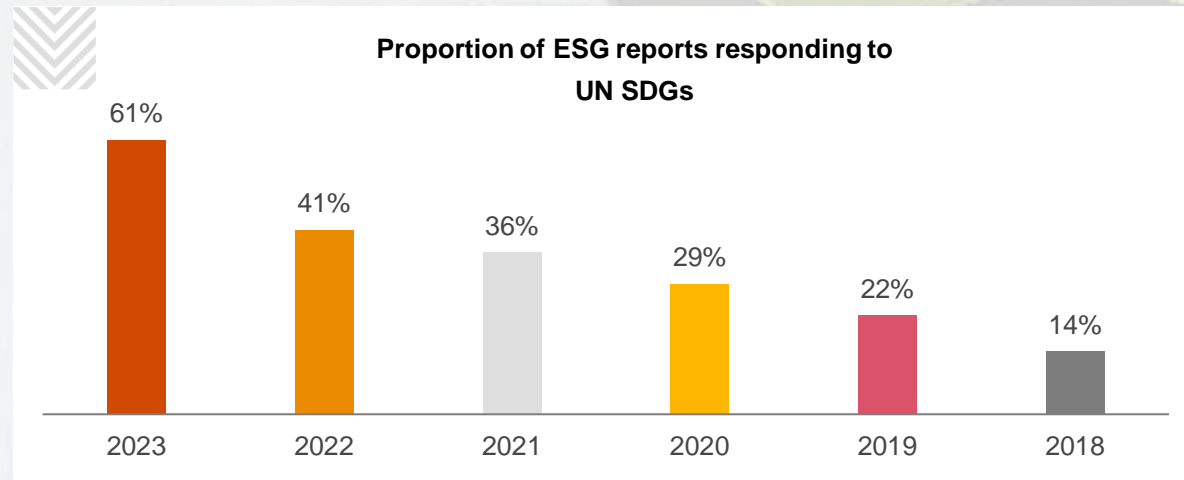
# Overview: Response to UN SDGs



## Data analysis and interpretation

An increasing number of ESG reports have referred to UN SDGs over the past years. According to the study,

**61%** of listed companies have responded to SDGs in their ESG reports and among those, around **44%** have identified key SDGs and have set their targets and KPIs.



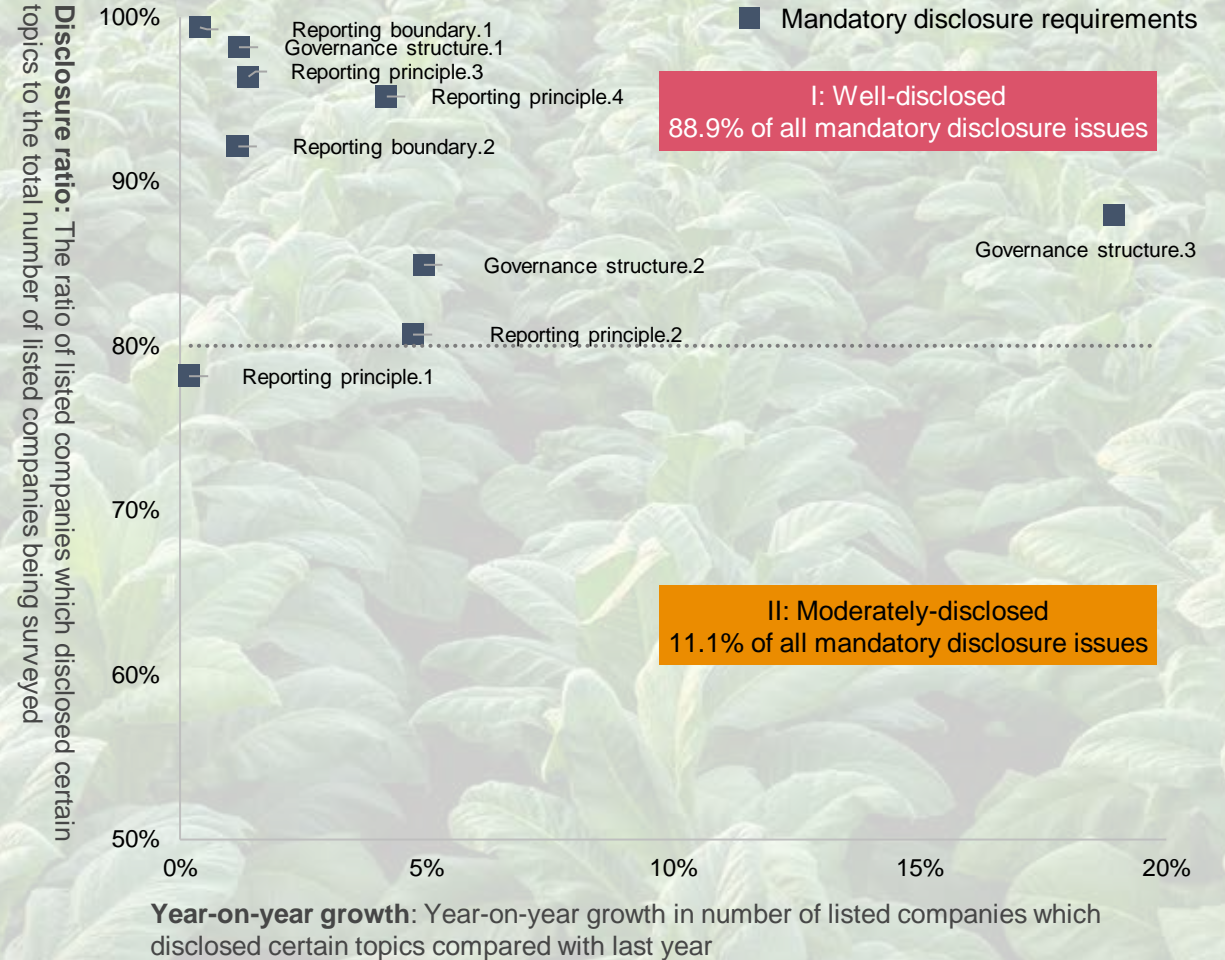
Listed companies in Hong Kong have increasingly responded to the UN SDGs in their ESG reports. More than half of the listed companies have addressed all 17 UN SDGs. They have identified key SDGs and set relevant targets and KPIs based on their business characteristics, and committed to forming a long-term ESG work mechanism.



Source: The United Nations

# Mandatory disclosure requirements

No.	Content
Governance structure.1	Disclosure of the board's oversight of ESG matters
Governance structure.2	The board's ESG management approach and strategy, including the processes used to evaluate, prioritise and manage material ESG related matters (including risks to the issuer's businesses)
Governance structure.3	How the board reviews the progress against ESG-related targets, with an explanation of how they relate to the issuer's business
Reporting principle.1	Description or explanation of the application of the reporting principles (materiality, quantitative, consistency) in preparation of ESG reports
Reporting principle.2	The process to identify and the criteria for the selection of material ESG factors
Reporting principle.3	Description of significant stakeholders identified and the process of the issuer's stakeholder engagement
Reporting principle.4	The results of the issuer's stakeholder engagement
Reporting boundary.1	Explanation of the reporting boundary of the ESG report
Reporting boundary.2	Description of the process used to identify which entities or businesses are incorporated in the report

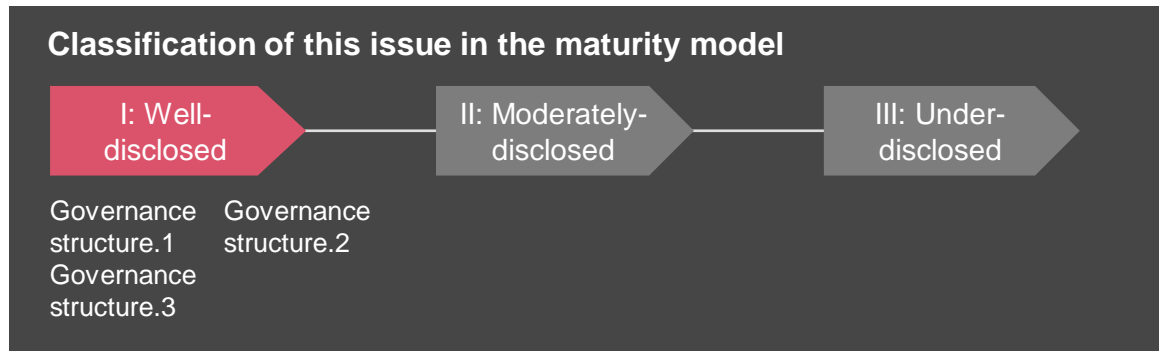
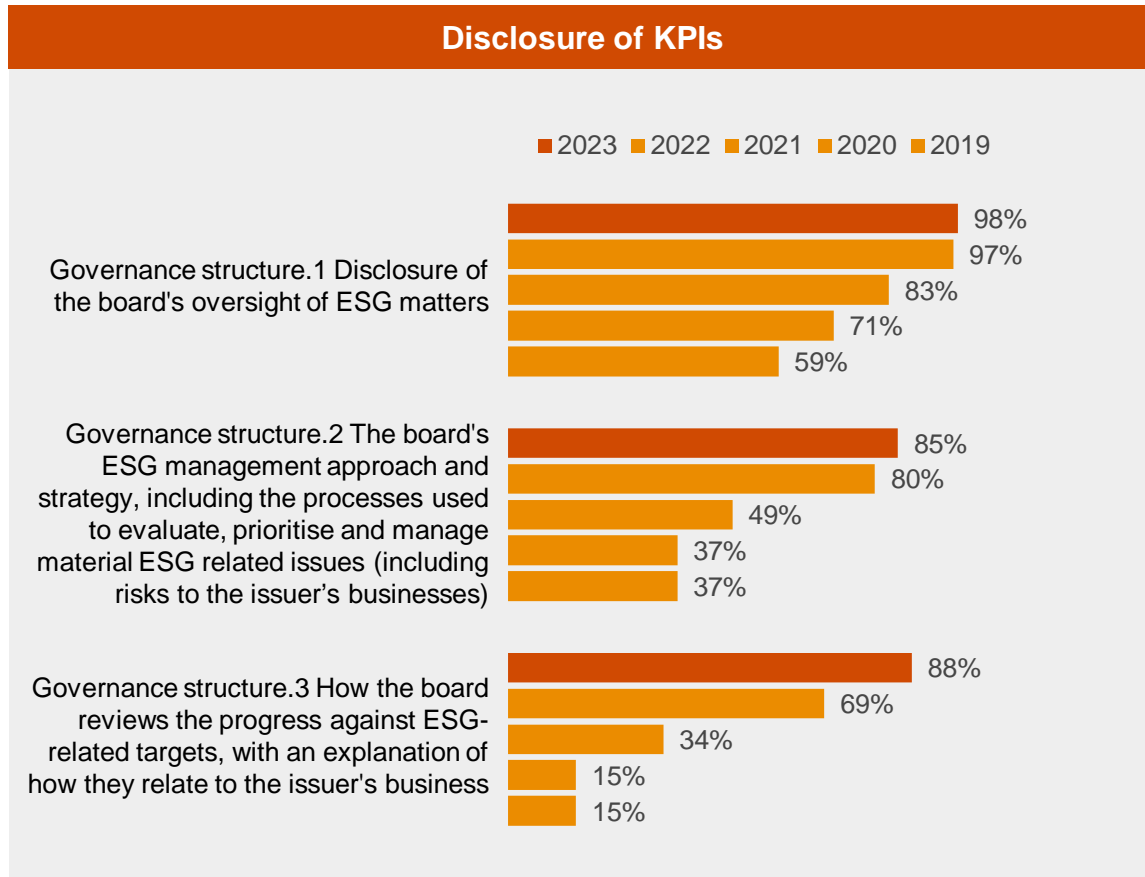




# Mandatory disclosure requirements: Governance structure



The board of a listed company has the overall responsibility for the company's ESG management, strategy and reporting. The board needs to oversee the assessment of the company's environmental and social impacts, understand the potential impacts of ESG-related matters on the business model and associated risks, evaluate significant ESG-related matters, develop an ESG strategy that is conducive to the company's long-term development, set ESG management targets with guiding significance, supervise the implementation of various ESG policies and regularly review the progress towards the targets. Additionally, in accordance with the requirements of the consultation paper issued by HKEX, listed companies shall timely disclose how climate-related considerations are factored into remuneration policy, and further improve the internal management mechanisms to achieve sustainability objectives.



### Data analysis and interpretation

There is still room for improvement in the disclosure of indicators related to the governance structure. According to the study,

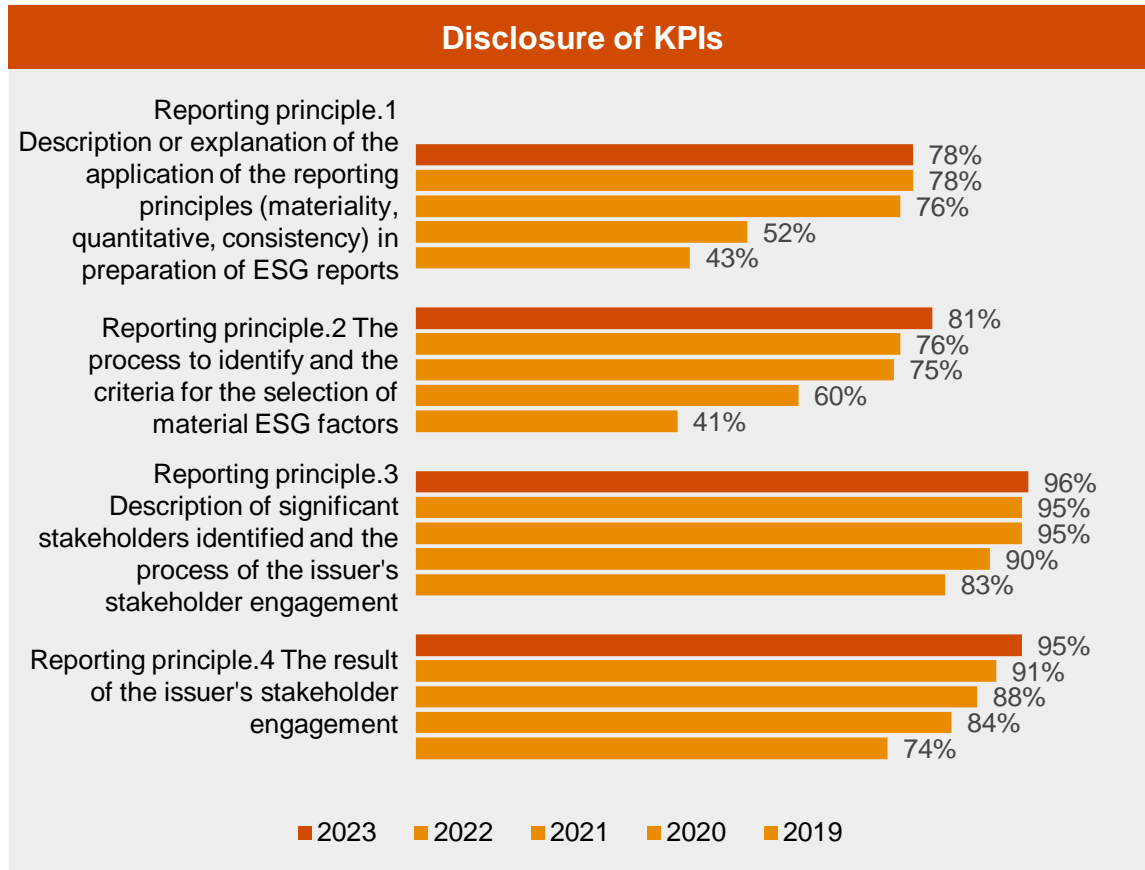
- **98%** of the samples have disclosed the board's oversight of ESG matters.
- **85%** of the samples have disclosed the board's ESG management approach and strategy.
- **88%** of the samples have disclosed the board's concern about ESG-related targets.



# Mandatory disclosure requirements: Reporting Principle



Listed companies should base their ESG reporting and decision-making on the principles of "materiality", "quantitative", "balance" and "consistency" to ensure the relevance, reliability and timeliness of disclosure. Listed companies should conduct a materiality assessment to identify "material" issues, or adopt the CSRD's "double materiality" principle which considers both "financial materiality" and "impact materiality" in managing and disclosing ESG matters. For the routine practice of ESG information collection and management, listed companies should adhere to the "quantitative" principle to make accurate statistics and records of ESG data, while complying with the "consistency" principle to maintain data continuity and comparability



### Classification of this issue in the maturity model

I: Well-disclosed
II: Moderately-disclosed
III: Under-disclosed

Reporting principle.2, Reporting principle.4 (I: Well-disclosed)  
 Reporting principle.3 (II: Moderately-disclosed)  
 Reporting principle.1 (III: Under-disclosed)

### Data analysis and interpretation

According to the study,

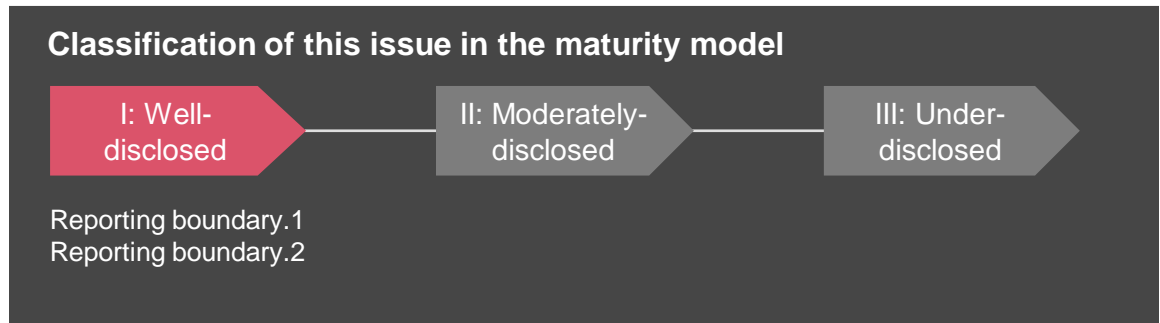
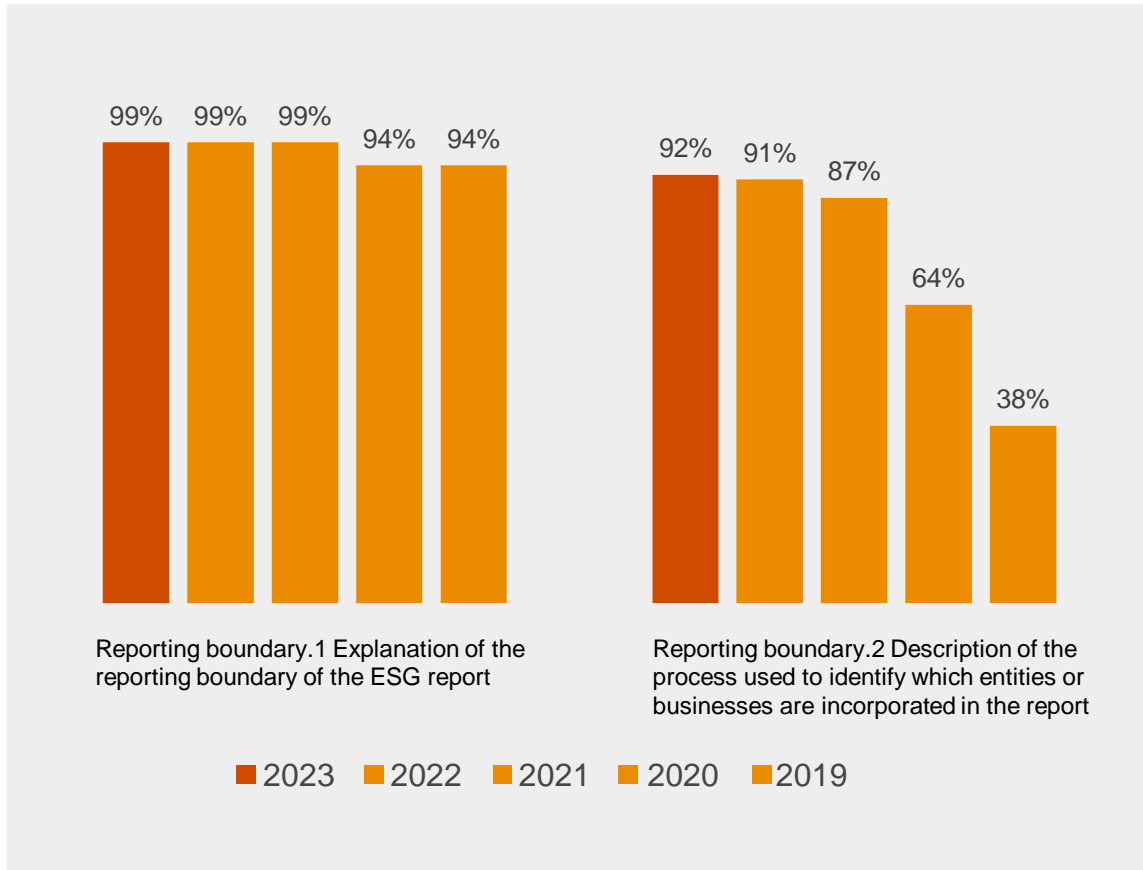
- 78% of the sampled companies have explained how the reporting principles are applied in ESG reports.
- 81% of the sampled companies have disclosed the process to identify and the criteria for the selection of material ESG factors.
- 96% of the sampled companies have disclosed the description of significant stakeholders identified and the process of the issuer's stakeholder engagement.
- 95% of the sampled companies have disclosed the results of the issuer's stakeholder engagement.



# Mandatory disclosure requirements: Reporting boundary



Listed companies should establish criteria for selecting the scope of their ESG reports and clarify the reporting boundaries. They should determine which entities or businesses to incorporate in the ESG report based on factors such as their business activities, financial impact, risk levels and the concerns of stakeholders, and explain the reporting scope. The disclosure scope of the ESG report should cover company organisations with "material" impacts. Listed companies may use different disclosure scopes and statistical approaches for different ESG aspects; in such cases, the company should provide detailed explanations in the report.



### Data analysis and interpretation

In view of the reporting boundary with good disclosure, the study shows that,

- **99%** of the sampled companies have disclosed the reporting boundary of the ESG report.
- **92%** of the sampled companies have disclosed the process to identify which entities or businesses are incorporated in the report.



# Mandatory disclosure requirements: Reflection on this section

## The analysis of the sampled ESG reports for 2023 indicates that:

- The board has a high level of supervision over ESG matters, descriptions of identified key stakeholders and disclosure of the issuer's stakeholder participation process and explanation of the reporting scope of ESG reports, with a disclosure rate of over 95%.
- The disclosure rate of the board's ESG management policies and strategies, as well as the process of reviewing ESG related goals, identifying important environmental, social and governance factors, and the criteria for selecting these factors, has significantly increased compared to previous years, and there is still some room for improvement.
- The company needs to further describe or explain how it applies reporting principles in preparing ESG reports, including the level of disclosure and the quality of disclosure for reporting principles of importance, quantification and consistency.

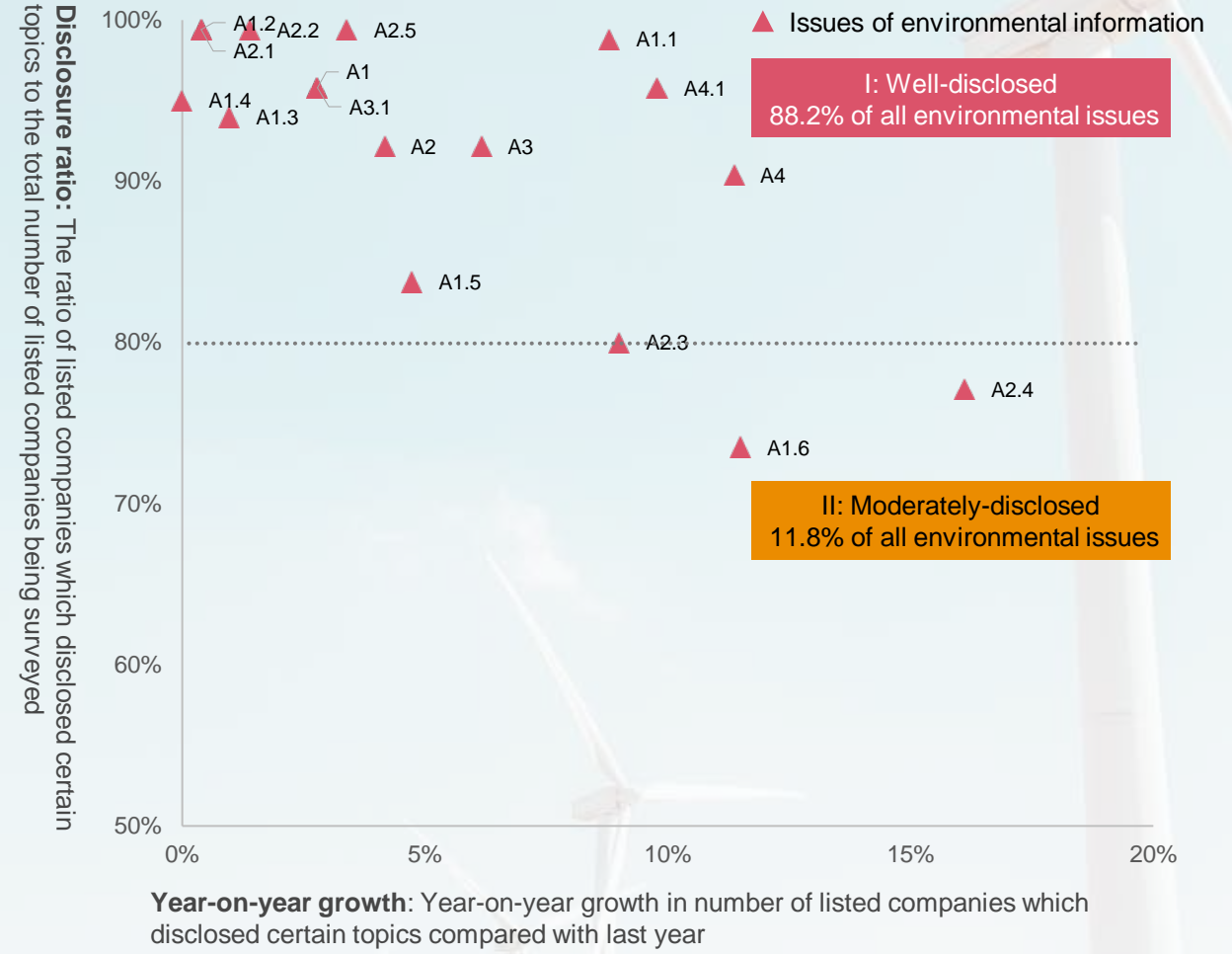
## To improve the quality of topic disclosure and actual management effectiveness of mandatory disclosure regulations, we put forward the following recommendations:

- It is recommended that listed companies align with international reporting standards and frameworks, benchmark and refer to excellent disclosure practices, and enhance the quality and credibility of ESG information disclosure.
- It is recommended that listed companies establish a detailed ESG target review process, including progress evaluation, data collection and verification, historical comparison and baseline setting, to ensure the traceability of the targets.
- It is recommended that the management of listed companies regularly report ESG progress to the board of directors, including progress in achieving goals and industry benchmarks, to promote the board's in-depth understanding and decision-making on ESG issues.
- It is recommended that listed companies publicly and transparently disclose the review results of ESG goals. For goals that have not been achieved, reasons should be explained and improvement measures or adjustment plans should be proposed.
- It is recommended that listed companies conduct systematic importance assessments, identify ESG issues that have a significant impact on investors and stakeholders, and disclose this assessment process and its results in ESG reports.



# Management and disclosure of environmental information

No.	Content
<b>A1</b>	<b>Emission policies and regulations</b>
A1.1	The types of emissions and respective emissions data
A1.2	Greenhouse gas emissions and intensity
A1.3	Total hazardous waste produced and intensity
A1.4	Total non-hazardous waste produced and intensity
A1.5	Emission targets
A1.6	Waste reduction targets
<b>A2</b>	<b>Policies on the efficient use of resources</b>
A2.1	Energy consumption in total and intensity
A2.2	Water consumption in total and intensity
A2.3	Energy use efficiency targets
A2.4	Water efficiency targets
A2.5	Total packaging material used for finished products and intensity
<b>A3</b>	<b>Policies on environment and natural resources</b>
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them
<b>A4</b>	<b>Climate change policy</b>
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them



# Management and disclosure of environmental information



## A1: Emissions

**A1** **96%** disclosed

96% of the sampled companies have disclosed A1, which are the policies relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste as well as relevant laws and regulations that have significant impacts on the issuer.

### Disclosure of KPIs

#### A1.1 The types of emissions and respective emissions data



#### A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)



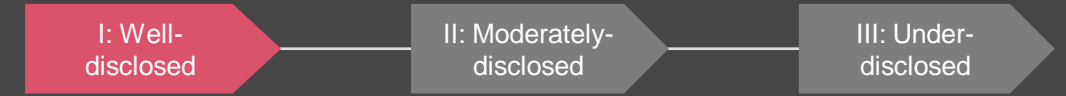
#### A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)



#### A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)



### Classification of this issue in the maturity model



A1 A1.1 A1.2 A1.3 A1.4

### Data analysis and interpretation

According to the study,

- **99%** of the sampled companies have disclosed A1.1 the types of emissions and respective emissions data.
- **99%** of the sampled companies have disclosed A1.2 greenhouse gas data, of which **31%** of the sampled issuers have disclosed the data of Scope 3 on the basis of Scope 1 and Scope 2.
- **94%** and **64%** of the sampled companies have disclosed A1.3 hazardous waste data and the data of hazardous waste intensity, respectively.
- **95%** and **71%** of the sampled companies have disclosed A1.4 non-hazardous waste data and the data of non-hazardous waste intensity, respectively.





# Management and disclosure of environmental information



## A2: Use of resources

**A2** **92%** disclosed

92% of the sampled companies have disclosed policies relating to A2 the efficient use of resources, including energy, water and other raw materials.

### Disclosure of KPIs

#### A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)



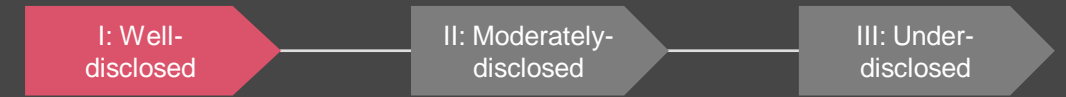
#### A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)



#### A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced



### Classification of this issue in the maturity model



A2 A2.1  
A2.2 A2.5

### Data analysis and interpretation

According to the study,

- **99%** and **83%** of the sampled companies have disclosed A2.1 energy consumption data and energy consumption intensity, respectively.
- **99%** and **89%** of the sampled companies have disclosed A2.2 water consumption data and water consumption intensity, respectively.
- **99%** of the sampled companies have disclosed A2.5 packaging material data.



# Management and disclosure of environmental information



## A3: The environment and natural resources

A3 **92%** disclosed  
92% of the sampled companies have disclosed policies relating to A3 minimising the significant impacts the issuer has on the environment and natural resources.

### Disclosure of KPIs

#### A3.1 Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them



### Classification of this issue in the maturity model

A3 A3.1

### Data analysis and interpretation

According to the study,

- **96%** of the sampled companies have disclosed A3.1 the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.





# Management and disclosure of environmental information

## A4: Climate change

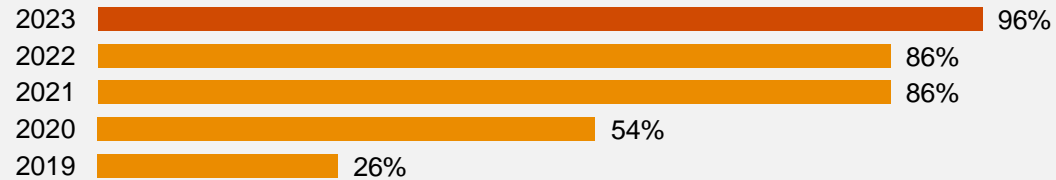


**A4** **90%**  
**disclosed**

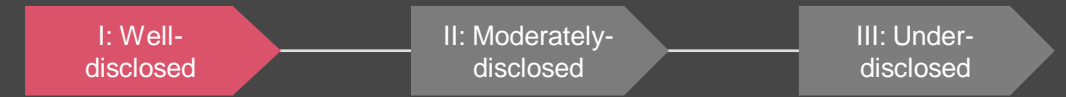
90% of the sampled companies have disclosed policies relating to A4 identification and mitigation of significant climate-related issues which have impacted or may impact the issuer.

### Disclosure of KPIs

#### A4.1 Description of the significant climate-related issues which have impacted or may impact the issuer, and the actions taken to manage them



### Classification of this issue in the maturity model

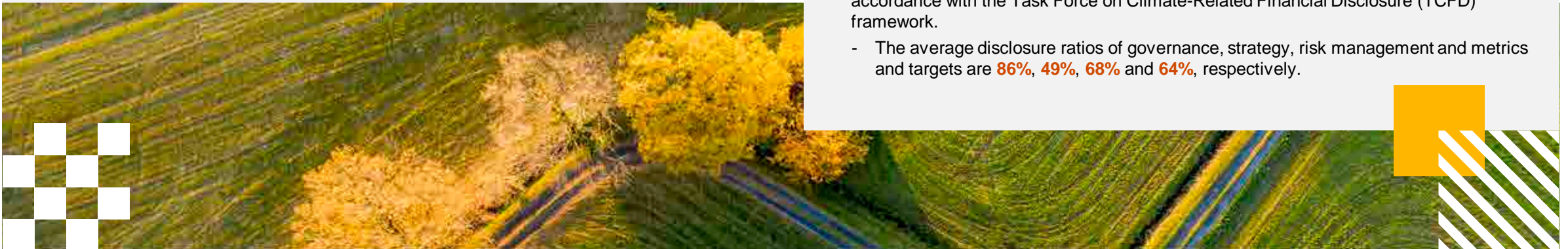


A4 A4.1

### Data analysis and interpretation

According to the study,

- **96%** of the sampled companies have disclosed A4.1 significant climate-related issues and the actions taken to manage them, and the level of disclosure has been significantly improved.
- Some companies have begun to disclose climate change-related information in accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) framework.
  - The average disclosure ratios of governance, strategy, risk management and metrics and targets are **86%**, **49%**, **68%** and **64%**, respectively.



# Management and disclosure of environmental information



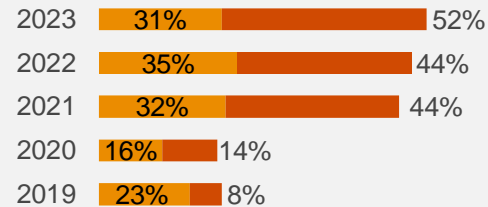
## Environmental targets

### Environmental targets

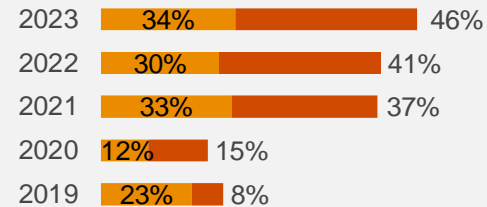
In 2019, the New Rules revised the disclosure provisions of four KPIs, i.e., A1.5, A1.6, A2.3 and A2.4, requiring listed companies to formulate and disclose targets for emissions, waste reduction, energy consumption and water efficiency.

### Disclosure of KPIs

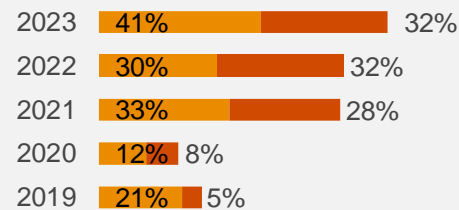
#### A1.5 Emission targets



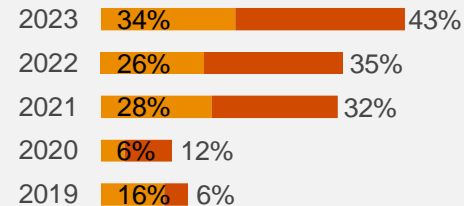
#### A2.3 Energy use targets



#### A1.6 Waste reduction targets



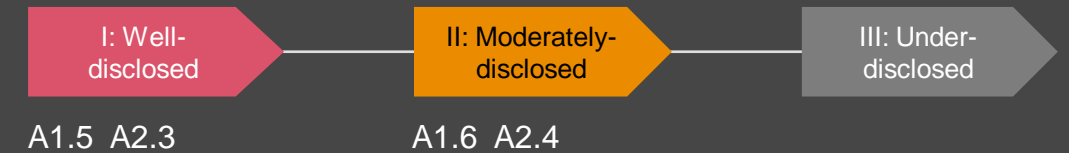
#### A2.4 Water-saving targets



Qualitative targets

Quantitative targets

### Classification of this issue in the maturity model



### Data analysis and interpretation

According to the study,

- **83%**, **31%** and **52%** of the sampled companies have disclosed A1.5 emission targets, qualitative targets and quantitative targets, respectively.
- **73%**, **41%** and **32%** of the sampled companies have disclosed A1.6 waste reduction targets, qualitative targets and quantitative targets, respectively.
- **80%**, **34%** and **46%** of the sampled companies have disclosed A2.3 energy use targets, qualitative targets and quantitative targets, respectively.
- **77%**, **34%** and **43%** of the sampled companies have disclosed A2.4 water-saving targets, qualitative targets and quantitative targets, respectively.





# Reflection on this section

## The analysis of the sampled ESG reports for 2023 indicates that:

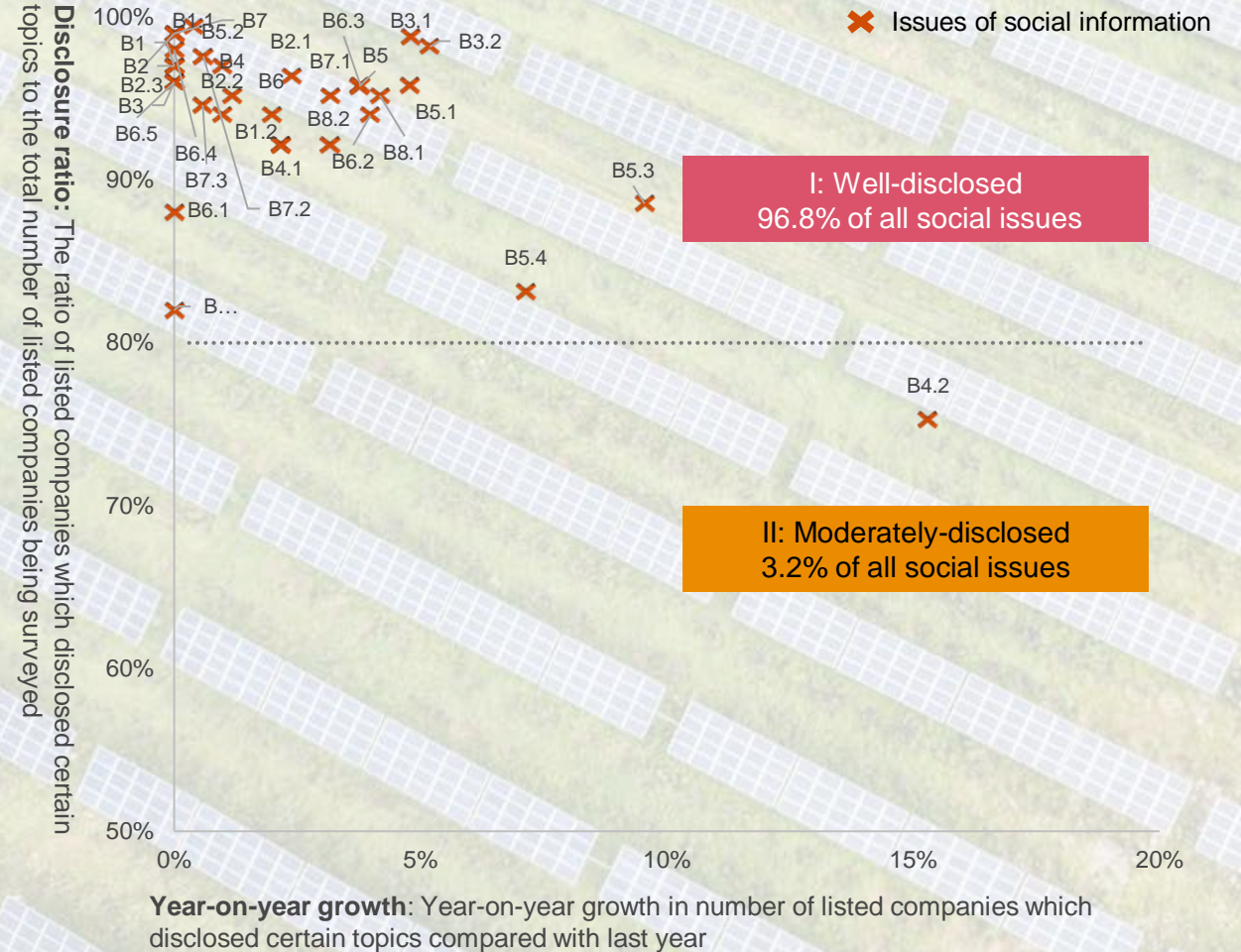
- Listed companies made relatively satisfactory disclosures with respect to A1 emissions, A2 use of resources, A3 the environment and natural resources and A4 climate change, with the disclosure ratio of each issue reaching 90%. The overall disclosure of the environmental category is relatively complete.
- Over 2/3 of listed companies have disclosed environmental targets, with a slight increase in the disclosure ratio of quantitative environmental targets for A2.3 energy use targets and A2.4 water conservation targets, so there is still room for improvement.
- The average disclosure rate of climate change in governance, strategy, risk management, indicators and targets by listed companies in ESG reports has increased compared to previous years, and the overall disclosure level of climate change has improved.

## We put forward the following suggestions in regard to improving the quality of disclosure and management effectiveness of environmental issues:

- It is recommended that listed companies accelerate the establishment of an environmental performance indicator management system, improve data processing efficiency and strengthen the accuracy, completeness and consistency of disclosed data.
- It is recommended that listed companies familiarise themselves with and master the relevant requirements of climate information disclosure on the HKEX as soon as possible, and actively cultivate and enhance their ability to disclose climate related information.
- It is recommended that listed companies incorporate environmental risks into their overall risk management framework, clarify the tasks and responsibilities of climate risk monitoring functions and incorporate longer-term climate change impacts into their strategic planning.
- It is recommended that listed companies take multiple measures, such as conducting climate scenario analysis, assessing the potential impact of climate change on business operations and developing corresponding adaptation and mitigation measures, to improve the company's resilience to climate change.
- It is suggested that listed companies increase the board's attention to climate change, integrate climate factors into risk management and compensation policies, in order to strengthen climate information disclosure and improve management quality.
- It is recommended that listed companies carry out third-party authentication and verification, providing guarantees for the authenticity of enterprise information through the authority of third-party institutions, and improving the quality of information disclosure.

# Management and disclosure of social information

No.	Content	No.	Content
<b>B1</b>	<b>Employment policies and laws and regulations</b>	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored
B1.1	Total workforce	B5.4	Practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored
B1.2	Employee turnover rate	<b>B6</b>	<b>Product responsibility policies and regulations</b>
<b>B2</b>	<b>Health and safety policies and regulations</b>	B6.1	Percentage of recall for safety and health reasons
B2.1	Work-related fatalities	B6.2	Number of products and services related complaints and how they were handled
B2.2	Lost days due to work injury	B6.3	Practices to protect intellectual property rights
B2.3	Occupational health and safety measures, implementation and monitoring	B6.4	Quality assurance and recall procedures
<b>B3</b>	<b>Development and training policy</b>	B6.5	Consumer data protection and privacy policies, and their implementation and monitoring
B3.1	Percentage of employees trained	<b>B7</b>	<b>Anti-corruption policies and regulations</b>
B3.2	Average training hours completed per employee	B7.1	Number and outcome of legal cases for corrupt practices
<b>B4</b>	<b>Labour standards policies and regulations</b>	B7.2	Preventive measures and whistle blowing procedures, and their implementation and monitoring
B4.1	Measures to avoid child and forced labour	B7.3	Anti-corruption training
B4.2	Steps taken to eliminate violations of labour standards	<b>B8</b>	<b>Community investment policy</b>
<b>B5</b>	<b>Supply chain management policy</b>	B8.1	Focus contribution areas
B5.1	Number of suppliers by geographical region	B8.2	Resources contributed to the focus area
B5.2	Supplier engagement practices, number of suppliers for which the practices are implemented, and their implementation a monitoring methods		





# Management and disclosure of social information



## B1: Employment

**B1** **97%** disclosed

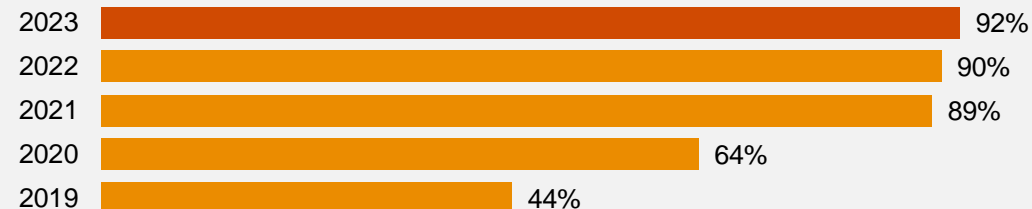
97% of the sampled companies have disclosed the information on their policies regarding compensation and dismissal, recruitment and promotion, working hours, rights to leaves, equal opportunity, diversity and other benefits and welfare and their compliance with relevant laws and regulations that have a significant impact on the issuer.

### Disclosure of KPIs

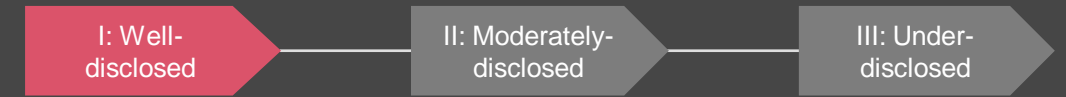
#### B1.1 Total workforce by gender, employment type (e.g., full-time or part-time), age group, and geographical region



#### B1.2 Employee turnover rate by gender, age group and geographical region



### Classification of this issue in the maturity model

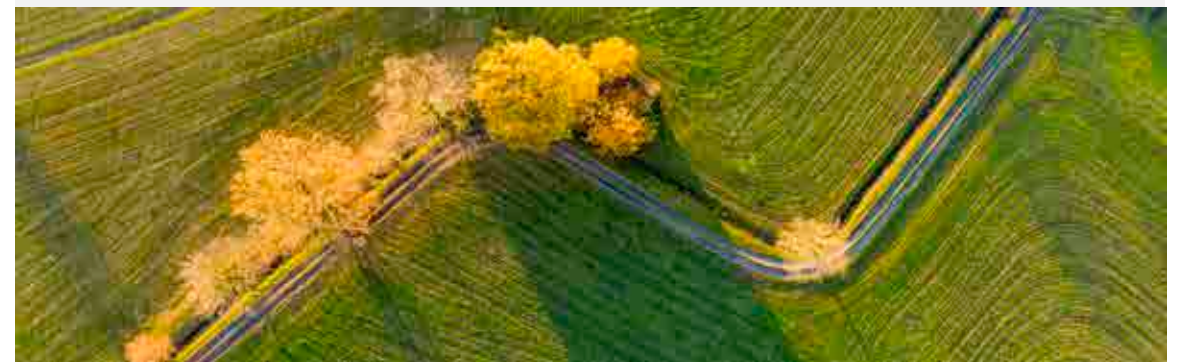


B1 B1.1 B1.2

### Data analysis and interpretation

According to the study,

- **99%** of the sampled companies have disclosed B1.1 total workforce by gender, employment type, age group and geographical region.
- **92%** of the sampled companies have disclosed B1.2 employee turnover rate by gender, age group and geographical region.



# Management and disclosure of social information



## B2: Health and safety

**B2** **97%** disclosed

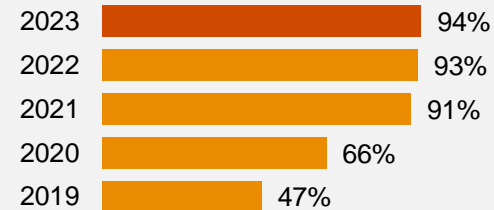
97% of the sampled companies have disclosed the information on their policies regarding providing a safe working environment and protecting employees from occupational hazards and their compliance with relevant laws and regulations that have a significant impact on the issuer.

### Disclosure of KPIs

#### B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year



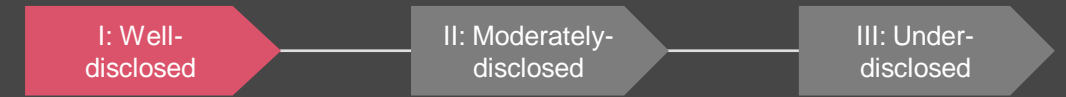
#### B2.2 Lost days due to work injury



#### B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored



### Classification of this issue in the maturity model

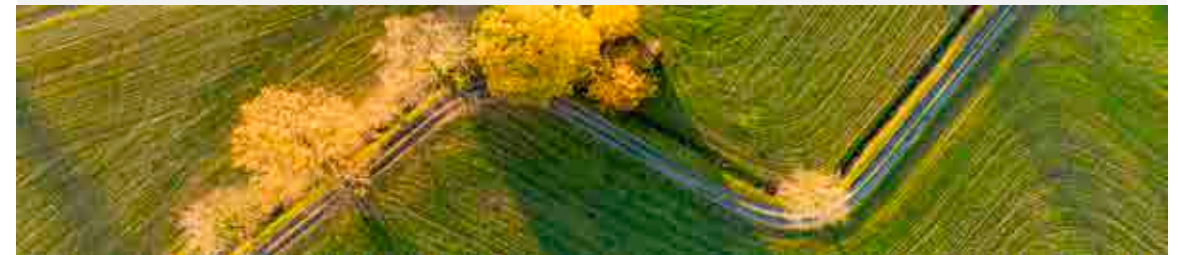


B2 B2.1 B2.2 B2.3

### Data analysis and interpretation

According to the study,

- **96%** of the sampled companies have disclosed B2.1 number and rate of work-related fatalities occurred in each of the past three years.
- **94%** of the sampled companies have disclosed B2.2 lost days due to work injury.
- **99%** of the sampled companies have disclosed B2.3 description of occupational health and safety measures adopted, and how they are implemented and monitored.





# Management and disclosure of social information

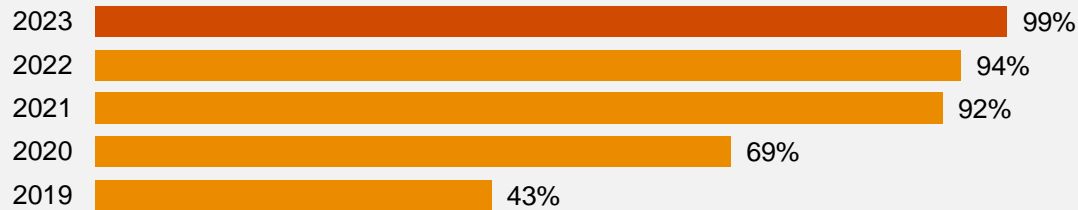


## B3: Development and training

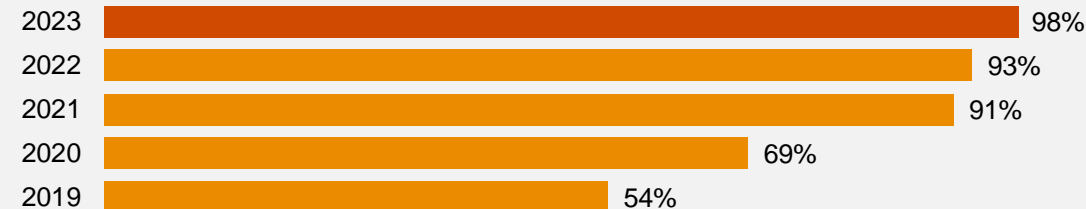
**B3** **96%** disclosed  
96% of sampled companies have disclosed their policies on improving employees' knowledge and skills for discharging duties at work.

### Disclosure of KPIs

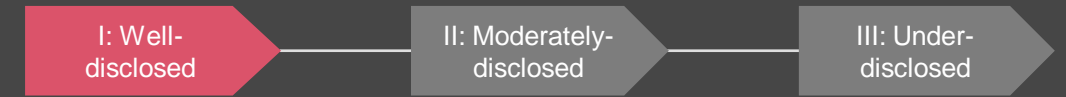
#### B3.1 The percentage of employees trained by gender and employee category



#### B3.2 The average training hours completed per employee by gender and employee category



### Classification of this issue in the maturity model

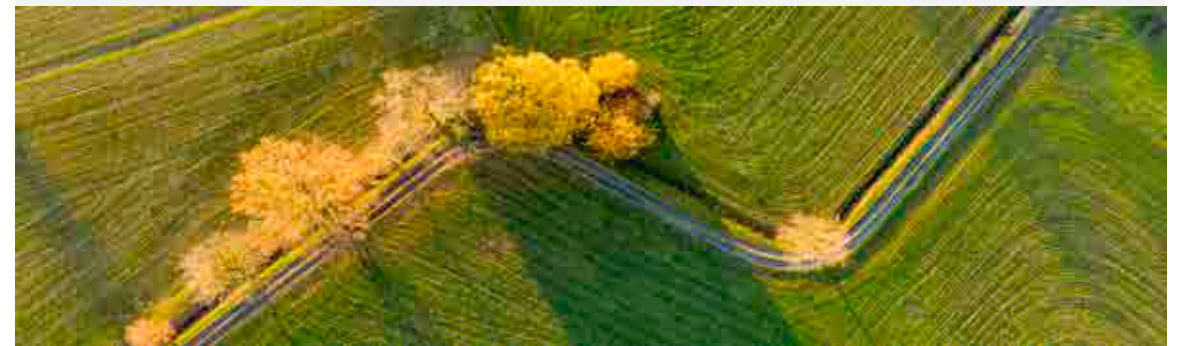


B3 B3.1 B3.2

### Data analysis and interpretation

According to the study, there was a significant increase in the disclosure ratio of the KPI related to development and training,

- **99%** of the sample companies have disclosed B3.1 the percentage of employees trained by gender and employment category.
- **98%** of the sample companies have disclosed B3.2 the average training hours completed per employee by gender and employee category.



# Management and disclosure of social information



## B4: Labour standards

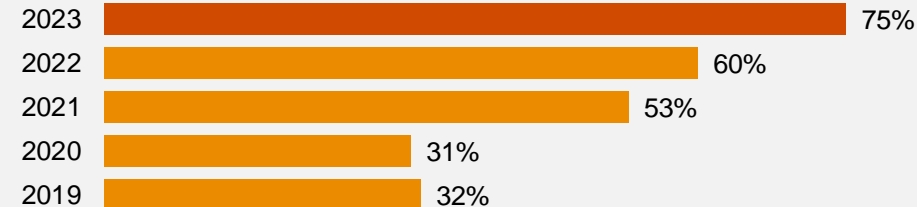
**B4** **95%** disclosed  
 95% of the sampled companies have disclosed the information on their policies regarding preventing child and forced labour and their compliance with relevant laws and regulations that have a significant impact on the issuer.

### Disclosure of KPIs

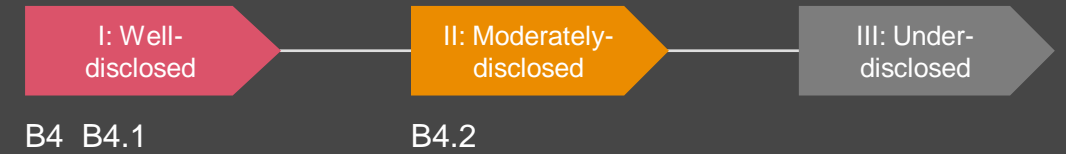
#### B4.1 Description of measures to review employment practices to avoid child and forced labour



#### B4.2 Description of steps taken to eliminate such practices when discovered



### Classification of this issue in the maturity model



### Data analysis and interpretation

According to the study,

- **92%** of the sampled companies have disclosed B4.1 description of measures to review employment practices to avoid child and forced labour.
- **75%** of the sampled companies have disclosed B4.2 description of steps taken to eliminate such practices when discovered.

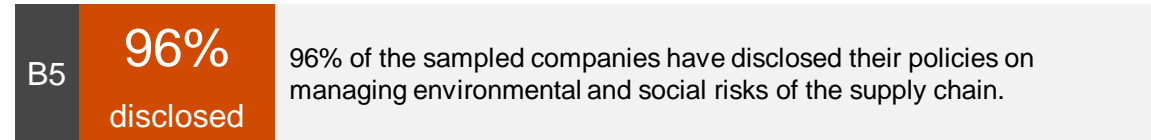




# Management and disclosure of social information

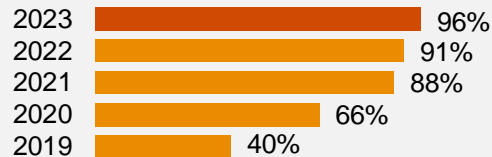


## B5: Supply chain management



### Disclosure of KPIs

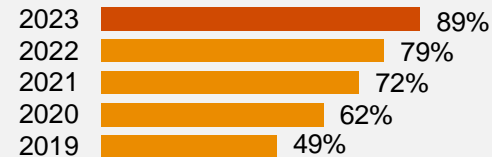
#### B5.1 Number of suppliers by geographical region



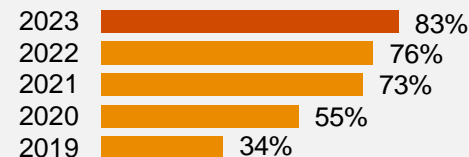
#### B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored



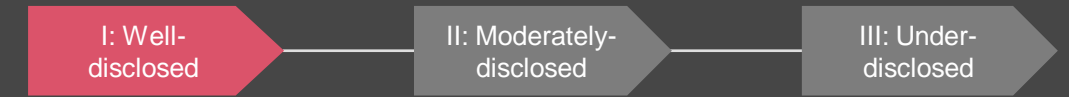
#### B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored



#### B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored



### Classification of this issue in the maturity model



B5 B5.1 B5.2  
B5.3 B5.4

### Data analysis and interpretation

According to the study,

- **96%** of the sampled companies have disclosed B5.1 number of suppliers by geographical region.
- **97%** of the sampled companies have disclosed B5.2 description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored.
- **89%** of the sampled companies have disclosed B5.3 description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.
- **83%** of the sampled companies have disclosed B5.4 description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.

# Management and disclosure of social information



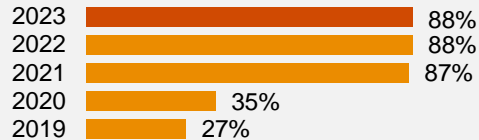
## B6: Product responsibility

**B6** **94%** disclosed

94% of the sampled companies have disclosed the information on their policies regarding the health and safety, advertising, labelling and privacy matters of the products and services provided and relevant rectification measures as well as their compliance with relevant laws and regulations that have a significant impact on issuers.

### Disclosure of KPIs

#### B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons



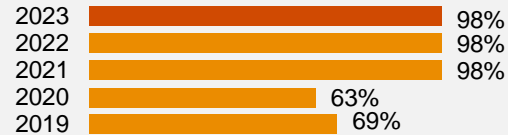
#### B6.2 Number of products and service related complaints received and how they are dealt with



#### B6.3 Description of practices relating to observing and protecting intellectual property rights



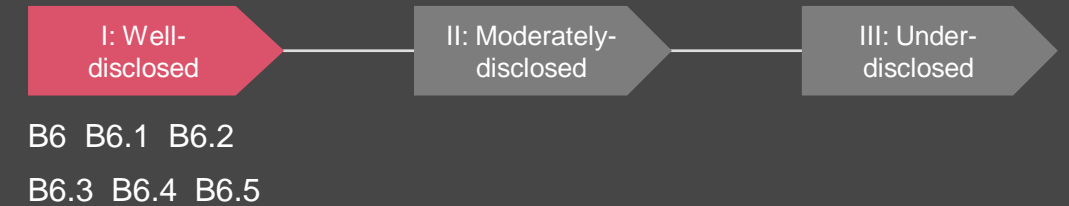
#### B6.4 Description of quality assurance process and recall procedures



#### B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored



### Classification of this issue in the maturity model



### Data analysis and interpretation

According to the study,

- **88%** of the sampled companies have disclosed B6.1 percentage of total products sold or shipped subject to recalls for safety and health reasons. This KPI is not applicable to certain listed companies with different business characteristics.
- **94%** of the sampled companies have disclosed B6.2 number of products and service related complaints received and how they are dealt with.
- **96%** of the sampled companies have disclosed B6.3 description of practices relating to observing and protecting Intellectual property rights.
- **98%** of the sampled companies have disclosed B6.4 description of quality assurance process and recall procedures. This KPI, like KPI 6.1, is subject to industry limitation.
- **96%** of the sampled companies have disclosed B6.5 description of consumer data protection and privacy policies and how they are implemented and monitored.



# Management and disclosure of social information



## B7: Anti-corruption

**B7** **99%** disclosed

99% of the sampled companies have disclosed the information on their policies regarding bribery, extortion, fraud and money laundering and their compliance with relevant laws and regulations that have a significant impact on the issuer.

### Disclosure of KPIs

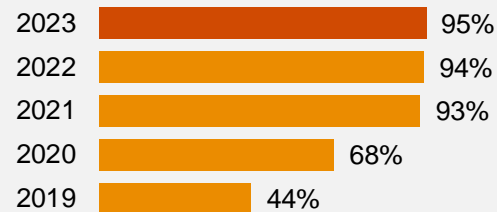
#### B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases



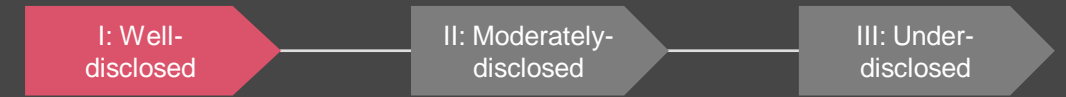
#### B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored



#### B7.3 Description of anti-corruption training provided to directors and staff



### Classification of this issue in the maturity model



B7 B7.1 B7.2 B7.3

### Data analysis and interpretation

According to the study,

- **95%** of the sampled companies have disclosed B7.1 number of concluded legal cases regarding corrupt practices and the outcomes of the cases.
- **98%** of the sampled companies have disclosed B7.2 description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.
- **95%** of the sampled companies have disclosed B7.3 description of anti-corruption training provided to directors and staff. B7.3 is a new KPI. This disclosure ratio has experienced significant growth in recent years.



# Management and disclosure of social information



## B8: Community investment

**B8** **82%** disclosed

82% of the sampled companies have disclosed their policies regarding enhancing community engagement to understand the needs of the communities where the issuer operates and to ensure the integration of the communities' interests in its activities.

### Disclosure of KPIs

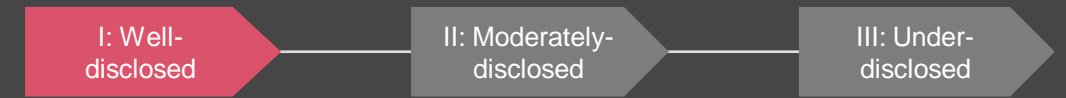
#### B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)



#### B8.2 Resources contributed (e.g. money or time) to the focus areas



### Classification of this issue in the maturity model



B8 B8.1 B8.2

### Data analysis and interpretation

According to the study,

- **95%** of the sampled companies have disclosed B8.1 focus areas of contribution.
- **92%** of the sampled companies have disclosed B8.2 resources contributed to the focus area.



# Reflection on this section

## The analysis of the sampled ESG reports for 2023 indicates that:

- Listed companies made relatively satisfactory disclosures with respect to B1 employment, B2 health and safety, B3 development and training, B7 anti-corruption and B8 community investment, with the disclosure ratio of each issue exceeding 90%.
- Listed companies' disclosures on KPIs related to labour standards such as prevention of child labour and forced labour, and B4.2 Description of steps taken to eliminate such practices when discovered have shown significant growth, but still needs to be improved.
- Listed companies' disclosure ratios of KPIs such as the risk identification of environmental and social risks in the supply chain and the encouragement of suppliers to use more environmentally friendly products and services have shown significant growth, but still needs to be improved.

## We put forward the following suggestions to enhance the quality of issue disclosure and management effectiveness in the social sphere:

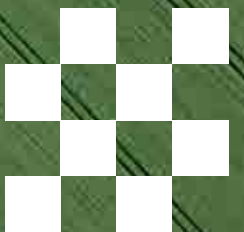
- It is recommended that listed companies establish an effective mechanism for preventing and responding to violations, including but not limited to auditing, investigating, handling and correcting behaviours that violate labour standards.
- It is recommended that listed companies improve their supply chain ESG management mechanisms, clarify the composition and management functions of relevant management teams and clarify the ESG management requirements for each link in the supply chain.
- It is recommended that listed companies establish a sound ESG regulatory mechanism for their supply chain, which includes regular internal audits, third-party verification and continuous improvement plans to ensure transparency and accountability in supply chain management.
- It is recommended that listed companies strengthen the substantive information disclosure of green procurement related content in supplier selection criteria, including disclosing how to choose environmentally friendly materials, measures to promote energy conservation and emission reduction and how to evaluate and incentivise suppliers' green behaviour.
- It is recommended that listed companies regularly communicate and exchange ideas with their upstream and downstream supply chain partners to assist them in continuously understanding and improving ESG requirements, and effectively implementing supply chain ESG strategies.





04

# Conclusion and Outlook



# Conclusion and outlook

## Three recommendations for ESG management of Hong Kong listed companies

Recommendation  
1

### Broaden influence, focusing on leadership

#### Aligning with international standards and spreading Chinese influence

- As the reports of Hong Kong listed companies mature comprehensively, they have become pioneers in sustainable information disclosure in the Chinese market. They should further align with reputable international standards such as ISSB, demonstrating the advanced level and influence of Chinese enterprises in the field of sustainable information disclosure.

#### Focus on leading issues, strengthen responsibility and accountability

- While paying attention to global sustainable development trends, closely tracking and participating in in-depth discussions and practices on leading global issues such as biodiversity conservation, listed companies need to have a strong internal management and supervision through active disclosure of relevant information.

Recommendation  
2

### Embed management, empowering through digitalisation

#### Establish a sound system to ensure robust and effective ESG governance

- In recent years, the exploration of ESG practices on a global scale has become increasingly practical and profound. Enterprises should promptly follow up on changes in ESG regulatory requirements, identify and improve internal blind spots and enhance the quality and credibility of ESG disclosure by incorporating ESG risks into risk management frameworks, implementing regular supervision and evaluation and seeking third-party authentication.

#### Digital management to support ESG decision-making

- In the context of digital development, enterprises should use digital tools to simplify data collection and improve management disclosure capabilities. Listed companies should also conduct data analysis, monitor trends and support ESG decision-making.

Recommendation  
3

### Green transformation, driving shared success

#### Grasp green transformation and implement ESG concepts

- In the macro context of promoting green and low-carbon transformation as a national strategy for listed companies, they should focus on long-term sustainable development, fully implementing ESG concepts and promoting new leaps in social productivity are the missions entrusted by the times.

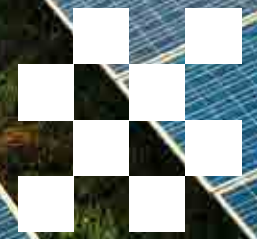
#### Developing new quality productive forces and promoting win-win outcomes

- Enterprises should understand the characteristics of new quality productivity on a deeper level, explore green and low-carbon transformation paths, empower traditional industries with technological advantages, promote green lifestyles, take "new" as the starting point, "quality" as the foothold and "productivity" as the foothold, to promote high-quality development and win-win outcomes.





# Appendix





# Appendix: Citation List



1. *Main Board Listing Rules Appendix C2 Environmental, Social and Governance Reporting Guide*, Hong Kong Exchanges and Clearing Limited,  
[https://en-rules.hkex.com.hk/sites/default/files/net\\_file\\_store/HKEX4476\\_3841\\_VER31171.pdf](https://en-rules.hkex.com.hk/sites/default/files/net_file_store/HKEX4476_3841_VER31171.pdf)



2. *Consultation Conclusions on Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework*, Hong Kong Exchanges and Clearing Limited,  
<https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2023-Climate-related-Disclosures/Conclusions-Apr-2024/cp202304cc.pdf>



3. *Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework*, Hong Kong Exchanges and Clearing Limited,  
[https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance\\_enhanced\\_climate\\_dis.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance_enhanced_climate_dis.pdf)



4. *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, the International Sustainability Standards Board,  
<https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf?bypass=on>



5. *IFRS S2 Climate-related Disclosures*, the International Sustainability Standards Board,  
<https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-b/issb-2023-b-ifrs-s2-climate-related-disclosures-accompanying-guidance-part-b.pdf?bypass=on>



6. *Corporate Governance Guide for Boards and Directors*, Hong Kong Exchanges and Clearing Limited,  
[https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Corporate-Governance-Practices/guide\\_board\\_dir.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Corporate-Governance-Practices/guide_board_dir.pdf)



7. *Livzon Pharmaceutical 2023 ESG Report*, Livzon Pharmaceutical Group Inc.,  
[https://en.livzon.com.cn/public/html/pdfjs/viewer/viewernew.html?file=https://v4.cecdn.yun300.cn/site\\_1809140983/E\\_1513\\_2023\\_ESG\\_Report\\_20240429\\_ess1714395936386.pdf](https://en.livzon.com.cn/public/html/pdfjs/viewer/viewernew.html?file=https://v4.cecdn.yun300.cn/site_1809140983/E_1513_2023_ESG_Report_20240429_ess1714395936386.pdf)



8. *Master Kong 2023 Sustainability Report*, Tingyi (Cayman Islands) Holding Corp.,  
[https://www.masterkong.com.cn/sustainability\\_en/pdf/20241108/download/2023\\_Sustainability\\_Report\\_of\\_Masterkong.pdf](https://www.masterkong.com.cn/sustainability_en/pdf/20241108/download/2023_Sustainability_Report_of_Masterkong.pdf)

# Appendix: Citation List



9. *Midea Group 2023 Environmental, Social and Governance (ESG) Report*, Midea Group Co., Ltd., <https://www.midea.com.cn/content/dam/mideacn-aem/%E6%8A%95%E8%B5%84%E8%80%85%E5%85%B3%E7%B3%BB/2023%E7%BE%8E%E7%9A%84ESG%E6%8A%A5%E5%91%8A-%E8%8B%B1%E6%96%87%E7%89%88-0327-Final.pdf.coredownload.inline.pdf>



10. *Shanghai Electric 2023 ESG Report*, Shanghai Electric Group Company Limited, [https://www.shanghai-electric.com/listed\\_en/upload/resources/file/2024/04/28//101437.pdf](https://www.shanghai-electric.com/listed_en/upload/resources/file/2024/04/28//101437.pdf)



11. *Recommendations of the Task Force on Climate-related Financial Disclosures*, TCFD <https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf>



12. *Fosun Tourism Group 2023 Climate-Related Disclosures Report*, Fosun Tourism Group, <https://fosunholiday.com/uploads/images/20240418/171343057276685.pdf>



13. *Fosun Tourism Group 2023 ESG Report*, Fosun Tourism Group, <https://fosunholiday.com/uploads/images/20240418/171343407448776.pdf>



14. *CK Infrastructure Sustainability Report 2023*, CK Infrastructure Holdings Limited, [https://www.cki.com.hk/english/PDF\\_file/sustainability/sustainability\\_report/sustainability\\_report\\_2023.pdf](https://www.cki.com.hk/english/PDF_file/sustainability/sustainability_report/sustainability_report_2023.pdf)



15. *China Overseas Land & Investment limited 2023 ESG report*, China Overseas Land & Investment Limited, [https://www.coli.com.hk/wp-content/uploads/2024/04/C00688\\_ESG\\_2023\\_en.pdf](https://www.coli.com.hk/wp-content/uploads/2024/04/C00688_ESG_2023_en.pdf)



16 *Decarbonisation Action 2030 – The Journey to Net Zero 2024 Edition*, ENN Energy Holdings Limited [http://ir.ennenergy.com/en/ir/sustainability/decarbonisation2030\\_netzero\\_2024.pdf](http://ir.ennenergy.com/en/ir/sustainability/decarbonisation2030_netzero_2024.pdf)



17. *European Sustainability Reporting Standard E4- Biodiversity and Ecosystems (ESRS E4)*, European Financial Reporting Advisory Group [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L\\_202302772](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302772)



# Appendix: Citation List



18. *Notice on Releasing Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, Shanghai Stock Exchange  
[http://english.sse.com.cn/news/newsrelease/c/c\\_20240412\\_10753174.shtml](http://english.sse.com.cn/news/newsrelease/c/c_20240412_10753174.shtml)



19. *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, Shenzhen Stock Exchange  
<https://www.szse.cn/English/rules/siteRule/P020240412667555851701.pdf>



20. *Continuous Supervision Guidelines for Listed Companies on the Beijing Stock Exchange No. 11 - Sustainability Reporting (Trial)*, the Beijing Stock Exchange,  
[https://www.bse.cn/cxjg\\_list/200021393.html](https://www.bse.cn/cxjg_list/200021393.html)



21. *Recommendations of the Taskforce on Nature-related Financial Disclosures*, the Taskforce on Nature-related Financial Disclosures (TNFD),  
[https://tnfd.global/wp-content/uploads/2023/08/Recommendations\\_of\\_the\\_Taskforce\\_on\\_Nature-related\\_Financial\\_Disclosures\\_September\\_2023.pdf?v=1695118661](https://tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661)



22. *Henderson Land Sustainability Report 2023*, Henderson Land Development Company Limited.,  
[https://www.hilhk.com/en/pdf/csr/Sustainability\\_2023e.pdf](https://www.hilhk.com/en/pdf/csr/Sustainability_2023e.pdf)



23. *Sustainable Development Goals (SDGs)*, United Nations,  
<https://sdgs.un.org/goals>



24. *Corporate Sustainability Reporting Directive*, the European Council,  
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>



25. *GRI Standards*, Global Reporting Initiative (GRI),  
<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>

# Appendix: Citation List



26. *Self-Regulation Rules for Listed Companies*, Shanghai Stock Exchange,  
<http://english.sse.com.cn/start/sserules/stocks/mainboard/listing/c/5613755.pdf>



27. *Special Disclosure Guidelines for Listed Companies*, Shanghai Stock Exchange,  
<http://www.sse.com.cn/lawandrules/guide/disclosure/specialmemo/>



28. *Environmental Information Disclosure Guidelines for Listed Companies*, Shanghai Stock Exchange,  
[http://www.sse.com.cn/star/lawandrules/lawandrules/listing/blanket/c/c\\_20190718\\_4865651.shtml](http://www.sse.com.cn/star/lawandrules/lawandrules/listing/blanket/c/c_20190718_4865651.shtml)



29. *SASB Standards Application Guidance*, SASB,  
<https://www.sasb.org/standards/download/?lang=en-us>



30. *ISO 26000: 2010 Guidance on Social Responsibility*, International Organisation for Standardisation (ISO),  
<https://www.sasb.org/standards/download/?lang=en-us>



31. *Guidelines of Shenzhen Stock Exchange for the Regulated Operation of Listed Companies*, Shenzhen Stock Exchange,  
<http://docs.static.szse.cn/www/disclosure/notice/general/W020200612827696215922.pdf>



32. *Making Inroads into Good Corporate Governance and ESG Management*, Hong Kong Exchanges and Clearing Limited,  
[https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Corporate-Governance-Practices/Practitioners\\_insights.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Corporate-Governance-Practices/Practitioners_insights.pdf)



# Authors

## Kanus Yue

Sustainability Disclosure and Consulting  
Lead Partner, PwC China

Email: [kanus.km.yue@cn.pwc.com](mailto:kanus.km.yue@cn.pwc.com)

Tel: +852 2289 1989

+86 (755) 8261 8399

+86 (20) 3819 2399

## Tingcun Han

Sustainability Disclosure and Consulting  
Partner, PwC China

Email: [tingcun.han@cn.pwc.com](mailto:tingcun.han@cn.pwc.com)

Tel: +86 (10) 6533 7307

## Cyrus Cheung

Sustainability Disclosure and Consulting  
Partner, PwC Hong Kong

Email: [cyrus.lk.cheung@hk.pwc.com](mailto:cyrus.lk.cheung@hk.pwc.com)

Tel: +852 2289 1709

## Linda Hu

Sustainability Disclosure and Consulting  
Partner, PwC China

Email: [linda.hu@cn.pwc.com](mailto:linda.hu@cn.pwc.com)

Tel: +86 (21) 2323 3329

## Terra Xu

Sustainability Disclosure and Consulting  
Partner, PwC China

Email: [terra.xu@cn.pwc.com](mailto:terra.xu@cn.pwc.com)

Tel: +86 (755) 8261 8023

## Mary Ren

Sustainability Disclosure and Consulting  
Partner, PwC China

E-mail: [mary.l.ren@cn.pwc.com](mailto:mary.l.ren@cn.pwc.com)

Tel: +86 (10) 6533 5066

## Rachel Xiu

Sustainability Disclosure and Consulting  
Associate Director, PwC China

Email: [rachel.xiu@cn.pwc.com](mailto:rachel.xiu@cn.pwc.com)

Tel: +86 (755) 8261 8415

## Michael Wu

Sustainability Disclosure and Consulting  
Associate Director, PwC China

Email: [michael.sm.wu@cn.pwc.com](mailto:michael.sm.wu@cn.pwc.com)

Tel: +86 (21) 2323 5875

## Xixi Fu

Sustainability Disclosure and Consulting  
Senior Manager, PwC China

Email: [xixi.x.fu@cn.pwc.com](mailto:xixi.x.fu@cn.pwc.com)

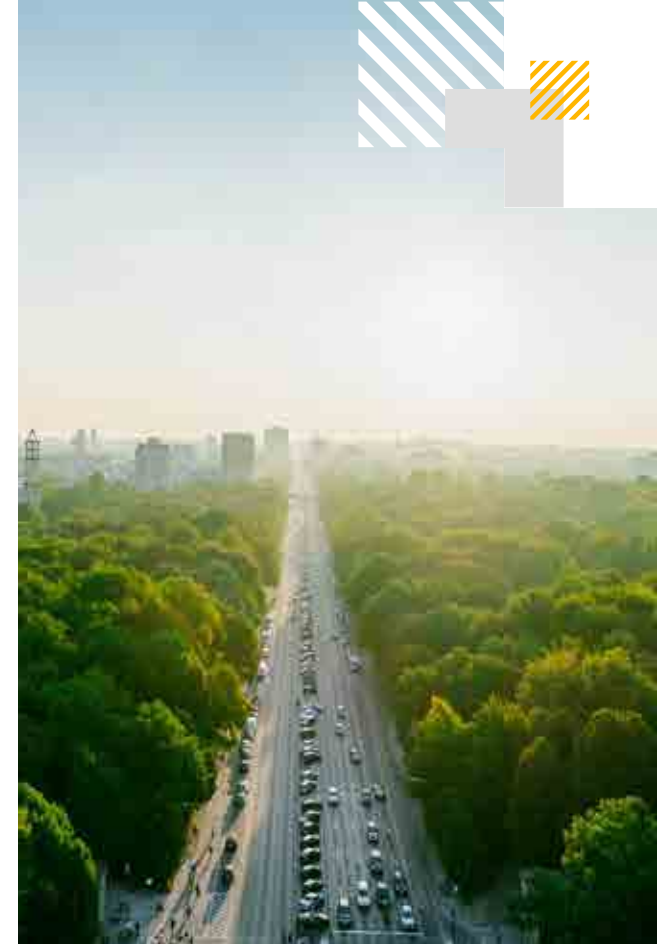
Tel: +86 (755) 8261 8483

## Lawrence Huang

Sustainability Disclosure and Consulting  
Senior Manager, PwC China

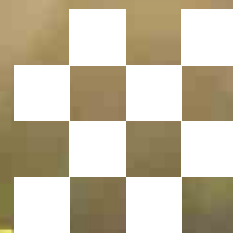
Email: [lawrence.g.huang@cn.pwc.com](mailto:lawrence.g.huang@cn.pwc.com)

Tel: +86 (21) 2323 8154





# Thank you



The content of this report is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2024 PricewaterhouseCoopers Limited. All rights reserved. PwC refers to the China member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.