



Creating Value for Responsible Investors

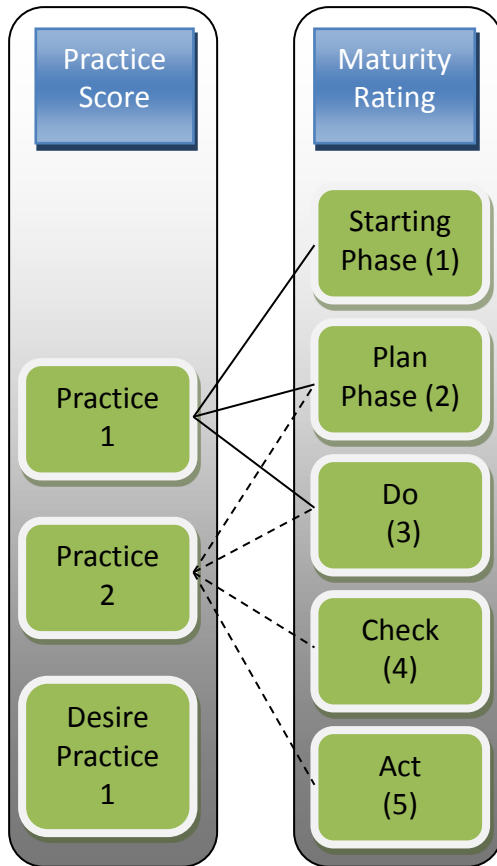
PART I

- SCORING AND RATING PRINCIPLES
- COMMUNICATION CHANNEL
- PROCESS FLOW & TIMELINE

Mr. WK Wong

Manager, HKQAA

Scoring Principle – Question types



Mandatory	29 Elementary questions
Desired	4 questions for designated industrial
Voluntary	7 Bonus questions for all companies. The question may change to Mandatory in the future.

Scoring Principle - Risk factors

Country / Industry Risk




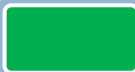
Accountability
assessment

Principle of Country Risk/Industry Risk	Principle of Accountability
<ul style="list-style-type: none"> - Pollution industry, - Specified industry, e.g. upstream, labour intensive...etc, - International corruption perceptions index...etc 	<ul style="list-style-type: none"> - Inclusivity - Materiality - Responsiveness - Accountability - Completeness

On-going Media Watch

Principle of MW Flag

- Severity (Financial, Environmental, Social, Governance)
- Systematic / One-off instant
- On-going / Concluded

	Catastrophe
	Severe
	Medium
	Minor

Scoring principle and rating scheme

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- **Step 1: Practice Score**

*Each practice will be assigned the **maturity rating** by the AT according to the web-based assessment result and/or submitted information from the company.*

- **Step 2: Subject Score**

Σ Individual practice score of each subject / Number of the practices

- **Step 3: Subject Accountability Score**

Subject Accountability Score = Individual Subject Score x Accountability Rating

- **Step 4: Subject Country and Industry Risk Score**

Subject Country and Industry Risk Score = Accountability Score x Country Risk Rating x Industry Risk Rating

- **Step 5: Subject MW Score**

Subject MW Score = Subject Country and Industry Score x MW Rating

- **Step 6: Overall Score**

Overall Score = Σ of Subject MW Score / 7 subjects

- **Step 7: Company Score and Rating category (in 100)**

Final Overall Score = Overall Score x 100 / 5

Overall Rating

Rating	Description
AAA	Reliable
AA+	Stable
AA	
AA-	
A+	Satisfactory
A	
A-	
BBB+	Moderate
BBB	
BBB-	
BB+	
BB	
BB-	
B	Unstable
CCC	Vulnerable
CC	At Risk
C	
D	

Research Methodology Highlight

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- Off site research
- Materiality
 - ▣ Company financial report
 - ▣ Company CSR/sustainability report
 - ▣ Company web site
 - ▣ HKEx information
 - ▣ Media news
 - ▣ Company info
 - ▣ Others...

Communication Platform

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- News & Events
- Useful Links
- Document provision (soon)
 - ▣ Handbook, Questionnaire
- Upload and download corner for designated company (soon)
 - ▣ Evidence, Filled questionnaire...etc
- Email: srr@hkqaa.org

HKQAA Sustainability Rating and Research Platform
In collaboration with Hang Seng Indexes Company Limited

HKQAA
THE HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

Hang Seng Corporate Sustainability Indexes
HKQAA sustainability performance assessment
News & Events
Useful Links

Latest News

Coming soon

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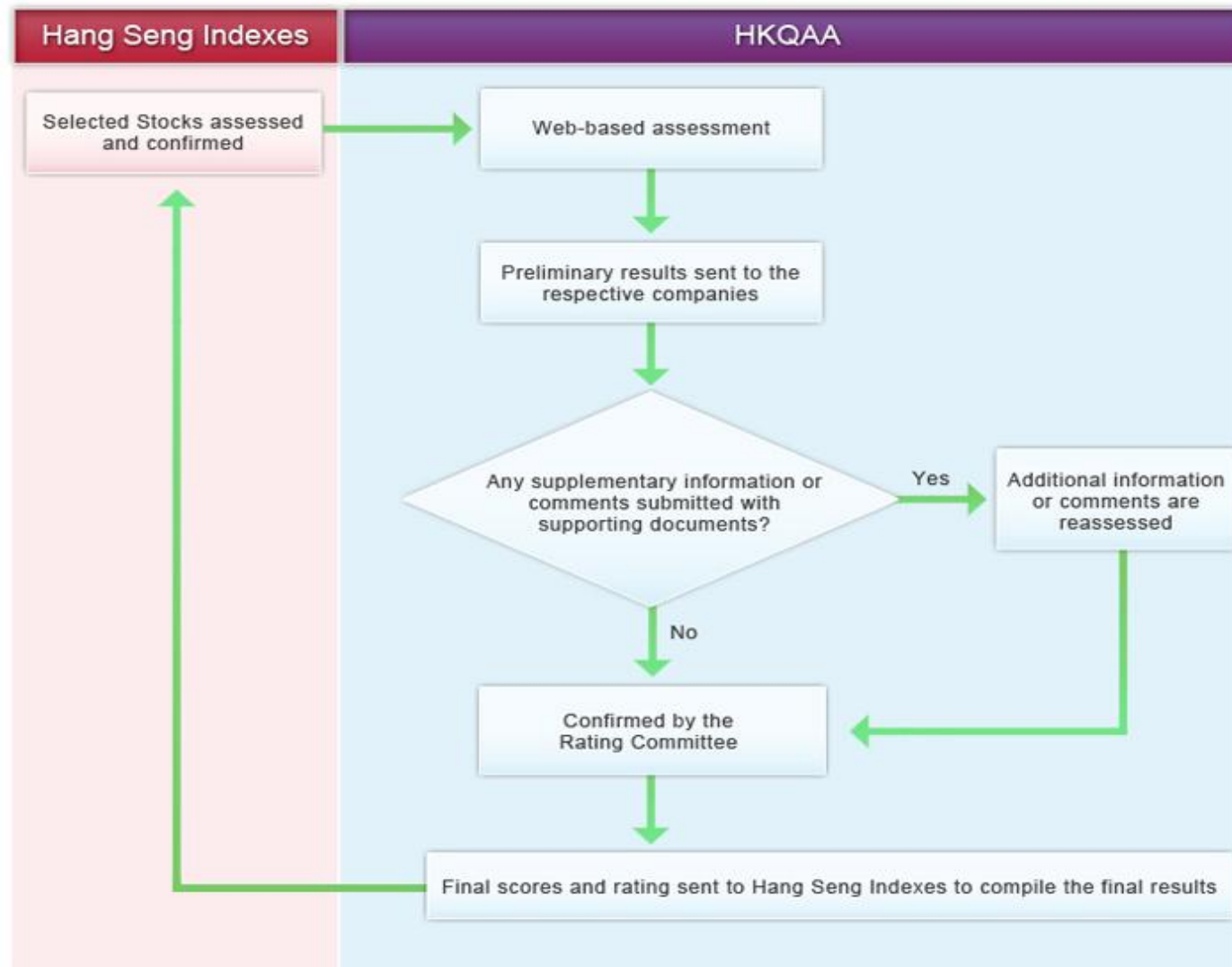
INTRODUCTION
Welcome to the HKQAA Sustainability Rating and Research Platform, especially dedicated to the Hang Seng Corporate Sustainability Index. The objective of the platform is to provide companies, the investment community as well as the general public with the sustainability rating and research content, events and publications on Environmental, Social, and Corporate Governance issues.

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<http://srr.hkqaa.org/>

Process flow of the research

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PART II

HKQAA CSR INDEX PLUS



Mr. WK Wong
Manager, HKQAA

Background

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- HKQAA CSR Index series consists of three individual schemes of HKQAA services, namely, the HKQAA CSR Advocate Index, and the Hong Kong 100 CSR Index since 2008. HKQAA CSR Index Plus has been launched on 2014.

HKQAA CSR Index

Far-sighted organisation leaders recognise that lasting success must be built on credible business practices.

To facilitate organisations to translate these good intentions in to good actions, in 2008 HKQAA launched the HKQAA CSR Index, with the initial support of The Hongkong and Shanghai Banking Corporation Limited (HSBC). Now run by HKQAA, the Index provides a quantitative metrics to measure organisations' maturity level in practicing their social responsibilities. The index is designed with reference to the ISO 26000 Guidance on Social Responsibility.

[CSR Index Report 2013](#)

[Enrollment Form](#)

[Promotion Flyer](#)

[List of Participated CSR Advocates](#)

Supporting Organisations



TRADE AND INDUSTRY DEPARTMENT
THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION
香港特別行政區政府工業貿易署



香港董事學會
The Hong Kong Institute of Directors

COMMUNITY BUSINESS



- http://www.hkqaa.org/en_verservice.php?catid=2

CSR Index Plus - Process flow

Step 1: Self-evaluation

Step 2: On-site Verification

Step 3: Verification Reporting

Step 4: Summary Report




Passed



HKQAA CSR Index vs Hang Seng Corporate Sustainability Index



Hang Seng Corporate
Sustainability Index Series

			 Hang Seng Corporate Sustainability Index Series
Assessment fee	<i>Paid by the participant</i>	<i>Paid by the participant</i>	<i>Paid by HSIL</i>
Participant	<i>Voluntary (SME, Listed and non-listed companies)</i>	<i>Voluntary (SME, Listed and non-listed companies)</i>	<i>Assigned by Hang Seng Indexes</i>
Questionnaire	<i>Prefilled by the participant</i>	<i>Prefilled by the participant</i>	<i>Prefilled by HKQAA</i>
Assessment model	<i>HKQAA advocate assessment model</i>	<i>HKQAA SRR model</i>	<i>HKQAA SRR model</i>
Assessment method	<i>On-site</i>	<i>On-site</i>	<i>Off-site research</i>
Deliverable	<i>Assessment report to the participant</i>	<i>Assessment report to the participant</i>	<i>Assessment result to HSIL</i>
Risk assessment	<i>N/A</i>	<i>Accountability/ Country/Industry/ MW</i>	<i>Accountability/ Country/Industry/ MW</i>
Scoring evidence	<i>Interview result, documented evidence</i>	<i>Interview result, documented evidence</i>	<i>Public info, submitted doc in the portal</i>

HKQAA CSR Index Enquiry

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