

Submitted via Qualtrics

**Anonymous
Company / Organisation
Listed Company**

Question 1

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

Yes

Please provide reasons for your views.

Having ESG and net-zero principles integrated into business strategy can make a company more agile and better prepared to deal with risks and uncertainties.

Question 2

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?

Yes

Please provide reasons for your views.

Yes. Please provide clear instruction regarding the difference between the new governance disclosure focusing on climate-related issues against the existing ESG governance disclosures as the "E" and "G" suppose disclosing the highest governance structure on how ESG matters are being handled of the issuer. Would this be a duplication of disclosure the governance structure.

Question 3

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

Yes

Please provide reasons for your views.

It is important for an issuer to identify the material climate-related risks it faces, and their known or expected effect on the issuer's business model, strategy and cashflows, its access to finance and its cost of capital. The effects of climate-related risks may be immediate or may manifest over a long period of time. It is important that issuers may opt to disclose the actual and potential effects of any climate-related opportunities they may identified in response to climate-related risks disclosed under the proposed provisions.

Without a doubt that climate change and the shift to a lower-carbon economy may also bring opportunity for businesses. Efforts to mitigate or adapt to climate-related effects and events can result in opportunities such as cost savings from increased use of renewable energy improved resource efficiency, the development of new products and services, and access to new markets as a result of the transition to a lower-carbon economy. However, not all issuers would have identified climate-related opportunities to pursue at this stage.

Question 4

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?

Yes

Please provide reasons for your views.

It is important that issuers may opt to disclose the actual and potential effects of any climate-related opportunities they may have identified in response to climate-related risks disclosed under the proposed provisions.

Climate-related risks faced by different issuers can vary greatly depending on their industry sector and location of operations. An issuer could determine the material climate-related risks it faces as well as their known or projected impact on the issuer's business model, strategy, and cashflows, as well as its access to finance and cost of capital. Also, not all issuers would have identified climate-related opportunities to pursue at this stage.

Question 5

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?

Yes

Please provide reasons for your views.

Yes, the issuers should be allowed the flexibility to opt to disclose as not all issuers would have identified climate-related opportunities to pursue at this stage.

Question 6

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?

Yes

Please provide reasons for your views.

With no doubt that a transition plan is an aspect of a company's overall business strategy that specifies its goals and initiatives to help it move toward a net-zero economy in the long run. Yet, the issuer should have an option to choose the level of disclosure as the maturity of companies are different and issuers are at different stage of their sustainability journey.

Question 7

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?

Yes

Please provide reasons for your views.

A clear implementation guide should be provided on the setting of climate-related targets and carbon credits. The issuer should have an option to choose the level of disclosure as the maturity of companies is different and issuers are at different stage of their sustainability journey. If issuers are still required to disclose targets pursuant to KPIs A1.5, A1.6, A2.3 and A2.4 on a "comply or explain" basis, would this already serve part of the purposes regarding disclosure of climate-related target.

Question 8

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?

Yes

Please provide reasons for your views.

As a matter of fact, issuers are at different stages of their sustainability journey and some may require more time to determine meaningful and achievable targets. Having alternative disclosure allows those have yet to set climate-related targets to continue to be a sustainability agenda and to be revised by Management from time to time.

Question 9

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?

Yes

Please provide reasons for your views.

If a plan has been disclosed, a regular progress update should be deem appropriate yet this

should be given the flexibility to the issuer as not every initiative could have a frequent update on an annual basis.

Question 10

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?

Yes

Please provide reasons for your views.

As a matter of fact, issuers are at different stages of their sustainability journey and some may require more time to determine and achievable targets. It takes time for an issuer to acquire the knowledge and skills required to carry out a fall-blown climate-related scenario analysis. Selection of climate scenarios depending on individual circumstances, including industry and country exposure. The regulator should include additional explanatory notes and/or localized instructions to assist in the preparation of climate-related scenario analysis. Climate-related scenario study will require more financial and human resources to support.

Question 11

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?

Yes

Please provide reasons for your views.

As a matter of fact, issuers are at different stages of their sustainability journey and some may require more time to determine meaningful and achievable targets. It takes time for an issuer to acquire knowledge and skills required to carry out a full-blown climate-related scenario analysis. Selection of climate scenarios depending on individual circumstances, including industry and country exposure. The regulator should include additional explanatory notes and/or localized instructions to assist in the preparation of climate-related scenario analysis, Conducting climate-related scenario study will require more financial and human resources to support. Even it stated that the issuer should disclose at a minimum of the inputs used in the analysis(a-c) and how the analysis has been conducted (d-h), a clear step-by-step guidance should be provided to support the issuer.

Question 12

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?

No

Please provide reasons for your views.

Having the concerns over the requirement to quantify the financial effects of climate-related risks given that issuers might have limited knowledge and experience on assessing the effect of climate-related risks on their financial statements. In particular, most issuers are quite new to the climate-related disclosure. Should allow longer time and support for issuer to prepare how to quantify the effect of climate-related risks and where applicable, climate-related opportunities on the issuer's financial position, financial performance and cash flow for the most recent reporting period, where such effect is material.

Question 13

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?

No

Please provide reasons for your views.

Similar feedback as above. Also, both qualitative and quantitative disclosures required knowledge and experience on assessing the effect of climate-related risks on the issuer's financial position, financial performance and cash flow.

Question 14

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?

No

Please provide reasons for your views.

Agreed with some issuers expressed the difficulty in disclosing the anticipated effects of climate-related risks on financials. Issuers were particularly worried about the accuracy and reliability of such forward-looking statements, since they are highly dependent on the assumptions and projection models used, and forecasts can fluctuate dramatically when projected over a long period of time.

Question 15

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?

No

Please provide reasons for your views.

Similar feedback as above.

Question 16

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?

Yes

Please provide reasons for your views.

N/A.

Question 17

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?

Yes

Please provide reasons for your views.

Issuers should allow to have alternative for disclosure where applicable will give issuer a flexibility.

Question 18(a)

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?

Yes

Please provide reasons for your views.

Issuers are more familiar with reporting on Scope 1 and 2 emissions on the ESG/Sustainability Report. In fact, most issuers will face practical challenges in gathering data from upstream and downstream stakeholders which they have no control over. Calculation on Scope 3 emissions is highly dependent on the issuer's industry sector and business model, more time is required for issuer to go through their value chain, identify significant scope 3 activities, collect data, and build appropriate calculation models. The Implementation Guidance shall (i) provide additional information on the GHG Protocol, emphasizing its key features and practices; and (ii) make reference to other common national schemes in order to aid issuer's understanding of pertinent international frameworks/practices and their preparation of disclosures on GHG emissions.

Question 18(b)

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?

Yes

Please provide reasons for your views.

Same comment as above.

Question 19

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?

Yes

Please provide reasons for your views.

Issuers who have yet to disclose all information in relation to scope 3 emissions is encouraged to share the work plan, progress and timetable to allow flexibility for preparation.

Question 20(a)

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should provide more information to support issuers regarding the minimum include the location, nature of assets/business activity and transition risk involved.

Question 20(b)

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?

Yes

Please provide reasons for your views.

Yes, The guidance note should provide more information to support issuers regarding the details of the work plan, progress and timetable required.

Question 21(a)

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should provide more information to support issuers regarding the minimum include the location, nature of assets/business activity and physical risk involved.

Question 21(b)

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should provide more information to support issuers regarding the details of the work plan, progress and timetable required.

Question 22(a)

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should provide more information to support issuers regarding identify aligned climate-related opportunities as minimum include the location, nature of assets/business activity and physical risk involved.

Question 22(b)

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should provide more information to support issuers regarding the details of the work plan, progress and timetable required.

Question 23(a)

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?

Yes

Please provide reasons for your views.

N/A.

Question 23(b)

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should provide more information to support issuers regarding the details of the work plan, progress and timetable required.

Question 24

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?

Yes

Please provide reasons for your views.

Recognizing the complexity of establishing an internal carbon price in the absence of a mature carbon market, it welcome that HKEx will not mandate issuer to maintain internal carbon price at this stage. If the issuer who maintain an internal carbon prices should disclose relevant information if applicable.

Question 25

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?

Yes

Please provide reasons for your views.

Yes. The guidance note should have provide more information to support issuers regarding

how climate-related consideration are factored into remuneration policy as companies consider a range of factors in determining the remuneration package.

Question 26

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?

Yes

Please provide reasons for your views.

Given that HKEx will not mandate the disclosure of industry-base metrics at this stage, Industry-based disclosure under other international reporting standard such as SASB and GRI Standards could help the issuer to understand more about the global ESG reporting frameworks and such matters are still evolving.

Question 27

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?

Yes

Please elaborate.

The amendment part should give clear instruction and indication for issuer to understand. For example, the amendment state that will change the Paragraph 12 to include climate-related policies and performance for complementing ESG discussions in the Business Review Section of the Director's Report.

Question 28

Do you have any comments regarding the topics/matters that we intend to give guidance on?

Yes

Is there any particular topic/matter you consider further guidance to be helpful?

Yes

Please elaborate.

Given that this amendment will be creating a significant change for the ESG Reporting framework, sufficient and clear step-by-step instruction guide should be provided to issuers regarding how to prepare disclosure. Also, workshops should be provided for issuers to have

some practical exercise with some case studies as reference. In fact, issuers are at different stages of their sustainability journey and it takes time for an issuer to acquire the knowledge and skills required to carry out a full-blown climate-related scenario analysis. Also additional resources will be needed for issuers to prepare with the new reporting requirements as this could also be a challenge subject to the size and scale of the company.

Question 29

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?

No

Please share your views with us.

N/A.