



# 2022 JUDGES' REPORT



**HONG KONG ENVIRONMENTAL, SOCIAL AND GOVERNANCE  
REPORTING AWARDS**

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## HERA – Interesting facts and figures



**Real estate companies made up 40% of the 2022 winners.**



**Improvements from last year's ESG reporting quality.**



**Large-cap companies tend to win more awards.**



**Companies typically involves corporate communications in ESG.**



**The 2022 HERA winners varied from the 2021 winners.**

1

Companies are responding to the 2050 Climate Action Plan, which notes that buildings account for about 90% of electricity consumption and 60% of carbon emissions. Their participation shows a mobilisation towards sustainability.

2

The increasing quality seen in ESG disclosures year-on-year is likely due to increasing top-down demand for higher quality ESG data collecting, monitoring, and communicating.

3

Companies with a larger market capitalisation tend to have more resources that can be allocated to building their ESG portfolio.

4

The Awards demonstrate companies' superior ESG performance, which translates into a positive corporate branding.

5

This indicates that more companies are taking their ESG disclosures, reporting, and initiatives more seriously, resulting in a more competitive ESG landscape.



## INTRODUCTION

The Hong Kong ESG Reporting Awards (HERA) recognise companies that demonstrate commitment at attaining environmental sustainability of their businesses. Celebrating our 45th anniversary in 2022, we are delighted to announce a record of over 100 entries for the awards. The increase over the previous year reflects a positive uptake of sustainability concerns in the corporate world. In light of this trend, HERA is proud to have been the platform that is facilitating this transition, while also leading companies towards best industry ESG practices.

To support our growing audience this year, we have expanded the awards to include “Excellence in Real Estate” in addition to the nine categories in 2021, which covered the overall best ESG report, GRI reporting, ESG governance, positive social and environmental impacts, carbon neutrality, most improved, and best newcomer award.

When calculating the scores for individual companies, the judges considered 8 different factors. To be awarded, companies needed to demonstrate above average performance in all 8 criteria, thus earning peer recognition as industry benchmarks for sustainable business practices.

HERA's success has created a network of professionals committed to accelerating the sustainability agenda in Hong Kong, Macau and Greater China.



# MESSAGE FROM TONY WONG

HERA is now 5 years old – it feels like five years have gone in the blink of an eye. In the very beginning of HERA's journey, we had Appendix 27 from the Hong Kong Stock Exchange. Then we learnt about GRI, and then Integrated Reporting and SASB. A few years ago, when climate-related risks moved up in the global risk ranking, we learned about CDSB, SBT and TCFD. Adding on to that list is the International Sustainability Standards Board (ISSB), which will launch two disclosure standards that will have an impact on companies' disclosure strategies. There will be more disclosure standards coming from ISSB in the future. In this regard, it is crucial that we continue to learn and improve our disclosure levels if we want to stay ahead of the curve.

The past few years have been characterised by much change, but it's also important to reflect on the things that have not changed.

***“Our objective since the very beginning has been to raise the awareness regarding ESG reporting and identify the industry best practices amongst companies. Five years later, this objective remains the same.”***

This year, we received over 100 award submissions, with listed companies joining from not just Hong Kong, but also from Macao and Mainland China.

Overall, the judges panel was satisfied with the ESG disclosure performance of the applicants and believed that the level of disclosure demonstrated by contenders for the awards was continuously improving, especially in terms of climate-related disclosures. In fact, many of the participating companies have made disclosures based on the TCFD framework and formulated the corresponding quantitative indicators, indicative of gratifying initiative. Accounting for this, the rated scores of participating companies this year have been very competitive, with the gap between the top 5 companies in different categories being as close as a mere 3 marks. Hence, I urge the award winners not to be complacent, and others to not feel disappointed.

With the collaboration with GRESB (Global ESG Benchmark for Real Assets) this year, we aim to identify leaders in the real estate industry, a sector that has a big role to play in addressing issues related to climate change. Going forward, we will continue to strive to work with different partners to identify more ESG leaders in different sectors.

It is 8 years since the Hong Kong Stock Exchange began actively promoting ESG. On average, Hong Kong has one of the highest, if not the highest, ESG disclosure levels in Asia. Our solid ESG reporting performance has not only increased the transparency between companies and their stakeholders, but it has also provided Hong Kong with a strong foundation for developing its green finance industry.

Considering HERA's growing recognition by the corporate world, I believe ESG performance of Hong Kong and Greater China companies would keep improving steadily. In the end I would like to convey my sincere thanks to our distinguished panel of judges, who set aside their time to read, review and rate the reports despite their busy schedules, and to all our supporting organisations, without whom we could not have made HERA a series of awards coveted by the corporate world in a short span of five years. Looking ahead, HERA will continue to adapt and evolve. Let's all work together, so that we can unlock the true value of ESG.

Sincerely,  
Tony Wong



Director, Hong Kong ESG Reporting Awards Limited





## RECENT TRENDS

### Improvement of ESG Disclosures

In the past, ESG disclosures were voluntary and simply provided additional information to a company's shareholders. Nowadays, ESG disclosures have changed drastically, becoming increasingly mandatory and continuously improving in quality, while also providing companies with the extra value of a more favourable business reputation and even cost advantages in many cases.

ESG disclosures must therefore evolve along with emerging global regulations and standards, in order to ensure a satisfactory ESG performance. Failure to progress and improve ESG reporting might imply lack of management resources allocated, indicating potential underlying governance and operational risks.

### Development of Climate-related Disclosures

Since implementation, the TCFD has stated that climate change does present financial risks to the global economy. In 2017, TCFD took action by providing climate-related financial disclosure recommendations as a guideline and framework to guide companies in providing essential information that better supports+ capital markets in taking investment decisions. Since then, climate-related disclosures have seen significant change and development due to growing public interest and investor protection.

The increasing trend of climate-related disclosures has brought about financial benefits also for companies. Aligning with TCFD recommendations may bring about cost savings through opportunities for resource and energy efficiency, improved strategic resilience, identification of potential climate-related financial opportunities, improved access to capital, higher engagement with investors, and ensuring preparedness for emerging climate regulations.

Beyond that, transparent and enthusiastic climate-related disclosures indicate a company's motivation to be a leader amongst industry peers.





## New GRI Requirements

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In 2016, the GRI standards framework used to have 2 different categories of disclosures, Universal standards and Topic-specific standards. The newly revised GRI Standards released in 2021 varied from the older 2016 version in several ways. Firstly, the choice between the 'core' and 'comprehensive' reporting options is now gone, leaving only one method of reporting, in accordance with the GRI standards. The second change highlights GRI's quest for impact-driven reporting and is seen in the revised "materiality" concept and the enhanced standards for human rights reporting. Furthermore, the criteria about relevance to stakeholder decision making has been abandoned. Topics will now be considered material only if it has an impact on the people and the planet. To maintain reporting consistency amongst different sectors, GRI is planning on developing 40 Sector-specific Standards. The complete list of Sectors may be found [here](#).

These standards will come into effect beginning 1 January 2023. Until then, it is still possible to claim GRI compliance if all 2016 standards have been met, along with reporting new disclosures using the 2021 model.

## Establishment of ISSB

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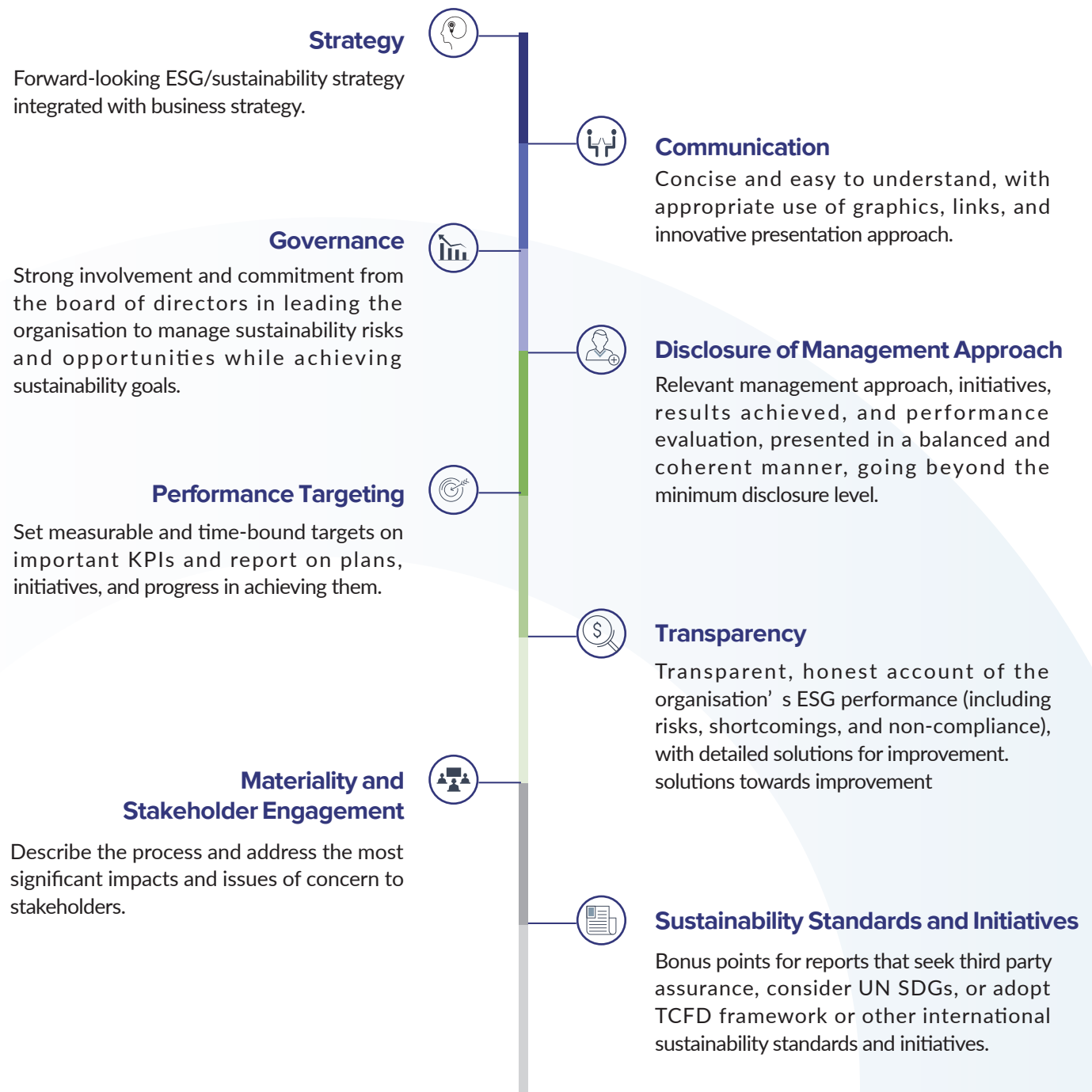
Formation of the International Sustainability Standards Board (ISSB) was announced in Glasgow in November of 2021, with the aim of developing a standard that supports a global baseline of sustainability disclosures. In a statement released in October 2022, the ISSB committee proposed updates of existing ISSB elements that include re-deliberation of fundamental concepts, interoperability, scope 1, 2, and 3 greenhouse gas emissions, emissions measurement methods, industry-based materials, and governance strategy.

As of September 2022, topics to be further discussed are depth of reporting required, sustainability disclosure risks and opportunities, and application of materiality assessment. It is believed that these discussions shall aim to provide guidance to support the application of global reporting standards as requested by the public and private sectors of business.

A major difference for ISSB standards is that it will mandate companies to report on all sustainability topics and not just climate change. For example, proposed standards such as updates of enterprise value will require companies to project cash flows over different timeframes with regard to the company's risk profile.

The ISSB has the potential to unify existing sustainability-related standards, and the first two disclosure standards are expected to be released by the end of 2022.

# JUDGING CRITERIA



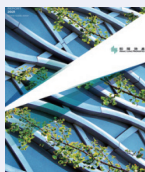


# AWARD WINNERS

## Best ESG Report

The Best ESG Report award recognises organisations that showcase the best ESG reporting practices within their respective industry segments, with outstanding performance in all criteria, including an ESG strategy that drives the company towards a sustainable business. To ensure fairness in terms of different levels of resource capacities, this award is divided into large, mid and small-cap sub-categories according to market capitalisation of the organisations.

### Grand Award



**恒隆地產**  
HANG LUNG PROPERTIES  
Hang Lung Properties Limited



**Budweiser**  
BUDWEISER BREWERY COMPANY APAC  
Budweiser Brewing Company APAC Limited

Large  
-cap

### Commendation

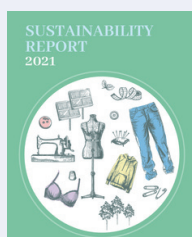


中國銀行(香港)  
BANK OF CHINA (HONG KONG) Limited



SINO LAND  
信和置業  
Sino Land Company Limited

### Grand Award



**晶苑國際集團有限公司**  
CRYSTAL INTERNATIONAL GROUP LIMITED  
Crystal International Group Limited

Mid  
-cap

### Commendation



嘉里建設  
KERRY PROPERTIES  
Kerry Properties Limited



**Pacific Basin**  
Pacific Basin Shipping Limited



**vtech**  
Vtech Holdings Limited

### Grand Award



**HKRI 香港興業國際**  
HKR International  
HKR International Limited

Small  
-cap

### Commendation



天津港發展控股有限公司  
Tianjin Port Development Holdings Limited  
Tianjin Port Development Holdings Limited



利記集團  
LEE KEE GROUP  
Lee Kee Group



**ATAL**  
Analogue Holdings Limited  
安樂工程集團有限公司  
Analogue Holdings Limited

## Best Sustainability Report, Non-listed Company

To inclusive all organisations, this award is for non-listed companies and recognises excellent performance on all criteria, including reporting on sustainability strategy, management approach and practices.

### Grand Award



**WHEELOCK**  
PROPERTIES  
會德豐地產

Wheelock Properties  
(Hong Kong) Limited

### Commendation



Alliance Construction Materials Limited



Chinese YMCA of Hong Kong



Hong Yip Holdings Limited

## Best GRI Report

The Best GRI Report award is bestowed upon organisations that adopt the Global Reporting Initiative' s (GRI) Sustainability Reporting Standards, showing excellence not only in adherence to GRI reporting principles and requirements but also displaying the best practices in sustainability governance, materiality assessment, stakeholder engagement, setting targets, reporting performance on supply chain, etc.

### Grand Award



**SINO LAND**  
信和置業

Sino Land  
Company Limited

### Commendation



Hang Seng Bank Limited



The Macao Water Supply  
Company Limited

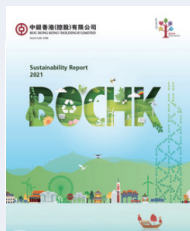


AAC Technologies  
Holdings Inc.

## Excellence in ESG Governance

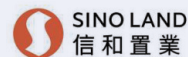
Understanding the importance of the role governance plays, Excellence in ESG Governance is awarded to companies that have strong involvement and commitment from the leadership especially the Board of Directors in managing ESG matters, including management of ESG risks and opportunities, setting and reviewing of goals, and evaluating the company's ESG performance.

### Grand Award



Bank of China  
(Hong Kong) Limited

### Commendation



Sino Land Company Limited



HENDERSON LAND DEVELOPMENT COMPANY LIMITED  
和豐地產發展有限公司

Henderson Land Development  
Company Limited



Tencent Holdings Limited

## Excellence in Environmental Positive Impact

The award recognises companies that not only disclose environmental performance and risk mitigation strategies comprehensively but also bring positive impact to the environment at the operating location and the wider value chain. Winners should demonstrate outstanding future-looking strategies, actions taken and quantifiable results that help resolve pressing environmental challenges locally or globally.

### Grand Award



Budweiser Brewing Company  
APAC Limited



Sino Land Company  
Limited



Pacific Basin Shipping  
Limited

### Commendation

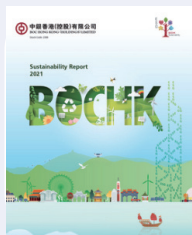


VTech Holdings  
Limited

## Excellence in Social Positive Impact

The Excellence in Social Positive Impact is awarded to companies that go beyond social compliance, making efforts to nudge their business operations toward creating value for members of the society, including employees, suppliers, customers and the local community, demonstrating positive impact towards achieving social-related SDGs. Winning companies should show how such opportunities were identified and how the initiatives bring quantifiable impact to the society and progress towards an inclusive, healthy and coherent society.

### Grand Award



 中國銀行(香港)  
BANK OF CHINA (HONG KONG)  
Bank of China (Hong Kong)  
Limited

### Commendation



HENDERSON LAND DEVELOPMENT COMPANY LIMITED  
恒基兆業地產有限公司

Henderson Land Development Company Limited



香港中華基督教青年會  
Chinese YMCA of Hong Kong

Chinese YMCA  
of Hong Kong



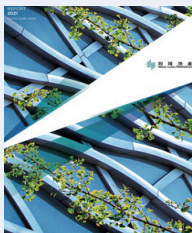
晶苑國際集團有限公司  
CRYSTAL INTERNATIONAL GROUP LIMITED

Crystal International  
Group Limited

## Newcomer Award

Only first-time applicants are eligible. Winning companies should demonstrate outstanding performance in all core criteria.

### Grand Award



 恒隆地產  
HANG LUNG PROPERTIES  
Hang Lung Properties Limited

### Commendation

WHEELOCK  
PROPERTIES  
會德豐地產

Wheelock Properties (Hong Kong) Limited



ENN 新奧  
ENN Natural Gas  
Co., Ltd

CIMC ENRIC  
中集安瑞科

CIMC Enric Holdings  
Limited



## Carbon Neutral Award

To contribute towards the global roadmap to net zero, the Carbon Neutral Award is awarded to organisations that demonstrate a notable commitment towards achieving net-zero carbon emissions. Key actions to showcase dedication include a publicly available statement committing to or declaring carbon neutrality, carbon audits, and disclosing actions taken to reduce carbon emissions, target setting, and a carbon management plan.

### Grand Award



**Budweiser**  
BUDWEISER BREWERY COMPANY APAC  
BREWERY LIMITED  
Budweiser Brewing  
Company APAC Limited

### Commendation



Crystal International Group Limited

**NEO**  
NEO



Hang Lung  
Properties Limited

## Outstanding ESG Improvement Award

Realising that progress takes time, the Outstanding ESG Improvement Award aims to reward previous HERA participants who have made an outstanding improvement on their ESG disclosure and performance in previous years.

### Grand Award



**HENDERSON LAND DEVELOPMENT COMPANY LIMITED**  
恒地產發展有限公司  
Henderson Land Development  
Company Limited

### Commendation



ENN Natural Gas Co., Ltd.



Baguio Green Group

**ChampionREIT**  
冠君產業信託  
Champion REIT

## Excellence in Real Estate

This newly released category is a joint effort between GRESB and HERA to award listed real estate companies, REITs, private property funds, and developers. GRESB is the global ESG benchmark for financial markets, and the judging process is facilitated by the Score or Rating that companies receive upon taking the GRESB Real Estate Assessment. Winning companies need to demonstrate an impressive ESG portfolio when evaluated either against their Management and Performance or Management and Development.

### Grand Award



**White Peak**  
中瑞鼎峰  
White Peak Real Estate  
Investment

### Commendation



Hysan Development Company Limited



Henderson Land Development  
Company Limited



**新世界發展有限公司**  
New World Development Company Limited

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Investor Relations

# JUDGING PANEL

Our distinguished panel of HERA judges is independent of the organiser to ensure that the judging process is conducted objectively. This year, we had representatives from academia, non-profit organisations, and the business and finance sector. Combining their senior-level experiences, our judges had vast spreads of ESG knowledge to share with all the HERA participants. Arranged in alphabetical order, HERA is proud to announce this year's judges as below.



**Joseph Chan**

Head of Communications and Engagement Section,  
Social Responsibility and Sustainable Development  
Office (SRSDO), The Chinese University of Hong  
Kong (CUHK)



**Mike Wong**

CEO, The Chamber of Hong Kong Listed Companies



**Lisa Marie Djeng**

Managing Director and Portfolio Manager,  
Keywise Capital Management (HK) Limited



**Judy Chen**

CFA, Senior Researcher, Our Hong Kong Foundation



**Dr. Yarime Masaru**

Associate Professor, Division of Public Policy, HKUST

## COMMENTS FROM OUR JUDGES

### ■ Importance of Resource Capacity

More than 60% of the HERA 2022 award-winning companies fall under the large market capitalisation category, and this has been a recurring phenomenon over the past two years. When it comes to producing a high-quality report, resources make a big difference, and large-cap companies tend to allocate more resources to their sustainability department.

Despite this difference in resource capacities, small-cap companies are also doing a good job, and the gap between them and large-cap companies is narrowing steadily. One advantage that small-cap companies may hold over large-cap companies is that they can be more personal with their stakeholder engagement process, which can provide a clearer idea of what their ESG risks and opportunities may be.

### ■ Limited Talent Pool

One problem that small, mid, and large-cap companies all face is the talent pool in the market. If the supply of sustainability professionals cannot meet the growing market demand, then regardless of market capitalisation, companies will still see a struggle in establishing their sustainability departments.

A solution to this problem would be to push academic institutions to train the current workforce with professional ESG skillset, and to educate the future workforce on the importance of sustainability.

### ■ Potential Challenges For ISSB Standards

As the upcoming ISSB standards will mandate Scope 3 disclosures, assurance, and scenario planning, the limited talent pool will constitute a hindrance to its implementation. Especially with regards to Scope 3 disclosure requirements, wherein ISSB is pushing forward for specific guidelines for how emissions should be measured and disclosed and the types of carbon offsets used, much collaboration and expertise will be required along the supply chain.

Furthermore, the technical scenario planning under the ISSB standards will be another hurdle for companies, as they will need to forecast how different scenarios may affect cash flows and other business operations. All of these factors may prove to be a difficult feat, especially for companies who are still new to practicing sustainability and understanding the field.

### ■ Ways to Improve Hong Kong's Sustainability Agenda

Pressure from external forces, besides the Hong Kong Exchange (HKEX) requirements, is needed to push the sustainability agenda further. As of this year, the HKEX has mandated listed companies to report their ESG performance for 7 years, and there has been a clear attitudinal shift whereby ESG reporting is more normalised today compared to 2016. However, this may be the extent of the influence that the HKEX has on companies' ESG agenda, as its requirements do not mandate companies to improve their ESG management approaches. This leaves a loophole, whereby companies can cruise by regulatory bodies without undertaking any meaningful sustainability initiatives. Therefore, there needs to be a bigger driving force to engage companies with their sustainability agenda at a less superficial level.





## CONCLUSION

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With the revision of the GRI standards, the upcoming release of the ISSB standards, and the growing uptake of climate-related disclosures announced by the TCFD, the ESG field is witnessing many different upgrades this year. In order to keep up with the changes, companies are allocating more resources to their sustainability departments in the hope of showcasing themselves as industry leaders. Those who fail to position themselves for aligning with these changes will find themselves in more vulnerable positions when compared to their peers.

In order to be prepared for future reporting regulations or guidelines, companies must continue to improve the quality of their reporting and disclosures, while also ensuring they have sufficient access to sustainability-related expertise if needed. As seen from our 2022 HERA winners, all companies, regardless of their market capitalisation, have the ability to excel in sustainability performance, as long as they are under good ESG governance and have a well-executed sustainability strategy.

Celebrating its fifth anniversary, HERA is proud to witness the improvements in ESG reporting standards over the years, and we hereby express our deepest gratitude for the distinguished panel of judges and all the participants of HERA 2022 for making this year's ceremony so successful. Looking ahead, we will continue to innovate our award categories to ensure that they put focus on the most relevant topics within the field. This prioritisation will help guide HERA in upholding its core mission to promote best ESG industry practices.

## PARTNERS

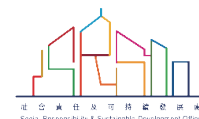
### ESG Advisor



### Sustainable Real Estate Partner



### Sustainability Partner



### Livestreaming Sponsor



### Media Partners



## SUPPORTING ORGANISATIONS



**Environment Bureau**  
The Government of the Hong Kong Special Administrative Region

**Citigate Dewe Rogerson**  
Financial and Corporate Communications





A high-angle, top-down photograph of a group of seven diverse people (four men and three women) standing around a large wooden table in a modern office setting. They are all looking down at something on the table, possibly a laptop or a document. The table is cluttered with various items: a white keyboard, a white mouse, a blue notebook, a black smartphone, a small potted plant, and several coffee cups. The people are dressed in business casual attire. The background shows more of the office environment, including a chair and another desk.

## READY FOR AWARD-WINNING ESG REPORTING?

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Alaya Consulting specialises in ESG consultancy focusing on ESG reporting, pre-assurance and executive training. Since 2014, we have been in partnerships 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.

*Call us at +852 3990 0793 or send an email to [tonywong@alayaconsulting.com.hk](mailto:tonywong@alayaconsulting.com.hk)*





## About Hong Kong ESG Reporting Awards Limited

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The Hong Kong ESG Reporting Awards recognise companies for excellence in ESG disclosures, which helps them build trust among their stakeholders. The Awards welcome applications from companies in Hong Kong, Macau and Mainland China that are dedicated to following outstanding practices in sustainability reporting. HERA is organised by Hong Kong ESG Reporting Awards Limited, a registered non-profit organisation. For more details, please visit our official website at <https://hkesgawards.com/>.

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