

**From:** Keung, Man Yin Anthony [REDACTED]  
**Sent:** 17 July 2019 19:01  
**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,

We are a consulting company offering sustainability reporting services. We have been supporting listed companies in Hong Kong in preparing ESG reports which fulfill HKEx's requirements in ESG reporting.

We are writing to respond to the Consultation Paper on "Review of the ESG Reporting Guide and Related Listing Rules". Please find below our concerns and views on the timeframe for publication of ESG reports.

**1. Shorten the Timeframe for Publication of ESG Report**

We acknowledge investors' concerns on the current timeframe for the publication of the ESG reports; however, shortening the timeframe may have an implication of the quality of ESG reports in some cases due to the following reasons:

- a) From our past experiences, listed companies in specific industries (e.g. utility sector) may need more time for data collection (incl. sampling and laboratory analysis) and calculation;
- b) For companies that seek independent assurance to strengthen the credibility of ESG information, it requires additional time for data verification, internal and external communication, information exchange, etc.;
- c) For companies which would like to comply with GRI standards and/or apply for Dow Jones Sustainability Indices (DJSI), time will be needed for this extra step;
- d) For Main Board listed companies with a financial year-end in December, they will have to submit their ESG reports by April under the proposed amendment. Given that there are major public holidays (i.e. Lunar New Year and Easter holidays) between January and April which further limited the time for preparing ESG report, four months are not enough to prepare a solid ESG report.

Partially due to the abundant time allowed by the HKEx, many listed companies in Hong Kong are generally regarded as leaders in sustainability reporting. To balance HKEx's concerns as well as the aforementioned factors, we suggest to align with the timeframe requirements in other countries such as Singapore, that is to extend the time required to publish ESG report from the proposed "within four months for Main Board issuers from the financial year-end" to "within **five months** for Main Board issuers from the financial year-end".

Separately we wish to take this opportunity to raise the following queries for HKEx's consideration and reflection in the revised the ESG Reporting Guide or clarification in the FAQs, as appropriate.

**Reporting Boundary:** To make the reporting boundary sufficiently clear to the investment analysts/readers, we would suggest that the narrative explanation of the reporting boundaries of the ESG report should also mention whether the affiliates of the company (e.g. entities which the company has controlling interest over its operations) and critical contractors/sub-contractors are included in the ESG report.

**Waste Production:** It would be beneficial to clarify whether the term "waste produced" in **KPIs A1.3** and **A1.4** refers to the amount of raw produced waste (before internal reuse or recycling) or the amount of waste disposed.

**Water Consumption:** For the term “water consumption” in **KPI A2.2**, does consumption of reused water count as water consumption? For example, a company consumed 1,000 m<sup>3</sup> of water while it reused 400 m<sup>3</sup> of it. Does “water consumption” refer to 1,000 m<sup>3</sup> or 600 m<sup>3</sup> (1,000 m<sup>3</sup> -400 m<sup>3</sup>) in this case?

Thank you for your attention.

Kind regards,

**Anthony Keung**

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