How to prepare an ESG Report

Appendix 3: Reporting Guidance on Social KPIs

Introduction

This appendix contains practical guidance on how to collect, calculate and report the information called for under each of the KPIs in Part C "Subject Area B. Social" of the ESG Guide. This guidance is for general reference only. Depending on the issuer's industry and the geographical location(s) of its operations, it may refer to other resources. Furthermore, when compiling data for these KPIs, the issuer should consider its own circumstances to determine the depth and breadth of disclosure that is material and appropriate for its business.

KPIs		What to Report / How to Report
Aspect B1: Employment		
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	This KPI is concerned with the total workforce involved in an issuer's activities, which provides insight into the scale of labour-related impacts associated with an issuer's activities. **What to report** **(1) Information required to comply** ✧ Total number of workers ✧ Breakdown of total by female and male workers ✧ Breakdown of total by workers representing relevant employment type(s) e.g. 'full-time' and 'part-time' workers and/or 'employees' and other categories of workers such as 'contractors', 'interns', 'volunteers', etc. ✧ Breakdown of total by workers in relevant age groups ✧ Breakdown of total by workers based in relevant geographical regions ✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s). **(2) Explanation(s) for non- or partial- disclosure** ✧ Issuers may restrict the scope of this disclosure to persons who are in a direct employment relationship with the issuer. ✧ In case data is not disclosed for all workers, identify the types of worker excluded from this disclosure, explain why they have been excluded and provide a description of the nature and scale of work they perform. **How to report** **(1) Definitions** This KPI covers employees (i.e. persons engaged in a direct employment relationship with the issuer according to local law or its application) and other workers whose work and/or workplace is controlled by the issuer. Examples of other workers may include: • Agents/ contractors/ suppliers hired by the issuer to perform work at a workplace controlled by the issuer or in a public area and/or to deliver work/services at the workplace of a client of the issuer; and • Interns/ volunteers performing unpaid work for the issuer. **(2) Data collection** Employment data can be obtained from the issuer's human resources department. Data on other workers may be obtained from agencies, contractors and suppliers. **(3) Calculation** When compiling data for this KPI, issuers should: • Express worker numbers as either headcount or *Full Time Equivalent (FTE)**, with the chosen approach stated and applied consistently; • Identify the employment status of workers based on the definitions under laws of the country(ies) where they are based; and, • Use numbers at the end of the reporting period, unless there has been a material change or the issuer adopts another calculation approach that should be fully disclosed. **FTE* measures hours worked rather than number of workers. Calculations of FTE are often based on workers' scheduled hours divided by the employer's standard hours for a full-time workweek e.g. If an issuer has a 40-hour workweek, workers who are scheduled to work 40 hours per week are 1.0 FTEs, but workers scheduled to work 20 hours per week represent 0.5 FTEs. For breakdown by age group, issuers may use the following categories or select other categories to align with their own internal approach: under 30 years old; 30-50 years old; and over 50 years old. For breakdown by geographical region, issuers may disclose countries or regions that make up five percent or more of total revenues, or select other regional groupings to align with their own internal approach. **Useful reference(s)** • GRI 102 General Disclosures 2016: https://www.globalreporting.org/standards/media/1037/gri-102-general-disclosures-2016.pdf (Disclosure 102-8 Information on employees and other workers)
B1.2	Employee turnover rate by gender, age group and geographical region.	Turnover impacts the human and intellectual capital of an issuer's organisation as well as its productivity. This KPI is concerned with the number, gender, age and region of an issuer's employee turnover, which can indicate its strategy and ability to retain diverse and qualified employees, levels of uncertainty or dissatisfaction among employees and/or change in the structure of its core operations. **What to report** ✧ Total turnover rate of employees

KPIs	What to Report / How to Report
	✧ Turnover rate for female employees and male employees ✧ Turnover rate for employees in relevant age groups ✧ Turnover rate of employees in relevant geographical regions ✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s); and, absolute values for data underpinning any calculations (i.e. absolute number of employees leaving employment). **How to report** **(1) Definitions** Employee turnover reflects the number of employees who leave employment with the issuer voluntarily or due to dismissal, retirement or death in service during the reporting period. **(2) Data collection** Employment data can often be obtained from the issuer's human resources department. **(3) Calculation** As for KPI B1.1. **Turnover rate (per category) = L(x) / E(x) * 100** *L(x) = Employees in the specified category leaving employment* *E(x) = Number of employees in the specified category* Example: **Turnover rate for female employees = L (female) / E (female) * 100** *L (female) = Female employees who left employment* *E (female) = Total number of female employees* **Useful reference(s)** • GRI 401 Employment 2016: https://www.globalreporting.org/standards/media/1016/gri-401-employment-2016.pdf (Disclosure 401-1 New employee hires and employee turnover)
Aspect B2: Health and Safety	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	This KPI is concerned with the issuer's ability to provide healthy and safe working conditions. Issuers are expected to be responsible for occupational health and safety of employees and workers whose work and/or workplace it controls. **What to report** **(1) Information required to comply** ✧ Number of work-related fatalities ✧ Rate of work-related fatalities based on number of workers or number of hours worked during the reporting period ✧ Data for each of the past three reporting periods (i.e. if the reporting year is calendar year 2020, then 2018, 2019 and 2020) ✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s); and, absolute values for data underpinning any calculations (i.e. absolute number of hours worked for calculation of rates, if applicable). **(2) Explanation(s) for non- or partial- disclosure** ✧ As for KPI B1.1. **How to report** **(1) Definitions** Work-related fatalities arise from exposure to hazards at work. When calculating this KPI, issuers should refer to applicable local laws and regulations. For example, in Hong Kong work-related fatalities may be defined with reference to circumstances in which an employer is liable for compensation under the Employees' Compensation Ordinance, Chapter 282 of the Laws of Hong Kong. In general, issuers should include fatalities resulting from commuting incidents where the transport has been organised by the issuer (e.g., company-owned or contracted bus or vehicle). The issuer can also report fatalities arising from other commuting incidents (e.g. in public vehicles or private vehicles that are not organised by the issuer) if this information is required under local law in the jurisdiction(s) in which the incident(s) took place. **(2) Data collection** Data on employees can be obtained from the issuer's human resources department. Data on other workers may also be obtained from agencies, contractors and suppliers, as applicable. **(3) Calculation** Issuers should consider their own circumstances, such as the number of workers and any norms/ standards applicable in their respective industries, when determining how to calculate rates for this KPI. Issuer may disclose rates based on number of workers or number of hours worked. **E.g. Rate of fatalities as a result of work-related injury (per hundred workers) = F / E * 100** *F = Number of fatalities as a result of work-related injury* *E = Number of workers* **E.g. Rate of fatalities as a result of work-related injury (per hours worked by 100 full-time workers or 500 full-time workers) = F / WH * 200,000 or 1,000,000** *F = Number of fatalities as a result of work-related injury*

KPIs	What to Report / How to Report
	WH = *Number of hours worked* Note: A rate based on 200,000 hours worked indicates the number of work-related fatalities per 100 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year. A rate based on 1,000,000 hours worked may be applicable for larger organisations since it indicates the number of work-related fatalities per 500 full-time workers over a one-year timeframe. **Useful reference(s)** • GRI 403: Occupational Health and Safety 2018: https://www.globalreporting.org/standards/media/1910/gri-403-occupational-health-and-safety-2018.pdf (Disclosure 403-9 Work-related injuries)
KPI B2.2 Lost days due to work injury.	This KPI is concerned with loss of productivity due to work injuries. **What to report** **(1) Information required to comply** ✧ The number of lost-days as a result of work injuries ✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; and, description of any significant changes in data or calculation methodology compared with previous disclosure(s). **(2) Explanation(s) for non- or partial- disclosure** As for KPI B1.1 **How to report** **(1) Definitions** Work injuries arise from exposure to hazards at work. When calculating this KPI, issuers should refer to applicable local laws and regulations. For example, in Hong Kong issuers may disclose data on work injuries that are reportable under the Employees' Compensation Ordinance i.e. resulting in incapacity for more than three days. Issuers may adopt more inclusive definitions of work injury in accordance with their internal approach to this topic. **(2) Data collection** Data on employees can be obtained from the issuer's human resources department. Data on other workers may also be obtained from agencies, contractors and suppliers. **Useful reference(s)** • GRI 403: Occupational Health and Safety 2018: https://www.globalreporting.org/standards/media/1910/gri-403-occupational-health-and-safety-2018.pdf (Disclosure 403-9 Work-related injuries)

KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	This KPI is concerned with the issuer's ability to provide a safe and healthy work environment and to promote optimal physical and mental health for employees and workers whose work and/or workplace it controls.
	
	What to report
	
	✧ A qualitative description of relevant measures adopted by the issuer, and how they are implemented and monitored.
	✧ Relevant information may include:
	    • Whether an occupational health and safety management system has been implemented and if so, which recognised risk management and/or management system standards/guidelines have been adopted
	    • Whether occupational health services and voluntary health promotion services are provided, and if so, how the issuer promotes optimal mental and physical health among its workers
	    • Scope of workers, activities, and workplaces covered
	    • Who is responsible, what they do and who they report to
	    • Leading indicators used to inform management and other stakeholders (e.g. regulators) about occupational health and safety performance
	
	How to report
	
	Definitions
	
	An **occupational health and safety management system** is a set of interrelated or interacting elements to establish an occupational health and safety policy and objectives. It aims to achieve those objectives through a systems-based approach that integrates occupational health and safety management into overall business processes, and strives to continually eliminate hazards and minimise risks.
	
	Occupational health services aim to protect the physical and mental health of workers in relation to their work environment. This may include surveillance of the work environment (e.g. sanitary installations, canteens, accommodation etc.) and/ or workers' health (e.g. regular check-ups); training on occupational health, safety, and hygiene (including advice on ergonomics); or, provision of individual and collective protective equipment, first aid and emergency treatment etc.
	
	Voluntary health promotion services and programs can complement occupational health and safety services to promote workers health and well-being. Voluntary health promotion services may include smoking cessation programmes, dietary advice, offering healthy food in the canteen, stress-reduction programmes, employee wellness programmes, provision of gym/ fitness facilities etc. Workers' access to non-occupational medical and healthcare services might be facilitated, for example, through company clinics or disease treatment programmes, referral systems, and health insurance or financial contributions.
	
	Useful reference(s)
	
	• GRI 403: Occupational Health and Safety 2018: https://www.globalreporting.org/standards/media/1910/gri-403-occupational-health-and-safety-2018.pdf
	(Disclosure 403-1: Occupational health and safety management system)

Aspect B3: Development and Training	
KPI B3.1 The percentage of employees trained by	This KPI is concerned with the scale of an issuer's investment in training and the degree to which it is made across the issuer's entire employee base.

KPIs	What to Report / How to Report

gender and employee category (e.g. senior management, middle management).	**What to report**
	
	(1) Information required to comply
	
	✧ Percentage of total employees who took part in training
	✧ Breakdown of total by female and male employees
	✧ Breakdown of total by relevant employee categories
	✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s); and, absolute values for data underpinning any calculations (i.e. absolute number of employees who took part in training).
	
	(2) Explanation(s) for non- or partial- disclosure
	
	✧ Issuers may restrict the scope of this disclosure to specific types of training in accordance with its approach to this topic.
	
	✧ In case data is not disclosed for all training activities or all employees, identify the types of training/ employee that are excluded from this disclosure and explain why they have been excluded.
	
	How to report
	
	(1) Definitions
	Training refers to any type of vocational training and instruction, including paid educational leave provided by an issuer for its employees, training or education pursued externally and paid for in whole or in part by the issuer; and/ or training on specific topics.
	
	(2) Data collection
	Data on employees can be obtained from the issuer's human resources department. Data on employee categories should be derived from the issuer's own human resources system.
	
	(3) Calculation
	
	When compiling data for this KPI, issuers may:
	
	• express employee numbers as either headcount or Full Time Equivalent (FTE), with the chosen approach stated and applied consistently;
	• refer to the data from KPI B1.1 to identify the total number of employees; and,
	• use numbers as at the end of the reporting period, unless the issuer adopts another calculation approach that should be fully disclosed.
	
	An issuer may refer to the following employee categories by level and/or by function, or select other employee categories that align with its approach to this topic:
	• By level
	    o senior management
	    o middle management
	    o rank and file
	• By function
	    o executive
	    o technical
	    o administrative
	    o production
	
	Percentage of employees trained = T / E * 100
	
	T = Employees who took part in training
	E = Number of employees
	
	Breakdown for employees in relevant categories = T(x) / T * 100
	
	T(x) = Employees in the specified category, x, who took part in training
	T = Employees who took part in training
	
	Example:
	Breakdown for employees trained female and male = T(female) / T * 100 and T(male) / T *100
	T female = Female employees who took part in training
	T male = Male employees who took part in training
	T = Employees who took part in training

KPI B3.2	The average training hours completed per employee by gender and employee category.	This KPI is concerned with the scale of the issuer's investment in training and the degree to which this investment is made across its employee base. **What to report** **(1) Information required to comply** ✧ Average number of training hours that employees participated in ✧ Average training hours for female employees and for male employees ✧ Average training hours for employees in relevant employee categories ✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s); and, absolute values for data underpinning any calculations (i.e. absolute number of training hours). **(2) Explanation(s) for non- or partial- disclosure** As for B3.1.

KPIs	What to Report / How to Report
	How to report **(1) Definitions** For consistency, an issuer should apply the same definition of training as adopted for KPI B3.1. **(2) Data collection** Data on employees can be obtained from the issuer's human resources department. Data on employee categories should be derived from the issuer's own human resources system. **(3) Calculation** When compiling data for this KPI, issuers may: • express employee numbers as either headcount or Full Time Equivalent (FTE), with the chosen approach stated and applied consistently; • refer to the data from KPI B1.1 to identify the total number of employees • refer to the same employee categories as KPI B3.1 • use numbers as at the end of the reporting period, unless the issuer adopts another calculation approach that should be fully disclosed; and, • provide absolute data and explanatory notes. **Average training hours per employee = TH / E** *TH* = *Total number of training hours* *E* = *Total number of employees* **Average training hours for employees in relevant categories = TH(x) / E(x)** *TH(x) = Total number of training hours for employees in the specified category* *E(x) = Number of employees in the specified category* Example: **Average training hours for female employees = TH (female) / E (female)** *TH (female) = Total number of training hours for female employees* *E (female) = Total number of female employees* **Useful reference(s)** • GRI 404: Training and Education 2016: https://www.globalreporting.org/standards/media/1019/gri-404-training-and-education-2016.pdf (Disclosure 404-1 Average hours of training per year per employee)
Aspect B4: Labour Standards	

KPI B4.1 — Description of measures to review employment practices to avoid child and forced labour.
 	
KPI B4.2 — Description of steps taken to eliminate such practices when discovered.
	These KPIs are concerned with the issuer's ability to respect, protect and promote fundamental human rights. Due diligence is expected of the issuer to prevent and combat all forms of child and forced labour within its activities. It is also expected to avoid contributing to or becoming linked with the use of child and forced labour through its relationships with others (e.g. suppliers, clients). Disclosures for these KPIs may be closely linked with KPI B5.3.
	
	What to report
	
	✧ A qualitative description of relevant measures adopted by the issuer to review employment practices.
	✧ Relevant information may include:
	    • Description of operations and/or suppliers considered to have significant risk for incidents of child or forced labour in terms of type(s) of activity (such as manufacturing) and/or countries and geographical areas
	    • If applicable, a negative statement to the effect that no such operations and/or suppliers have been identified
	    • Measures taken by the issuer in the reporting period intended to contribute to the elimination of all forms of child or forced labour
	
	How to report
	
	✧ **Definitions**
	
	According to International Labour Organization (ILO) Conventions 138 'Minimum Age Convention' and 182 'Worst Forms of Child Labour Convention', child labour is work that 'deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age. Issuers should refer to relevant laws and regulations that apply across all jurisdictions in which they operate.
	
	According to ILO Convention 29 'Forced Labour Convention', forced or compulsory labour is defined as 'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.' Some recognised forms of forced labour include human trafficking, coercion in employment, forced labour linked to exploitative labour contract systems, and debt-induced forced labour.
	
	✧ **Data collection**
	
	The process for identifying operations and suppliers can draw upon the issuer's approach to enterprise risk assessment and may make reference to recognised international data sources, such as the International Labour Organisation (ILO)Information and reports on the application of ILO Conventions and
	
	Useful reference(s)
	
	• GRI 409: Forced or Compulsory Labour 2016: https://www.globalreporting.org/standards/media/1024/gri-409-forced-or-compulsory-labour-2016.pdf
	
	• GRI 408: Child Labour 2016: https://www.globalreporting.org/standards/media/1023/gri-408-child-labour-2016.pdf

KPIs		What to Report / How to Report

Aspect B5: Supply Chain Management

General note on explanation(s) for non- or partial- disclosure for KPIs B5.1, B5.2, B5.3 and B5.4

✧　When compiling data for these KPIs, issuers should consider their own circumstances to determine the depth and breadth of disclosure that is material and appropriate. For example, issuers may restrict the scope of disclosure to critical suppliers and/or direct (i.e. Tier 1) suppliers.

✧　If data is not available for all suppliers, identify the types of suppliers that have excluded from the disclosure, explain why they have been excluded and provide a description of the nature and scale of products/ services they provide to the issuer.

Definitions

　Supply chain refers to the sequence of activities and parties that provide products and services to the issuer.

　Suppliers are organisations or persons that provide a product or service to the issuer via a direct or indirect commercial relationship. Examples include:
- Brokers - buy and sell products, services, or assets for others, including contracting agencies that supply labour
- Consultants - provide expert advice and services on a legally recognised professional and commercial basis
- Contractors - working onsite or offsite on behalf of an organisation
- Distributors - supply products to others
- Franchisees or licensees - granted a franchise or license by the issuer that permits specified commercial activities, such as production and sale of a product
- Independent contractors - work for an organisation, a contractor, or a sub-contractor.
- Manufacturers - make products for sale
- Primary producers - grow, harvest, or extract raw materials
- Sub-contractors - work onsite or offsite on behalf of the issuer under a direct contractual relationship with a contractor or sub-contractor, but not necessarily with the issuer
- Wholesalers - sell products in large quantities to be retailed by others

　Critical suppliers are Tier 1, Tier 2 or lower tier suppliers whose goods, materials, and services have a significant impact on the competitive advantage, market success or survival of the issuer. Critical suppliers include high-volume suppliers, suppliers of critical components and non-substitutable suppliers.

　Tier 1 suppliers directly supply goods, materials or services to the issuer.
　Tier 2 and lower tier suppliers provide products and services to the supplier at the next level in the chain (e.g. Tier-2 supplies to Tier-1).

Useful reference(s)

- GRI 204 Procurement Practices 2016: https://www.globalreporting.org/standards/media/1005/gri-204-procurement-practices-2016.pdf
- GRI 308 Supplier Environmental Assessment 2016: https://www.globalreporting.org/standards/media/1015/gri-308-supplier-environmental-assessment-2016.pdf
- GRI 414 Supplier Social Assessment 2016: https://www.globalreporting.org/standards/media/1029/gri-414-supplier-social-assessment-2016.pdf

KPIs		What to Report / How to Report
KPI B5.1	Number of suppliers by geographical region.	This KPI is concerned with providing a general description of an issuer's supply chain as a whole. **What to report** ✧　Total number of suppliers in the issuer's supply chain ✧　Breakdown of suppliers by relevant geographical regions ✧　Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; and, description of any significant changes in data or calculation methodology compared with previous disclosure(s). **How to report** (1)　**Data Collection** 　　　Data on suppliers can be obtained from the issuer's procurement team. Data on the criticality and location of suppliers should be derived from the issuer's own procurement system. 　　　Issuers may supplement this KPI with additional information. A typical supply chain spend analysis, for example, would include information on number of suppliers, category type and spend value as well as geographic spread. (2)　**Calculation** 　　　To determine the location of suppliers, issuers may refer to the location of the suppliers' headquarters, the primary location(s) in which products/ services are provided by suppliers to the issuer, or adopt another approach so long as this is fully disclosed in the explanatory notes. **Useful reference(s)** - GRI 102 General Disclosures 2016: https://www.globalreporting.org/standards/media/1037/gri-102-general-disclosures-2016.pdf (Disclosure 102-9 Supply chain)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	This KPI is concerned with an issuer's general supply chain management strategy, which may take into account cost, time, quality and continuity of supply as well as suppliers' compliance with laws, regulations and/ or other prescribed standards concerning product/ service quality/ safety, business ethics, labour practices, the environment, anti-corruption, data protection and intellectual property, among other issues. Further elaboration on supply chain sustainability assessment and sustainable sourcing are the focus of KPIs B5.3 and B5.4, respectively. Disclosures for this KPI may also be closely linked with KPIs B4.1, B4.2 (Labour Standards), B6.3, B6.4 and B6.5 (Product Responsibility), and B7.2 and B7.3 (Anti-corruption). **What to report** ✧　A qualitative description of relevant measures adopted by the issuer, and how they are implemented and monitored ✧　Relevant information may include: 　　　　• 　Supply chain code of conduct

	KPIs	What to Report / How to Report
		- Supply chain management system and relevant standards/ guidelines adopted - Who is responsible, what they do and who they report to - Top priorities for general supply chain management strategy and impacts for supplier selection and/ or retention - Processes for supply chain awareness e.g. identification of critical suppliers - How expectations are established and defined in contracts with suppliers; whether suppliers are incentivised - Supplier training/ capacity- building activities - Leading indicators used to inform management and other stakeholders (e.g. suppliers) about supply chain performance - Information requested under KPIs B6.3, 6.4, 6.5 and 7.2 in respect of the issuer's supply chain ✧ For the bulleted items above, indicate the number of suppliers, products and/ or services covered **How to report** This KPI refers to engagement conducted by an issuer with its supply chain as a whole. It does not focus specifically on ESG aspects of the supply chain. **(1) Data Collection** Data on suppliers can be obtained from the issuer's procurement team. **(2) Calculation** To determine the location of suppliers, issuers may refer to the location of the suppliers' headquarters, the primary location(s) in which products/ services are provided by suppliers to the issuer, or apply another methodology so long as this is fully disclosed. **Useful reference(s)** - amfori BSCI System Manual Business Social Compliance Initiative (BSCI): https://www.amfori.org/sites/default/files/amfori-2019-12-03-amfori-BSCI-system-manual-2018.pdf (1.9 Supply Chain Mapping, Template 2: Supply Chain Mapping)
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	This KPI is specifically concerned with an issuer's supply chain environmental and social risk assessment. **What to report** ✧ A qualitative description of relevant measures adopted by the issuer, including supplier assessments, how they are implemented and monitored ✧ Relevant information may include: - How the issuer defines environmental and social risks - Processes used, such as due diligence, to identify and assess significant actual and potential negative environmental and Social impacts in the supply chain - How the issuer identifies and prioritises suppliers for assessment of environmental and social impacts - The nature of risks typically found or expected to be found - Who is responsible, what they do and who they report to - Systems used to screen new suppliers - Nature and frequency of supplier assessments - Actions taken to address significant actual and potential negative environmental and social impacts identified in the supply Chain, and whether the actions are intended to prevent, mitigate, or remediate the impacts - Corrective action plans and follow-up activities; consequences for non-compliance - Leading indicators used to inform management and other stakeholders (e.g. suppliers) about supply chain performance **How to report** **(1) Definitions** This KPI covers environmental and social risks as defined by the issuer with reference to its enterprise risk management process. **Supplier assessments** can involve site visits, questionnaires, external sustainability agencies, stakeholder information, external databases, news watches, etc. **(2) Data Collection** Information about environmental and social risk assessment may be available from an issuer's risk management team. Data on suppliers can be obtained from the issuer's procurement team.
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	This KPI is concerned specifically with green procurement. Disclosures for this KPI should be complementary to KPIs B5.2 and may be linked with KPI B5.3. **What to report** ✧ A qualitative description of relevant practices adopted by the issuer, including green procurement, how they are implemented and monitored ✧ Relevant information may include: - How the issuer defines environmentally preferable products - Who is responsible, what they do and who they report to - Systems used to screen new suppliers - Criteria for selecting suppliers based on preferable environmental impacts - Leading indicators used to inform management and other stakeholders (e.g. suppliers) about supply chain performance **How to report** **(1) Definitions** **Green Procurement** means purchasing products and services that cause minimal adverse environmental impacts. It incorporates human health and environmental concerns into the search for high quality products and services at competitive prices. For example, in addition to avoiding single-use disposable items, an issuer could identify products with improved recyclability, high recycled content, reduced packing and greater durability; greater energy efficiency; utilising clean technology and/or clean fuels; result in reduced water consumption; emit fewer irritating or toxic substances during installation or use; or result in smaller production of toxic substances, or of less toxic substance, upon disposal.

KPIs	What to Report / How to Report
	Environmentally preferable products may be defined by the issuer. In Hong Kong, the Government has consigned Hong Kong Productivity Council to develop green specifications for commonly used items, which may provide a useful reference. **(2) Data Collection** Data on suppliers can be obtained from the issuer's procurement team. **Useful reference(s)** • GRI 308 Supplier Environmental Assessment 2016: https://www.globalreporting.org/standards/media/1015/gri-308-supplier-environmental-assessment-2016.pdf (Disclosure 308-1: New suppliers that were screened using environmental criteria) • Supplier Self-Assessment Questionnaire from Ceres: https://www.ceres.org/sites/default/files/tool/2017-03/ceres_SAQ.pdf • Green Procurement by Environmental Protection Department (EPD): https://www.epd.gov.hk/epd/english/how_help/green_procure/green_procure1.html

Aspect B6: Product Responsibility

KPIs	What to Report / How to Report
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This KPI is concerned with the efficacy of consumer protection measures implemented by manufacturers and/ or sellers of consumer products, in accordance with relevant consumer protection laws and regulations. **What to report** ✧ In the event that an issuer has been involved in instigating and/or carrying out product recall, the percentage of recalled products as part of the total products sold or shipped. ✧ Explanatory notes including information on the type(s) of products and jurisdictions affected by product recall, standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s); and, absolute values for data underpinning any calculations (i.e. absolute number of products subject to recall). **How to report** **(1) Definitions** **Product recall** is a process of requesting consumers to return, exchange, or replace a product after defects have been discovered that could hinder performance, harm consumers, or give rise to legal issues for the producers. **(2) Data collection** In the event that an issuer has been involved in instigating and/or carrying out product recall, this data is likely to be collected and reported to relevant consumer protection authorities in affected jurisdictions. **(3) Calculation** When compiling data for this KPI, issuers should: • identify the volume or sales value of products that were sold (or shipped, depending on which metric is most appropriate for the issuer's specific circumstances) and subsequently recalled • use numbers as at the end of the reporting period for activities that occurred, unless the issuer adopts another calculation approach that should be fully disclosed; and, • provide absolute data and explanatory notes **Percentage of products sold (or shipped) subject to recall = R / V * 100** *R = Volume or sales value of recalled products* *V = Total volume or value of products that were sold and/or shipped*
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	This KPI is concerned with consumer satisfaction for an issuer's products and/ or services. **What to report** ✧ Number of complaints received by the issuer regarding its products and/or services. ✧ Qualitative and/or quantitative description of relevant practices adopted by the issuer, including (where applicable) indicators used to inform management and other stakeholders (e.g. regulators, customers, consumers) about customer service performance e.g. response rate, response time, resolution rate etc. ✧ Explanatory notes including information on the standards, methodologies, assumptions and/or calculation tools used; description of any significant changes in data or calculation methodology compared with previous disclosure(s); and, absolute values for data underpinning any calculations. **How to report** **(1) Definitions** An issuer is likely to receive many enquiries and feedback from its customers in various forms. For the purpose of this KPI, an issuer may refer to its own internal definition of "complaint" or refer to relevant industry standards. **(2) Data collection** This data is likely to be collected by an issuer's customer services team. Data may be available by product/ service category. For some issuers, collection and disclosure of this data may be governed by relevant laws/ regulations and/or service agreements. **(3) Calculation** When compiling data for this KPI, issuers should: • use numbers as at the end of the reporting period for activities that occurred, unless the issuer adopts another calculation approach that should be fully disclosed; and,

	KPIs	What to Report / How to Report
		• provide absolute data and explanatory notes
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	This KPI is concerned with an issuer's ability to respect, protect and promote intellectual property rights. **What to report** ✧ Qualitative and/or quantitative description of relevant practices adopted by the issuer to protect/promote intellectual property, including (where applicable) indicators used to inform management and other stakeholders (e.g. regulators, suppliers, customers, consumers). **How to report** **(1) Definitions** **Intellectual property** refers to a group of separate intangible property rights, including trademarks, patents, copyright, designs, plant varieties and the layout design of integrated circuits in accordance with relevant laws and regulations in the jurisdiction(s) in which an issuer operates. In Hong Kong, for example, relevant legislation includes the Trade Marks Ordinance (Cap 559), Patents Ordinance (Cap 514), Copyright Ordinance (Cap 528), Registered Designs Ordinance (Cap 522) and Plant Varieties Protection Ordinance (Cap 490) of the Laws of Hong Kong. For the purpose of this KPI, intellectual property rights may belong to the issuer, its subsidiaries and/or associates, to related parties in its supply chain and/ or to unrelated third parties. **(2) Data collection** This data may be available from an issuer's legal team. Data may be available by product/ service category. **Useful reference(s)** • Intellectual property in Hong Kong, China by Intellectual Property Department: https://www.ipd.gov.hk/eng/intellectual_property/ip_hk.htm
KPI B6.4	Description of quality assurance process and recall procedures.	This KPI is concerned with quality management. **What to report** ✧ Qualitative and/or quantitative description of relevant quality assurance practices adopted by the issuer, including (where applicable) indicators used to inform management and other stakeholders (e.g. regulators, suppliers, customers, consumers) about quality issues and corrective actions in the event that sub-standard products reach the marketplace and need to be recalled. **How to report** **(1) Definitions** **Quality assurance** is part of quality management focused on providing confidence that quality requirements will be fulfilled. **(2) Data collection** This data may be available from an issuer's quality control/ assurance team. Data may be available by product/ service category. For some issuers, collection and disclosure of this data may be governed by relevant laws/ regulations and/or commercial agreements. **Useful reference(s)** • ISO 9000 Family – Quality Management: https://www.iso.org/iso-9001-quality-management.html
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	This KPI is concerned with protection of consumer privacy in the context of networked data and globalised corporate activities that expose issuers to risks of personal data leakage and misuse or unauthorised access. **What to report** ✧ A qualitative description of relevant practices adopted by the issuer to protect personal data, how they are implemented and monitored ✧ Relevant information may include: • Privacy policy and coverage e.g. entire operations, suppliers etc. • Who is responsible, what they do and who they report to • Training • Disciplinary actions in case of breach e.g. zero tolerance policy • Information available to customers/ consumers e.g. nature and use of collected information, possibility for customers to decide how private data is collected, used, retained and processed • Leading indicators used to inform management and other stakeholders (e.g. regulators, customers, consumers) about performance on this topic e.g. number breaches, severity of breaches, time to detect and resolve breaches, number of consumers affected etc. **How to report** **(1) Definitions** **Personal Data** means information which relates to a living individual and can be used to identify that individual. This term should be defined by an issuer with reference to relevant laws and regulations in the jurisdiction(s) in which it operates In Hong Kong, for example, the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong protects the privacy of individuals in relation to personal data, and outlines how data users should collect, handle and use personal data. Issuers should also take note of the European Union's General Data Protection Regulation (GDPR) which came into force on 25 May 2018. One of the key developments introduced under the GDPR is the explicit requirement of compliance by organisations established in non-European Union jurisdictions in specified circumstances. Issuers with diversified business and transaction models (e.g. online transactions), should ascertain if the GDPR is applicable to them and keep up with new developments. **(2) Data collection** This data may be available from an issuer's legal team. For some issuers, collection and disclosure of this data may be governed by

KPIs	What to Report / How to Report
	relevant laws/ regulations and/or commercial agreements.

Aspect B7: Anti- corruption

	KPIs	What to Report / How to Report
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	This KPI is concerned with confirmed incidents of corruption perpetrated by the issuer or its employees. **What to report** ✧ Number of concluded legal cases regarding corruption brought against the issuer or its employees. ✧ Outcomes of concluded legal cases, including fines, penalties or sanctions incurred by the issuer or its employees. ✧ If applicable, the issuer can make a negative statement to the effect that there were no concluded legal cases regarding corrupt practices brought against the issuer and its employees. **How to report** **(1) Definitions** This KPI covers the issuer (i.e. all legal/ commercial entities that are identified in the issuer's financial statements, including subsidiaries and associates) and all employees (i.e. persons engaged in a direct employment relationship with the issuer or its subsidiaries and associates according to law or its application). **Corruption** refers to the abuse of entrusted power for private gain and can be instigated by individuals or organisations such as bribery facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the issuer's business. This may include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage. **Concluded legal cases**: A government, regulatory, industry association, self-regulatory, or a similar body, or the issuer itself has determined there was a case of corruption. A case in the appeals process is only considered concluded once there has been a ruling on the appeal. **(2) Data collection** This data should be available from an issuer's legal team. For some issuers, collection and disclosure of this data may be governed by relevant laws/ regulations and/or service agreements. **(3) Calculation** When compiling data for this KPI, issuers should use numbers as at the end of the reporting period for the concluded legal cases regarding corrupt practices, unless the issuer adopts another calculation approach that should be fully disclosed. **Useful reference(s)** • GRI 205 Anti-corruption 2016: https://www.globalreporting.org/standards/media/1006/gri-205-anti-corruption-2016.pdf (Disclosure 205-3 Confirmed incidents of corruption and actions taken)
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	This KPI concerns the anti-corruption and bribery policies and procedures a company has in place to comply with and/or complement legal requirements. **What to report** ✧ A qualitative description of relevant preventative measures and whistle-blowing practices adopted by the issuer, how they are implemented and monitored. ✧ Relevant information may include: • Anti-corruption/ whistle-blowing policy(ies) and management systems, and their scope e.g. entire operations, suppliers etc. and coverage e.g. bribes in any form (including kickbacks), political contributions, charitable contributions and sponsorship etc. • Whether recognised risk management and/or management system standards/guidelines have been adopted • Who is responsible, what they do and who they report to • Integrity requirements for directors and staff concerning offering and acceptance of advantages and entertainment, and managing conflict of interest • Corruption prevention controls on high-risk areas or procedures • Channels for reporting on corruption or irregularities, and protection or support for whistle-blowers • Public disclosure of relevant information e.g. policy(ies), reported incidents, substantiated incidents, details of charitable contributions and sponsorship etc. • Leading indicators used to inform management and other stakeholders (e.g. investors) about the issuer's performance on this topic e.g. number of whistle-blowing incidents reported and concluded and their outcomes • Clear and measurable targets set out for the forthcoming years to facilitate continuous monitoring **How to report** **(1) Definitions** **Whistleblowing** when one reports insider knowledge of illegal activities occurring within an organisation. Whistleblowers can be employees, suppliers, contractors, clients, or any individual who becomes aware of illegal or immoral business activities. **(2) Data collection** This data should be available from an issuer's legal team. **Useful reference(s)** • ISO 37001 standard on Anti-bribery Management Systems: https://www.iso.org/iso-37001-anti-bribery-management.html • The Hong Kong Institute of Chartered Secretaries's toolkit on whistleblowing: https://www.hkics.org.hk/publication_details.php?menu_id=6&sub_menu_id=&nid=2326
KPI B7.3	Description of anti-	This KPI concerns anti-corruption training, which is essential for creating a healthy corporate culture.

KPIs	What to Report / How to Report
corruption training provided to directors and staff	**What to report** ✧ Narrative outlining the scope, audience (e.g. directors, staff, business partners) and means of training and if there has been any measurable or noticeable change in the issuer's corporate culture/ employee behaviour as a result. ✧ Relevant statistics such as the number of training sessions/hours, number and percentage of directors/staff members attended the training, how many people for which departments attended the training **How to report** This data should be available from an issuer's human resources team. **Useful reference(s)** • GRI 205 Anti-corruption 2016: https://www.globalreporting.org/standards/media/1006/gri-205-anti-corruption-2016.pdf (Disclosure 205-2 Communication and training about anti-corruption policies and procedures)

Aspect B8: Community Investment	

KPI B8.1   Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
 	
KPI B8.2   Resources contributed (e.g. money or time) to the focus area.
	These KPIs are concerned with how an issuer contributes to development of local communities.
	
	What to report
	
	✧ A qualitative description of investments made by the issuer in local communities, grouped by focus area.
	
	✧ Relevant information may include:
	  • How the issuer identifies activities/ initiatives to invest in
	  • Who the beneficiaries are
	  • Whether the investments are intended to help avoid or mitigate negative impacts that the issuer's operations have on local communities e.g. environmental/ social impacts arising from infrastructure projects
	  • Whether partner organisations are involved, and if so, how they are selected, managed and monitored
	  • Whether the investments are one-off or part of an ongoing programme
	
	✧ For each focus area, quantify the amount of resources contributed by the issuer e.g. volunteer hours, donations in cash and/ or in kind etc.
	
	How to report
	
	(1) Definitions
	
	Local communities are defined as persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an issuer's operations. The local community can range from persons living adjacent to an issuer's operations, to those living at a distance who are still likely to be impacted by these operations.
	
	(2) Data Collection
	
	This data is likely to be collected by an issuer's corporate relations, sustainability, human resources and/ or finance teams. For some issuers, collection and disclosure of this data may be governed by relevant laws/ regulations and/or service agreements e.g. in the context of utilities provision or major infrastructure development.
	
	Issuers may supplement this KPI with additional information, such as geographical spread of community investments and leading indicators used to inform management and other stakeholders (e.g. regulators, local community representatives) about the issuer's performance on this topic e.g. public disclosure of results of environmental and social impact assessments.
	
	(3) Calculation
	To determine the relevant focus areas for disclosure, issuers may refer to internal classifications that align with its own approach to this topic.
	
	Useful reference(s)
	
	• GRI 413 Local Communities 2016: https://www.globalreporting.org/standards/media/1028/gri-413-local-communities-2016.pdf (Disclosure 413-1 Operations with local community engagement, impact assessment and development programs)