Alaya Research

Survey of ESG Reports in Hong Kong 2018

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Foreword

I am pleased to present our third Survey of ESG Reports in Hong Kong. It has been almost three years since the Hong Kong Stock Exchanges announced the "Comply or Explain" provisions in December 2015. And we are glad to see some encouraging trends in ESG disclosures. Although much work still needs to be done, we believe the sustainability journey is on as increasingly different stakeholder groups are effectively pushing and pulling companies in different ways. We are confident that the prospects of enhanced ESG reporting and the subsequent impact on the environment are bright and all stakeholders including investors will be able to benefit from this.

While this is the first year when listed companies have been asked to disclose their environmental KPIs or explain why they haven't done so, the TCFD recommendations published by Bank of International Settlement and supported by the global investment community have strengthened further the need to disclose climate change risk. Thus, different from last year, we are not looking at whether the companies have complied with the disclosure requirements. Instead, our team has taken a step forward by studying the industry- specific performance, recognizing the fact that each industry has its own impact on the environment and the community.

We believe this survey has some meaningful implications and provides useful recommendations to all who are striving to earn the trust of their stakeholders. My thanks go to the wonderful team at Alaya Consulting who undertake the survey each year. It is a major project and is always addressed with enthusiasm and care by the Alaya team.

Founder, Alaya Consulting Limited

Tony Wong

Key Findings

35% Board/CEO involvement in ESG governance body

37% Climate change risks recognized in annual/ ESG report

Environmental narratives lack of explanations and results achieved

Disclosures on labour standards, human rights and conflict minerals remains weak

Alignment with

Top 3 SDGs aligned

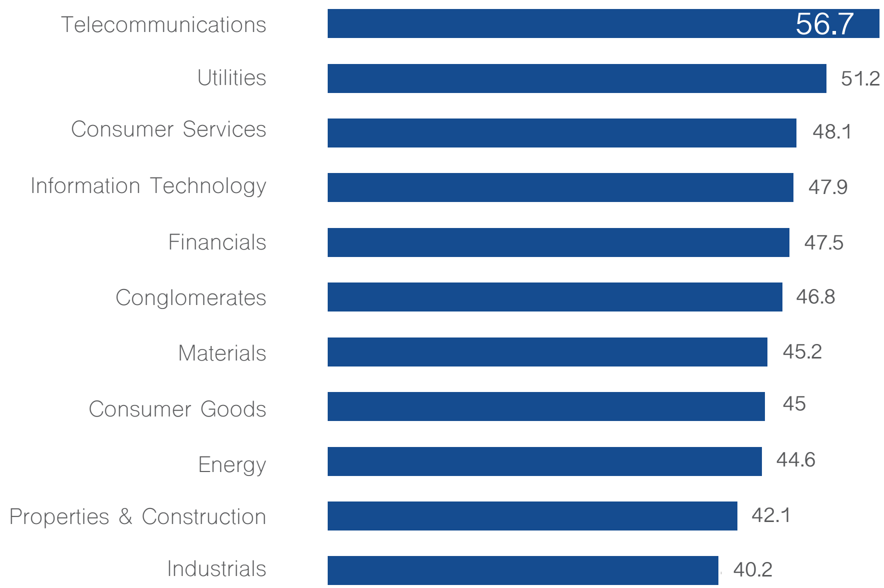
Industry Analysis

Industry-specific analysis shows that telecommunications and utilities have achieved higher average scores, especially on the environmental aspects.

Industrials and properties and construction industries have lower scores, with relatively weak disclosures on material aspects including occupational health and safety, and managing climate risks at the Board level.

Taking the materiality principle into serious consideration during the reporting process can strengthen disclosure on aspects most concerned by stakeholders.

Average ESG Score by industry [1]



1 Alaya ESG score is based on the findings from the survey conducted by our researchers for the largest (market cap.) 200 HK listed companies. We take into consideration of 23 scoring topics covering environmental, social and governance. Each scoring topic has been assigned a weighting subject to the sector in which the company is classified according to the Hang Seng Industry Classification System (HSICS).

About the Survey

Research Purpose

As in the last two years, the research purpose is to study the prevailing ESG reporting practices and identify any gaps for ongoing improvement. We believe this year's research has particular important implications because we looked at ESG reports with environmental KPIs under "Comply or Explain" provisions set out in the Appendix 27 to the Listing Rules of the Hong Kong Listed Companies, or HKEX ESG Reporting Guidelines ("HKEX Guidelines") for the first time. Also, this year, we go beyond the levels of compliance. Since different industries, for example manufacturing and office-based operations, have different impacts on the environment and the society, we looked at the performance of different industry sectors this year, aiming to pinpoint the frontrunners and laggards in each industry.

Research Scope

Our research team has examined ESG reports of the largest (by market capitalisation) 200 Hong Kong listed companies ("T200"). This year, approximately one-fifth of sample companies are different from last year's sample because of changes in market capitalization of different companies. We excluded companies whose financial year ended on 30 June because the timing of publishing of their reports might not match our research timeframe.

Methodology

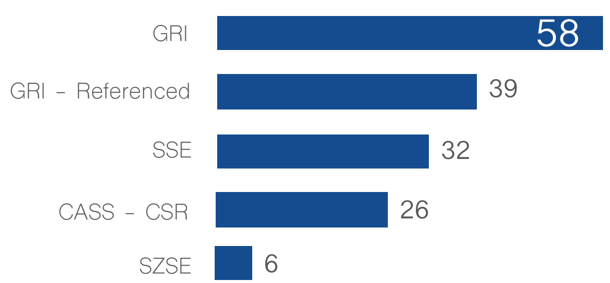
Our research study is based on review of publicly available information comprised of annual reports and standalone ESG reports. Information from no other source has been taken into consideration. Industry-specific ESG performance is classified according to the industry and sector classification in the Hang Seng Indexes.

Reporting Practices

GRI report takes up nearly 30%

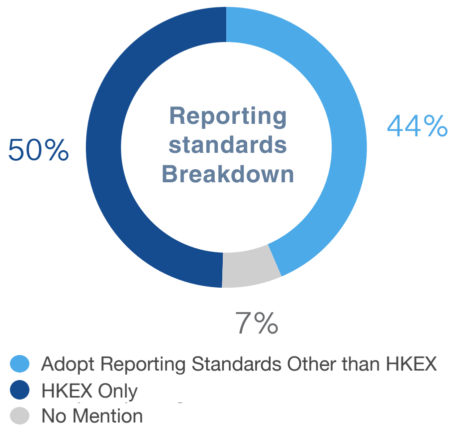
More T200 companies have adopted the Reporting Guidelines from Global Reporting Initiative ("GRI"). Almost 30% are now using GRI Standards or GRI G4 in addition to HKEX ESG Reporting Guidelines ("HKEX Guide"), up from 23% last year. Taking into the account another 39 companies which have issued GRI-referenced ESG reports, the rising trend of using GRI is likely to continue.

Reporting guidelines adopted other than HKEX



In addition to HKEX Guide and GRI, companies have also adopted reporting guidelines from other stock exchanges and bourses such as SSE[2] and SZSE[3], as well as CASS-CSR[4] guideline by the Chinese Academy of Social Sciences. 26 companies have adopted two or more reporting guidelines.

There are companies that have voluntarily followed other guidelines such as ISO26000 and GB/T 36000-2015 Guidance on Social Responsibility, as well as committing to international initiatives including UN Global Compact ("UNGC") and CDP. Approximately 20 companies have followed other reporting guidelines[5] and industry-specific guidelines[6], mostly issued by Chinese authorities.



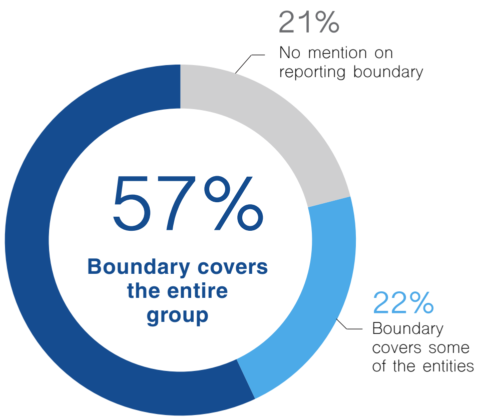
Our View :

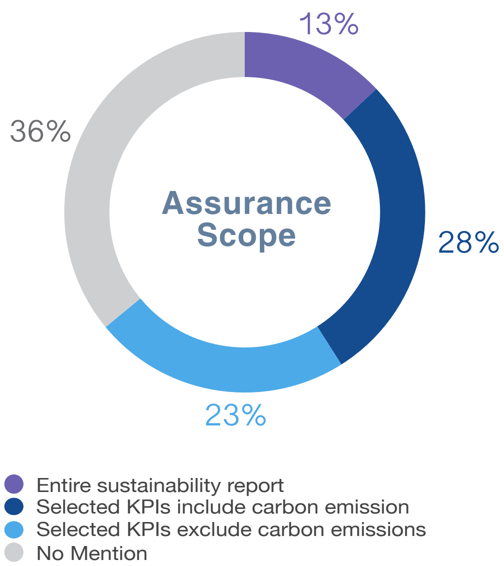
The results show use of diverse reporting standards as companies listed in China are obliged to follow rules of their respective stock exchanges. It will not be surprising to see more companies following GRI in the near future and we believe by adopting the GRI framework, companies are actually committed to higher transparency.

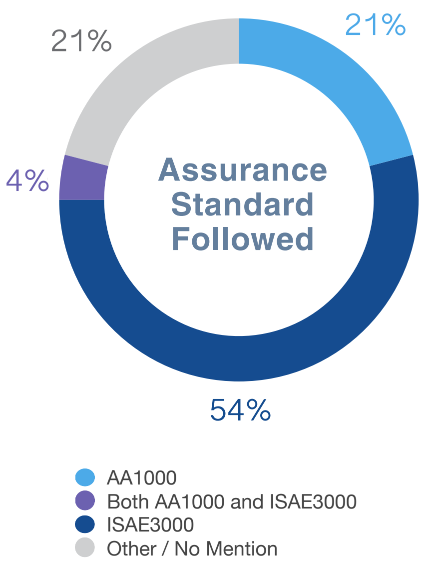
2 Shanghai Stock Exchange Guidelines.
3 Shenzhen Stock Exchange Guidelines.
4 Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises, established by the Chinese Academy of Social Sciences.
5 Other reporting standards include China Securities Regulatory Commission - Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2, and Shanghai Federation of Economic Organizations CSR Guide SEO-CSR1.0
6 Industry-specific guidelines adopted by a few of the companies include the Oil and Gas Industry Guidance on Voluntary Sustainability, Guidelines on the Corporate Social Responsibility of Banking Institutions of China and Social Responsibility Guidelines for China's Industrial Enterprises and Industrial Associations etc.

21% failed to disclose report boundary

Over half of the T200 stated in the "About the Report" section that their reports cover the entire group including subsidiaries. As the content and data summary were closely examined, we discovered that certain entities were excluded in some data and this is usually disclosed in the form of footnotes. One-fifth of the reports did not even mention the reporting boundaries.







Our View :

Data collection is not without cost. While HKEX has stated in the FAQ that report boundary is subject only to the issuer's ESG risks identified, it is necessary to state clearly the boundary; otherwise the ESG report has little value because no one knows what the values imply.

It is encouraging to see over 50% of T200 set the entire group as report boundary, displaying a higher level of transparency. We urge the rest of the T200 to disclose a timetable for inclusion of all subsidiaries; we expect we might not see more companies expanding their boundaries unless HKEX makes it mandatory.

Pre-assurance makes sense

Number of externally assured reports remained similar to the last year. Among the 47 assured reports, only 6 (13%) have the entire report assured. However, 36% of the assured reports do not report on the scope of the assurance and 20% of the reports do not state the assurance standard adhered to. The results reflect that the best practices on assurance are yet to be fully implemented.

Our View :

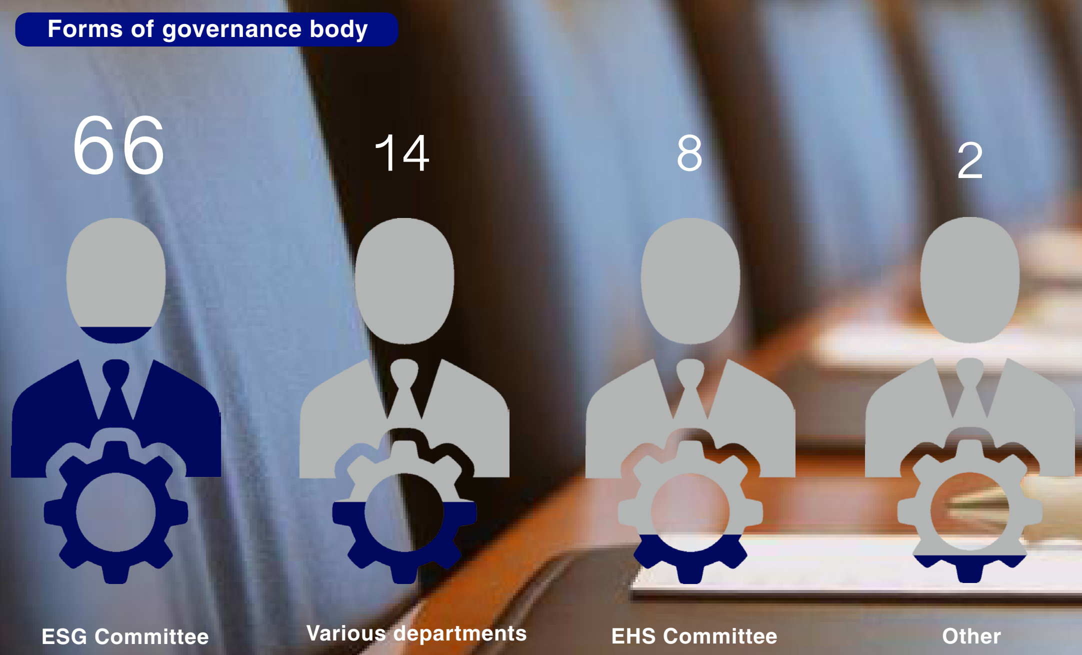
Assurance ensures data integrity which is vital for companies to build trust with its stakeholders. In order to provide investment-grade information, it is critical to disclose the parts of narrative or data that are assured as well as the assurance standards followed.

Since most of the companies are still at the early stages of the ESG reporting journey, companies tend not to invest the required amount of resources on external assurance. To establish an effective mechanism to monitor the accuracy of data by way of external assurance, companies might find that it is financially wise to opt for pre-assurance, an internal process where companies can scrutinize their own systems and procedures prior to external assurance.

Sustainability Governance

Board involvement – easier said than done

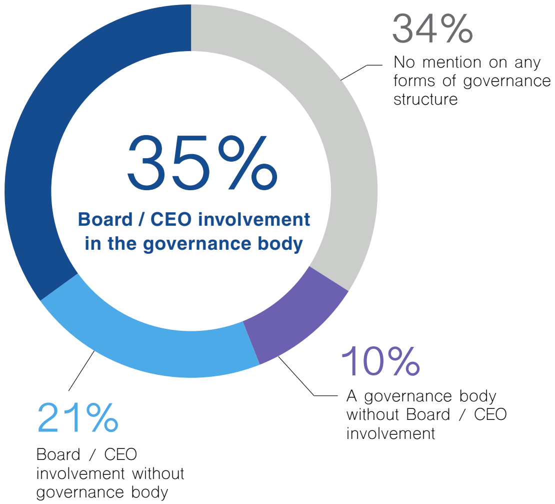
Although there is an improvement in the number of companies reporting with some type of a governance body overseeing ESG functions (45%, compared to last year's 31.5%), more attention needs to be paid to involvement of Board in these management bodies.



Our View :

Sustainability governance shows the impetus and readiness of the company, from leadership commitment to implementation on the ground. It is thus encouraging to see boards of over 50% of companies are involved in sustainability governance, as we believe it is critical for ESG risk management as well as value creation. Given that the entire responsibility of ESG reporting lies on the board, it would be sensible for the board to invest more time and resources on this subject.

Only 35% of the companies have a governance body specifically for ESG matters with board/CEO involvement. 21% have the board/CEO overseeing the matter directly. Over one-third of the T200 did not disclose any form of a sustainability management structure.

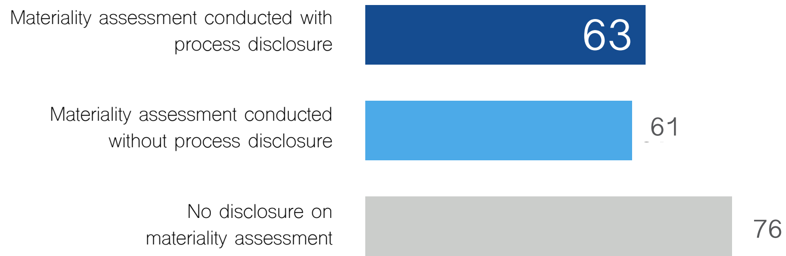


Our View :

Setting up a board-level ESG governance body requires vision and courage as most ESG aspects and the associated risks and opportunities require cross-department coordination. A well-established governance body helps break down silos and ensures a clear distribution of work, the cooperation mechanism and lines of reporting on sustainability matters. We are eager to see the remaining one-third of the T200 grabbing the bull by the horns if they plan to make ESG reporting more than a compliance exercise.

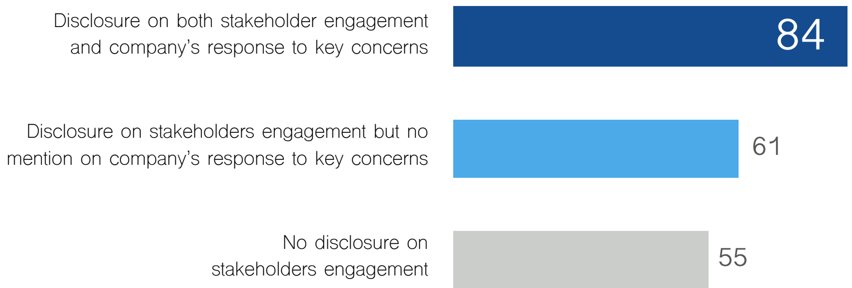
Let stakeholders know how materiality is determined

About 38% and 28% of the reports have no disclosures on materiality assessment and stakeholder engagement respectively. It is worth noting that 31% (61) of the reports that disclosed results of materiality assessment, failed to disclose the process of materiality assessment.



Responding is as critical as engaging stakeholders

Most companies have reported that they were able to identify stakeholder groups relevant to their business, and also stated the means of engagement and areas of concern. However, among 155 companies who reported on stakeholder engagement, 31% (61) did not report on the company's response to key aspects that were of concern to their stakeholders, in the stakeholder engagement section of the report.



Our View :

The crux of ESG reporting is about (1) engaging your key stakeholder groups, and more importantly, responding to their concerns throughout the reporting journey; and (2) report what matters and where it matters.

From this year's findings, it seems the awareness on importance of these processes needs to be improved further. Only by properly implementing these two steps, companies can actualize the value of ESG disclosure.

Reporting on materiality assessment process and responding to stakeholders' concern reflects on the materiality and responsiveness of AA1000 principles. These are information that enable stakeholders to make sense of how the material aspects come about and whether those aspects are relevant and significant to the business.

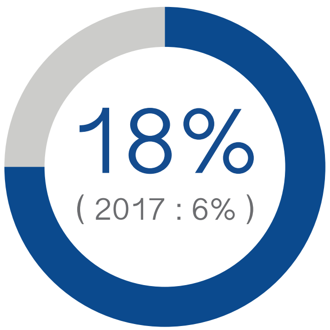
We believe adopting GRI requires detailed description of the determining process and responding to stakeholders. These are requirements for affirming the general commitment to raising transparency.

Rising alignment with SDGs

The number of companies aligning SDGs[7] and sustainability reporting has increased. Most of the companies have identified SDGs relevant to their business and report on actions related to the goals. However, a few reports have displayed the SDG logos without further elaboration.

Also, some companies have stated that they pursue all 17 SDGs but only describe how the existing policies align with the goals. Only a few companies are able to show new initiatives and progress towards achieving the goals.

Alignment of SDGs in reports



7 The Sustainable Development Goals ("SDGs") is a framework containing 17 ambitious goals established by the United Nations in 2015 for governments and businesses in promoting the world's sustainable development of the next 15 years.

Our View :

The SDGs constitute a long-term grand vision for advancing towards sustainable development over the next decade. Integrating SDGs into sustainability reporting is not a simple "pick and match" exercise or a PR tool. To better communicate the efforts for achieving SDGs, companies are recommended to go beyond reporting about their own businesses and expand the alignment of SDGs to cover the entire value chain, from raw materials, distribution, to product use and product end life.

Understanding the positive and negative impacts on business from such a perspective can further help identify risks and opportunities in a broader context, establishing links between business strategy, the industry and global sustainability issues. This will also broaden the stakeholder groups to be engaged, making the alignment with SDGs beneficial to as many stakeholders as possible.

For investors who are increasingly seeking to make positive impact through their investments, obtaining SDG-related insights about a company's environmental and social impact is definitely helpful in making informed decisions.

A good reporting on SDGs should be forward-looking, seeking positive change through innovative initiatives. Detailed target-setting and monitoring are crucial, so as to allow practical evaluation on the progress and effectiveness. This is to ensure the SDG-alignment is truly relevant to the business and does not become an empty talk.

Environmental Disclosure

Need to start measuring the results

The narrative KPIs including description of resources conservation and emissions reduction measures demonstrate a high level of disclosure (over 90% across the board). If we look at disclosure on results achieved, 70% and nearly 60% reported results achieved on energy use efficiency initiatives (A2.3) and emissions mitigation (A1.5). Other results seem harder to report with 51% and 45% recording waste reduction (A1.6) and water use efficiency respectively.

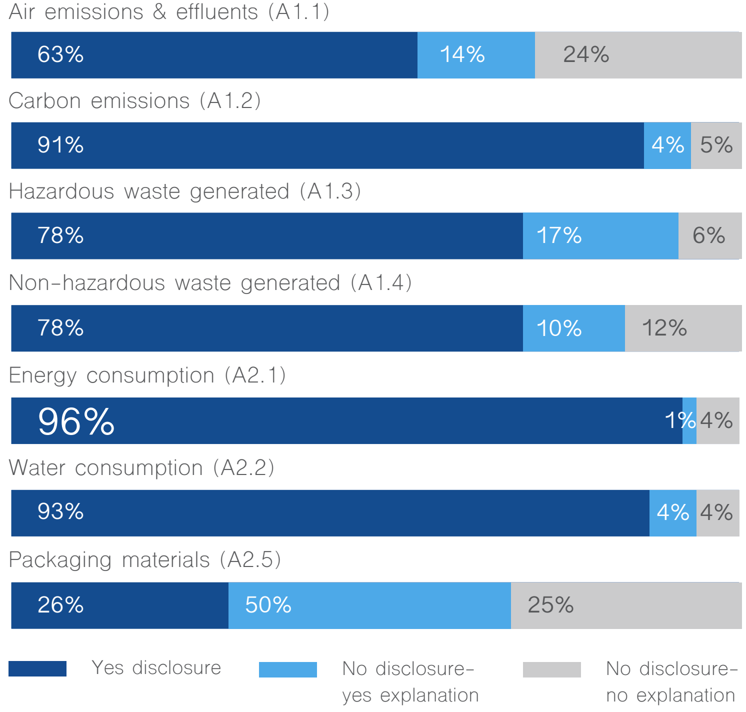
For significant impacts on the environment and natural resources (A3.1), T200 reported this narrative KPI in a variety of ways. If we narrow our focus to ecological conservation, approximately 52% of companies disclosed related measures/initiatives.

Explanation for non-disclosure

Echoing the "HKEX Analysis of ESG Practice Disclosure" released in May, we discovered that a noteworthy number of companies have not stated any form of explanation. Of companies that did not provide any figures, about 57% did not offer reasons for non-disclosure. Most of the explanations state that "the topic was not material to their business nature" or that "monitoring systems were still in development."

Quantitative KPI disclosure

Proportion of Top 200



Our View :

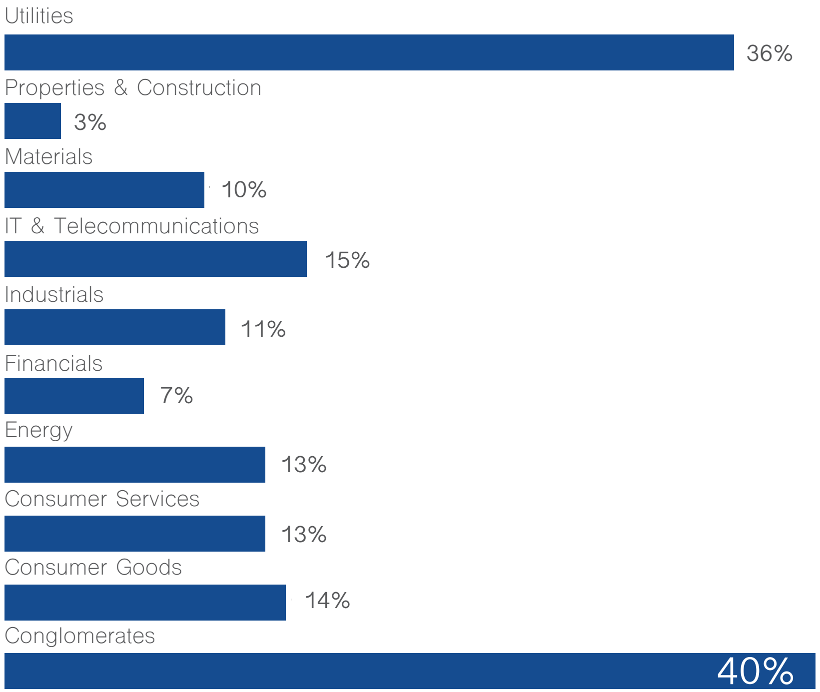
To make sure stakeholders understand the ESG performance of a company, it is not sufficient to state we have complied with applicable rules and regulations. More details should be provided with narratives explaining the company's management approach, policies, monitoring system and more importantly, results achieved. You can't manage what you don't measure. We'd like to see more and more companies to report on the results achieved.

Target-setting is key for improvement

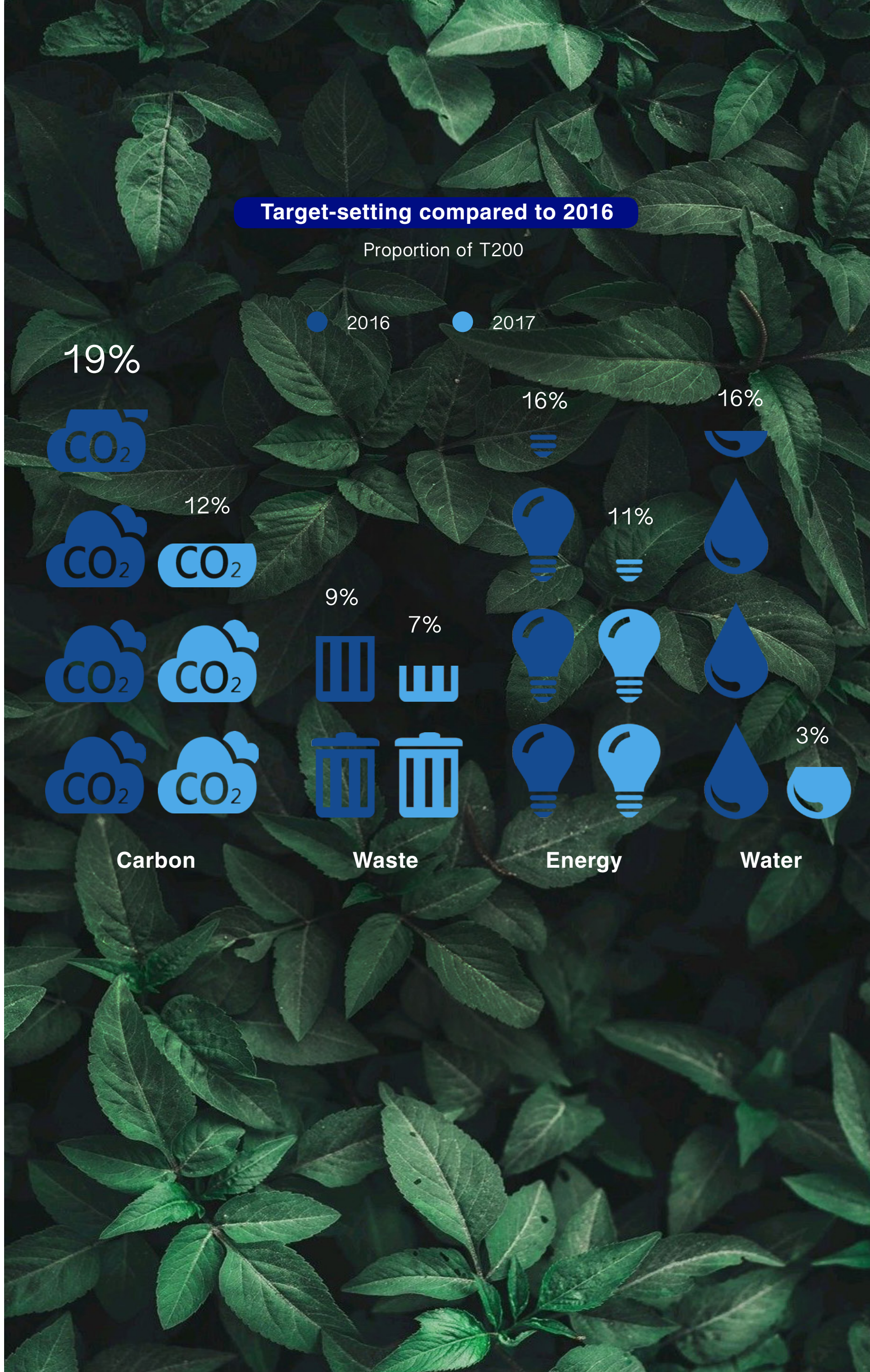
Quantitative and time-bound target-setting demonstrates a company's commitment to strive for better environmental performance. Although around 40 companies that were in the T200 last year have been displaced, it is undeniable across all Aspects that there is a marked drop in the number of companies that have set targets.

Carbon reduction target-setting

Proportion of industry

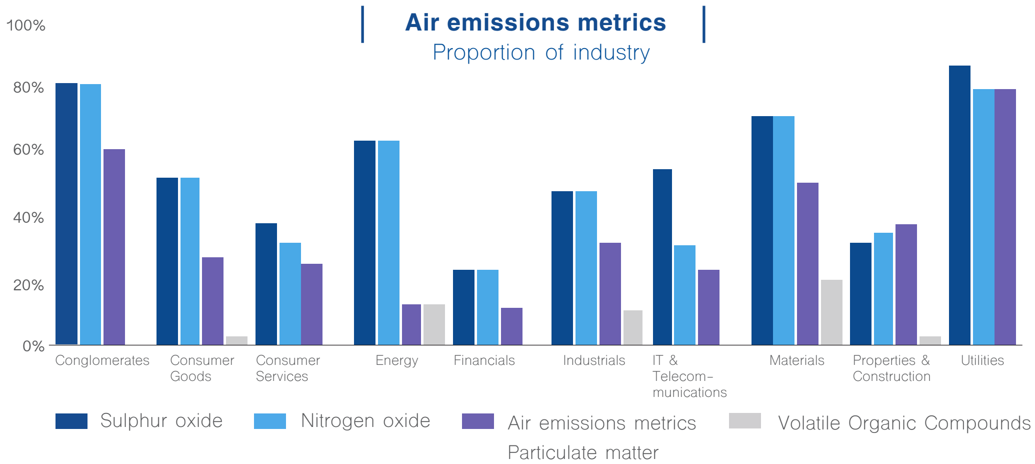


The top 10 GHG emitters (Scope I & II) are from Utilities, Properties & Construction and Energy sector. Despite having substantial carbon footprints, only 3% of the Properties & Construction sector companies have taken to set carbon reduction targets.



Environmental disclosure overview

T200 were found more willing to disclose carbon emissions, energy and water consumption (A1.2, A2.1 and A2.2) than waste and air emissions. Disclosure on packaging material consumption (A2.5) performed the worst, with 3/4 of the T200 failing to report the related figures.



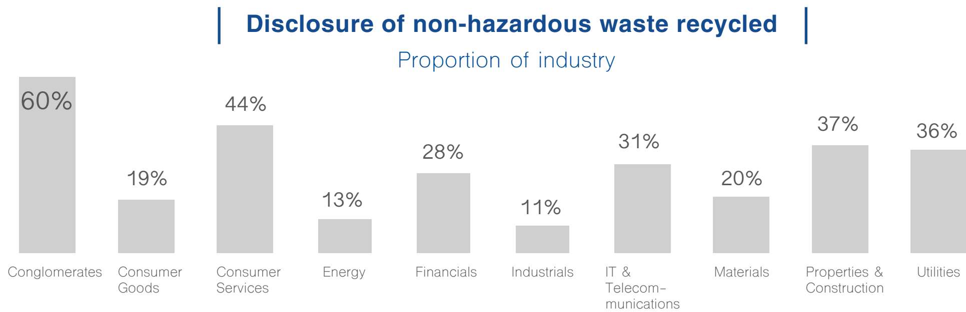
The HKEX Guideline specifies three most common air pollutants: sulphur oxide, nitrogen oxide and particulate matter that need to be disclosed. On average, 54% and 51% of each industry reports on the former two air pollutants, while comparatively fewer (36%) disclose particulate matter emissions. Although not as common across the industries (av. 5%), as much as one-fifth of the Materials sector deemed it necessary to report on Volatile Organic Compounds. It is worth pointing out that companies should not get confused by reporting greenhouse gas emissions under A1.1 disclosure; 15 companies mistakenly did this year.

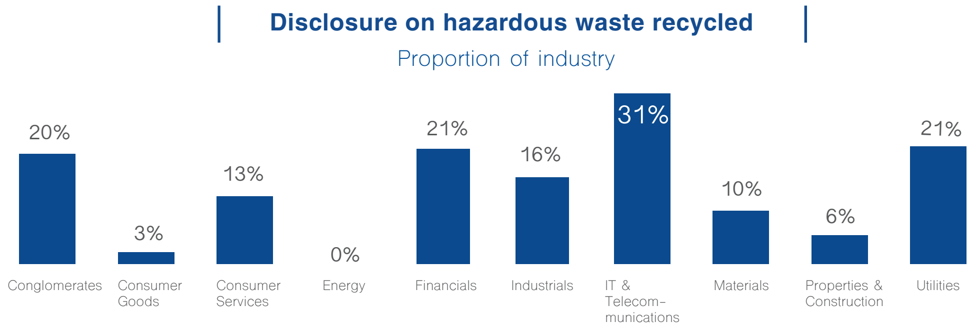
With 46-51% of Consumer Goods companies reporting on wastewater and/or COD figures, these effluent discharge metrics have become part of the reporting norm for the sector.

Engaged in manufacturing of consumer goods, such as automobiles, household goods, food & beverages, monitoring of wastewater amount and COD appear to be material aspects for the Consumer Goods sector in order to present an accurate picture of their environmental impacts.

In the Energy sector as much as 63% reported on COD discharged during the year. Around 57% of companies Industrials and Utilities sectors reported on the amount of wastewater discharged. On average a tenth of the T200 companies disclosed the amount of water recycled. The Utilities and Consumer Goods sectors seem to have found the issue material, with around one-fifth of each sector reporting on water reuse and recycling.

Stating merely the total waste generated has limited implications for stakeholders. However, disclosure of the amount of waste recycled is not stipulated in the Guideline.



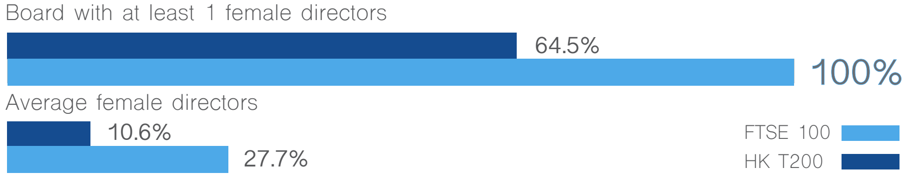


Governance

Slightly more females got a foothold in the board

Almost 65% of T200 have at least 1 female director on the board, a slight increase of 2.5%. However, the total percentage of female directorship remains approximately 10%, pretty much the same as last year. Only 3.5% of the T200 have female representation of at least one-third in directorships.

Board Gender Diversity



Disclosure on board performance evaluation remains to be improved

It is not surprising to see that less than half (46%) of T200 companies mentioned board performance evaluation policy in corporate governance reports in their annual reports as board performance evaluation is only a 'recommended' best practice in the Corporate Governance Code. Among those, only 53% described the process and assessment outcome of board evaluation by questionnaires and interviews.

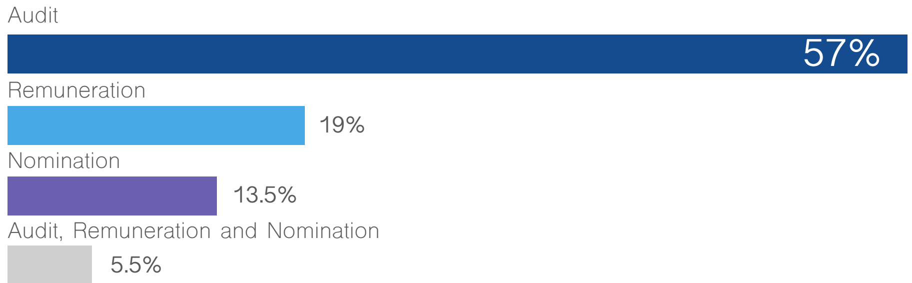
57% of T200 included only INEDs as members of audit committees. Our survey shows that 5.5% of T200 have all their audit, remuneration and nomination committees made up of INEDs.

Among T200, 21% of companies have assigned a non-executive director as the chairperson. 22% of board members in T200 are found to have family relationships between directors.

Board involvement is critical in cyber risk management

Cyber risk is apparently receiving attention from companies and the boards of directors considering the potential influence it has on the interests of stakeholders. Our findings show that while many HK listed companies in their annual reports have identified cyber security as a material risk which needs to be mitigated to ward of cybercrime, board involvement in cyber risk management remains missing in their corporate governance agendas.

All INEDs in Board Committee



Our research on T200 shows only 7.5% companies have defined the role of the board in management of cyber risk in corporate governance reports by way of formulating control policies or training of directors for enhancing awareness of the importance of cyber security. Only 3 boards identified and integrated the risk arising from the need for maintaining data privacy in corporate governance or go through training regarding the impact of GDPR. No company is immune from cyber threats. Instead of leaving cyber risk to the IT department, establishing mechanisms for board oversight is critical to address cyber threats in enterprise risk management.

Social Disclosure

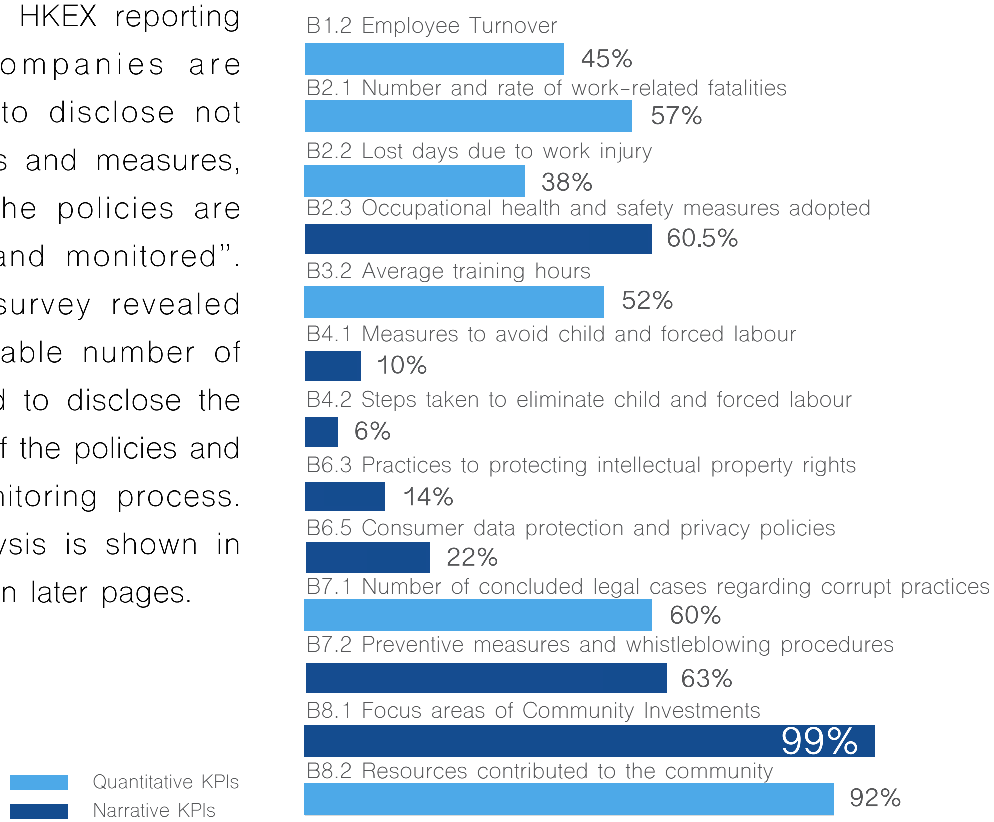
Recommended disclosure means no disclosure?

The magnitude of disclosures on social aspect varies. Certain aspects, such as B7 Anti-corruption and B8 Community Investment, have a higher level of disclosure. The human capital-related aspects, such as B1 Employment, B2 Health and Safety and B3 Training and Development, were disclosed by approximately half of the T200. Disclosures on B4 Labour Standards and B6 Product Responsibility were found low and insufficient.

Partial disclosure is prevalent

As stated in the HKEX reporting guidelines, companies are recommended to disclose not only the policies and measures, but also how the policies are “implemented and monitored”. However, our survey revealed that a considerable number of companies failed to disclose the implementation of the policies and the related monitoring process. A detailed analysis is shown in related sections in later pages.

Selected Social KPI Disclosures



Our View :

Recommended disclosure does not mean companies can conveniently choose not to report the social KPIs. Companies should disclose how they perform on material topics identified from stakeholder engagement and materiality assessment.

The high proportion of reports with partial disclosure suggests companies might have just adopted a “take the box” approach by stating the policies without disclosing monitoring and evaluation of ESG practices. Many policies description, aiming to fulfill the compliance requirements of General Disclosure, carried only one or two simple statements.

The HKEX analysis stated that simple statements on policies are “uninformative” and “not helpful to stakeholders”, and companies should specify “ways in which the issuer has ensured compliance” in order to fulfill the requirements of General Disclosures.

To provide stakeholders a meaningful picture of the ESG performance, companies should disclose the process of monitoring of ESG practices and evaluation of policy effectiveness.

Room to improve for OHS KPIs

Disclosures on occupational health and safety (OHS) were found lacking across all industries. Looking closer at industries in which OHS is usually a material topics the property and construction industry has a lower level of disclosure on fatality rate.

	Fatality	Lost days
	62%	46%
Energy	88%	25%
Properties and Construction	53%	47%
	72%	28%

In general, these industries have to strengthen their disclosures on the number of days lost due to work injury. KPI 2.3 requires companies to describe OHS measures and how they are implemented and monitored. Majority of the T200 companies are able to report on a series of safety measures but the monitoring mechanisms are often neglected. Only 4% showed commitment to quantitative and time bound OHS targets.

OHS Data Disclosures

KPI B2.1 Number and rate of work- related fatalities

57%

KPI B2.2 Lost days due to work injury

38%

Work-related injuries

42%

Safety training hours

10%

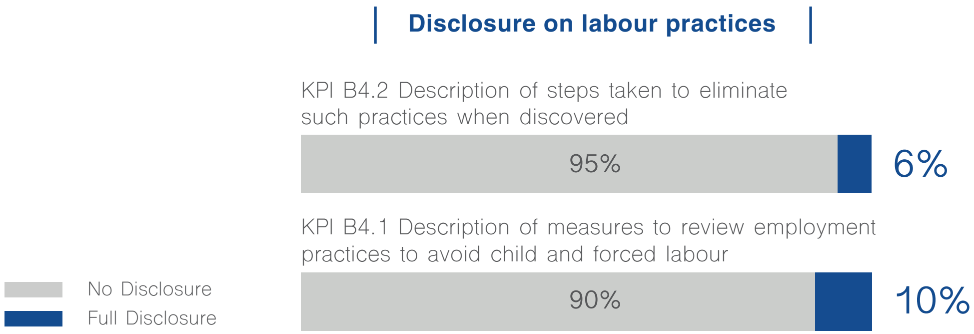
Our View :

Although the risk of occupational hazards in certain industries may not be high, it deserves more attention in case of industries that expose workers to higher safety risks. It is necessary to report on due diligence measures taken, reviews of and improvements made in OHS management, together with relevant data. Given the occurrence of safety incidents in construction work, strengthening OHS disclosure could help push for better management of safety risks.

Human Rights

One-third of the T200 mentioned human rights in their reports. Many of them, however, are limited to a one-line commitment statement without backing up with a policy for implementation. Only slightly over one-tenth of the T200 companies have human rights policies in place, considering human rights as a potential material topic, or pledged to international codes on human rights.

Regarding child labour and forced labour, a large number of instances of non-disclosure were found among the T200 companies. For industries coming on top for review of practices and guarding against child and forced labour such as Industrials, IT & Materials, only Industrials provided detailed descriptions of steps taken to eliminate such practices when discovered.



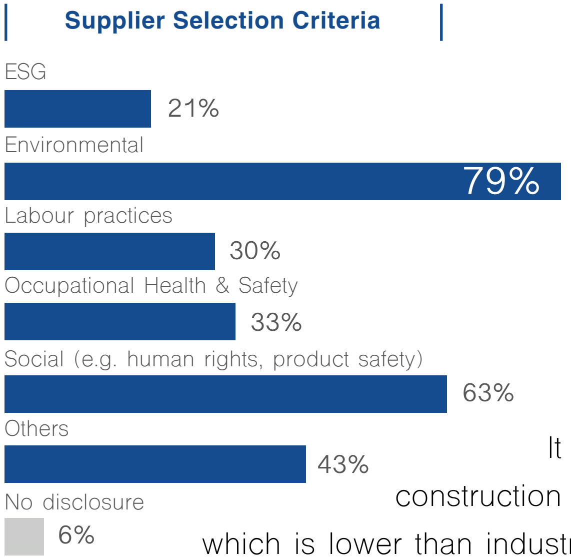
Our View :

Although Hong Kong has relatively lower risks of human rights violations, companies should assess their value chains and report on whether human rights issues are relevant to their businesses and how such risks are being addressed. Industries subject to potential risk of human rights should regularly review their practices and proactively take corrective actions if there is a case of child or forced labour is noticed.

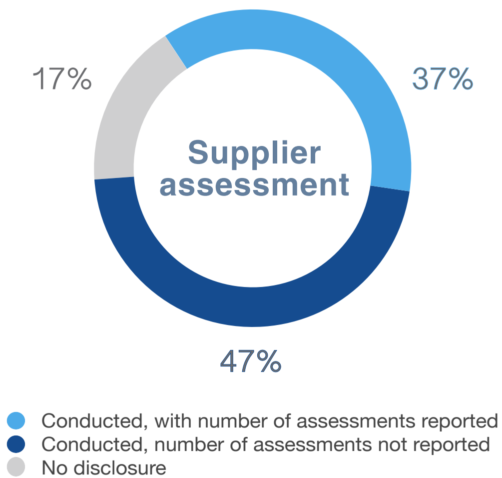
Least Concerned: Conflict Minerals

Only 4.5% of companies mentioned their concerns on conflict minerals and reported measures that they implement to avoid the use of conflict minerals. These companies are from telecommunications, IT hardware and consumer goods (Textiles and clothing) industries.

For supplier selection, nearly 80% of the T200 companies considered environmental criteria. These include utilities, consumer goods and property and construction industries. Social issues and related criteria are mostly adopted by materials, IT and consumer goods industries. While consumer goods industry has a higher disclosure level, energy, financials and industrials had lower disclosure level on each criteria. It is worth noting that 44% of property and construction companies included OHS related criteria, which is lower than industries such as IT (75%) and utilities (69%).



Majority of the T200 companies reported on assessments of suppliers but 47% presented these as narrative information without disclosing the number of assessments conducted. Telecommunications (80%), utilities (62%) and industrials (50%) had the largest percentages of companies disclosing the quantitative data.



Our View :

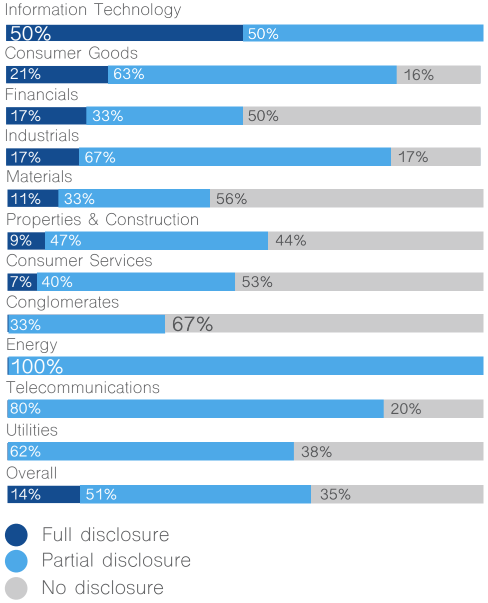
Supplier selection criteria reflect a company's approach toward its supply chain. KPI B5.2 requires companies to disclose the number, implementation and monitoring of supplier engagement practices. Even though the nature and types of suppliers and subcontractors vary for different industries, companies should adopt appropriate selection criteria and assessment according to their material aspects. Companies should put more effort in evaluating the environmental impact of their supply chains and monitor their environmental and social performances in order to mitigate risks from supply chain.

Although conflict minerals are not a required KPI, it is an important area of supply chain management for industries that source raw materials for production of electronic devices and jewelry products. Institutional investors are also hugely concerned on how companies manage their risks.

IPR and customer privacy

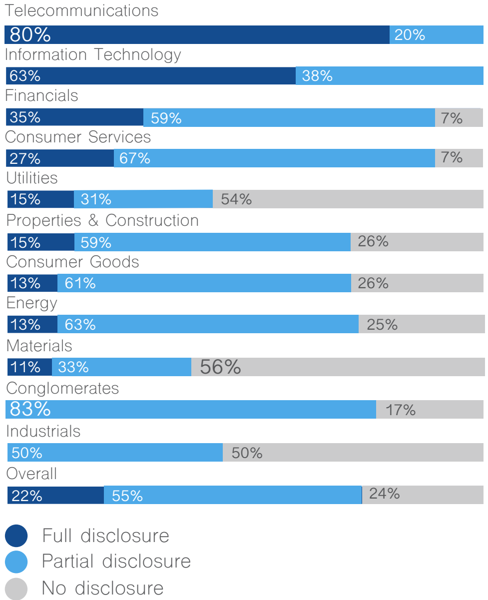
KPI B6.3 and B6.5 had a low disclosure level across industries. The industries with relatively higher percentage of disclosure are IT and telecommunications. Financials, consumer goods and consumer services are also at the upper ranks of disclosure levels but the percentage remains low, considering these industries face higher risks related to intellectual property rights and customer privacy.

KPI B6.3 Practices to protecting intellectual property rights



For intellectual property rights, companies often report the number of patents and trademarks obtained or owned during the year without elaborating on the measure to protect them, or how to prevent infringement of intellectual property rights of third parties. Narratives on managing customer data are often insufficient. Measures on monitoring related privacy risks are lacking.

KPI B6.5 Consumer data protection and privacy policies



Our View :

No matter what industry sector we are considering, privacy is fundamental for anyone, whether one is a part of the board of directors or a customer. Descriptions of relevant methods implemented for monitoring of privacy issues are lacking in many of the T200 companies. This should not be overlooked especially in the digital age when goods and services can be provided anytime through online platforms and mobile apps. Data leakage and trademark conflicts may bring inestimable risks to the company and its stakeholders. Industries including financials, consumer goods and services are strongly recommended to exercise due diligence to ensure compliance on such a material aspect, in order to respond to stakeholders' concerns.

Shy of disclosing employee turnover rates

Approximately 55% of the T200 chose not to disclose their employee turnovers. As for training hours, 52% reported average training hours and about 13% of the companies disclosed the total training hours.

While nearly half of the reports mentioned diversity as part of the company policies, only 32% of the T200 disclosed concrete measures taken for forging a diverse and inclusive workforce. Examples of measures included hiring the disabled, providing support and opportunities to female employees and ethnic minorities. However, only a few companies went beyond reporting on welfare policies and anti-discrimination measures, working towards achieving gender balance and nurturing female leadership in the management.

Our View :

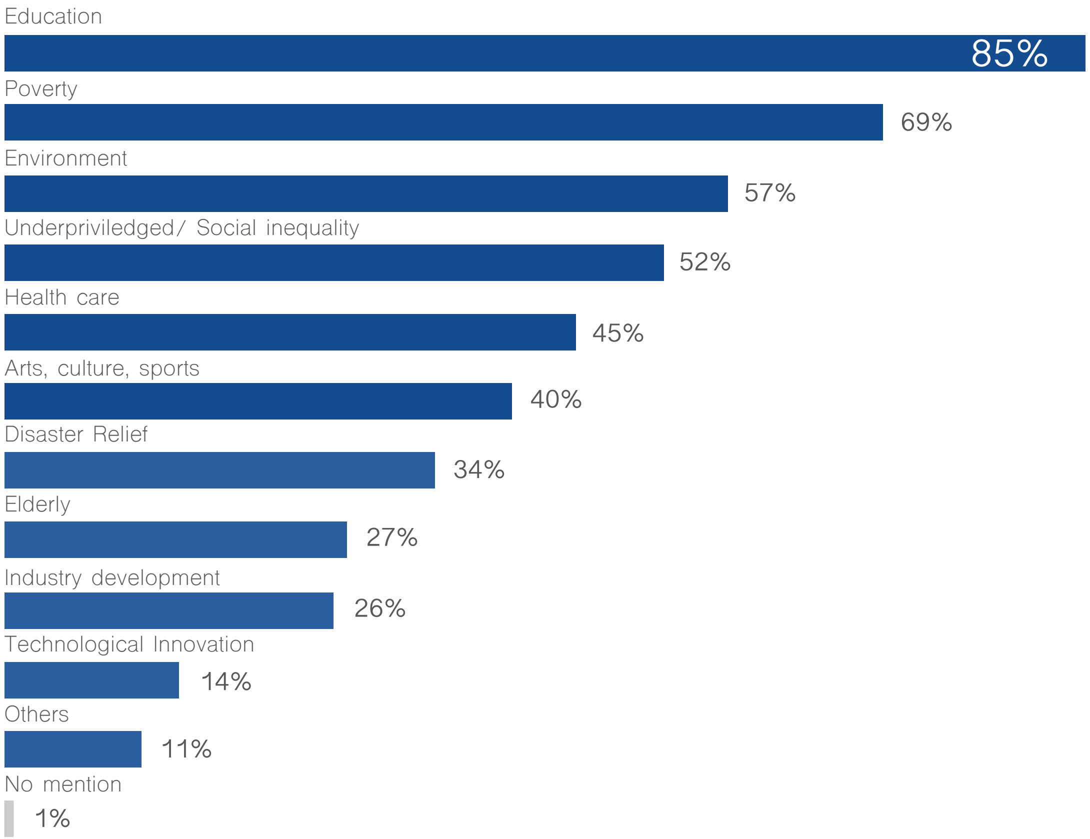
Transparent and consistent disclosures enable investors to understand the company's commitment to long-term development of human capital. ESG performance is also one of the considerations of millennials when they apply for jobs. Companies need to keep up with the expectations of young jobseekers, especially in the rapidly developing digital world, and also maintain transparency on disclosing employees related data.

Diversity in the workplace is part of the General Disclosures of B1 Aspect, which is under "comply or explain" clauses. Similar to some other social KPIs, companies tend to treat it as a tick-the-box exercise. More detailed narratives and descriptions of relevant measures, or links to the policy documents are useful for stakeholders to understand how the company views this aspect and creates a comfortable working environment.

Top 3 charitable areas: Education, Poverty Alleviation and Environmental Protection

Almost all T200 companies disclosed their particular focus area of community investment, with the top 3 focus areas being education, poverty relief and environmental protection. The greatest emphasis was placed on education, the focal point for 85% of the companies.

KPI B8.1 Focus area of Community Investment



Our View :

Companies should consider exploring new opportunities through building long-term partnerships and shared values with the community, tackling social problems as they develop their businesses.

Disclosing data of resources invested in the community is an indicator of achievements in fulfilling corporate social responsibilities, which is important in measuring the social impact that the company brings to the community.

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About Alaya

Alaya Consulting specialises in ESG consultancy focusing on ESG reporting, pre-assurance and executive training.

Since 2014, we are in partnership with large and emerging companies to foster long term growth and maximise impact, including raising ESG ratings.

Alaya, in Buddhism, means primary, or the eighth consciousness which forms the seeds of future karma. Our vision is similar. We aim to become the leading facilitator of corporate sustainability, planting the seeds of sustainability that can grow into trees for our future generations.

Our clients represent a variety of sectors including energy, medical devices, biotechnology, chemical industry, finance and consumer products, etc.

We work with companies that have global operations spread over several continents, as well as smaller companies with operations at a single facility.

With our international experience, we tailor our consulting services to meet the needs of geographically well spread out clients, irrespective of where they operate.

Appendix I : List of Hong Kong T200 companies by A+H market capitalization at the end of first quarter 2018

3SBio Inc.
AAC Technologies Holdings Inc.
Agile Group Holdings Ltd.
Agricultural Bank of China Ltd.
AIA Group Ltd.
Air China Ltd.
Aluminum Corporation of China Ltd.
Anhui Conch Cement Co. Ltd.
ANTA Sports Products Ltd.
ASM Pacific Technology Ltd.
Bank of China Ltd.
Bank of Communications Co., Ltd.
Bank of East Asia, Ltd.
Bank of Jinzhou Co., Ltd.
Beijing Enterprises Holdings Ltd.
Beijing Enterprises Water Group Ltd.
Biostime International Holdings Ltd.
BOC Aviation Ltd.
BOC Hong Kong (Holdings) Ltd.
Brilliance China Automotive Holdings Ltd.
BYD Co. Ltd.
BYD Electronic (International) Co. Ltd.
CGN Power Co., Ltd.
Cheung Kong Infrastructure Holdings Ltd.
Cheung Kong Property Holdings Ltd.

China Cinda Asset Management Co., Ltd.
China CITIC Bank Corporation Ltd.
China Coal Energy Co. Ltd.
China Communications Construction Co. Ltd.
China Conch Venture Holdings Ltd.
China Construction Bank Corporation
China Eastern Airlines Corporation Ltd.
China Energy Engineering Corporation Ltd.
China Everbright Bank Co. Ltd.
China Everbright International Ltd.
China Everbright Ltd.
China Evergrande Group
China Galaxy Securities Co., Ltd.
China Hongqiao Group Ltd.
China Huarong Asset Management Co., Ltd.
China International Capital Corporation Ltd.
China Int'l Marine Containers (Group) Co., Ltd.
China Jinmao Holdings Group Ltd.
China Life Insurance Co. Ltd.
China Longyuan Power Group Corporation Ltd.
China Medical System Holdings Ltd.
China Mengniu Dairy Co. Ltd.
China Merchants Bank Co., Ltd.
China Merchants Port Holdings Co. Ltd.
China Merchants Securities Co Ltd

China Minsheng Banking Corp., Ltd.
China Mobile Ltd.
China Molybdenum Co Ltd
China Oilfield Services Ltd.
China Overseas Land & Investment Ltd.
China Pacific Insurance (Group) Co., Ltd.
China Petroleum & Chemical Corporation
China Railway Construction Corporation Ltd.
China Railway Group Ltd.
China Resources Beer (Holdings) Co. Ltd.
China Resources Cement Holdings Ltd.
China Resources Land Ltd.
China Resources Pharmaceutical Group Ltd.
China Resources Power Holdings Co. Ltd.
China Shenhua Energy Co. Ltd.
China Southern Airlines Co. Ltd.
China State Construction International Holdings Ltd.
China Taiping Insurance Holdings Co. Ltd.
China Telecom Corporation Ltd.
China Unicom (Hong Kong) Ltd.
China Vanke Co., Ltd.
China Zheshang Bank Co., Ltd.
China Zhongwang Holdings Ltd.
Chongqing Rural Commercial Bank Co., Ltd.
Chow Tai Fook Jewellery Group Ltd.

CIFI Holdings (Group) Co. Ltd.
CITIC Ltd.
CITIC Securities Co. Ltd.
CK Hutchison Holdings Ltd.
CLP Holdings Ltd.
CNOOC Ltd.
COSCO SHIPPING Development Co Ltd
COSCO SHIPPING Holdings Co Ltd
Country Garden Holdings Co. Ltd.
Credit China FinTech Holdings Ltd.
CRRC Corporation Ltd.
CSPC Pharmaceutical Group Ltd.
CSSC Offshore & Marine Engineering Group Co Ltd
Dah Sing Banking Group Ltd.
Dali Foods Group Co. Ltd.
Dongfeng Motor Group Co. Ltd.
ENN Energy Holdings Ltd.
Everbright Securities Co Ltd
Far East Horizon Ltd.
Fosun International Ltd.
Future Land Development Holdings Ltd.
Fuyao Glass Industry Group Co., Ltd.
Galaxy Entertainment Group Ltd.
Geely Automobile Holdings Ltd.
GF Securities Co., Ltd.

Great Eagle Holdings Ltd.
Great Wall Motor Co. Ltd.
Greentown China Holdings Ltd.
Guangshen Railway Co Ltd
Guangzhou Automobile Group Co., Ltd.
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd
Guangzhou R&F Properties Co., Ltd.
Guotai Junan Securities Co., Ltd.
Haier Electronics Group Co., Ltd.
Haitian International Holdings Ltd.
Haitong International Securities Group Ltd.
Haitong Securities Co., Ltd.
Hanergy Thin Film Power Group Ltd.
Hang Lung Group Ltd.
Hang Seng Bank Ltd.
Henderson Land Development Co. Ltd.
Hengan International Group Co. Ltd.
HK Electric Investments and HK Electric Investments Ltd.-SS
HKT Trust and HKT Ltd. - SS
Hong Kong and China Gas Co. Ltd., The
Hong Kong Exchanges and Clearing Ltd.
HSBC Holdings plc
Huaneng Power International, Inc.
Huatai Securities Co., Ltd.
Hysan Development Co. Ltd.
Industrial and Commercial Bank of China Ltd.
Jiangsu Expressway Co. Ltd.
Johnson Electric Holdings Ltd.
KAZ Minerals PLC
Kerry Properties Ltd.
Kingsoft Corporation Ltd.
Kingston Financial Group Ltd.
KWG Property Holding Ltd.
Lee & Man Paper Manufacturing Ltd.
Li & Fung Ltd.
Lifestyle International Holdings Ltd.
Logan Property Holdings Co. Ltd.
Longfor Properties Co. Ltd.
Man Wah Holdings Ltd.
Meitu, Inc.
Melco International Development Ltd.
Metallurgical Corporation of China Ltd
MGM China Holdings Ltd.
MTR Corporation Ltd.
New China Life Insurance Co. Ltd.
Nexteer Automotive Group Ltd.
NWS Holdings Ltd.
Orient Overseas (International) Ltd.
Orient Securities Co Ltd
PCCW Ltd.
PetroChina Co. Ltd.
PICC Property and Casualty Co. Ltd.
Ping An Insurance (Group) Co. of China, Ltd.
Postal Savings Bank of China Co., Ltd.
Power Assets Holdings Ltd.
PRADA S.p.A.
Prudential plc
Samsonite International S.A.
Sands China Ltd.
Shanghai Electric Group Co Ltd
Shanghai Fosun Pharmaceutical Group Co Ltd
Shanghai Industrial Holdings Ltd.
Shanghai Pharmaceuticals Holding Co., Ltd.
Shangri-La Asia Ltd.
Shenzhou International Group Holdings Ltd.
Shimao Property Holdings Ltd.
Sino Biopharmaceutical Ltd.
Sino-Ocean Group Holding Ltd.
Sinopec Oilfield Service Corp
Sinopec Shanghai Petrochemical Co. Ltd.
Sinopharm Group Co. Ltd.
SITC International Holdings Co. Ltd.
Standard Chartered PLC
Sun Art Retail Group Ltd.
Sunny Optical Technology (Group) Co. Ltd.
Swire Pacific Ltd.
Swire Properties Ltd.
Techtronic Industries Co. Ltd.
Tencent Holdings Ltd.
The People's Insurance Co. (Group) of China Ltd.
Tingyi (Cayman Islands) Holding Corp.
TravelSky Technology Ltd.
Tsingtao Brewery Co. Ltd.
Uni-President China Holdings Ltd.
VTech Holdings Ltd.
Weichai Power Co Ltd
WH Group Ltd.
Wharf (Holdings) Ltd.
Wheelock and Co. Ltd.
Wynn Macau, Ltd.
Xinjiang Goldwind Science & Technology Co Ltd
Yanzhou Coal Mining Co. Ltd.
Yue Yuen Industrial (Holdings) Ltd.
Yuexiu Property Co. Ltd.
Zall Group Ltd.
Zhejiang Expressway Co. Ltd.
Zhongsheng Group Holdings Ltd.
Zhuzhou CRRC Times Electric Co., Ltd.
Zijin Mining Group Co., Ltd.
Zoomlion Heavy Industry Science and Technology Co Ltd

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本 識 顧 問

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