

Environmental, social and governance reporting code guide

General

1. Can a listed issuer adopt other guidelines instead of the Environmental, Social and Governance Reporting Code⁴ (ESG Code or Code)? Where a listed issuer adopts alternative reporting guidance or international standards with comparable provisions to the Code, is it required to give any explanation/_reconciliation in relation to the Code?

The Code sets out minimum parameters for reporting with a view to facilitating listed issuers' disclosure and communication with investors and other stakeholders, and is not intended to be comprehensive. The listed issuer's board may refer to or consider adopting ~~existing~~ international reporting standards or guidelines ~~that are relevant to the listed issuer's industry or sector~~ when preparing the listed issuer's ESG report, so long as the listed issuer includes comparable disclosures to those required under the ESG Code in its ESG report. This means the listed issuer's ESG report must clearly indicate where the disclosures required under the ESG Code are incorporated, for example, by way of a reference table directing readers to the relevant section of the ESG report.

*MB Rule 13.91 ~~and~~ App C2
GEM Rule 17.103 ~~and~~ App C2*

First released: August 2012; last updated ~~May~~December 2024

2. Where may listed issuers find more resources and guidance to help them with preparing the disclosures required in the ESG Code?

Listed issuers may refer to HKEX's [ESG Academy](#) on the HKEX website (**ESG Academy**), a centralised platform that provides various useful resources and further guidance for listed issuers.

Our ESG Academy includes e-learning modules, webinars hosted by the Exchange, guidance and publications issued by the Exchange as well as external reference materials by ESG topic.

[For example, the external reference materials include links to two tools jointly developed by the Green and Sustainable Finance Cross-Agency Steering Group and the Hong Kong University of Science and Technology to support the calculation and estimation of GHG emissions.](#)

[When preparing climate-related disclosures pursuant to Part D of the Code, listed issuers should refer to \(i\) the application guidance set out in Appendix B of the IFRS S2 Climate-related Disclosures Standard \(IFRS S2 Application Guidance\) and \(ii\) implementation](#)

⁴ With effect from 1 January 2025, the ESG Reporting Guide (Appendix C2 of the MB Rules/ GEM Rules) will be renamed to "ESG Reporting Code".

[guidance issued by HKEX, as amended from time to time.](#)

MB Rules App C2
GEM Rules App C2

First released: August 2012; last updated ~~May~~ [December 2024](#)

3. **Under MB Rules Appendix D2 Paragraph 28(2)(d) ~~(GEM Rule 18.07A(2)(d))~~, a listed issuer must include a discussion of its compliance with the relevant laws and regulations that have a significant impact on it (as set out in section 2(b)(ii) of Schedule 5 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong (Companies Ordinance)), along with a discussion of other ESG matters (as set out in sections 2(b)(i) and 2(c) of Schedule 5 of the Companies Ordinance). What should the listed issuer include in the discussion of its compliance with relevant laws and regulations?**

In determining what to cover in the discussion of its compliance with relevant laws and regulations, a listed issuer should assess which laws and regulations have a significant impact on it in the context of its own specific circumstances, bearing in mind recent legislative and/or regulatory changes.

Where there are relevant laws and regulations that have a significant impact on the listed issuer, the listed issuer should specify (a) what these relevant laws and regulations are; (b) their potential impact on the listed issuer; and (c) the ways in which the listed issuer has ensured compliance.

Where there are no relevant laws and regulations that have a significant impact on the issuer, the ESG report should state so.

A blanket statement of compliance or absence of non-compliance is not sufficient.

MB Rules App D2 Paragraph 28(2)(d) and App C2
GEM Rule 18.07A(2)(d); and App C2

First released: December 2015; last updated May 2024

4. **When preparing its ESG report, can a listed issuer cross-reference to disclosure in (a) ESG reports of its listed parent / subsidiary or (b) its previous ESG reports to satisfy its disclosure obligations under the ESG Code?**

(a) To avoid duplications, a listed issuer may use cross-referencing in its ESG report to refer to disclosure in ESG reports of its listed parent / subsidiaries, provided that each listed company fulfils its own disclosure obligations under the ESG Code.

(b) Some ESG issues impact the listed issuer on a continuous basis with little change from year to year. In such cases, listed issuers may cross-refer to their previous ESG reports for historical information regarding the relevant ESG issue, and disclose updates to the matter in their current reports.

If cross-referencing is used, the listed issuer's ESG report is expected to have clear referencing and URL links to specific provisions in its listed parent / subsidiaries' ESG reports (or its previous ESG reports). Any cross-referenced ESG reports must be available

at the time when the listed issuer publishes its ESG report.

MB Rules App C2
GEM Rules App C2
First released: November 2018; last updated May 2024

ESG Governance

5. As “governance” is part of the ESG elements, what are the governance disclosures that are required to be reflected in listed issuers’ ESG reports and how should listed issuers prepare such disclosures?

Listed issuers are required to disclose their ESG governance structure by including a statement from the board containing the following elements in their ESG report:

- (i) A disclosure of the board’s oversight of ESG issues;
- (ii) The board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and
- (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the listed issuer’s businesses.

There is no specific requirement in the ESG Code as to the form or location of the board statement on ESG governance, and listed issuers may decide on the appropriate presentation of such statement, so long as the presentation is clear for readers to understand the board’s governance of ESG issues.

Subject to the implementation timeline for the 2024 Amendments as set out in Question 16 below, for ESG reports for financial years commencing on or after 1 January 2025, listed issuers shall disclose additional information about their governance structure, processes, controls and procedures in relation to the management, oversight and monitoring of climate-related risks and opportunities.

In preparing their governance disclosures pursuant to paragraphs 13 (board statement on ESG governance) and 19 (climate-related governance disclosures) of the Code, listed issuers should avoid unnecessary duplication. If oversight of ESG-related (including climate-related) risks and opportunities is managed on an integrated basis, a listed issuer should provide integrated governance disclosures in its ESG report.

MB Rules App C1 and App C2 ~~Paragraph~~ Paragraphs 13 and 19
GEM Rules App C1 and App C2 ~~Paragraph~~ Paragraphs 13 and 19
First released: May 2019; last updated ~~May~~ December 2024

Reporting boundary

6. How should a listed issuer determine the reporting boundary of its ESG report?

The Code does not prescribe which entities in a listed issuer’s group and/or which operations should be included in the ESG report. A listed issuer’s board should have its own



criteria for determining the scope with respect to its own business and circumstances. For example, a listed issuer may follow the scope that used in its annual report / related financial statements, or apply a financial threshold (e.g. inclusion of subsidiaries or operations contributing to a certain percentage of the listed issuer group's total revenue or more) or risk level (e.g. inclusion of operations exceeding a certain risk level despite being a non-major business sector of the listed issuer's group) in determining the scope of the ESG report. In some cases, a listed issuer may adopt different scopes for different Aspects / provisions.

Listed issuers are required to explain the reporting boundaries of the ESG report and describe the process used to identify which entities or operations are included in the ESG reports. If there is a change in the scope, listed issuers should explain the difference and reason for the change. If different scopes are adopted for different Aspects / provisions, listed issuers should also disclose such information in the ESG report.

*MB Rules App C2
GEM Rules App C2
First released: August 2012; last updated May 2024*

Reporting principles

7. How does a listed issuer determine “materiality” and what is the board’s involvement in the process?

“Materiality” is defined in the Code as “the threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported”. The definition is sufficiently wide to encompass a range of materiality considerations, including but not limited to financial materiality.

Whether a particular ESG issue is material is a matter of judgment for the board. The board may determine that an ESG issue is material based on different considerations, for example, the facts involved, the circumstances of the listed issuer with reference to the views of its key stakeholders and/or the impact of the ESG issue on the listed issuer's financial performance or financial position. Listed issuers should bear in mind that materiality can have different meanings for different stakeholder groups, and should disclose the board's involvement, the identification process and the criteria for the selection of material ESG factors in the ESG report.

[For the purpose of making climate-related disclosures under Part D of the Code, listed issuers must disclose information about climate-related risks and opportunities that could reasonably be expected to affect their cash flows, access to finance or cost of capital over the short, medium or long term. To assess the materiality of a climate-related risk or opportunity, listed issuers should consider both quantitative and qualitative factors, and assess the nature or magnitude of the relevant risk or opportunity.](#)

[Listed issuers may disclose information that is material to investors \(based on financial materiality\) as well as information that is material to other stakeholders \(based on other materiality considerations\) in their ESG report. Where they do so, listed issuers must ensure that the material information for investors is not obscured and is clearly identified and distinguishable from the information provided for other stakeholders.](#)

*MB Rules App C2
GEM Rules App C2
First released: August 2012; last updated ~~May~~ December 2024*

8. Is it a requirement for listed issuers to conduct a stakeholder engagement every year? Where no stakeholder engagement took place specifically for the purpose of preparing the ESG report during the relevant financial year, is the listed issuer required to disclose this fact?

The description of, or explanation on, the application of the materiality principle should focus on the identification process and selection criteria of material ESG factors. Stakeholder engagement only serves as one of the tools to enable an issuer to understand the reasonable expectations and interests of stakeholders, as well as their information needs. Since stakeholder engagement should be part of a listed issuer's everyday operations, it is not necessary to conduct a stakeholder engagement specifically for the purpose of preparing an ESG report; thus the absence of a specific stakeholder engagement need not be disclosed in the ESG report.

A stakeholder engagement may take different forms and does not necessarily mean a large-scale exercise. For example, it may be conducted through daily contact with clients / suppliers / employees.

If a stakeholder engagement was conducted, listed issuers should include a description of the significant stakeholder identified as well as the process and results of the stakeholder engagement.

*MB Rules App C2
GEM Rules App C2*

First released: February 2020; last updated May 2024

9. The quantitative reporting principle states that a listed issuer “should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact”. Does this mean that listed issuers are required to set and disclose targets for all KPIs ~~under the ESG report?~~ in Part C of the ESG Code in the ESG report, and how does this relate to the provisions on setting climate-related targets in Part D of the Code?

While listed issuers may set targets for all KPIs that are material to them, Part C of the Code only expressly requires disclosure of emission targets (KPI A.1.5), waste reduction targets (KPI A.1.6), energy use efficiency targets (KPI A.2.3) and water efficiency targets (KPI A.2.4) on a “comply or explain” basis.

The targets may be actual numerical figures or directional, forward-looking statements.-

The climate-related targets that listed issuers have set (or are required to meet by law or regulation) and disclosed pursuant to Part D of the Code may or may not be those required under Part C of the Code.

Listed issuers may set climate-related targets beyond those required under Part C of the Code. Where a listed issuer has set climate-related targets, regardless of whether such targets are those required under Part C of the Code or other additional climate-related targets, it should disclose the information set out in paragraphs 37 to 40 of Part D of the

[Code regarding each climate-related target.](#)

MB Rules App C2
GEM Rules App C2

First released: February 2020; last updated ~~May~~ December 2024

10. The Code requires the description of, or explanation on, the application of the quantitative reporting principle to include information on the standards, methodologies, assumptions and/or calculation tools used. Please clarify the level of detail required to fulfill this disclosure requirement.

A description of or reference to the standards (e.g. Greenhouse Gas Protocol for greenhouse gas (GHG) emissions), methodologies (e.g. whether consumption of reused water is counted as water consumption), major assumptions and/or calculation tools adopted in the ESG report suffices.

There is no need to explain the methodologies or assumptions underlying a well-established standard.

[Where specific disclosure is required under the Code, listed issuers will need to provide further details. For example, Part D of the Code requires listed issuers to disclose the measurement approach, inputs and assumptions that they use to measure their GHG emissions \(paragraph 29\(b\)\(i\)\).](#)

MB Rules App C2
GEM Rules App C2

First released: February 2020; last updated ~~May~~ December 2024

11. Where there is no change to the methods or KPIs used or any other relevant factors affecting a meaningful comparison of the ESG report with previous reports, are listed issuers required to disclose this fact in the ESG report?

Inclusion of a statement to confirm no change may be useful for readers in terms of transparency. This also enables readers to compare information contained in the ESG report with that in previous reports.

MB Rules App C2
GEM Rules App C2

First released: February 2020; last updated May 2024

Environmental aspects

- ~~12. What is the difference between direct (Scope 1) and energy indirect (Scope 2) GHG emissions? What should a listed issuer disclose for the purpose of KPI A1.2?~~

~~Globally, GHG emissions are categorised into three broad scopes:~~

- ~~• “Scope 1” covers direct emissions from sources that are owned or controlled by the company;~~

- ~~“Scope 2” covers “energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the company; and~~
- ~~“Scope 3” covers all other indirect emissions that occur outside the company, including both upstream and downstream emissions. It captures emissions from a wide range of activities (e.g. employee business travel, transporting fuel and the use of a company’s products).~~

~~Both “Scope 2” and “Scope 3” GHG emissions are indirect emissions that are a consequence of the activities of the reporting issuer, but occur at sources owned or controlled by another entity.~~

~~Scopes of emissions are defined in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*.~~

~~The Hong Kong Government has published “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong”.~~

~~The Green and Sustainable Finance Cross-Agency Steering Group (**Steering Group**) and the Hong Kong University of Science and Technology have developed two tools to support the calculation and estimation of GHG emissions. The calculation tool enables users to calculate their GHG emissions based on actual activity levels. The estimation tool enables users to estimate the GHG emissions associated with their investments or loans where data of underlying companies is limited. Both tools are available on the website of the Steering Group.~~

~~Starting from the financial year commencing on or after 1 January 2025, all listed issuers will be required to disclose Scope 1 and Scope 2 GHG emissions on a mandatory basis, and will follow a phased approach to report on Scope 3 GHG emission. Listed issuers are advised to familiarize themselves with the new disclosure requirements in the ESG Code for planning and building the necessary infrastructure and system in preparation of the enhanced reporting requirements of GHG emissions.~~

*MB Rules App C2
-GEM Rules App C2
First released: December 2015; last updated May 2024*

13. ~~Can a listed issuer which has operations in multiple countries use Hong Kong emission factors to calculate the emissions of their operations in other countries?~~

~~The ESG Academy includes reporting guidance (for example, Appendix 2 to “How to prepare an ESG Report”) on data collection methodologies and on calculating and reporting on the Environmental KPIs in the ESG Code. The emission factors referred to in the reporting guidance are Hong Kong-based.~~

~~Listed issuers with operations in other countries may refer to the links to international resources set out in the “External References” section of the ESG Academy for methods to calculate the emissions of their operations in other countries. However, the links included do not contain the emission factors of all countries in the world and expert advice may be sought~~



as appropriate.

*MB Rules App C2
-GEM Rules App C2
First released: November 2018; last updated May 2024*

Social aspects

12. Please clarify whether Aspect B2: Health and Safety covers physical safety of employees only.

Aspect B2: Health and Safety covers both physical and non-physical aspects, such as the mental well-being of employees. For example, in respect of KPI B2.3, listed issuers may disclose their employee wellness programmes (which may include mental wellness or financial wellness seminars).

*MB Rules App C2
GEM Rules App C2
First released: February 2020; last updated May 2024*

13. KPI B5.4 requires description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. What is the definition of “environmentally preferable products”?

Environmentally preferable products may be defined with reference to the listed issuer’s internal classification.

In Hong Kong, the Government maintains a green procurement list with green specifications for commonly used items, which may provide a useful reference. See Green Procurement by EPD:
https://www.epdeeb.gov.hk/epd/english/how_help/en/susdev/green_procure/green_specprocure.html

*MB Rules App C2
GEM Rules App C2
First released: February 2020; last updated May 2024*

14. Where may listed issuers find resources for reporting of Aspect B7: Anti-corruption?

Listed issuers may refer to “[Tips for Good Environmental, Social and Governance Reporting under the Anti-Corruption Aspect](#)” published by the Independent Commission for Anti-Corruption’s Corruption Prevention Advisory Service.

In addition to reporting on the general disclosures and KPIs prescribed under Aspect B7, listed issuers may disclose results of their corruption risk assessment in their ESG reports. Listed issuers may also upload important anti-corruption policy documents, including the codes of conduct for directors and staff, integrity requirements for business partners, and their whistle-blowing policy and procedures to their websites.

Independent assurance

15. Paragraph 9 of the ESG Code encourages listed issuers to seek independent assurance for ESG reports, and where independent assurance is obtained, requires the issuer to describe the level, scope and processes adopted for the assurance given in the ESG report.

(a) What should a listed issuer consider when selecting an assurance provider?

A listed issuer should consider whether the assurance provider:

- is independent from the listed issuer and its controlling shareholders, and therefore able to reach an objective and impartial opinion about the ESG report;
- is demonstrably competent in both the subject matter and assurance practices; and
- will issue a written report which includes: an opinion or set of conclusions; a description of the responsibilities of the report preparer and the assurance provider; and a summary of the work performed, which explains the nature of the assurance conveyed by the assurance report. For the avoidance of doubt, listed issuers are not required to disclose the text of this report in the ESG report.

(b) What should be the scope of assurance?

Listed issuers may choose to obtain external assurance for all or part of its ESG report, so long as the scope of assurance is clearly set out in the ESG report.

(c) Which assurance framework should listed issuers adopt?

Assurance for ESG and sustainability reporting is ~~still~~ a developing area. ~~Currently, listed issuers may refer to ISAE 3000 (Revised), being the standard for assurance over non-financial information issued by~~ [In November 2024](#), the International Federation of Accountants, ~~which comprises guidelines for the ethical behaviour, quality management and performance of an assurance engagement.~~

~~Note: The International Auditing and Assurance Standards Board (IAASB) issued a public consultation on its proposed global sustainability assurance standard, International Standard on Sustainability Assurance (ISSA 5000), published the General Requirements for Sustainability Assurance Engagements, in August 2023. The consultation period ended in December 2023 (ISSA 5000). The ISSB 5000 is designed to be a global baseline for sustainability assurance engagements. It addresses both limited and reasonable assurance engagements and the IAASB is expected can be applied to publish the final standard before the end of 2024. assurance engagements in respect of sustainability disclosures prepared under different reporting frameworks (including the ISSB standards). Listed issuers may wish to refer to and adopt the IAASB's final standard once it is available. ISSA 5000 if they obtain independent assurance.~~

(d) Is the listed issuer required to state the name of the party providing assurance in the ESG report?

Listed issuers may decide whether to disclose the assurance provider's name.

MB Rules App C2
GEM Rules App C2

First released: February 2020; last updated ~~May~~ December 2024

Climate-related disclosures

16. What is the implementation timeline for the amendments to the Rules and the Code adopted in the “Consultation Conclusions on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework” published in April 2024 (2024 Amendments)?

The 2024 Amendments will come into effect in the following manner:

(a) For financial years commencing on or after 1 January 2025:

- All listed issuers (i.e. both Main Board listed issuers and GEM listed issuers) are required to disclose Scope 1 and Scope 2 GHG emissions on a mandatory basis;
- In addition to Scope 1 and Scope 2 GHG emissions which are required to be reported on a mandatory basis:
 - all Main Board listed issuers are required to report on the climate-related disclosure requirements set out in Part D of the Code (Climate Requirements) on a “comply or explain” basis; and
 - all GEM listed issuers are encouraged to report on the Climate Requirements on a voluntary basis.

(b) For financial years commencing on or after 1 January 2026, all Hang Seng Composite LargeCap Index (HSCLI) constituents are required to report on the Climate Requirements on a mandatory basis (Mandatory Climate Disclosure Requirement).

MB Rules App C2 Part D
GEM Rules App C2 Part D
First released: December 2024

17. Under MB Rules Appendix C2 paragraph 17(2), a listed issuer that is a HSCLI constituent shall report on the requirements set out in Part D of the Code on a mandatory basis in respect of financial years commencing on or after 1 January 2026 (FY 2026). How can a listed issuer that is a HSCLI constituent determine whether it is subject to the Mandatory Climate Disclosure Requirement in FY 2026?

The Mandatory Climate Disclosure Requirement applies to listed issuers that are HSCLI constituents throughout the year immediately prior to the reporting year (in respect of the



ESG report in question).

The Mandatory Climate Disclosure Requirement comes into effect from FY 2026. Accordingly, listed issuers that are HSCLI constituents throughout their entire financial year commencing on or after 1 January 2025 will be the first batch of listed issuers subject to the Mandatory Climate Disclosure Requirement in respect of their ESG reports for FY 2026 (to be published in 2027).

*MB Rules App C2 Paragraph 17(2) and Note to Paragraph 17(2)
First released: December 2024*

18. Hang Seng Indexes Company Limited reviews the constituents of the Hang Seng Composite Index Series at various intervals throughout the year. Where a listed issuer is added to HSCLI during a particular year, when will it become subject to the Mandatory Climate Disclosure Requirement?

The Mandatory Climate Disclosure Requirement applies to listed issuers who are HSCLI constituents throughout the year immediately prior to the reporting year (in respect of the ESG report in question). Therefore, where a listed issuer is newly added to HSCLI, it would only become subject to the Mandatory Climate Disclosure Requirement after having been a HSCLI constituent for an entire financial year. Please refer to the illustrative examples below:

Illustrative example 1

Listed issuer A with a 31 December financial year end is added to HSCLI with effect from September 2025. For financial year ending on:

- **31 December 2025** (i.e. reporting period covering 1 January 2025 to 31 December 2025): Listed issuer A only becomes a HSCLI constituent with effect from September 2025, i.e. not a HSCLI constituent throughout the year.
- **31 December 2026** (i.e. reporting period covering 1 January 2026 to 31 December 2026): Listed issuer A is a HSCLI constituent for the entire financial year.
- **31 December 2027** (i.e. reporting period covering 1 January 2027 to 31 December 2027): The Mandatory Climate Disclosure Requirement starts to apply to Issuer A, and the relevant ESG report will be published in 2028.

Illustrative example 2

Listed issuer B with a 30 June financial year end is added to HSCLI with effect from March 2026. For financial year ending on:

- **30 June 2026** (i.e. reporting period of 1 July 2025 to 30 June 2026): Listed issuer B only becomes a HSCLI constituent with effect from March 2026.
- **30 June 2027** (i.e. reporting period of 1 July 2026 to 30 June 2027): Listed issuer B is a HSCLI constituent for the entire financial year.
- **30 June 2028** (i.e. reporting period of 1 July 2027 to 30 June 2028): The Mandatory

Climate Disclosure Requirement starts to apply to Issuer B, and the relevant ESG report will be published in 2028.

Once a listed issuer becomes subject to the Mandatory Climate Disclosure Requirement pursuant to paragraph 17(2) of Appendix C2, such issuer will continue to be subject to the Mandatory Climate Disclosure Requirement even if it subsequently ceases to be a HSCL constituent.

*MB Rules App C2 Note to Paragraph 17(2)
 First released: December 2024*

19. What are the implementation reliefs provided in Part D of the Code and which Climate Requirements do these reliefs apply to?

The following implementation reliefs are provided in Part D of the Code:

- Reasonable information relief – this relief allows a listed issuer to prepare relevant disclosures based on all reasonable and supportable information that is available to it at the reporting date without undue cost or effort.
- Capabilities relief – this relief allows a listed issuer to use an approach that is informed by or commensurate with the available skills, capabilities and resources that are available to it in preparing relevant disclosures.
- Commercial sensitivity relief – this relief exempts disclosure of information about a climate-related opportunity in limited circumstances where such information is commercially sensitive and not already publicly available.
- Financial effects relief – this relief allows disclosure of qualitative instead of quantitative financial information where certain conditions are met.

The table below summarises the Climate Requirements where implementation reliefs are available:

<u>Climate Requirement</u>	<u>Implementation relief</u>			
	<u>Reasonable information relief</u>	<u>Capabilities relief</u>	<u>Commercial sensitivity relief</u>	<u>Financial effects relief</u>
<u>All paragraphs with respect to climate-related opportunities (note 2 to paragraph 20 of the Code)</u>			✓	
<u>Identification of climate-related risks and opportunities (note 1(a) to paragraph 20 of the Code)</u>	✓			
<u>Determination of the scope of the value chain (note to paragraph 21 of the Code)</u>	✓			



Quantification of current and anticipated financial effects (notes 3 to 5 to paragraph 25 of the Code)		✓ (anticipated financial effects only)		✓
Preparation of disclosures on anticipated financial effects (note 2 to paragraph 25 of the Code)	✓	✓		
Use of climate-related scenario analysis (note to paragraph 26 of the Code)	✓	✓		
Measurement approach, inputs and assumptions of Scope 3 GHG emissions (note 1 to paragraph 29 of the Code)	✓			
Calculation of cross-industry metrics in relation to climate-related transition risks, climate-related physical risks and climate-related opportunities (note to paragraph 32 of the Code)	✓			

Notes:

- (1) [Where a listed issuer elects to use the commercial sensitivity relief, the issuer shall, for each item of information omitted, \(i\) disclose the fact that it has used the exemption; and \(ii\) reassess, at each reporting date, whether the information qualifies for the exemption \(See note 2\(c\) to paragraph 20 of the Code\).](#)
- (2) [Where a listed issuer determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity, the listed issuer shall \(i\) explain why it has not provided quantitative information; \(ii\) provide qualitative information about those financial effects; and \(iii\) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors, unless the listed issuer determines that quantitative information about the combined financial effects would not be useful \(See note 5 to paragraph 25 of the Code\).](#)

*MB Rules App C2 Part D
GEM Rules App C2 Part D
First released: December 2024*

20. (a) [What are financed emissions?](#)

[Financed emissions are defined in the IFRS S2 Climate-related Disclosures Standard as the portion of gross GHG emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 \(investments\) as defined in the Greenhouse Gas Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)



(2011) (GHG Protocol (Scope 3) Standard).

(b) Are listed issuers required to disclose information regarding their financed emissions in their ESG reports?

Listed issuers are required to disclose the categories included within their measure of Scope 3 GHG emissions in accordance with the Scope 3 categories described in the GHG Protocol (Scope 3) Standard, which include financed emissions (Scope 3 Category 15 (investments) activity). An issuer should map its value chain against all 15 categories of the GHG Protocol (Scope 3) Standard and disclose the categories included in its Scope 3 GHG emissions. Where there are exclusions, issuers should justify and explain such exclusions.

(c) Note 3 to paragraph 29 of the Code provides that listed issuers which activities include asset management, commercial banking or insurance are encouraged to disclose “additional information” about their financed emissions. Does it mean that these listed issuers are not required to disclose their financed emissions?

No, note 3 to paragraph 29 of the Code is not an exemption to issuers within such industry sectors. “Additional information” refers to information required under paragraphs B58 to B63 of the IFRS S2 Application Guidance (**Scope 3 Additional Information**). While the Code does not require disclosure of Scope 3 Additional Information, where an issuer has disclosed such information in a document other than the ESG report (e.g. specific information about their financed emissions as required by regulators who supervise them (other than the Exchange)), the listed issuer is encouraged to include a cross-reference to such document in its ESG report.

*MB Rules App C2 Paragraph 29 and Note 3 to Paragraph 29
GEM Rules App C2 Paragraph 29 and Note 3 to Paragraph 29
First released: December 2024*