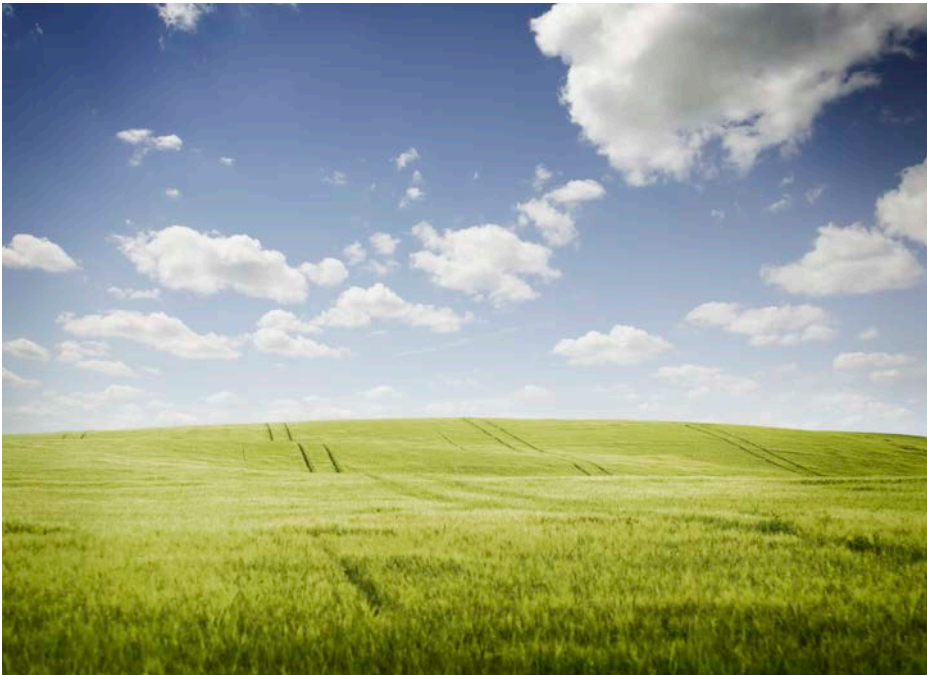


BDO NEWS

April 2020

www.bdo.com.hk

ESG UPDATES April 2020 Issue



To achieve corporate sustainability and generate long-term benefits, the integration of environmental, social and governance (ESG) factors into one company's business strategies, management and operation is the key to success. In every monthly issue of our 'ESG Updates' it will include the latest updates from various aspects in ESG.

Launch of e-training and publication of guidance materials on ESG reporting

The Stock Exchange of Hong Kong Limited (HKEX) has published guidance materials to facilitate understanding of new ESG reporting requirements published in December 2019. Updated guidance materials include e-training, new guide for board and directors, updated step-by-step ESG reporting guidance and new FAQs. The [e-training course](#) covers the following six areas:

- New ESG requirements
- Board governance
- Reporting principles and boundary
- Targets setting
- Climate change
- Social KPIs

CONTENTS

- ▶ Launch of e-training and publication of guidance materials on ESG reporting
- ▶ Coronavirus pandemic could elevate ESG factors
- ▶ 'Concerted efforts' needed to meet 2030 Global Goals in Asia-Pacific region
- ▶ How can BDO help?

New guide for board and directors

Echoing the key focus to support and improve the board's leadership role and accountability in ESG and the governance structure for ESG matters, HKEX has also published a new guide for board and directors titled '[Leadership role and accountability in ESG](#)' tailored for directors in understanding and carrying out their roles in ESG reporting under the New ESG requirements.

Read more from the source:

https://www.hkex.com.hk/News/News-Release/2020/200306news?sc_lang=en

Coronavirus pandemic could elevate ESG factors

The recent volatility in financial markets due to the coronavirus pandemic could provide investors with more of an incentive to grill companies on non-financial risks.

ESG investing was growing in popularity before the virus began to circulate as investors flocked to companies that have taken steps to manage non-financial risks related to matters such as climate change, board diversity or human rights issues in the supply chain. But the pandemic has demonstrated on a large scale the importance of other factors that are paramount to ESG investors. Among them: disaster preparedness, continuity planning and employee treatment through benefits such as paid sick leave as companies direct employees to work from home.

Companies should expect more investors to ask questions about resilience and contingency planning, viewing the issues in light of the pandemic as relevant to a company's long-term performance. Down the line, those conversations could evolve to broader ESG discussions, including topics such as whether telecommuting could reduce a company's carbon footprint.

Whether or not the pandemic sharpens investors' focus on ESG factors remains to be seen. It is possible that investors could have the opposite reaction in the months and years ahead, viewing ESG and a focus on social policies as an impediment to a company's financial recovery. At the very least, investors and prospective employees should view the crisis—and how companies respond—as an opportunity to ask questions about the social issues that matter to them.

Read more from the source:

<https://www.wsj.com/articles/coronavirus-pandemic-could-elevate-esg-factors-11585167518>

'Concerted efforts' needed to meet 2030 Global Goals in Asia-Pacific region

In the Asia and the Pacific SDG Progress Report 2020, the UN Economic and Social Commission for Asia and the Pacific (ESCAP) draws attention to the region's poor performance on most of the measurable environmental targets of the 2030 Agenda for Sustainable Development, to determine where additional effort is needed and where momentum for future progress is building.

The Asia-Pacific region has struggled the most with two goals: advancing responsible consumption and production (SDG 12) and climate action (SDG 13). The report reveals that the region emits half of the world's total greenhouse gases which add to carbon emissions – a number which has doubled since 2000. Around 35% of countries there continue to lose areas of forest, and the share of renewable energy has dropped to 16%, one of the lowest rates globally. The report also reveals that progress has been far too slow in areas such as SDG 5, gender equality, and SDG 11, building sustainable cities and communities.



Progress has also been uneven across the five subregions of Central, East, South, Southeast and Western Asia. Singled out as areas where progress has been mixed, were SDG 10 to reduce inequalities; SDG 12 for responsible consumption and production; and SDG 16, which highlights the need for peace, justice and strong institutions. However, steady improvement in electricity was a positive example of collective progress across the five subregions, particularly in rural areas.

On a positive note, many countries are showing remarkable progress on SDG 4 by improving the quality of education, as well as on SDG 7 - providing access to affordable and clean energy – making these two goals well within reach. The region is also making good progress on economic targets, although

the data for report pre-dates the arrival of the coronavirus pandemic, which has caused a global economic slowdown.

Read more from the source:

<https://news.un.org/en/story/2020/03/1060162>

How can BDO help?

At BDO, our Risk Advisory Services (RAS) team, a group of dedicated professionals trained in ESG reporting requirements, GRI Standard and ISO-14064, knowledge about carbon audit and experienced in providing all the assistance required to meet your needs in ESG practice. Please do not hesitate to contact us and talk to our consultants. We are pleased to provide further insight or assistance, if needed.

BDO'S SUPPORT AND ASSISTANCE

25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Tel: +852 2218 8288
Fax: +852 2815 2239
info@bdo.com.hk

RICKY CHENG
Director and Head of Risk Advisory
Tel: +852 2218 8266
rickycheng@bdo.com.hk

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO to discuss these matters in the context of your particular circumstances. BDO, its directors, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.