



# ESG: What's in it for you? ESG 對你有何影響?

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**D**oes your company have a handle on social, environment and governance (ESG) matters? If you do, how and how much of your ESG efforts do you disclose? Whether you are ready or not, all companies listed on the Stock Exchange of Hong Kong Limited (SEHK), regardless of their place of incorporation, will be required to include a discussion of ESG efforts in their directors' report every year starting 2015.

Since August 2012, Hong Kong Exchanges and Clearing Limited (HKEx) has been promoting ESG reporting as a "best practice" following a public consultation in December 2011. But when the new Companies Ordinance (CO) came into effect on 3 March 2014, grounds were laid for HKEx to raise ESG disclosure to the "comply or explain" level. The ordinance's schedule 5, section 2 stipulates that all Hong Kong incorporated companies include in the business review section of their annual directors' report an account of their "environmental policies and performance," "compliance with relevant laws and regulations that have a significant impact on them," and "their key relationships with employees, customers and suppliers and others that have a significant impact on them and on which their success depends."

Given some degree of overlap, HKEx has incorporated the CO's ESG disclosure requirements into Appendix 16 of the Main Board Rules. A further consultation was launched in July to clarify reporting requirements and to take voluntary disclosure obligations currently in Appendix 27 of Main Board Rules one notch up the regulatory scale.

ESG is about sustainability or the ability to continue indefinitely. The term reflects the three key indicators that measure the long-term vision and ethical impact of an organisation in addressing environmental, social and governance issues while adding shareholder value. Increasingly and rightly so, investors are taking into account a company's ESG performance to determine

whether to invest. If you are in business for the long haul (and who isn't?), then you should understand how maintaining high ESG standards and broadcasting it can add value to your company.

#### **Merits of ESG Disclosure**

Mr Henry Lai, Chairman of Council, HKIoD, said, "ESG reporting must be understood in the context of the overriding corporate objective at maximising long-term corporate value. The board's role in the process is paramount. If done in the proper context, company boards should realise the business sense and benefits that ESG Reporting can make. There is more to business valuation than can be revealed by traditional financial reporting alone. Whether in the older industrial-based or the newer knowledge-based economy, a firm is not likely to truly create value if it has no regard to the interests and does not enlist the support of stakeholders. ESG reporting is seen as one mechanism to capture and reveal some of those extra-financial aspects that may affect corporate performance and firm value."

"Sustainability focus in management and sustainability disclosure can serve a company well as a differentiator from its peers and instill investor confidence, customer trust and employee loyalty," said Ms Agnes Tai, Director of Great Glory Investment Corporation and Great Glory Strategies Limited, two related companies that seek out investments opportunities in renewable energy, environment and clean technology in Greater China. She suggested that companies see both sides of the coin. While ESG initiatives invariably involve costs, companies also can derive from them both tangible and intangible value.

Ms Ellie Pang could not agree more. The Vice President of HKEx's Policy and Secretariat Services Unit summarised "the most cited reasons" for managing ESG performance and disclosing it as follows:

- **Cost savings and productivity gains:** Collecting and disclosing data on consumption of resources such as energy and water are the first steps





▲ Chairman Mr Henry Lai (right) and Dr Kelvin Wong (left), Immediate Past Chairman  
▲ 本會主席賴顯榮律師(右)和卸任主席黃天祐博士(左)

▲ An ESG Reporting Forum organised by HKIoD in 28 May  
▲ 本會在5月28日舉行「環境、社會和管治(ESG)報告」研討會

toward enabling companies to review their resource efficiency and develop reduction initiatives, leading not only to cost savings but also a smaller carbon footprint.

- **Talent retention:** Good ESG performance increases loyalty among employees, who are potentially a company's ambassador. It also attracts high-calibre candidates. In fact, a company's ESG reputation has factored increasingly in a worker's choice of an employer. Job seekers do pay credence to the likes of the annual 50 Top Happiest Companies ranking of CareerBliss, an online job matching community in the United States.
- **Improved risk management:** By going through the process of reporting on ESG issues, companies will be "forced" to assess more seriously the environmental and social risks that may impact their business and vice versa and thus become better prepared to manage such risks and do a better job of weathering crisis and maintaining a positive image. Referring to the 10 "sustainability megaforges" that KPMG identified in a 2012 study (with climate change topping the list), Ms Pang noted that "companies with ESG practices embedded in their corporate culture are likely

to be much better placed to respond to the impact of these megaforges."

- **Reputational gains:** A company's reputation is its goodwill, which in turn, has a bearing on revenue and share price. Ms Pang noted that in a 2013 study, Deloitte's Eric Hespeneide and Dinah Koehler described how companies protected by an "ESG halo" gained brand recognition during good times and mitigated negative publicity during crises. While many companies saw their stock prices tumble when anti-globalisation protesters stormed the streets of Seattle at the World Trade Organisation Ministerial Conference of 1999, those perceived to be ESG-conscious were largely shielded from suffering the same fate. Similarly, the "Value of Sustainability Reporting" study conducted jointly by Ernst & Young and the Boston College Centre for Corporate Citizenship in 2013 found more than half of the 95 per cent of the Global 250 issuing sustainability reports said it helped improve their corporate image.
- **Improved access to capital:** The United Nations "Principles for Responsible Investment" boasts 1,325 signatories representing some US\$45 trillion in assets. Global organisation CDP (formerly Carbon Disclosure Project), which works

toward transforming the way the world does business to preserve natural resources, works with 822 institutional investors and US\$95 trillion in assets. Responsible investment is increasingly considered mainstream among investors, especially institutional investors. Thus "companies reporting on ESG issues are seen as being better able to identify and manage risks, and as a result, can procure financing easier," Ms Pang said.

### Boosting Shareholder Value

In more ways than one, ESG initiatives do contribute to monetary rewards. Ms Tai cited real-life examples to substantiate the points above.

To start with, brand recognition does add value to a company. As Ms Tai noted, up to 80 per cent of stock value of USA-listed companies are of an intangible nature, with "brand value" being the biggest contributor next to intellectual property. Apple, which Forbes magazine assessed as having a brand value of US\$145.3 billion, is a big winner.

Virtually all the big names in money management are heeding their clients' wish to put their money in sustainable businesses, Ms Tai said. "In other words,

they wish to invest in companies that demonstrate good stewardship of natural and social capital, in addition to financial, human and intellectual management,” she said. In parallel, more and more analysts of fund houses are using ESG reports to “gauge long-term viability and profitability of listed companies” while “creditors are also paying more attention to ESG reporting as an additional tool to gauge whether the borrower is of solid quality,” she added.

Blackrock Inc, the world’s largest fund house managing \$4.65 trillion in assets, launched the “Blackrock Impact” initiative in February 2015 as a mixture of new products that address major societal issues, such as poverty, and some of the firm’s existing sustainable investments. It recruited Deborah Winshel, former president and chief operating officer of The Robin Hood Foundation, to oversee the “impact” portfolio.

The Carlyle Group, a private equity firm with US\$193 billion in assets under management, began sharing its responsible investment guidelines with its own portfolio companies in 2011 and reviews their performance in the area periodically.

The Morgan Stanley Institute for Sustainable Investing was launched earlier this year to work across the group and with academic institutions to help channel capital from ESG-conscious investors to responsible enterprises worldwide. The banking group’s own “Sustainable Reality” report published in April 2015 further dismissed some investors’ notion that including ESG criteria into an investment portfolio may result in a lower rate of return. Its study on the performance of more than 10,000 mutual funds found that during 64 per cent of the time periods examined, the median returns of sustainable equity funds equalled or outperformed those of traditional equity funds. The report further noted that over the longest period of 2008 to 2014, sustainable equity funds met or exceeded median returns for five out of six different equity classes.

One corporate example of how practising sustainability pays off is Unilever NV, a British-Dutch multinational consumer group that has been engaged in ESG activities for more than a decade. Between 2010 and 2012, its return on equity was nearly 30 per cent per annum; in 2013, its ROE hit 34 per cent.

Some Hong Kong-listed companies also recognise that investors have come to expect them to address ESG issues. “ESG initiatives can contribute to corporate finance activities in the form of diversifying a company’s investor base,” said Dr Calvin Lee Kwan, General Manager of Sustainability at Link Asset Management Limited. Since ESG-conscious companies “typically have a longer-term view of their business,” he explained, they “usually identify challenges and risks to their business early on and quickly develop mitigation strategies to reduce such risks.” Dr Kelvin Wong, COSCO Pacific Limited’s Executive Director and Deputy Managing Director and HKIoD’s immediate past Chairman, also cited “higher stakeholder expectation” as a major driving force behind the group’s ESG efforts. “Businesses are expected to not only create economic value but to contribute to the socio-economic development of the areas in which they operate,” he said. Hence COSCO, a major terminal operator and container leasing company, strives to run its fleet and ports in a sustainable way “as a means of responsible entrepreneurship.”

### Improving the Bottom Line

In the process of ESG initiatives, an organisation invariably takes an introspective look to improve operational efficiency, which in turn, leads to cost savings.

Hysan Development Company, Limited is a case in point. The property developer-cum-investor adopted a formal ESG policy in 2003, focusing on energy efficiency and being a “green landlord.” It started by optimising operational schedules, then moved on to upgrade hardware (including installing energy-efficient air-conditioning systems) and culminated in the architecture of Hysan Place, Hong Kong’s first

commercial building to be given the highest certification level for the US Green Building Council’s Leadership in Energy and Environmental Design. “We achieved significant energy cost savings,” said Hysan’s Executive Director Ms Wendy Yung. “These are real dollars.”

Another property management company Link also reported cost savings from improving operational efficiency. Saying that the “easiest” approach is to reduce energy consumption, Dr Kwan said Link had lowered its electricity bill by more than 24 per cent since 2010, which corresponded to a total reduction of 264 million kilowatt-hours or about \$270 million. He pointed out the obvious: “The less electricity you use, the less you pay.” Now Link has turned its focus on “helping tenants achieve energy savings in their operations so that their business can become more efficient.”

### Getting on Board for the Long Haul

ESG programmes involve long-term commitment. So how should you get started? Whether you do it in house or engage a specialist, take heed of the following pointers:

- **Be focused:** Start by looking into your core competence, ie, issues linked closely to your daily operations. Property managers Hysan and Link both zoomed in on saving energy and streamlining operations, first for themselves, then for their tenants. A next target for Link is to “establish a waste management strategy” ahead of upcoming regulations, said Dr Kwan. For shipping company COSCO, the priorities include environmental protection through reducing its own carbon footprint, identifying health and safety risks and optimising the use of new technology. As Hysan’s Ms Yung put it: “Just start small and focused, then evolve!”

- **Use a roadmap:** COSCO also found useful the comprehensive



approach recommended by its consultancy. The so-called “roadmap” requires that the company should consolidate existing initiatives, formalise top management commitment, set up a taskforce, improve internal communication and increase ESG disclosure.

- **Collect data:** Key performance indicators (KPIs) make policies “material.” Link’s Dr Kwan said for ESG efforts to succeed, a company must have a database that is accurate, complete, reliable, relevant, timely, verifiable yet simple. Link started out with utility bills and expanded its database to include business travel emissions, waste management, employee training hours and mystery shoppers. His adage is: “You can’t manage what you don’t measure.”
- **Involve the board:** Since sustainability involves strategic planning, it is necessary then for the board of directors to do more than report ESG efforts to comply with upcoming regulations. Ms Tai advised that policies and support from the top “must be clearly communicated and relevant KPIs cascaded down.” At COSCO, the board’s Corporate Governance Committee advocated publishing the first COSCO Pacific Corporate Sustainability Report last year, which came in handy when the company tendered recently for a port operation contract in Eastern Europe and was asked to submit one.
- **Benchmark ESG performance:** To measure up to peers, a company should work towards being included in a sustainability index, such as the Hang Seng Corporate Sustainability Index or the Hong Kong SME Business Sustainability Index. Getting a good investment analyst’s write-up is another way to gauge ESG results. But nothing beats a compliment from a customer. A new professional tenant recently told Hysan’s Ms Yung: “If you are a good corporate citizen, you can’t be too bad as a landlord.”

When in doubt, sit in on one of HKEx’s many training sessions and follow its ESG Reporting Guide.



**你**的企業有沒有部署處理環境、社會及管治(ESG)事宜？如果有，你會怎樣披露企業在ESG方面的工夫？又會披露到什麼程度？不管你是否已做好準備，自2015年起，凡於香港聯合交易所有限公司（下稱「聯交所」）上市的公司，無論在何處註冊成立，都必須在當年的董事報告中，包括探討ESG的工作。

繼2011年12月的公眾諮詢後，自2012年8月起，香港交易及結算所有限公司（下稱「香港交易所」）便提倡將ESG匯報作為一項「最佳常規」。而2014年3月3日生效的新《公司條例》（下稱「《條例》」），進一步為香港交易所將ESG披露要求提升至「不遵守就解釋」的程度，奠定了基礎。《條例》附表5第2條規定，凡於香港成立的公司，都須在其年度董事報告的業務審視部分，納入對「環境政策及表現」的探討、「公司遵守對該公司有重大影響的有關法律及規例的情況」及「公司與其僱員、顧客、供應商，以及對該公司有重大影響且關係到公司興盛的其他人士的重要關係說明」。

鑒於內容存在一定程度的重疊，香港交易所已將《條例》的ESG披露要求納入《主板上市規則》附錄十六。七月，聯交所再度發佈諮詢文件，對匯報要求作出澄清，並將現行《主板上市規則》附錄二十七所述的自願披露義務提升至監管層面。

ESG的重點在於可持續發展，或可說永久延續。「ESG」反映出三個關鍵指標，用於衡量組織在兼顧環境、社會及管治事宜與創造股東價值方面的長期願景和道德影響。在決定是否投資時，越來越多的投資者明智地將企業的ESG表現納入考慮。如果你希望你企業的發展能源遠流長（誰不希望呢？），就應了解保持高水準的ESG，並大加推廣，會如何提升你的企業的價值。

#### ESG披露的裨益

香港董事學會主席賴顯榮律師表示：「發表ESG報告的原因應從企業的首要目的理解，即盡量提高企業的長期價值來考慮。在這過程中，董事會扮演著至關重要的角色，如果處理得宜，公司董事會應可明白到提交ESG報告可產生的商業利益及好處。對

商業估值來說，傳統財務報告所披露的資料並未完盡。不論是較傳統的工業型經濟，還是較新的知識型經濟，企業如置持份者的利益於不顧，又沒有取得他們的支持，便不可能真正地創造出價值來。發表ESG報告可視為是一種可以刻劃及披露一部分不涉及財政，但足以影響企業表現和價值的資訊的機制。」

「管理層對可持續發展的注重和可持續發展的披露，不僅可讓企業從競爭對手脫穎而出，亦能提升投資者信心、客戶信任度及員工忠誠度」，Great Glory Investment Corporation及偉榮策略有限公司董事戴潔瑩女士表示。這兩間關聯公司在大中國區的可再生能源、環境和清潔技術領域尋求投資機會。她建議企業認清問題的兩面性—推行ESG勢必會產生成本，但另一方面，企業亦能從中獲得有形及無形價值。

香港交易所政策及秘書組副總裁彭京玲女士對這一說法再贊同不過。她總結認為，管理ESG表現及披露ESG，人們最經常提到的原因有以下幾點：



- **縮減成本，提高生產力：**收集及披露消耗資源（如能源及用水）的數據是企業檢討

其資源效率並制定節能計劃的第一步。這不僅能縮減成本，還能減少碳足跡。

- **保留人才：**良好的ESG表現可提升僱員忠誠度，而僱員都可能成為企業形象代言人。此外，良好的ESG表現，亦有利於吸引高質素人才。事實上，企業的ESG聲譽日漸成為僱員選擇僱主的重要因素。求職者確會參考諸如美國在線求職社區網站CareerBliss發佈的「僱員最具幸福感企業年度50強」之類的企業排名。
- **改善風險管理：**ESG事宜的匯報流程，將「迫使」企業更嚴肅地評估可能影響其業務的環境及社會風險（反之亦然），從而為管理此類風險作出更好的準備，並提升企業在應付危機及維持正面公眾形象方面的表現。在談及畢馬威會計事務所於2012年的一項研究中確定的十大「可持續發展超級力量」（其中氣候轉變位列首位）時，彭女士指出：「在企業文化中採納環境、社會及管治常規的公司可能會有較大的優勢應對這些超級力量帶來的影響」。





▲ Ms Agnes Tai  
▲ 戴潔瑩女士



▲ Ms Ellie Pang  
▲ 彭京玲女士

- **提升聲譽：**企業的聲譽即商譽，可影響企業盈利及股價。彭女士指出，在2013年發佈的一項調查中，德勤的Eric Hespenheide及Dinah Koehler闡述了受「ESG光環」效應保護的企業如何在順境中贏得品牌認知度、在危機中減輕負面宣傳。他倆指出1999年於西雅圖召開的世界貿易組織第三次部長級會議中，反全球化人士在街頭舉行大規模抗議，令不少企業的股價應聲下跌。而那些被認為具有ESG意識的企業，卻大多倖免於難。無獨有偶，安永會計師事務所與波士頓學院企業公民中心於2013年聯合開展的一項名為《可持續發展報告的價值》的研究發現，全球250強企業中有95%發佈可持續發展報告，其中半數以上稱這報告有助於提升他們的企業形象。
- **改善集資能力：**「聯合國責任投資原則」現有1,325個締約方，涉及資產約45萬億美元；此外，如致力於轉變全球企業經營方式、保護自然資源的全球組織CDP（前稱「碳披露項目」），與其合作的822家機構投資者所持有的資產達95萬億美元。越來越多投資者將責任型投資策略視為主流趨勢。因此，「報告ESG事宜的公司，多被認為有更大的能力辨識及管理風險，更易從放貸人處獲得融資」，彭女士表示。

#### 提升股東價值

從多方面來說，ESG的推行確實有助於帶

來金錢回報。為證明這一點，戴女士援引了一些實例。

首先，品牌認知度確實可為企業增值。戴女士指出，美國上市公司股價中的無形價值佔比高達80%，其中「品牌價值」是除知識產權外的最大成因。蘋果公司便是一個大贏家，據《福布斯雜誌》評估，其品牌價值高達1,453億美元。

戴女士稱，事實上，財富管理界的所有知名公司都會遵從客戶期望，將客戶財富投資於可持續發展的企業。「換言之，他們希望投資的企業，不僅要具備出色的財務、人力和知識產權管理能力，更要證明他們能妥善管理自然及社會資本」，她表示。與此同時，愈來愈多的基金公司分析師開始使用ESG報告來「估量上市公司的長遠經營能力和盈利能力」，而「債權人亦愈發重視ESG報告，將這作為衡量借款人是否具備穩健素質的額外工具」，她補充道。

作為全球最大的基金公司，貝萊德旗下管理著高達4.65萬億美元的資產。該公司於2015年2月推出「Blackrock Impact」（貝萊德影響力）計劃，由目標在於解決重大社會問題（例如貧窮）的一系列新產品加上該公司的一些現有可持續投資組成，並聘請「羅賓漢基金會」（The Robin Hood Foundation）前總裁暨營運總監Deborah Winshel督管該「影響力」投資組合。

凱雷投資集團(Carlyle Group)是一間私募股權投資公司，旗下管理資產達1,930億美元。自2011年起，該公司開始與旗下的投資組合公司分享負責型投資指引，並定期審查該等公司在這方面的表現。

今年初，摩根士丹利啟動可持續投資機構Morgan Stanley Institute for Sustainable Investing，旨在聯手集團各部門及學術機構，推動開闢資本渠道，引介具ESG意識的投資者投資於全球各地的負責任企業。該銀行控股集團在2015年4月發表的報告書「可持續的現實」中，進一步打消了一些投資者認為將ESG標準納入投資組合或會降低回報率的想法。對超過10,000隻互惠基金的表現進行研究後，該報告發現：在調查期間內，64%的可持續股票基金的平均回報都與傳統股票基金旗鼓相當或跑贏後者。報告進一步指出，在2008年至2014年的最長期間內，六個不同類別的可持續股票基金中，有五個類別達到甚至超越平均回報。

因推行可持續發展之道而獲益的一個企業範例，是聯合利華，這間英荷跨國消費品集團致力於ESG的推行已超過十年。2010年至2012年期間，集團每年股本回報率接近30%；2013年股本回報率更創下34%的新高。

一些香港上市公司亦開始認識到投資者期望企業能關注ESG事宜。領展資產管理有



限公司（下稱「領展」）可持續發展總經理關凱臨博士稱：「ESG的推行可增加企業投資者群的多樣性，進而助推企業的融資活動」。他解釋說，由於具ESG意識的企業「通常對其業務有更長遠的規劃」，他們「通常會及早識別業務中的挑戰及風險，並快速制定策略以降低該等風險。」

中遠太平洋有限公司（下稱「中遠」）執行董事兼董事副總經理及香港董事學會卸任主席黃天祐博士亦認為，「利益持份者期望提高」是集團實施ESG推行的一項主要驅動力。他表示：「企業被寄予厚望，不僅要創造經濟價值，更要推動其營運所在區域的社會經濟發展」。因此

，作為重要的集裝箱碼頭經營商和集裝箱租賃公司，中遠力求在其船舶及港口營運中貫徹可持續發展之道，彰顯「負責任的企業精神」。

#### 提高利潤

推行ESG時，組織必定會反思怎樣提升營運效率，而這將會節省成本。希慎興業有限公司（下稱「希慎」）便是一個例證。

這間地產發展商兼物業出租管理公司於2003年採納正式的ESG政策，著力提升能源效率，當一個「綠色業主」。希慎以優化營運調度為切入點，隨後著力升級硬件設施（包括安裝高效節能空調系統）；其後落成的希慎廣場，更成為香港首座獲頒美國綠色建築協會「領先能源和環境設計」白金級認證的商業建築。希慎執行董事容韻儀女士表示：「我們在能源成本方面節省顯著，省的可是真真正正的『真金白銀』呢！」



而另一間物業管理公司領展，亦報稱公司因提升營運效率，實現了成本節省，並稱「最簡單」的方式莫過於降低能耗。據關博士稱，自2010年以來，領展的電費額下降超過24%，相當於總共減少2.64億電或約2.7億港元的支出。他指出一個顯而易見的事實：「你用的電越少，要付的錢就越少。」現時領展已將側重點轉向「幫助租戶在經營中實現能耗節省，以提升其業務效益」。

#### 著手準備長遠規劃

要實施ESG計劃，就必須作出長期承諾。

那麼你該如何著手呢？無論你是內部人員自行處理還是聘請專家，都應留意以下幾點指導方針：

- **理清重點**：從檢討你的核心競爭力著手，即審視與你的日常營運息息相關的事宜。物業管理公司希慎和領展均注重能源節約和優化營運，他們率先身體力行，而後再向旗下租戶推廣這些做法。關博士表示，領展的下一目標是在條例實施前建立「廢物管理策略」。至於中遠，這家運輸企業的要務則是透過減少自身碳足跡保護環境、識別健康及風險保險，及優化對新技術的運用。正如希慎的容女士所言：「先從小處做起，理清重點，然後不斷發展！」
- **善用路線圖**：中遠的顧問，建議採取名為「路線圖」的綜合方法，整合現行的行動、正式確立高管層承諾、設立特別小組、完善內部溝通並增加對ESG的披露。中遠發現這綜合方法十分有用。
- **收集數據**：關鍵績效指標(KPI)讓政策變得「重要」。領展的關博士稱，ESG的推行要想成功，企業就必須建立準確、完整、可靠、相關、及時、可核實而簡單的資料庫。領展從公用事業賬單著手，並擴大資料庫，以納入商務差旅的碳足印、廢物管理、員工培訓時間和神秘顧客。他的格言是：「不計量就無法管理。」
- **董事會參與**：既然可持續發展少不了戰略規劃，那麼在遵守即將實施的條例時，董事會要做的就不止是報告ESG的推行而已。戴女士建議，高管層的政策及支援「必須明確傳達，且相關的KPI必須自上而下逐級傳達」。在董事會下設企業管治委員的倡議下，中遠去年發佈了首份中遠太平洋企業可持續發展報告，最近，中遠在投標一份中東歐港口作業合約時被要求提交可持續發展報告，這份去年的報告恰好派上了用場。
- **確立ESG表現基準**：要達致同行標準，企業應致力於躋身可持續發展指數，如恆生可持續發展企業指數或香港中小企業可持續發展指數。聘請優秀的投資分析師進行相關編製，亦不失為一種度量ESG結果的方法。不過最有信服力的莫過於客戶讚譽。一位租用希慎商廈的專業人士近日告訴希慎的容女士：「如果你們是好的企業公民，就不可能是糟糕的業主。」

如有疑問，你可參加香港交易所的諸多培訓課程，並遵循其ESG報告指引。

