

From: Porex Lam [REDACTED]
Sent: 18 July 2019 17:22
To: response
Subject: Re: Consultation Paper on Review of the ESG Reporting Guide and Related Listing Rules

WARNING: External email, please exercise caution.

Dear Sir/Madam,

I hope this email finds you well. I am writing in response of the consultation paper and its proposed changes. It has brought to my attention from my experience in energy industry and recent developments to make the following comments. I hope that it will prove constructive.

I recommended [changing the default energy unit to Joule or add Joule as another option](#) under KPI A2.1 on top of kWh. [Aspect A2: Use of Resources - KPI A2.1: (kWh in '000s)]

The reason behind that is:

- 1) Joule is recognised by the International System of Units when it comes to Energy. Typically, kilowatt-hour (kWh) is mostly used to present electricity consumption figures.
- 2) It is considerably more convenient and logical to be converted from different energy sources, namely Electricity, Towngas, Diesel and other fuels.
 - For instance, Towngas bills presents figures in Joule and figures in kWh is not available.
 - TJ/Gg, a conversion factor, is used in "CDP Technical Note: Conversion of fuel data to MWh". The implications being that the greater the number of conversions, the higher the variance. Logically, it is preferred to have a SI unit when presenting figures.
- 3) Joule aligns with the GRI Reporting Standard requirements. For those reports that adhere to both HKEx's ESG Guidelines and GRI's requirement, it shall help with accuracy, completeness and time efficiencies when it comes to preparing data.

References:

1) Published by the Environment Bureau, "The joule is the International System of Units for energy. Electricity consumption is usually expressed in kilowatt-hour (kWh) and one kWh equals to 3.6 mega-joules (MJ)," stated on P. 14 of the "Energy Saving Plan For Hong Kong's Built Environment 2015~2025+"

<https://www.enb.gov.hk/sites/default/files/pdf/EnergySavingPlanEn.pdf>

2) "Higher Heating Values (HHV)/Gross Calorific Values (GCV) unites TJ/Gg" is stated in the conversion table on P.9 of the "CDP Technical Note: Conversion of fuel data to MWh" on HKEx's website.

https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175

3) "Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used." is stated in GRI-302-energy section Disclosure 302-1

<https://www.globalreporting.org/standards/gri-standards-download-center/>

This is currently an increasing number of publications of sustainability report accordance with GRI

standard - some of which report both units (kWh and Joule) to fulfil the requirements on both sides. At the same time, it is not at the discretion of utility companies to disclose Natural gas and coal purchases (in kWh) when they also have to disclose electricity sales (in kWh) .

In closing, I would like to inquire of whether there would be recommended carbon audit or energy conversation courses, currently or in the future?

Sincerely,
Polex Lam
Chartered Energy Manager
Secretary of YPN in Energy Institute (Hong Kong Branch)