



The Stock Exchange of Hong Kong Limited

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

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9 December 2011

To: Main Board Listed Issuers (Attn: Authorised Representatives)
GEM Listed Issuers (Attn: Authorised Representatives)
Market practitioners

Dear Sirs

Consultation Paper on Environmental, Social and Governance Reporting Guide

The Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), published a consultation paper today to seek views on its proposed Environmental, Social and Governance (ESG) Reporting Guide (the ESG Guide). The ESG Guide aims to raise awareness and encourage listed companies to start ESG reporting.

Leading companies have increasingly focused on ESG matters in recent years. Some Hong Kong listed companies have already adopted certain ESG international guidelines or standards, such as those of Global Reporting Initiative, Carbon Disclosure Project and United Nations Global Compact. However, many are still not reporting or are not yet ready to fully comply with these standards. HKEx is committed to ESG and believes that the Exchange should take steps to encourage Hong Kong listed companies to adopt ESG reporting.

To raise awareness and help equip listed companies with tools for reporting, HKEx sponsored free seminars and workshops (<http://www.hkex.com.hk/eng/newsconsul/hkexnews/2011/110923news.htm>) on ESG reporting for listed companies between May and July 2011 based on the draft ESG Guide. They were well received by participants.

The Consultation Paper proposes to introduce an ESG Guide to encourage reporting. The proposed ESG Guide, drafted as an easy-to-use guide, complements international disclosure guidelines and is a first step towards Hong Kong issuers adopting best practices. It is divided into four areas: Workplace Quality, Environmental Protection, Operating Practices and Community Involvement. Each of the areas is divided into three sections: aspect, general disclosure recommendations and key performance indicators.

The Consultation Paper proposes that the disclosure be recommended best practices. The Exchange may consider raising the level of obligation to “comply or explain”, which is similar to the Corporate Governance Code, in the future.

The Consultation Paper can be downloaded from the HKEx website at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201112.pdf>. Interested parties are encouraged to respond to the Consultation Paper by submitting the questionnaire (<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201112q.doc>). The deadline for replies to the Consultation Paper is 9 April 2012.

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

Mark Dickens JP
Head of Listing

香港交易及結算所有限公司
Hong Kong Exchanges and Clearing Limited