

香港聯合交易所有限公司  
(香港交易及結算所有限公司全資附屬公司)

**THE STOCK EXCHANGE OF HONG KONG LIMITED**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20190517-008

17 May 2019

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

Dear Sirs,

**Consultation Paper on Review of the ESG Reporting Guide and Related Listing Rules and Guidance Materials on ESG and Gender Diversity**

We have today published (a) a consultation paper on Review of the Environmental, Social and Governance (“**ESG**”) Reporting Guide and Related Listing Rules (“**ESG Consultation**”); (b) ESG guidance materials (including e-training and Frequently Asked Questions); and (c) updated Guidance Letter for new applicants on ESG and diversity disclosures.

**ESG Consultation**

The key focus for the ESG Consultation is to support and improve issuers’ governance and disclosure of ESG matters. Our proposals emphasise the board’s leadership role and accountability in ESG and the governance structure for ESG matters. The ESG Consultation also seeks to highlight that materiality in respect of ESG is key to meaningful and concise reporting.

Key proposals:

- Introducing mandatory disclosure requirements in the ESG Reporting Guide to include:
  - (i) a board statement setting out the board’s consideration of ESG issues; and
  - (ii) applications of relevant reporting principles and boundaries in the ESG report;
- Requiring disclosure of significant climate-related issues which have impacted and may impact the issuer;

- Amending the “Environmental” key performance indicators (“KPIs”) to require disclosure of relevant targets;
- Upgrading the disclosure obligation of “Social” KPIs to “comply or explain”; and
- Shortening the deadline for publication of ESG report to align with the publication timeframe of annual report (i.e. within four months (Main Board issuers) or three months (GEM issuers) after the year-end date).

We invite written comments on the ESG Consultation that should be completed and submitted to us via post, fax or email as set out in ESG Consultation. The ESG Consultation and the questionnaire are available on the HKEX website:

Subject	Hyperlink
ESG Consultation	Consultation Paper: <a href="http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/May-2019-Review-of-ESG-Guide/Consultation-Paper/cp201905.pdf">http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/May-2019-Review-of-ESG-Guide/Consultation-Paper/cp201905.pdf</a>  Questionnaire: <a href="http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/May-2019-Review-of-ESG-Guide/Questionnaire/cp201905q.docx">http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/May-2019-Review-of-ESG-Guide/Questionnaire/cp201905q.docx</a>

The consultation period will close on 19 July 2019.

### ESG Guidance Materials

E-training: To reinforce the focus of the ESG Consultation, we launch an e-training course, “[ESG Governance and Reporting](#)”, which explains the board’s leadership role in ESG matters and covers the following six topics:

- What is ESG, and why is it important
- Board’s role in ESG governance
- Why report on ESG
- Essential elements in an ESG report
- Details on ESG reporting
- ESG disclosure by IPO applicants

The e-training takes approximately 45 minutes to complete.

Frequently Asked Questions: FAQs No. 24K and 24L in [Series 17](#) and FAQ No. 2A in [Series 18](#) have been added to clarify how different aspects of ESG relate to the Corporate Governance Code.

## **Gender Diversity**

Promotion of board diversity is a key focus of the Exchange and an area we are committed to continuing to develop. In this regard, we have revised [Guidance Letter HKEX-GL86-16](#) to require additional disclosure in listing documents by new applicants on policy of board diversity (including gender) and how gender diversity of the board can be achieved in the case of a single gender board. The revised Guidance Letter also sets out our expected disclosure on ESG matters, including material information on applicants' environmental policies, and details of the process used to identify, evaluate and manage significant ESG risks.

If you have any enquiry, please contact our case officers.

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

*[Signed]*

David Graham  
Head of Listing