

**Submitted via Qualtrics**

**Y2 Capital  
Company / Organisation  
Investment Manager**

**Question 1**

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

Yes

**Please provide reasons for your views.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

We do appreciate including scenario analysis in the climate disclosure, as it helps issuers in developing strategic plans that are more flexible and robust to a range of plausible future states.

However, we hope HKEX can provide more detailed guidelines on industry-based typical scenarios that issuers could refer to facilitate better preparation and planning.

**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?**

Yes

**Please provide reasons for your views.**

**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?**

Yes

**Please provide reasons for your views.**

**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?**

Yes

**Please provide reasons for your views.**

**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?**

Yes

**Please provide reasons for your views.**

**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.**

**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?**

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Yes

**Please provide reasons for your views.**

**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?**

No

**Please provide reasons for your views.**

We noticed that HKEX has provided a 2-year interim period for the disclosure of scope 3 GHG emission, which allows issuers that have yet been able to disclose quantitative results to disclose qualitative information and plans instead. We appreciate the intention behind such transition provision, as it provides more time for issuers to prepare the required disclosures.

However, we would like to recommend an interim period for scope 1 and scope 2 emissions as well, since it requires more preparation for issuers to learn, plan, and implement the disclosure of high-quality data. Alternatively, HKEX could consider providing more consultation, training, and specific guidelines to issuers to lead them through the preparation and publication.

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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.**

**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?**

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Yes

**Please provide reasons for your views.**

**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.**

**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.**

We appreciate HKEX's specific consideration of industry-based disclosure, but we would like to recommend HKEX to further publish a standard guideline of industry-based disclosure that applies specifically to issuers listed in HKEX, or else the inconsistency among companies may arise from referring to different standards.

**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?**

No

**Please elaborate.**

**Question 28**

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



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No

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

Yes

**Please elaborate.**

We would further recommend:

1) Phase-in implementation

HKEX may further consider a phase-in mechanism in implementation. For example, it is sensible to have several stages for different sizes of companies to comply, since it might be unfair to impose the same requirements on companies with varied degree of sizes, resources, and capabilities.

2) Senior management training

HKEX may further provide periodic and comprehensive training to senior management team or the specific divisional leaders in relation to disclosure requirements. From our experience of engagement with our portfolio companies, we think in initial stages of adoption, especially in relation to new ESG-related initiatives, it is essential to gain top-down support of management team to enable a smooth implementation.

**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.**