

The Stock Exchange of Hong Kong Limited
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20150717-021

17 July 2015

To: Main Board Listed Issuers (Attn: Authorised Representatives)
GEM Listed Issuers (Attn: Authorised Representatives)
Market practitioners

Dear Sirs,

Consultation Paper on Review of the Environmental, Social and Governance Reporting Guide

We have today published the Consultation Paper on Review of the Environmental, Social and Governance Reporting Guide (“**Consultation Paper**”).

The Consultation Paper seeks views on proposed amendments to the Environmental, Social and Governance (“**ESG**”) Reporting Guide (the “**ESG Guide**” or “**Guide**”), which is set out in Appendix 27 to the Main Board Listing Rules (Appendix 20 to the GEM Listing Rules).

The proposals aim to strengthen ESG disclosure requirements, encourage more widespread and standardised ESG reporting amongst issuers, and help issuers meet greater demand and expectations for non-financial information from investors and other stakeholders. In formulating the proposals, the Exchange took into consideration developments in both Hong Kong and international markets.

The key proposals in the Consultation Paper are summarised below:

- Amend the Listing Rules to require issuers to state in their annual report or ESG report whether they have complied with the “comply or explain” provisions of the ESG Guide for the relevant financial year.
- Revise the introductory section of the Guide to provide more guidance on reporting and to be more in line with international standards.
- Re-arrange the Guide into two subject areas (“Environmental” and “Social”).
- Upgrade the general disclosure under each of the aspects of the Guide to “comply or explain” and align the wording with the directors’ report requirements under the Companies Ordinance (Cap 622) (incorporated in Appendix 16 to the Main Board Listing Rules).

香港交易及結算所有限公司
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- Upgrade the key performance indicators under the “Environmental” subject area to “comply or explain”.
- Revise the wording of the recommended disclosure to bring it more in line with international standards by incorporating disclosure of gender diversity.

The Consultation Paper is available on the HKEx website at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201507.pdf>. We invite written comments on the proposed changes. These can be made using one of the methods set out in the Consultation Paper. We have also published a consultation questionnaire available at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201507q.doc>.

The consultation period will close on 18 September 2015.

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

David Graham
Chief Regulatory Officer and Head of Listing