

Submitted via Qualtrics

**CK Hutchison Holdings Limited
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.

Yes, agree. It is important to ensure Hong Kong-listed companies effectively manage and disclose the risks and opportunities of climate change and ensure they can respond to increasing investors demands for decision-useful and comparable climate-related information. As already stringent and comprehensive in nature, disclosures should not go further than those of the ISSB Climate Standard.

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, agree. It is important to provide information of a more granular nature to enable investors to understand the governance processes, controls and procedures a company has to monitor, manage and oversee climate-related risks and opportunities.

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.

Yes, agree. It is important for companies to analyse and manage the short, medium and long-term risks that may impact an issuer's business model, strategy and cash flows which will be unique to each issuer depending on its industry sector and location of operations.

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.

Yes, agree in principle. As a consideration, perhaps it would be beneficial to conduct initial assessments of both risks and opportunities to ensure all opportunities are captured, rather than opportunities being based only on the risks identified. For example, a company may not feel legislative risk is an important risk driver in the absence of any carbon pricing in their regions of operation and therefore may not list it is such, however through a separate opportunities assessment, legislation may present itself as an opportunity through considerations of subsidy programmes. This is the same format as the ISSB Standard which asks for a description of both risks and opportunities, rather than opportunities being identified only from the initial list of climate-related risks. The way paragraph 3 of Part D of the Proposed Appendix 27 is drafted seems to suggest that climate-related opportunities are necessarily identified in response to climate-related risks. As alluded to above, climate-related opportunities relate to efforts to mitigate and adapt to climate change in general. Suggest to clarify this in the drafting.

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, agree. To ensure risks and opportunities are being managed effectively, it is important to have relevant metrics in place to measure performance. It therefore makes sense to consider the applicability of metrics at the same time as reviewing risks and opportunities. One point worth clarifying is that the interim provisions applicable to the "Metrics and Targets" section should also apply when considering any disclosure under paragraph 4 of Part D.

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.

Yes, agree. It is fundamental to ensure risks and opportunities are being addressed appropriately through well-considered transition plans. Both adaptation and mitigation are crucial; oftentimes, adaptation can often be ignored in favour of mitigation only, but given many climate impacts are baked in no matter the global warming scenario, it is important that

appropriate adaptation responses are put in place to ensure assets and people are protected. This section may also require addressing financial implications which may be a source of sensitivity to issuers; the more guidance and practical examples that can be given to issuers about the appropriate way to disclose this information the better to ensure issuers feel comfortable, and that information is comparable.

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.

Yes, agree. The information requested regarding disclosure on climate-related targets is comprehensive and will enable transparency and comparability.

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.

Yes, agree. Many issuers may need more time to do the groundwork before setting a target. That said, it is important to disclose (as note 2 rightly points out) the work plan, progress and timetable for setting climate-related targets for eventually doing so.

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.

Yes, agree. It enables investors to understand and monitor progress at least annually on plans and targets committed to by issuers.

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.

Yes, agree. It is important for a company to understand the resilience of its strategy and business model to climate-related changes, developments and uncertainties with consideration to its identified climate-related risks and opportunities. Equally, such disclosure is also important for investors and other stakeholders to assess how prepared a company is to respond. This exercise will help to reveal where gaps in approaches may be and enable issuers to further strengthen its strategy.

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.

This may be the most difficult step for issuers to undertake, particularly those with limited resources and internal expertise. Therefore, completing a scenario analysis that is “commensurate with the issuer’s circumstances” is crucial here. It would be helpful if issuers are given flexibility to complete this analysis qualitatively first, and after gaining the required experience, move onto quantitative analysis in time.

It will be very beneficial for issuers to receive guidance as to how this analysis can be completed in-house and also insight as to what “good”, “better” and “best” looks like by way of other peer examples.

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?

Please provide reasons for your views.

There needs to be sufficient time allowed for issuers to formulate a plan and set up systems to collect, consolidate and analyse the data before making this disclosure. There is currently huge variation as to how companies address this assessment in public reporting, in addition to financial impact being highly subjective. Giving specific and practical guidance on how to address this assessment and disclosure would be important to educate issuers as to the

expected impact analysis and further help to ensure more potential for comparability.

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?

Please provide reasons for your views.

Per the answer to question 12, this is pending sufficient guidance being given as to how to carry out such impact analysis.

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?

Please provide reasons for your views.

Per the answer to question 12, there is currently huge variation to how companies address this assessment. Giving specific guidance as to how the Exchange would like to see issuers addressing this assessment and disclosure would provide the necessary help to issuers in conducting these assessments and ensure more potential for comparability. It is also well noted that Paragraph 11 only requires qualitative disclosure on anticipated financial effects (as opposed to paragraph 10 on current financial effect which requires quantitative disclosure).

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?

Please provide reasons for your views.

Per the answer to question 12, this is pending sufficient guidance being given as to how to carry out such impact analysis.

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.

Yes, agree. More granular detail regarding the process of how an issuer identifies, assesses and manages climate-related risks will enable investors and other stakeholders to understand the extent to which adequate procedures are in place and to how climate-related risks are integrated into the company's overarching risk management measures.

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?

No

Please provide reasons for your views.

Disagree somewhat. Making this an optional disclosure may discourage issuers from thinking through the process of opportunities identification systematically. Through this process some "lightbulb" moments may occur as to how oversight of climate trends and developments could be beneficial to the company.

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.

Yes, agree. Scope 1 and 2 emissions should certainly be disclosed by all issuers and information regarding how an issuer's GHG emissions are calculated, as well as the reporting boundary, as set out in paragraph 14 is fundamental to enabling transparency and comparability between issuers.

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.

Yes, agree. Scope 3 emissions will be more difficult to calculate for those issuers that are doing so for the first time. Some comfort should be provided that scope 3 reporting is a “journey” in itself and it improves with time as both the issuer, and its value chain partners such as suppliers, mature in their reporting approaches.

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.

Yes, agree. For those that are not able to report all information relating to scope 3 emissions, plans should be reported for how this information will improve over time.

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.

Further explanation of “vulnerability” and addressing varying degrees of severity levels needs to be provided to issuers to ensure comparability. It would also be beneficial to specify that this disclosure should also be made by type of transition risk to prevent issuers reporting vulnerability to all transition risks together under one percentage.

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?

Please provide reasons for your views.

Initially this will be difficult for issuers to disclose this metric. It will also be helpful to see more examples in the public domain for how to address this as this is yet to be commonly reported in climate-related reporting.

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?

Please provide reasons for your views.

Further explanation of “vulnerability” and addressing varying degrees of severity levels needs to be provided to issuers to ensure comparability. It would also be beneficial to specify that this disclosure should also be made by type of physical risk to prevent issuers reporting vulnerability to all physical risks together under one percentage.

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?

Please provide reasons for your views.

Initially this will be difficult for issuers to report against this metric so it is helpful to have some time to evolve reporting from qualitative to quantitative.

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, agree. It will be helpful for investors and other stakeholders to understand the proportion of a company’s assets or business activities that are aligned with climate-related opportunities relative to peers.

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, agree. Initially this will be difficult for issuers to report against this metric so it is helpful to

have some time to evolve reporting from qualitative to quantitative.

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.

Yes, agree. It is important for both a company to monitor, as well as for investors to get insight into, the level of capital expenditure being invested in managing climate-related risks and opportunities.

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, agree. Setting up processes to track this information internally may take time; where an issuer is not ready to disclose this information it should therefore disclose a plan to do so.

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.

Yes, agree. Where issuers have taken this step, it would be beneficial for investors and other stakeholders to understand their approach and application.

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, agree. That said, this will not be easy for all issuers, however once targets are set, it is important for a company to incentivise their attainment.

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.

Yes, agree. Industry-based disclosures (as the issuer sees fit) will provide additional helpful insight to investors and other stakeholders on the specifics of their industry.

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.

Such considerations have been covered in previous questions.

Question 28

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

No

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

No

Please elaborate.

This is already discussed in our previous responses.

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

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Please share your views with us.