###### Best Corporate Governance & ESG Awards 2022

### Self-Nomination for Good CG &/ or ESG Practices

Name of Company/ Organization:

Annual Report for the year ended:

The Organizing Committee of the Hong Kong Institute of CPAs' Best Corporate Governance & ESG Awards 2022 ("Awards") invites eligible listed companies (i.e., those with a market capitalization of no more than HK$6 billion (as at 29 April 2022) and public sector organizations that are committed to making substantive, self-initiated progress in their corporate governance ("CG") and/ or environmental, social and governance (“ESG”) practices and reporting to nominate themselves for consideration in the Self-Nomination Category of the Awards.

Please specify any good CG and/ or ESG practices and disclosures that your company/ organization has introduced in terms of new or upgraded structures, policies or processes, as disclosed in the 2021/22 annual or ESG report. Please indicate how they have been implemented within the company/ organization. The extent to which the practices exceed any relevant regulatory requirements will be a factor in drawing up the shortlist. Plans and timetables for making further progress may also be included.

To illustrate the kinds of CG and/ or ESG practices that the Awards reviewers and judges are looking for, examples are provided below. Please note, **these are examples for illustration only. Applications are not required to cover all or any these specific areas of CG and/ or ESG, if there are other areas where substantial progress or enhancements in performance have been made**.

**CG Examples:**

1. Risk management and internal control

The annual report disclosures discuss the main risks facing the company/ organization, the likelihood of the significant risks occurring and the mitigation measures taken.

Reasonable information is provided in the report regarding any internal control review conducted by the company/ organization during the year, such as details of how the review was conducted, and whether there were any issues that needed to be addressed and, if so, how these were dealt with.

1. Board diversity

Measurable objectives have been introduced by the company/ organization in terms of increasing board diversity, taking into account factors such as gender, age, cultural and educational background, or professional experience. The disclosures indicate substantive progress toward achieving the targets, explain the reasons for any variances and proposed measures to help meet the targets in future.

1. Nomination process and independent non-executive directors

The company/ organization has disclosed more details about the criteria and process for the nomination of directors, and described the particular skills and experience that newly-appointed directors, including independent non-executive directors (“INEDs”), bring to the board, and how they contribute to overall board diversity.

It is disclosed that the company/ organization has strengthened the independent element of the board by adding more INEDs beyond the minimum requirement, and has explained what the new INEDs bring to the board, as well as the role and contribution to the board and committees of INEDs generally.

1. Board evaluation

A formal board evaluation process has been introduced, and the disclosures indicate how the evaluation was conducted. This may include information such as whether it was conducted internally (e.g., by the chairman and/ or others) and the format (e.g., a questionnaire, interviews, etc.), or whether, instead, external consultants were engaged. Other matters covered might be whether the evaluation looked only at board performance as a whole, or also the performance of individual directors, whether the issue of board diversity was examined, and whether a report was produced with recommendations for follow-up actions after the evaluation.

Where a board assessment process is already in place, the company/ organization may have provided information on any substantive enhancements made to the process, e.g., adding an evaluation of individual directors' performance, or looking at how the board performed in terms of its diversity, or engaging a qualified external third party to assist with the evaluation, for the first time; and/ or an explanation may be provided of the recommendations that arose from a previous evaluation with a description of how these have been followed up.

1. Disclosure of remuneration

The company/ organization has introduced a new policy to disclose the remuneration of directors and top management by name, including an analysis of their fixed and variable remuneration.

Alternatively, it has provided more information on the policy for determining directors' remuneration and on how individual director's remuneration is broken down into different fixed and variable elements, and whether and how directors' pay is linked to the company's/ organization's performance, including its ESG performance.

**ESG Examples:**

1. Governance

The company/ organization disclose clear top-level commitment to good ESG strategies, policies and practices, with high-level policy-making and accountability, at the board level, and a clear governance structure to monitor, implement and report on ESG performance.

Risk management and internal control clearly incorporate ESG-related risks, e.g., by disclosing the process used to identify, evaluate and manage material ESG-related risks, and reporting on specific ESG-related risks in the annual report.

1. Report content

Materiality assessment: The ESG/ sustainability report provides a good disclosure of the materiality assessment process for the selection of material ESG factors, including a clear description of the process, identifying key stakeholders and results of the company’s/ organization’s stakeholder engagement, and how the company/ organization has taken on board the main concerns of stakeholders.

Basis of reporting: The report clearly specifies the objective standards/ basis of reporting (e.g., applying Global Reporting Initiative Standards, Sustainability Reporting Guidelines, United Nations Sustainable Development Goals, recommendations of the Task Force on Climate-related Financial Disclosure, Hong Kong Exchange and Clearing's ESG Reporting Guide) and how, and the extent to which, these standards have been applied.

1. Key performance indicators

The company/ organization has disclosed longer-term ESG performance goals and has incorporated realistic performance targets, which should be challenging yet attainable, to track the underlying progress towards meeting these goals over the relevant period.

Where the targets have not been met, the company/ organization has explained and indicated what specific actions they will take to get back on track. Where targets have already been met ahead of time, the company/ organization has set new targets with specific timelines.

Companies/ organizations should aim to indicate the relevant disclosures in their annual/ ESG reports to support their self-nomination. Applicants **are not** required to provide supplementary information or additional documents beyond highlighting the disclosures in the relevant reports.

**Please also note that the focus is primarily on voluntary CG** **and/ or ESG practices that exceed basic compliance with the regulatory or other requirements. As such, descriptions of new or expanded disclosures and practices that are essentially the result of implementing new legal or regulatory requirements are unlikely to be sufficient, by themselves, to merit consideration for an award, even though they may improve a company's/ organization's overall standard of CG and/ or ESG.**

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| **Please describe the good CG and/ or ESG practices that your company/ organization has introduced, which have been** **disclosed in the annual and/or ESG/ sustainability report. Please also indicate where the relevant disclosures can be found in the report.** |
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# Additional pages may be included if the above space is insufficient.

If requested, would your company/ organization be willing to send senior representative(s) to explain to a panel of awards reviewers/ judges further details about the good CG and/ or ESG practices that it has introduced?

Yes No