Ref : SC2023/07/05-01

5th July 2023

Ms. Katherine Ng
Head of Listing
HK Exchange

11th Floor
Two Exchange Square
8 Connaught Place
Central, Hong Kong

Dear Ms. Ng,

Response to the Consultation Paper "Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework"

I am writing on behalf of The ESG Consortium (www.esg-c.org) to extend our appreciation for the opportunity to respond regarding to the above Consultation Paper launched in April 2023. A copy of the completed questionnaire is attached in Annex 1 for your reference.

On behalf of The ESG Consortium, we would like to express our support for the proposed changes to the ESG reporting framework, which would mandate all issuers to make climate-related disclosures in their ESG reports based on the ISSB Climate Standard. We believe that this is a crucial step towards promoting transparency and accountability in addressing climate change.

However, we would like to draw your attention to a critical issue that needs to be addressed in the implementation of this proposal. In particular, we are concerned about the accurate and comprehensive disclosure of scope 3 emissions by issuers, which would require companies to collect data from their suppliers and other stakeholders, many of which are small and medium-sized enterprises (SMEs).

We recognize that SMEs face significant challenges in collecting and reporting their data, including the lack of financial and other resources, as well as the absence of standardized methodology for their reporting. As such, we believe that the regulator should take the SMEs into consideration when implementing this proposal, by introducing some incentives, guidelines, and training programs to help them comply with the new requirements, especially during the transition period.

Additionally, we would like to offer our support to the regulator in introducing some initiatives to help SMEs comply with the new requirements. As a consortium, we have developed an ESG Benchmarking system that is affordable, actionable, accountable, and apprehensible, and we believe that this could be a useful tool for SMEs to use when reporting their data. We would be happy to work with the regulator to help promote the use of this system among SMEs, and to provide any other support that may be needed.

In conclusion, we believe that the proposed changes to the ESG reporting framework are a positive step towards addressing climate change, but we urge the regulator to take the concerns of SMEs into consideration when implementing these changes. By introducing some incentives, guidelines, and training programs for SMEs, and by providing issuers with a standardized methodology for collecting scope 3 data, we believe that this proposal can be implemented successfully and with minimal disruption to businesses.

Thank you for considering our responses to the questionnaire. Please find the Membership List of the Benchmarks for Standards Committee, Certificate Committee and advisors of The ESG Consortium and in Annex 2 for your reference. We would greatly appreciate the opportunity to share our thoughts on this important matter.

For further enquiries, please contact our [redacted] (Tel: [redacted] / Email: [redacted]) or [redacted] (Tel: [redacted] / Email: [redacted]).

Yours sincerely,

[redacted]

(Mr Hugh CHOW Hin-poon)
Executive Director
The ESG Consortium

Annex 1

Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework - Questionnaire

Q1 Do you agree to upgrade climate-related disclosures to mandatory from "comply or explain"?

A1 Yes. Upgrading climate-related disclosures to mandatory requirements would be beneficial for companies, investors, and the wider community. It would improve transparency, consistency, and comparability of reporting, and would demonstrate commitment to sustainability and responsible corporate citizenship.

Q2 Do you agree to introduce new governance disclosures focusing on climate-related issues as set out in paragraph 1 of Part D of the Proposed Appendix 27?

A2 Yes. Climate change is a major global challenge that poses significant risks to businesses, the environment, and society as a whole. Companies have a responsibility to address the risks and opportunities associated with climate change, and to disclose their actions and strategies to investors, stakeholders, and the public.

Introducing new governance disclosures focused on climate-related issues can help a listed company to demonstrate its commitment to sustainability, build trust with its stakeholders, and enhance its reputation as a responsible corporate citizen.

Q3 Do you agree to require disclosure of climate-related risks as set out in paragraph 2 of Part D of the Proposed Appendix 27?

A3 Yes. Climate change poses significant risks to businesses, and it is essential that companies understand and manage these risks to ensure their long-term sustainability and resilience.

Investors and other stakeholders are increasingly demanding better disclosure of climate-related risks and opportunities, and companies that fail to disclose this information may be viewed as lacking transparency and accountability.

Q4 Do you agree that issuers may opt to disclose the actual and potential effects of climate-related opportunities they may have identified in response to climate-related risks disclosed as set out in paragraph 3 of Part D of the Proposed Appendix 27?

A4 No. We do not agree that such disclosure is an option. We suggest that the disclosure should be mandatory because by providing transparent information on the potential benefits and drawbacks associated with climate change, issuers can help investors make informed decisions and better understand how their investments may be affected by climate-related risks and opportunities. Additionally, this type of disclosure can also help issuers demonstrate their commitment to sustainability and responsible business practices, which can enhance their reputation and credibility.

Q5 Do you agree that an issuer shall consider the applicability of and disclose the metrics when assessing and making disclosure of climate-related risks and opportunities as set out in paragraph 4 of Part D of the Proposed Appendix 27?

A5 Yes. Metrics play a critical role in measuring and monitoring the company's progress towards its climate-related goals and commitments, and in ensuring transparency and accountability to stakeholders.

However, companies operate in different sectors and face different climate-related risks and opportunities may need to disclose different metrics. It is important for companies to carefully consider which metrics are most relevant to their business and to disclose these metrics in a way that is clear, transparent, and comparable over time.

Q6 Do you agree to require disclosure of how the issuer is responding to climate-related risks and, where an issuer chooses to, any climate-related opportunities as set out in paragraph 5 of Part D of the Proposed Appendix 27?

A6 Yes. It is critical for companies to take action and respond to the risks and opportunities posed by climate change, and to communicate their actions and strategies to stakeholders.

By disclosing this information, companies can demonstrate how they are managing climate-related risks and opportunities and how they are positioning themselves for the transition to a low-carbon economy.

Q7 Do you agree to require disclosure of climate-related targets set by the issuer as set out in paragraph 6 of Part D of the Proposed Appendix 27?

A7 Yes. Disclosure of climate-related targets can help to build trust with stakeholders and enhance the company's reputation as a responsible corporate citizen. Investors and other stakeholders are increasingly interested in how companies are setting and achieving climate-related targets, and companies that are transparent about their targets and their progress towards achieving them may be viewed more favorably by these stakeholders.

Q8 Do you agree that where an issuer has yet to disclose climate-related targets, it should make alternative disclosures as set out in note 2 to paragraph 6 of Part D of the Proposed Appendix 27?

A8 Yes. While setting climate-related targets is important, it can be challenging for companies to identify the most relevant targets and to develop a plan for achieving them.

By disclosing a work plan, progress, and timetable for setting climate-related targets, companies can demonstrate their commitment to addressing climate-related risks and opportunities, while also providing stakeholders with a clear understanding of their approach and timeline for achieving these targets. This can help to build trust with stakeholders and enhance the company's reputation as a responsible corporate citizen.

Q9 Do you agree to require disclosure of progress made in the most recent reporting year in respect of plans disclosed as set out in paragraph 7 of Part D of the Proposed Appendix 27?

A9 Yes. Disclosure of progress made in the most recent reporting year can help to identify areas for improvement and to promote continuous improvement in the company's sustainability practices. By measuring and reporting on our progress, we can identify gaps and opportunities for improvement in our climate-related strategies and take corrective action where necessary.

However, it is important for companies to ensure that their progress disclosures are substantive and meaningful, and that they provide stakeholders with a clear understanding of the company's approach and performance in relation to its climate-related plans and targets. Companies should also be transparent about any challenges or obstacles that they may face in achieving their targets, and should communicate their progress and challenges in a clear, accurate, and credible manner.

Q10 Do you agree to require discussion of the issuer's climate resilience as set out in paragraph 8 of Part D of the Proposed Appendix 27?

A10 Yes. Climate change is one of the most pressing global issues of our time, and it poses significant risks to businesses, societies, and the environment. Listed companies have a responsibility to address climate change and its potential impacts on their operations, supply chains, and stakeholders.

A discussion of the issuer's climate resilience can provide valuable insights into the company's preparedness for climate-related risks and opportunities. It can also help stakeholders understand the company's strategy for managing these risks and capitalizing on opportunities.

Q11 Do you agree to require issuers to apply a climate-related scenario analysis that is commensurate with the issuer's circumstances, and to require disclosure of information on climate-related scenario analysis as set out in paragraph 9 of Part D of the Proposed Appendix 27?

A11 Yes. By conducting a climate-related scenario analysis, issuers can identify potential climate-related risks and opportunities and assess their potential impact on the company's financial performance and sustainability. This analysis can help issuers to better understand the potential implications of different climate scenarios, such as a transition to a low-carbon economy or physical risks associated with climate change.

Requiring issuers to apply a climate-related scenario analysis that is commensurate with their circumstances can help to ensure that companies are adequately addressing the risks and opportunities associated with climate change. This would involve tailoring the analysis to the specific circumstances of the issuer, including their geographic location, sector, and business model.

Q12 Do you agree to require disclosure of the current financial effects of climate-related risks, and where applicable, climate-related opportunities as set out in paragraph 10 of Part D of the Proposed Appendix 27?

A12 Yes. This type of disclosure can provide valuable information to investors, regulators, and other stakeholders about the potential impact of climate change on a company's financial performance and opportunities.

However, it is important to note that disclosing the financial effects of climate-related risks and opportunities can be complex, and may require the use of scenario analysis or other tools to fully understand the potential impact. As such, issuers may need support and guidance from regulators and other stakeholders to ensure that this type of disclosure is accurate and meaningful.

Q13 Do you agree that during the Interim Period, where an issuer has yet to provide quantitative disclosures pursuant to paragraph 10(a) of Part D of the Proposed Appendix 27, it should make the interim disclosures as set out in the paragraph immediately following paragraph 10 of Part D of the Proposed Appendix 27?

A13 Yes. While quantitative disclosures provide more detailed and precise information, interim qualitative disclosures can still provide valuable insights into a company's approach to managing climate-related risks and opportunities.

By making interim qualitative disclosures, issuers can demonstrate their commitment to addressing climate-related risks and opportunities, and provide stakeholders with important information about their approach to managing these issues. This can help to build trust and promote transparency, even in the absence of fully quantitative disclosures.

However, it is important to note that interim qualitative disclosures should not be seen as a substitute for quantitative disclosures. Issuers should continue to work towards providing fully quantitative disclosures as soon as possible, and should provide regular updates to stakeholders on their progress towards this goal. This can help to ensure that stakeholders have the most accurate and precise information possible about the potential financial impacts of climate-related risks and opportunities on the company.

Q14 Do you agree to require disclosure of anticipated financial effects of climate-related risks and, where applicable, climate-related opportunities as set out in paragraph 11 of Part D of the Proposed Appendix 27?

A14 Yes. This type of disclosure can provide valuable information to investors, regulators, and other stakeholders about the potential impact of climate change on a company's financial performance and sustainability in the future.

However, it is important to note that disclosing the anticipated financial effects of climate-related risks and opportunities can be complex and may require the use of scenario analysis or other tools to fully understand the potential impact. As such, issuers may need support and guidance from regulators and other stakeholders to ensure that this type of disclosure is accurate and meaningful.

Q15 Do you agree that during the Interim Period, where an issuer has yet to provide information required in paragraph 11 of Part D of the Proposed Appendix 27, it should make the interim disclosures as set out in the paragraph immediately following paragraph 11 of Part D of the Proposed Appendix 27?

A15 Yes. Interim disclosures can include information on the company's approach to managing climate-related risks and opportunities, and any actions taken to address these issues to date. This can help investors and other stakeholders to understand the potential impact of climate-related risks and opportunities on the company's financial performance, even in the absence of fully quantitative disclosures.

While interim disclosures may be less detailed than fully quantitative disclosures, they can still provide valuable information to stakeholders. By providing interim disclosures, issuers can demonstrate their commitment to addressing climate-related risks and opportunities and can help to build trust with investors and other stakeholders.

However, it is important to note that interim disclosures should not be seen as a substitute for fully quantitative disclosures. Issuers should continue to work towards providing fully quantitative disclosures as soon as possible, and should provide regular updates to stakeholders on their progress towards this goal. This can help to ensure that stakeholders have the most accurate and precise information possible about the potential financial impacts of climate-related risks and opportunities on the company.

Q16 Do you agree to require disclosure of the process an issuer uses to identify, assess and manage climate-related risks as set out in paragraph 12(a) of Part D of the Proposed Appendix 27?

A16 Yes. By requiring issuers to disclose their process for managing climate-related risks, stakeholders can gain a better understanding of the company's approach to sustainability and can evaluate the effectiveness of the company's risk management practices. This type of disclosure can also help to promote transparency, accountability, and overall sustainability in the economy.

It is important to note that the process used to identify, assess, and manage climate-related risks can vary depending on the issuer's circumstances, including their geographic location, sector, and business model. As such, regulator and other stakeholders may need to provide guidance and support to issuers to ensure that their disclosures are accurate, meaningful, and comparable across different companies and sectors.

Q17 Do you agree that issuers may opt to disclose the process used to identify, assess and manage climate-related opportunities as set out in paragraph 12(b) of Part D of the Proposed Appendix 27?

A17 Yes. While the focus on climate-related disclosures has traditionally been on risks, it is increasingly important for companies to identify and capitalize on opportunities presented by the transition to a low-carbon economy and other climate-related trends. It can also help to promote a more sustainable and resilient economy, and can provide important information for investors, regulators, and other stakeholders to make informed decisions.

Q18a Do you agree with the proposed approach for the disclosure of scope 1 and scope 2 emissions and the related information as set out in paragraphs 13 to 14 of Part D of the Proposed Appendix 27?

A18a Yes. Disclosing absolute gross GHG emissions generated during the reporting period is important as it provides a clear and transparent picture of a company's environmental impact.

The approach for the disclosure of scope 1 and scope 2 emissions as described provides a comprehensive and transparent approach to reporting GHG emissions. By following recognized reporting frameworks and providing accurate and comprehensive disclosures, companies can demonstrate their commitment to sustainability and promote transparency and accountability.

Q18b Do you agree with the proposed approach for the disclosure of scope 3 emissions and the related information as set out in paragraphs 13 to 15 of Part D of the Proposed Appendix 27?

A18b Yes. Disclosing the categories of significant upstream or downstream activities along the value chain that have been included in the calculation, the basis for selecting such upstream or downstream activities, and the basis for measuring scope 3 emissions is important. This information provides transparency on the scope of emissions being reported and allows stakeholders to understand the reasoning behind the selection of specific activities and the methodology used to measure emissions.

Disclosure of scope 3 emissions requires companies to collect data from their suppliers and other stakeholders, which are mainly SMEs, to ensure that their reporting is comprehensive and accurate. However, the main difficulties for SMEs to collect and report their scope 3 data is the lack of financial and other resources, as well as no standardized methodology for calculating and reporting scope 3 emissions.

As such, regulator plays an important role in helping SMEs to disclose their scope 3 data by providing guidance, offering incentives, simplifying reporting requirements and raising awareness for SMEs.

Q19 Do you agree with the proposed approach for the interim disclosures in respect of scope 3 emissions during the Interim Period as set out in the paragraph immediately following paragraph 15 of Part D of the Proposed Appendix 27?

A19 Yes. We agree with the approach for interim disclosures in respect of scope 3 emissions during the Interim Period as described. However, it is important to note that this approach should be seen as a minimum requirement, and issuers should continue to work towards providing quantitative disclosure of scope 3 emissions as soon as possible.

In order to achieving this, it is important to provide measures described in A18b in helping SMEs to disclose their scope 3 data as soon as possible.

Q20a Do you agree to require disclosure of the amount and percentage of assets or business activities vulnerable to transition risks as set out in paragraph 16 of Part D of the Proposed Appendix 27?

A20a Yes. Disclosing the amount and percentage of assets or business activities vulnerable to transition risks can also provide insights into a company's sustainability strategy and its commitment to managing climate-related risks. This information can help stakeholders to evaluate the effectiveness of the company's risk management practices and can provide a basis for comparing the sustainability performance of different companies.

However, it is important to note that disclosing the amount and percentage of assets or business activities vulnerable to transition risks can be challenging. It requires a thorough understanding of the company's operations and supply chain, as well as a comprehensive assessment of potential climate-related risks. As such, regulator and other stakeholders may need to provide guidance and support to issuers to ensure that their disclosures are accurate, meaningful, and comparable across different companies and sectors.

Q20b Do you agree with the proposed interim disclosures during the Interim Period in respect of the metric regarding transition risks as set out in the paragraph immediately following paragraph 16 of Part D of the Proposed Appendix 27?

A20b Yes. We agree with the approach for interim disclosures in respect of the metric regarding transition risks during the Interim Period as described.

However, it is important to note that this approach should be seen as a minimum requirement, and issuers should continue to work towards providing quantitative disclosure of transition risks as soon as possible. The disclosure of quantitative data is important to accurately assess the company's exposure to transition risks and to provide stakeholders with a more complete picture of the company's sustainability performance.

Q21a Do you agree to require disclosure of the amount and percentage of assets or business activities vulnerable to physical risks as set out in paragraph 17 of Part D of the Proposed Appendix 27?

A21a Yes. This type of disclosure can help to demonstrate the magnitude of potential impacts from climate-related physical risks, such as extreme weather events, sea level rise, and water scarcity, and can help investors to better understand the financial implications of these risks on the company.

However, it is important to note that disclosing the amount and percentage of assets or business activities vulnerable to physical risks can be challenging. It requires a thorough understanding of the company's operations and supply chain, as well as a comprehensive assessment of potential physical risks. As such, regulator and other stakeholders may need to provide guidance and support to issuers to ensure that their disclosures are accurate, meaningful, and comparable across different companies and sectors.

Q21b Do you agree with the proposed interim disclosures during the Interim Period in respect of the metric regarding physical risks as set out in the paragraph immediately following paragraph 17 of Part D of the Proposed Appendix 27?

A21b Yes. This information can help stakeholders to understand the potential impact of climate-related physical risks on the company's operations and can demonstrate the company's commitment to managing these risks.

However, it is important to note that this approach should be seen as a minimum requirement, and issuers should continue to work towards providing quantitative disclosure of physical risks as soon as possible. The disclosure of quantitative data is important to accurately assess the company's exposure to physical risks and to provide stakeholders with a more complete picture of the company's sustainability performance.

Q22a Do you agree to require disclosure of the amount and percentage of assets or business activities aligned with climate-related opportunities as set out in paragraph 18 of Part D of the Proposed Appendix 27?

A22a Yes. Disclosing the amount and percentage of assets or business activities aligned with climate-related opportunities can also provide insights into a company's sustainability strategy and its commitment to managing climate-related risks and opportunities. This information can help stakeholders to evaluate the effectiveness of the company's strategy and can provide a basis for comparing the sustainability performance of different companies.

However, it is important to note that disclosing the amount and percentage of assets or business activities aligned with climate-related opportunities can be challenging. It requires a thorough understanding of the company's operations and supply chain, as well as a comprehensive assessment of potential opportunities. As such, regulator and other stakeholders may need to provide guidance and support to issuers to ensure that their disclosures are accurate, meaningful, and comparable across different companies and sectors.

Q22b Do you agree with the proposed interim disclosures during the Interim Period in respect of metrics regarding climate-related opportunities as set out in the paragraph immediately following paragraph 18 of Part D of the Proposed Appendix 27?

A22b Yes. This information can help stakeholders to understand the potential positive impacts of climate-related opportunities on the company's operations and can demonstrate the company's commitment to managing these opportunities.

However, it is important to note that this approach should be seen as a minimum requirement, and issuers should continue to work towards providing quantitative disclosure of climate-related opportunities as soon as possible. The disclosure of quantitative data is important to accurately assess the company's exposure to climate-related opportunities and to provide stakeholders with a more complete picture of the company's sustainability performance.

Q23a Do you agree to require disclosure of the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities as set out in paragraph 19 of Part D of the Proposed Appendix 27?

A23a Yes. This type of disclosure can help to demonstrate the company's commitment to addressing climate-related risks and opportunities, and can provide investors with insights into the company's allocation of capital towards sustainability goals, a company's sustainability strategy and its commitment to managing climate-related risks and opportunities. This information can help stakeholders to evaluate the effectiveness of the company's strategy and can provide a basis for comparing the sustainability performance of different companies.

However, it is important to note that disclosing the amount of capital expenditure, financing, or investment deployed towards climate-related risks and opportunities can be challenging. It requires a thorough understanding of the company's operations, supply chain, and financial performance, as well as a comprehensive assessment of potential risks and opportunities. As such, regulators and other stakeholders may need to provide guidance and support to issuers to ensure that their disclosures are accurate, meaningful, and comparable across different companies and sectors.

Q23b Do you agree with the proposed interim disclosures during the Interim Period in respect of the metric regarding capital deployment as set out in the paragraph immediately following paragraph 19 of Part D of the Proposed Appendix 27?

A23b Yes. Providing a description of the types of activities requiring capital expenditure, financing, or investment towards climate-related risks and opportunities is an important first step for companies that have yet to make quantitative disclosure. This would allow investors and stakeholders to have a better understanding of the company's exposure to climate-related risks and opportunities and how the company is allocating capital towards these activities.

However, it is important to note that this approach should be seen as a minimum requirement, and issuers should continue to work towards providing quantitative disclosure of climate-related risks and opportunities as soon as possible. The disclosure of quantitative data is important to accurately assess the company's exposure to climate-related opportunities and to provide stakeholders with a more complete picture of the company's sustainability performance.

Q24 Do you agree that where an issuer maintains an internal carbon price, it should disclose the information as set out in paragraph 20 of Part D of the Proposed Appendix 27?

A24 Yes. Internal carbon pricing is a mechanism used by some companies to account for the costs associated with their greenhouse gas emissions. By assigning a price to these emissions, companies can better understand the financial implications of their carbon footprint and make more informed decisions about how to manage and reduce it.

Disclosing the price for each metric tonne of GHG emissions that the issuer uses to assess the costs of its emissions, as well as an explanation of how the issuer is applying the carbon price in decision-making, is an important step towards improving transparency and accountability around internal carbon pricing, and can help to build trust and confidence among investors and stakeholders in the company's sustainability strategy.

Q25 Do you agree with the proposed approach for the disclosure of how climate-related considerations are factored into remuneration policy as set out in paragraph 21 of Part D of the Proposed Appendix 27?

A25 Yes. Climate change presents significant risks and opportunities for businesses, and it is important for companies to ensure that their remuneration policies incentivize and reward behaviors that are aligned with the company's climate-related objectives.

Companies can demonstrate their commitment to addressing climate change and provide transparency and accountability around how their remuneration policies are aligned with their climate-related objectives. This can help to build trust and confidence among investors and stakeholders and can also help to align executive incentives with the company's sustainability strategy.

Q26 Do you agree with the proposed approach for the industry-based disclosure requirements prescribed under other international ESG reporting frameworks such as the SASB Standards and the GRI Standards as set out in paragraph 22 of Part D of the Proposed Appendix 27?

A26 Yes. The SASB Standards and the GRI Standards are widely recognized and used by companies globally to report on their sustainability performance and impacts. Both frameworks provide industry-specific guidance on the sustainability issues that are most relevant to different sectors and industries, and prescribe specific disclosure requirements to ensure that companies are providing relevant and comparable information to investors and stakeholders.

By aligning the industry-based disclosure requirements with the TCFD recommendations, companies would be able to provide more comprehensive and standardized disclosures on climate-related risks and opportunities, and investors and stakeholders would have better access to the information they need to make informed decisions.

Q27 Do you have any comments regarding whether the manner in which the proposed consequential amendments are drafted will give rise to any ambiguities or unintended consequences? (Please elaborate.)

A27 If issuers are mandatory to make climate-related disclosures in their ESG reports, there could be the following potential ambiguities or unintended consequences for SMEs.

1. SMEs may need to invest in new systems or processes to collect and report the required data. This could be particularly challenging for smaller companies that may not have the resources to implement such changes.

2. SMEs may find it difficult to report on climate-related issues due to limited resources and expertise. This could result in a reporting burden that is disproportionate to their size and may lead to incomplete or inaccurate disclosures.

3. SMEs may be at a competitive disadvantage compared to larger companies if climate-related disclosures are mandatory. Larger companies may have greater resources and expertise to comply with the reporting requirements, giving them a competitive advantage. This could put SMEs at a disadvantage when competing for contracts or investment.

4. SMEs may be reluctant to disclose climate-related information if they believe it will not lead to tangible environmental benefits or if they believe it will negatively impact their business operations. This could limit the effectiveness of mandatory climate-related disclosures as a tool for reducing emissions and addressing climate change.

5. Climate-related disclosures require accurate and reliable data to be effective. SMEs may face challenges in collecting and reporting this data, particularly if they have limited resources. This could result in inconsistencies in reporting practices and make it difficult to compare performance across companies.

Q28 Do you have any comments regarding the topics/matters that we intend to give guidance on? (Please elaborate.)
Is there any particular topic/matter you consider further guidance to be helpful? (Please elaborate.)

A28 1. Guidance on the scope of climate-related disclosures, including the types of emissions and activities that should be included in the reporting. This guidance should help companies to determine which emissions sources are material and should be disclosed.

2. Guidance on the metrics and targets that companies should use to report on their climate-related performance. This guidance should help companies to select appropriate metrics and targets that are relevant to their business and aligned with industry standards.

3. Guidance on how companies should assess and report on the physical and transition risks associated with climate change. This guidance should help companies to identify and assess the risks associated with climate change and report on them in a consistent and comparable manner.

4. Guidance on how companies should conduct scenario analysis to assess the potential impacts of climate change on their business. This guidance should help companies to identify and assess the potential impacts of different climate scenarios on their business and report on them in a consistent and comparable manner.

5. Guidance on how companies should report on their governance structures and processes related to climate change. This guidance should help companies to demonstrate how they are managing climate risks and opportunities at the board level and throughout the organization.

6. Guidance on how companies should verify and assure their climate-related disclosures. This guidance should help companies to ensure the accuracy and reliability of their disclosures and provide assurance to stakeholders that the disclosures are credible.

7. Guidance on how companies should determine the materiality of climate-related issues. This guidance should help companies to assess which climate-related issues are most relevant and important to their business and stakeholders.

8. Guidance on how companies should communicate and engage with stakeholders on their climate-related disclosures. This guidance should help companies to develop effective communication strategies and engage with stakeholders in a transparent and meaningful way.

Q29 Do you have any feedback on the new developments announced by the ISSB subsequent to the publication of this paper that may impact on the proposals in this paper? (Please share your views with us.)

A29

Annex 2

List of Benchmarks for Standards Committee of The ESG Consortium

[redacted]

List of Certificate Committee of The ESG Consortium

[redacted]

List of Advisors of The ESG Consortium

[redacted]