

HKQAA Sustainability Rating and Research: Annual Review 2016

香港品質保證局可持續發展評級及研究：2016年回顧

Foreword – Continuing the Qualitative Analysis of Companies' Sustainability Management

In the recent decade, HKQAA has always been the advocate in promoting sustainability, corporate social responsibility (CSR), and environment management, so as to further the sustainable development of Hong Kong's economy, environment and society. The third annual year of the HKQAA Sustainability Rating and Research once again assessed the quality of companies' sustainability management using the scoring methodology based on ISO 26000 and GRI G4. The key findings of the research are provided below.

The Research Project and Company Engagement

In 2016, HKQAA reviewed the sustainability performance of 699 eligible listed companies for inclusion in the Hang Seng Corporate Sustainability Index Series (the Index Series) – 464 Hong Kong listed (HK) companies (including dual-listed companies, classified as Hong Kong stocks) and 235 China A-Share listed (CN) companies. HKQAA's Assessment Team examined 355 sustainability / CSR reports (including stand-alone and integrated reports) and made reference to over 430 company websites as well as local and international media reports, to assess their sustainability performance as a whole. We also reviewed more than 650 annual reports to understand companies' regulatory compliance and financial data. All companies were given an opportunity to offer feedback and supporting documents to HKQAA in the form of a questionnaire to supplement the publicly-available information. This year, the total number of responding companies increased by over 10% compared to 2015.

Overall Performance by Market

As in the previous two years, the sustainability performance of HK companies was generally stronger than that of CN companies. The highest score among HK companies was AA (21 companies) on a scale of AAA (highest) to D (lowest), while the highest score among CN companies was A+ (1 company). 274 HK companies (59%) and 146 CN companies (62%) achieved a moderate/satisfactory rating of BBB- or above. This compares favourably to 2015, when 55% of HK companies and 60% of CN companies achieved these ratings. The proportion of companies which received a moderate rating of BB or below were further decreased this year, from 32% in 2015 to 29%.

Industry-level Performance

An analysis of average scores of all industries shows that Conglomerates, Telecommunications and Properties & Construction display the strongest sustainability performance, while Consumer Goods lags behind all other industries.

前言—定性分析公司的可持續管理表現

過去十年，本局作為推動可持續發展、社會責任以及環境管理之先驅，積極協助本港經濟、環境及社會的可持續發展。「香港品質保證局可持續發展評級及研究」踏入第三年，繼續參考 ISO 26000 及 GRI G4，去評估公司的可持續管理水平。本年度研究結果重點報告如下。

研究計劃及參與公司

2016年，本局審閱了699間具有被納入「恒生可持續發展企業指數系列」(「指數系列」)候選資格的上市公司之可持續發展表現，其中包括464間香港上市公司(包括在香港及內地上市的公司，被列為港股的公司)及235間內地A股上市公司。為了全面地評估公司的可持續發展表現，本局今年查考了355份可持續發展/社會責任報告(包括獨立和綜合報告)、超過430個公司網站和本地及國際媒體的相關報導；並審閱超過650份公司年報，以了解其遵從規管的情況，以及財務數據。此外，所有公司均會收到一份問卷，以便提供公開資訊以外的補充資料及文件。今年回覆的公司總數與去年相比增加超過10%。

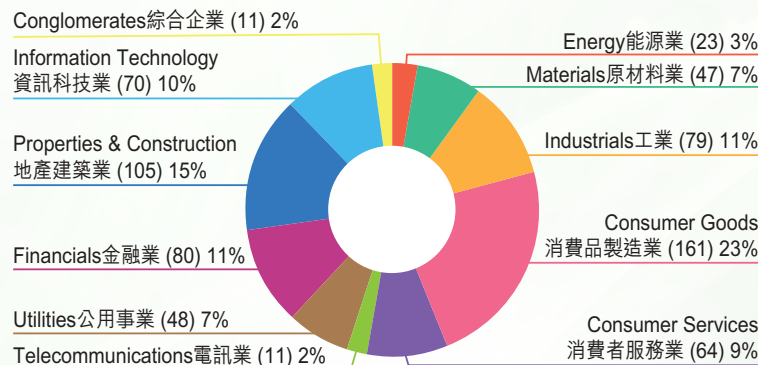


Chart 1 — Universe by Industry 2016
圖表1 — 2016年研究之上市公司行業分布

相關報導；並審閱超過650份公司年報，以了解其遵從規管的情況，以及財務數據。此外，所有公司均會收到一份問卷，以便提供公開資訊以外的補充資料及文件。今年回覆的公司總數與去年相比增加超過10%。

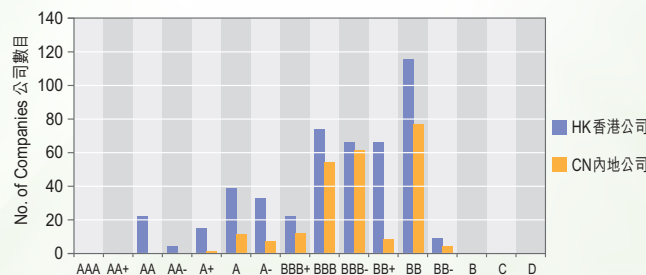


Chart 2 — Overall Performance by Market
圖表2 — 整體市場表現

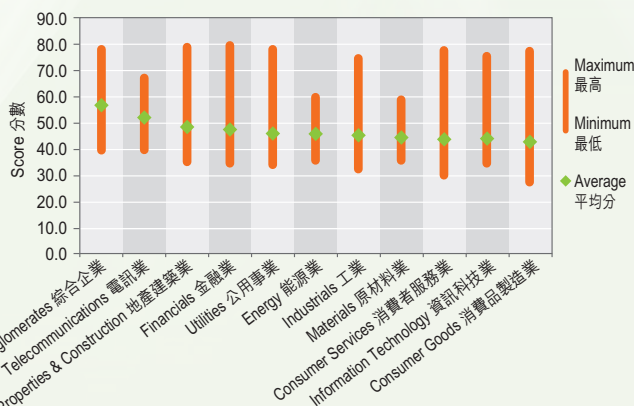


Chart 3 — Average Score by Industries 2016
圖表3 — 2016年行業平均分

整體市場表現

一如過去兩年，香港上市公司(「香港公司」)在可持續發展表現上，普遍較內地A股上市公司(「內地公司」)優勝。香港公司在AAA(最高)至D(最低)的評級中，最高分數為AA(共有21間公司)，而內地公司最高分數為A+(有1間公司)。整體而言，共有274間香港公司(59%)和146間內地公司(62%)達到中等/良好的BBB-或以上評級，而2015年，則只有55%的香港公司和60%的內地公司達到相同水平。與去年相比，達到中等水平BB或以下評級的公司則由32%進一步下跌至29%。

行業表現水平

透過分析各行業的整體平均分數，可見今年的綜合企業、電訊業和地產建築業的可持續發展表現為最佳；而消費品製造業的表現與其它行業相比則較為遜色。



Subject Performance

In the current assessment model, all companies are rated in 7 core subjects, i.e. Corporate Governance (CG), Human Rights (HR), Labour Practices (LP), The Environment (Env), Fair Operating Practices (FOP), Consumer Issues (CI), and Community Involvement and Development (CID).

The performance in Corporate Governance, Human Rights and Labour Practices is generally stronger than in other subjects. The gaps between Index Series Constituents and non-constituents are especially large in The Environment and Community Involvement and Development. More details on their environmental management will be provided in the following sections.

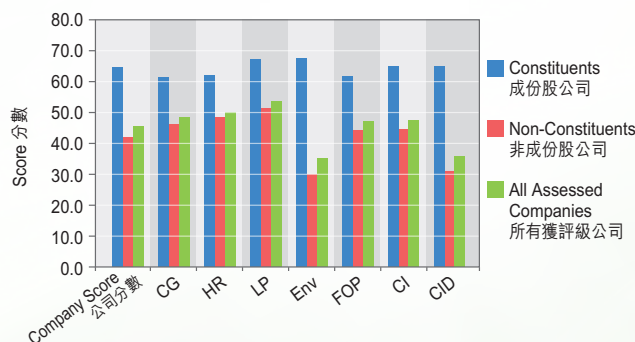


Chart 4 — Subject Performance of Assessed Companies
圖表4 — 獲評級公司的核心指標分數比較

核心指標表現

根據現行的評估模式，所有公司均是根據以下七個核心指標評分：公司管治(CG)、人權(HR)、勞動實務(LP)、環境(Env)、公平營運實務(FOP)、消費者議題(CI)以及社區參與和發展(CID)。

在七個核心指標評分當中，公司管治、人權和勞動實務的表現最佳，而指數系列成份股公司和非成份股公司在環境，以及社區參與和發展的差距最大。以下將提供更多有關它們的環境管理詳情。

Conclusion – Company engagement is on the rise

The higher level of company engagement as well as the improved overall sustainability performance of companies in 2016 demonstrates that more and more companies in Hong Kong and the Mainland are becoming more proactive in addressing sustainability challenges and responding to the needs and expectations of society. We anticipate that HKQAA’s annual research will continue to chart improved performance in future.

總結 — 公司的參與度正在上升

本年度的研究可見，有更多公司參與以及整體市場的可持續發展表現有所提升，顯示有更多本地及內地公司變得更積極，主動應對可持續發展挑戰及回應社會需求及期望。本局期望在未來的報告中，可看到上市公司在可持續發展方面有更好表現。

Companies’ Quality of Carbon Reporting and Implementation of the Recommended Environmental Practices

In view of the growing interest from stakeholders in companies’ environmental performance and the elevation of Hong Kong Stock Exchanges and Clearing Limited (HKEx) reporting standards that require the disclosure of environmental KPIs to ‘comply or explain’ in 2017. We therefore, report below the overall performance of the assessed companies with respect to the quality of their carbon reporting and the implementation of the recommended environmental practices:

- 14% of the assessed HK and CN companies identify climate change and carbon as material issues and report on carbon emissions
- 57% of the Index Series Constituents report on carbon while only 7% of the Non-Constituents do likewise
- 17% of the HK companies report on carbon while only 9% of the CN companies do likewise
- 40% of the companies that report on carbon report on their direct and indirect emissions; fewer companies (18%) report on emissions in their value chains
- Only 4% of companies publish targets to reduce their carbon emissions
- 38% of companies that report on carbon, engage a third party assurance provider for their carbon data

As HK companies will be mandated to report on environmental performance indicators in 2017, this year’s research focuses not only on the quality of carbon reporting but also on whether and how they implemented the recommended environmental practices.

- 48% of HK companies implemented measures to prevent pollution and minimise waste
- 40% promoted the sustainable use of resources, including reducing the use of energy, water and replacing non-renewable resources
- 31% implemented measures to adapt to climate change and mitigate its impact
- Only 16% of HK companies in high carbon industries, i.e. Utilities, Properties and Constructions, Industrials, Consumer Goods and Materials report on carbon
- 24% acted to protect the environment and restore natural habitats and the various functions and services that ecosystems provide

Way Forward – Need for Improvement with Initiatives Underway

Research this year reveals a clear need for improving the companies’ preparedness for a low-carbon economy and their accountability for communicating their carbon performance with their stakeholders. The initiatives including the upgrading of the reporting obligation to cover all environmental indicators are underway. We would like to witness the efforts made by the listed companies in taking steps towards the better alignment of environmental sustainability and investment goals.

公司的碳表現報告水平與建議環保做法的實踐

由於持份者越趨關注公司的環保表現，以及香港交易及結算所有限公司(香港交易所)2017年提升上市公司的披露責任，至「不遵守就解釋」，包括披露其環境關鍵績效指標(KPIs)，本報告列出被評估的公司，在碳表現報告及實踐建議環保做法方面的整體水平。

- 14%獲評級的香港及內地公司均認同氣候變化及碳排放為重要議題，並有報告碳排放量
- 57%的指數系列成份股公司有作碳表現報告，而只有7%非成份股公司作此報告
- 有17%的香港公司作碳表現報告，而只有9%內地公司作有關報告
- 有40%的公司報告其直接和間接的碳排放量，相對較少公司(18%)報告其價值鏈的排放量
- 只有4%的公司為減少碳排放量訂立目標
- 有報告碳表現的公司中，38%表示有聘用第三方機構驗證碳數據

由於香港公司於2017年必須提交有關環保表現指標報告，今年的研究除了針對它們的碳表現報告之水平外，亦著重其有否及如何實施建議環保做法。

- 48%香港公司均有實施防止污染及減少廢物的相關措施
- 40%的香港公司推動可持續資源的使用，包括減少使用能源和水，以及取替不可再生資源
- 31%的公司實施相關措施，以應付氣候變化及緩和其帶來的影響
- 只有16%屬高碳排放行業的香港公司，包括公共事業、地產建築業、工業、消費品製造業及原材料業作出碳表現報告
- 24%公司有為保護環境、保存自然生態及生態系統運作作出行動

展望未來—優化現行的倡議

今年的研究顯示，公司在營造低碳經濟，以及就碳表現與持份者進行溝通的準備工作尚有改善空間。隨著政府及業界推出更多環保倡議，例如香港交易所提升上市公司的披露責任，以包含所有環境指標，本局期望未來可看到上市公司在實踐環境的可持續發展及投資目標時，能取得更佳的平衡。