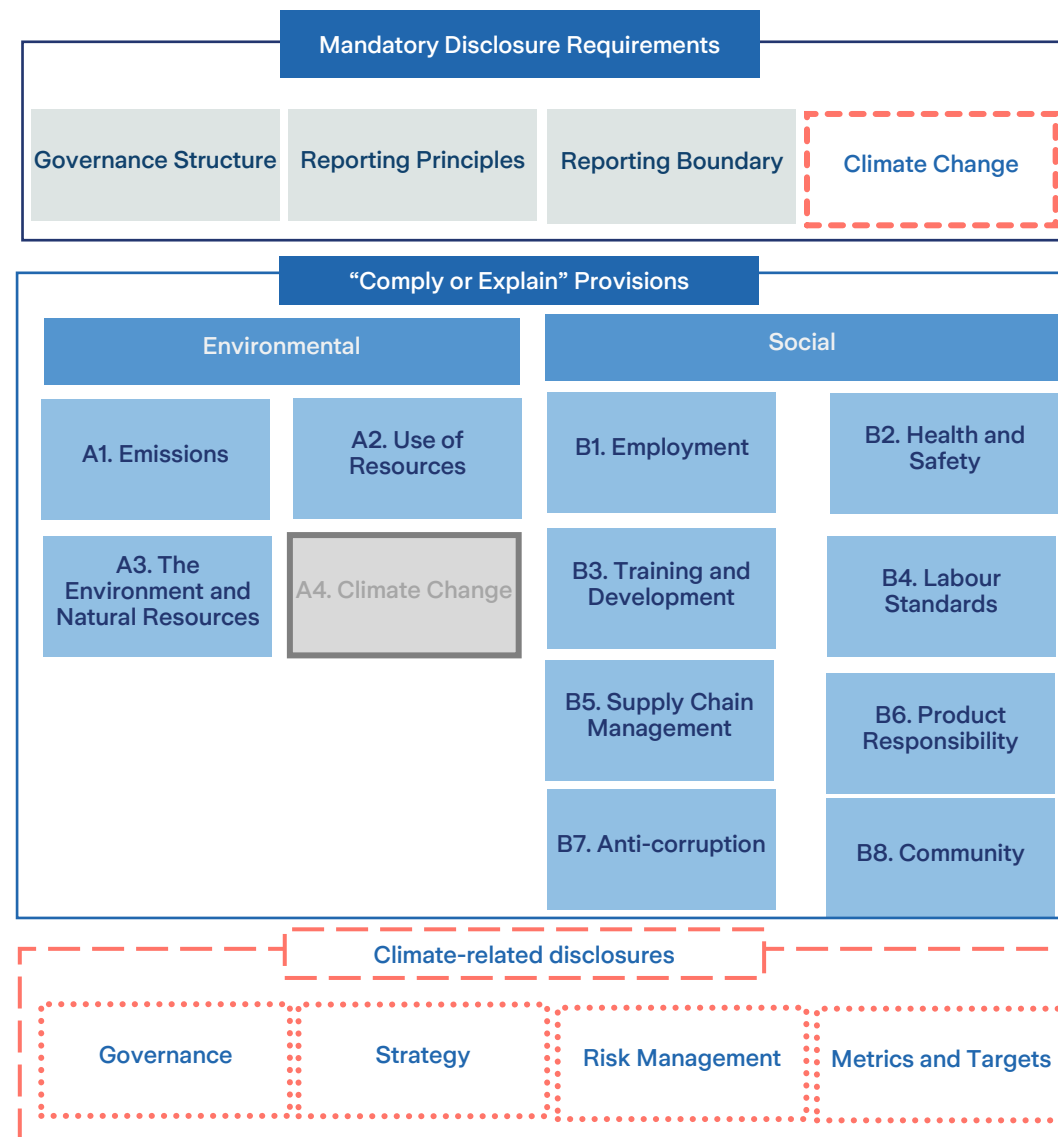


Key Takeaways from HKEx Consultation Paper on Enhancement of Climate Disclosure under its ESG Framework



From “Comply or Explain” to Mandatory

- The current "Comply or Explain" provisions for climate-related disclosure (i.e. Aspect A4 Climate Change) will be replaced with mandatory one (i.e. Climate-related disclosure).
- Interim provisions are proposed for certain disclosures, such as current and anticipated financial impacts and scope 3 emissions.



Alignment with ISSB & TCFD

The requirements will be organized into four pillars, aligning with the International Sustainability Standard Board (ISSB) climate standards, as well as the principles of Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.



Governance

- Governance processes, controls and procedures used to monitor and manage climate-related issues

Strategy

- Climate-related risks and opportunities
- Transition plans
- Climate resilience
- Financial effects of climate-related risks and opportunities

Risk Management

- Process to identify, assess and priorities climate-related risks and opportunities

Metrics and Targets

- Greenhouse gas emissions (Scope 1, 2 and 3)
- Cross-industry metrics
- Internal carbon price
- Remuneration

Effective in 2024

- Proposed Effective Date: 1st January 1st 2024
- Two-year interim period
- Proposed Full Compliance Date : 1st January 2026

