

The background of the slide is a photograph of a vibrant green field under a blue sky with scattered white clouds. A bright, multi-colored rainbow arches across the sky, starting from the left side and ending on the right. The field in the foreground is lush and green, with some trees visible in the distance. The overall scene is bright and optimistic.

SURVEY ON ESG REPORTING OF HONG KONG LISTED COMPANIES

香港上市公司環境、社會及管治報告調查

▶ ABOUT BDO

關於立信德豪

ABOUT INTERNATIONAL BDO NETWORK

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

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- ▶ Business services & outsourcing
- ▶ Risk advisory services
 - Internal audit / internal controls
 - Corporate governance and compliance
 - IT, Cybersecurity & e-Payment risk advisory
 - Cyber health check services
 - ESG reporting and sustainability advisory
- ▶ Specialist advisory services
- ▶ Taxation

We possess comprehensive knowledge of accounting standards, tax and investment regulations prevailing in Hong Kong, China as well as other major countries and conduct ourselves with the highest professional standards.

Since our establishment in 1981, we have committed ourselves to facilitating the growth of business by advising the people behind them. As part of the international BDO network, we combine international expertise with the region's best-available business and advisory services. By acting locally while thinking globally, we continue to provide truly customised services to local entrepreneurs and multinational corporations alike.

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BDO 於 1963 年成立，是由世界各地獨立的專業會計師事務所組成的國際會計網路。每家事務所都被稱為 BDO 成員所，在其各自的所在地均為獨立的法定個體。現時，BDO 為全球五大會計網絡之一，網絡遍佈全球超過 155 個國家，透過 1,400 多個辦事處及超過 67,700 名專業人員，在世界各地提供財務諮詢服務。

BDO 是 BDO 網絡和各個 BDO 成員所的品牌名稱。

關於立信德豪

香港立信德豪會計師事務所有限公司是 BDO 國際在香港的成員所。我們提供的專業服務範圍廣泛，包括：

- ▶ 審計
- ▶ 商業及外包服務
- ▶ 風險諮詢
 - 內部審計 / 內部監控
 - 企業管治與合規
 - 資訊科技、網絡安全及電子支付風險諮詢
 - 網絡安全評估服務
 - 環境、社會及管治報告與可持續發展諮詢
- ▶ 專項諮詢
- ▶ 稅務

立信德豪的專業人員精通香港、中國大陸及其他主要國家現行的會計及審計準則、稅務及投資法規。我們每個專業服務範疇都符合最高的國際水平。

自 1981 年成立以來，立信德豪致力透過全面的專業服務協助企業成長。作為 BDO 國際網絡的一部份，我們結合本地專才和充份利用國際專業知識，為本地企業及跨國公司提供貼身的個性化服務。

► INTRODUCTION

引言

The number of mandatory environmental, social and governance (ESG) reporting requirements worldwide has increased rapidly in recent years. It is clear that ESG issues are global market concerns. Effective from 1 January 2016, every listed company in Hong Kong is required to disclose its ESG information on an annual basis. To understand ESG reporting practices since the implementation of this regulation, BDO Hong Kong has conducted a desktop survey and reviewed the ESG disclosures of 300 companies listed on the Main Board from indexed constituents, such as the Hang Seng Index (HSI), the Hang Seng China Enterprise Index (HSCEI) and the Hang Seng Corporate Sustainability Index (HSSUS), in addition to non-indexed stocks. The results show that companies are reluctant to invest in ESG and only 40% have attempted to disclose their environmental data. With increasing business concerns about social responsibility and the new requirement to disclose environmental data, companies need to incorporate sustainability into their business model — not only for compliance but also to enhance the value of the company for sustainable long-term growth.

近年來，國際間對強制性的環境、社會及管治（「ESG」）報告的要求急增。ESG 成為全球市場關注的議題已是不爭的事實。自 2016 年 1 月 1 日起，香港所有上市公司必須每年披露 ESG 資料。為了解在實施規管後的 ESG 報告情況，BDO 香港進行了一項桌面調查（「調查」），檢閱了 300 家主板上市公司於 2016 財政年度作出的環境、社會及管治披露。這些公司來自多個指數成份股：恒生指數（「HSI」）、恒生中國企業指數（「HSCEI」）、恒生可持續發展企業指數（「HSSUS」）及非指數成份股。調查顯示，大部分投資於 ESG 的資源依然有限，只有 40% 的公司嘗試披露環境數據。隨著企業日益關注社會責任，以及往後對披露環境數據的要求，公司必須納入可持續發展於其業務模式上，這不僅是為了遵守法規，也是為了提高公司於可持續長期增長的價值。



▶ EXECUTIVE SUMMARY

檢討簡報

SIMPLY BEING COMPLIANT IS NOT SUFFICIENT

- Although more than two-thirds of the selected companies disclosed their ESG information for the first time this year, over 60% of the two-thirds mentioned in the line above went beyond the minimum standards on disclosing company policies. This was especially true of companies in the financial and utilities industries, which tended to disclose more extensive ESG data.
- As legislation requirements and reporting standards continue to evolve, combined with increased peer pressure and resource depletion, meeting minimum standards is no longer sufficient.

SUSTAINABILITY AND FINANCIAL PERFORMANCE ARE CLOSELY LINKED

- Indexed constituents and large companies¹ tend to produce higher-quality reports and perform better in ESG matters. (Fig 1 & 2).
- Although investing in sustainability may seem to be an additional burden, it is actually an opportunity for business growth which increases profitability in the long term.
- HSSUS-listed companies, which are highly rated for their corporate social responsibility (CSR) practices, tend to provide a better investment return in the long term² (Fig 3).
- Companies that perform well in ESG not only benefit financially but also increase opportunities to be admitted to the indexes. In addition to the local Hang Seng Corporate Sustainability Index Series (HSCSI), various sustainability indexes around the world (such as the Dow Jones Sustainability Index series and the MSCI ESG Leaders indexes) focus on ESG performance.

IMPROVING CREDIT RATINGS

- Leading credit rating agencies, such as Moody's Corporation and S&P Global Ratings, have signed a statement³ to take ESG criteria into account when assessing a company's creditworthiness.
- Companies with a stronger ESG performance are likely to have better creditworthiness, which increases investors' confidence when making investment decisions.

只遵守法規並不足夠

- 雖然今年有超過三分之二的調查對象是首次披露其 ESG 資料，但逾 60% 的公司，特別是金融和公用事業行業，不僅只為符合披露公司政策的最低要求，它們更傾向披露一些 ESG 數據。
- 隨著立法要求和報告標準不斷發展，以及同儕壓力和資源消耗，只達到最低標準並不足夠。

可持續發展與財務業績息息相關

- 指數成分及大企業¹傾向於製作較優質的報告，並且在 ESG 方面表現較佳 (Fig 1 & 2)。
- 雖然投資於可持續發展似乎是一項額外負擔，但事實上它能帶來長遠盈利，有助業務增長。
- 納入 HSSUS 指數的公司在企業社會責任 (「CSR」) 實務方面獲高度評價，長遠而言普遍擁有較佳的投資回報² (Fig 3)。
- 在 ESG 中表現卓越的公司，不僅帶來經濟利益，更有機會獲納入指數之列。除了本地的恒生可持續發展企業指數系列 (HSCSI) 之外，全球亦有多種聚焦於 ESG 表現的可持續發展指數，如道瓊斯可持續發展指數系列及摩根士丹利資本國際世界環境、社會與管治指數 (「MSCI ESG」) 領袖指數。

改善信貸評級

- 穆迪及標準普爾等主要信貸評級機構已簽署有關聲明³，於企業信譽評估中加入 ESG 準則。
- 擁有較佳 ESG 表現的公司，普遍信譽穩固，投資者亦更有信心作出投資決定。

1 By revenue (in million HK\$): Large = >10001; Medium = 1001 – 10000; Small = <1000
按收入(以港幣百萬計): 大 = >10001; 中 = 1001 – 10000; 小 = <1000

2 Hang Seng Bank. (2016). HSSUSB (Hang Seng Corporate Sustainability Benchmark Index) and HSSUS Delivered Better Long-term Returns than the Market Benchmark – HSI [Figure]. Hang Seng Corporate Sustainability Index Series - 2016 Results. Retrieved from: https://www.hsi.com.hk/HSI-Net/static/revamp/contents/en/dl_centre/other_materials/HSSUS_2016Resultse.pdf
恒生銀行 (2016 年)。HSSUSB (恒生可持續發展企業基準指標) 和 HSSUS 比市場基準提供更佳的長期回報 – HSI [Figure]。恒生可持續發展企業指數系列 - 2016 結果。
取自: https://www.hsi.com.hk/HSI-Net/static/revamp/contents/en/dl_centre/other_materials/HSSUS_2016Resultse.pdf

3 Principles for Responsible Investment. (n.d.). Statement on ESG in Credit Ratings. Retrieved from: https://www.unpri.org/download_report/20983
責任投資原則 (n.d.)。ESG 在信用評級中的聲明。取自: https://www.unpri.org/download_report/20983

Fig 1

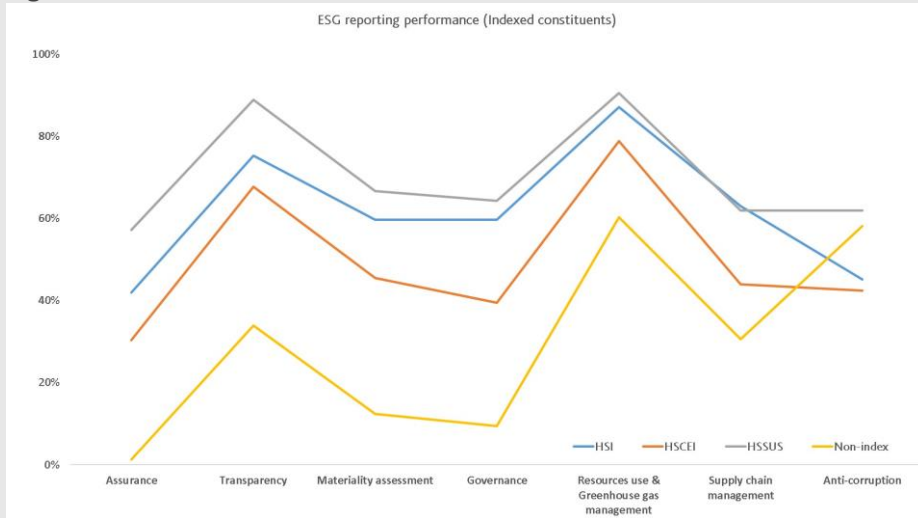


Fig 2

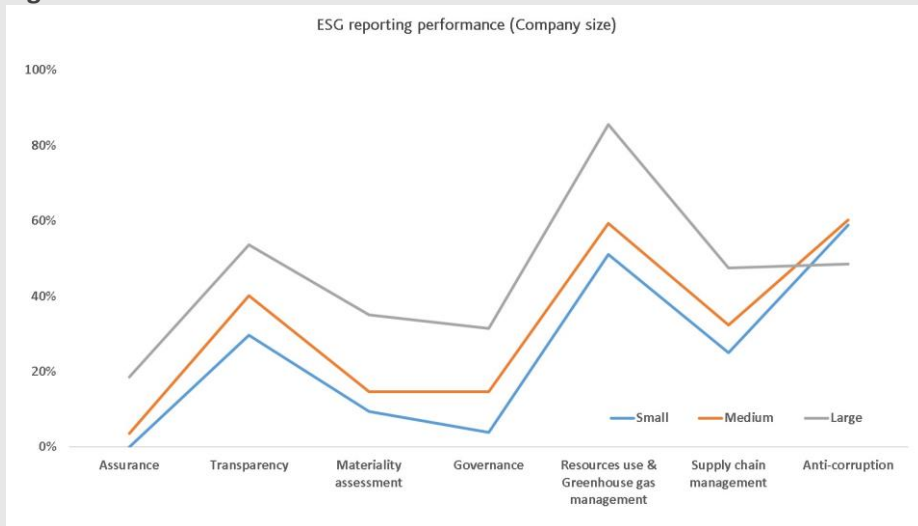


Fig 3



HSI and HSSUS were rebased to 1,000 on 26 Jul 2010, ie index launch date of HSSUS
 HSI 和 HSSUS 均於 2010 年 7 月 26 日 (HSSUS 的推出日期) 重新以 1,000 為數值基礎。

HSSUSB was rebased to the index level of HSSUS on 5 Sep 2011, ie index launch date of HSSUSB
 HSSUSB 於 2011 年 9 月 5 日 (HSSUSB 的推出日期) 重新以 HSSUS 的指數水平為數值基礎。

AN INDICATOR OF WHETHER A COMPANY IS ADEQUATELY MANAGING RISK

- A good corporate governance framework helps to manage corporate risk, while an ESG materiality assessment helps to identify, assess and prioritise ESG risk.
- Over 80% of the selected companies did not have a comprehensive strategy or an ESG committee or responsible employees to deal with ESG matters. This reflects a culture where ESG governance practices are not developed and employees are not appointed to manage ESG risk.
- Less than half of the selected companies engaged external stakeholders and conducted materiality assessments. Some companies determined material topics based on the views of senior management (ie internally) only.
 - Without a systematic approach, companies are unable to tackle the sustainability issues that are most pressing to their business and industry.

BRAND-BUILDING AND CUSTOMER TRUST

- Managing the supply chain and corruption risks helps to maintain product sustainability. In turn, this builds customer confidence and a positive reputation.
- While over 90% of the companies surveyed strived to maintain a culture of integrity through measures such as establishing guidelines, providing training and setting up whistle-blowing systems, corruption and bribery cannot be completely avoided.
- Around 40% of the selected companies did not disclose whether they had concluded any corruption cases within the operating year. This lack of transparency affects stakeholders' confidence in the company.
- According to the study conducted by the Global Reporting Initiative, supply-chain management will be one of the key topics for business to integrate into future ESG reporting⁴. Based on our analysis, over 50% of the selected companies included environmental and social performance in their assessments. However, improvements still need to be made in terms of building a responsible supply chain, as less than 10% of companies provided support to enhance suppliers' ESG performance.

CREDIBLY COMMUNICATING ESG PERFORMANCE WITH STAKEHOLDERS

- ESG reporting is a channel through which companies can communicate with stakeholders about their efforts and ESG performance. Being transparent is fundamental to building trust, while external assurance increases the reliability — and, ultimately, credibility — of ESG reporting.
- Disclosing accurate, meaningful and comparable ESG data facilitates effective communication with stakeholders. Around 70% of the selected companies attempted to disclose ESG data. However, of those which disclosed this data, less than half included information about the assumptions made or how they produced the data, and only 40% provided historical data for performance tracking.
- Only 7% of the selected companies obtained independent assurance, of which only 45% assured the whole report and the remainder assured specific sections or data only.
 - Companies still have a long way to go to improve their disclosure of environmental and social matters.

顯示一家公司是否能充分管理風險的指標

- 良好的企業管治架構有助管理企業風險，而 ESG 的實質評估有助於確定、評估和釐定 ESG 風險的優先級別。
- 逾 80% 的公司並沒有全面的策略、ESG 委員會或負責人來處理 ESG 事宜，這反映了 ESG 管治手法不成熟，員工亦不參與 ESG 風險管理的企業文化。
- 只有不到一半的公司引入外部利益相關者，並進行實質評估；一些公司只遵循高級管理層（即內部）的意見，才決定實質議題。
 - 欠缺有系統的方法，公司便無法解決對其業務及行業最為迫切的可持續發展問題。

建立品牌和取得客戶信任

- 管理供應鏈及貪污風險，有助維持產品的可持續性，隨之取得客戶信心及建立良好信譽。
- 逾 90% 的公司通過制定指引、提供培訓和設立舉報制度等措施，努力維護誠信文化，但並不能完全避免貪污賄賂。
- 約 40% 的選定公司沒有透露在營運年度內是否有任何貪污案件，缺乏透明度，影響了利益相關者對公司的信心。
- 根據全球報告倡議組織的研究，供應鏈管理將成為未來 ESG 報告整合的重要議題之一⁴。從我們的分析來看，逾 50% 的公司評估中包括環境和社會表現。然而，在設立盡責的供應鏈方面尚待改善，當中只有不到 10% 的公司為提升供應商的 ESG 表現而提供支援。

與利益相關者就 ESG 表現作誠摯溝通

- 公司可透過 ESG 報告作為溝通途徑，向利益相關者展示公司努力的成果及 ESG 表現。建立信任的基礎是具有透明度，而外部保證令公司更具公信力，最終亦提高了 ESG 報告的可信度。
- 披露準確、有意義和可比較的 ESG 數據，可以與利益相關者進行有效溝通。約 70% 的公司嘗試披露 ESG 數據，而對於披露數據的公司來說，不到一半的公司包含它們的假設或如何得出這些數據；此外，只有 40% 的公司提供歷史數據以進行績效追蹤。
- 只有 7% 的選定公司取得獨立保證，其中僅 45% 取得整個報告的保證，其餘的只限於指定部分或數據。
 - 公司仍需努力改善對環境和社會事務的披露。

4 Global Reporting Initiative. (May 2015). Sustainability and Reporting Trend in 2025. 全球報告倡議組織 (2015 年 5 月)。2025 年的可持續發展及報告趨勢。

REDUCING COSTS THROUGH MANAGING USE OF RESOURCES AND GREENHOUSE GAS (GHG) EMISSIONS

- Over 60% of the selected companies invest in initiatives to reduce their use of resources and/or their GHG emissions. Some common measures include replacing traditional light bulbs with LEDs, upgrading air-conditioning systems, installing waste-water recycling systems and providing training to raise employee awareness.
- Only 30% of the companies which invested in initiatives to reduce their use of resources and/or GHG emissions disclosed data on the reductions amount or/ cost savings achieved through implementing the measures.
 - Companies do not have a systematic approach to monitor the status of reduction initiatives and evaluate their achievements.
- By implementing reduction measures, companies can reduce costs (examples)
 - A world-leading hotel owner-operator with revenue of HK\$5 billion implemented measures such as using LED lighting and upgrading the chiller system, saving over HK\$6 million in operating costs annually.
 - A cement manufacturer with revenue of over HK\$60 billion invested in technological improvements to improve the efficiency of its production lines and saved HK\$50 million in operating costs.

RECOMMENDATIONS FOR THE FUTURE

Investing in CSR can bring long-term benefits to companies. Improving their ESG reporting allows companies to communicate with stakeholders about their efforts and performance in relation to ESG. This builds trust with stakeholders, including employees, customers, suppliers and investors. To prepare a better ESG report, we recommend the following:

- **Establish ESG governance:** Develop a corporate governance structure with an ESG committee to oversee ESG matters. Appoint responsible employees to constantly review the status and continuously improve the process.
- **Report effectively on ESG:** Create an inventory of existing and emerging ESG legislation to ensure compliance. Implement the discipline of preparing ESG disclosures in financial reporting and consider obtaining third-party assurance.
- **Understand the material topics:** Identify the environmental and social issues that present risks to your company while taking into consideration the concerns of external stakeholders through a formal engagement process.
- **Collect and disclose relevant ESG data:** Set up a systematic approach to collect data and provide training to relevant employees to ensure quality data is collected. Provide greater transparency about the ESG data disclosed, such as the scope of the data, the methodologies used and the assumptions made.

Looking forward, we anticipate that additional analysis can be conducted when companies begin to disclose environmental data. BDO Hong Kong will continue to conduct the ESG survey annually to update the reporting trends and common practices. We will continue to share our insight and provide guidance to stakeholders on interpreting ESG disclosures based on our analyses and experience.

通過管理資源使用和溫室氣體排放，達致成本降低

- 逾 60% 的公司投資於減少資源和/或溫室氣體排放的措施。其中一些常見的措施，包括使用 LED 代替傳統燈具、升級冷氣系統、安裝廢水回收系統以及提供培訓以提高員工的意識。
- 只有 30% 的公司在實施措施後，披露減省量或節約成本的數據。
 - 公司缺乏有系統的方法監控狀況、分析減排措施的成果。
- 通過實施削減措施，企業可以節省以下成本（僅列兩例）
 - 營業額達 50 億港元、全球領先的酒店持有人兼營運者，實施了更換 LED 照明和升級冷水機組等措施，每年節省超過 600 萬港元的營運成本。
 - 收入超過 600 億港元的水泥製造商，投資技術改良生產線，減少經營成本達 5,000 萬港元。

未來/建議

投資於 CSR 可為公司帶來長遠利益。通過改善 ESG 報告，公司可以向利益相關者展示其在 ESG 付出的努力和表現，從而令員工、客戶、供應商及投資者等利益相關者建立信任。要準備較佳的 ESG 報告：

- **建立 ESG 管治：**與 ESG 委員會建立公司管治架構，以監督 ESG 事項，並任命負責人員定時審查狀況，持續改進流程
- **有效的 ESG 報告：**建立現有和將會出現的 ESG 法規清單，以確保遵守法規；實施財務報告紀律，以準備 ESG 披露並考慮取得第三方保證
- **了解實質議題：**認清對公司存在風險的環境和社會問題，同時通過正式的參與過程，納入外部利益相關者的關注事項
- **收集和披露相關 ESG 數據：**建立有系統的方法來收集數據，並向相關人員提供培訓，以確保收集有質量的數據；為 ESG 披露數據提供更大的透明度，例如所包括的範圍、使用的方法和假設

展望將來，我們期望當公司開始披露環境數據時，可以作進一步分析。BDO 香港將會繼續每年進行 ESG 調查，更新報告趨勢和常見做法，並透過進行分析和我們的經驗，分享我們的見解，同時指導利益相關者如何閱讀 ESG 披露。



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