



HKBSI

Introduction to Hong Kong Business Sustainability Index

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Positioning

- To inspire companies listed in Hong Kong to adopt CSR as a business model for achieving business sustainability
- To encourage a high degree of transparency in CSR and sustainability communication with stakeholders
- To support and engage companies listed in Hong Kong in enhancing their CSR endeavors
- To provide a CSR benchmark for both international and domestic reference

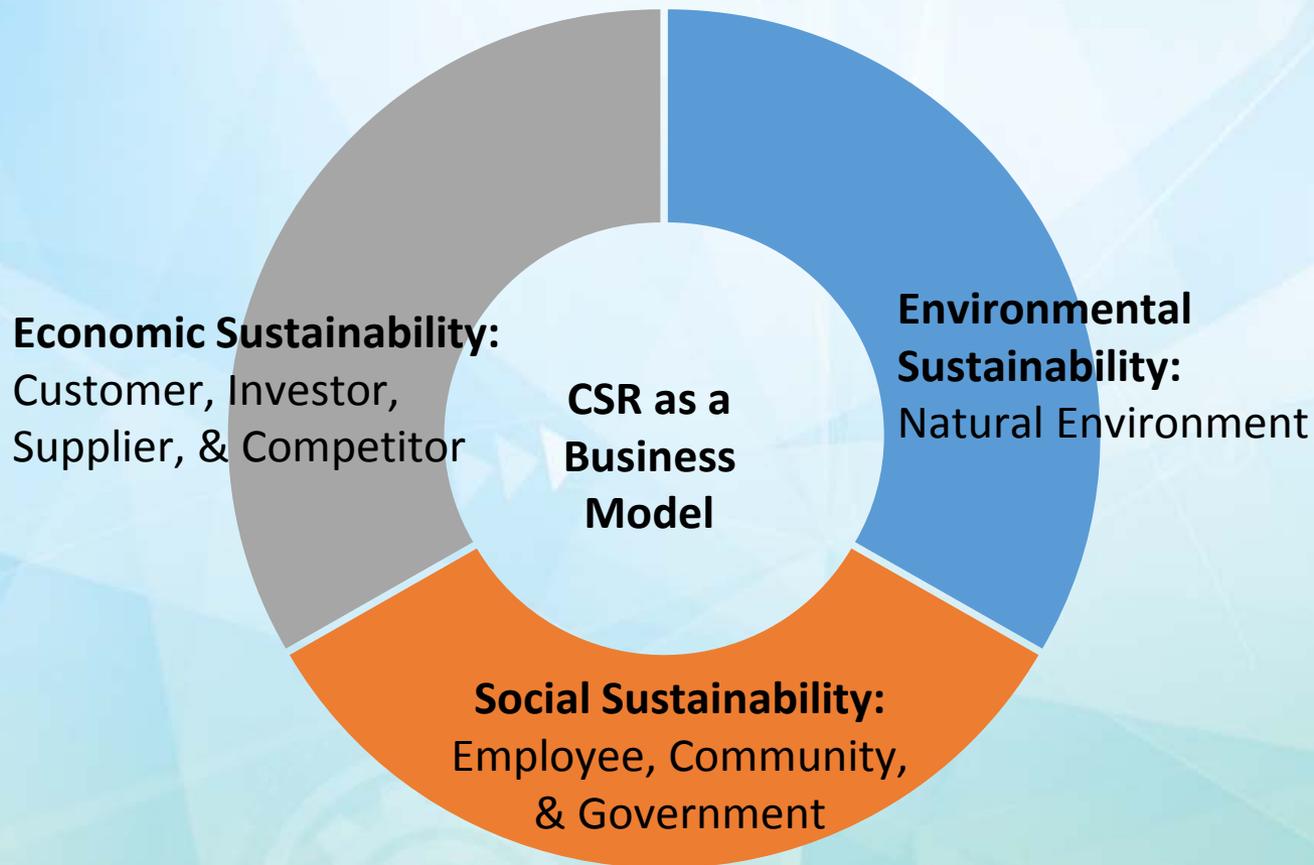
Differentiation: Reporting vs Assessment Schemes

- GRI - Global Reporting Initiative
- ISO 26000
- EGS Report

From CSR to Business Sustainability

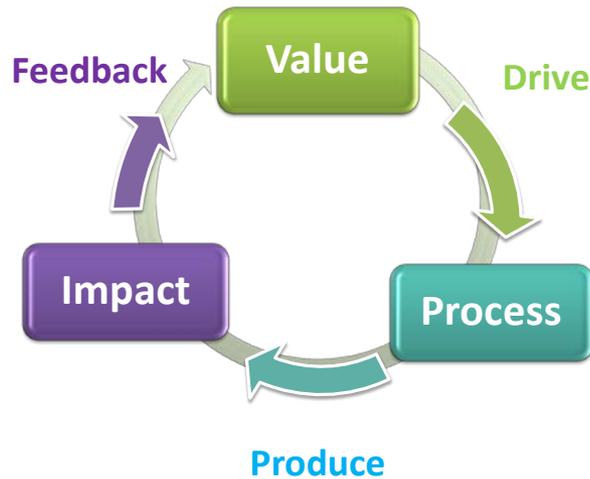
- CSR – Cost, responsibility, and public relations
- CSR as a business model: strategic for achieving corporate sustainability – the triple bottom-line
 - Social sustainability: caring and responsible for community, government, and employee
 - Environmental sustainability: caring for the environment
 - Economic sustainability: caring and responsible for customers, suppliers, and investors

Conceptualization of Sustainability: A Stakeholder Perspective



Index Rating Model – VPI Framework

Value



Values (Principles)

Process (Practice): Management
+ Projects

Impact (Effect)

CSR Practice: The Stakeholder Perspective



Summary of Compilation

- The 50 constituents of Hang Seng Index dated 17 March 2015
- Sustainability performance of the 50 constituents of Hang Seng Index in 2013
- CSR information Published sustainability report, or annual report, or company website
- Compiling between May-August 2015.

Scoring Tiers of the Index

BS Score Band

Achieving Business
Sustainability

90% to 100%
BS Exemplar

■ Setting BS Role Model

80% to 89%
BS Pace-setter

■ Realization System of Full
BS Practices

70% to 79%
BS Achiever

■ Continuous Evaluation &
Enhancement of BS

60% to 69%
BS Performer

■ Partially Putting BS into
Practices

50% to 59%
BS Practicer

■ Initial Stage of
Undertaking BS

Below 50%
BS Explorer

■ Learning to know BS

Overall Mean of Performance

41.75

Mean of Top 20 companies

57.25

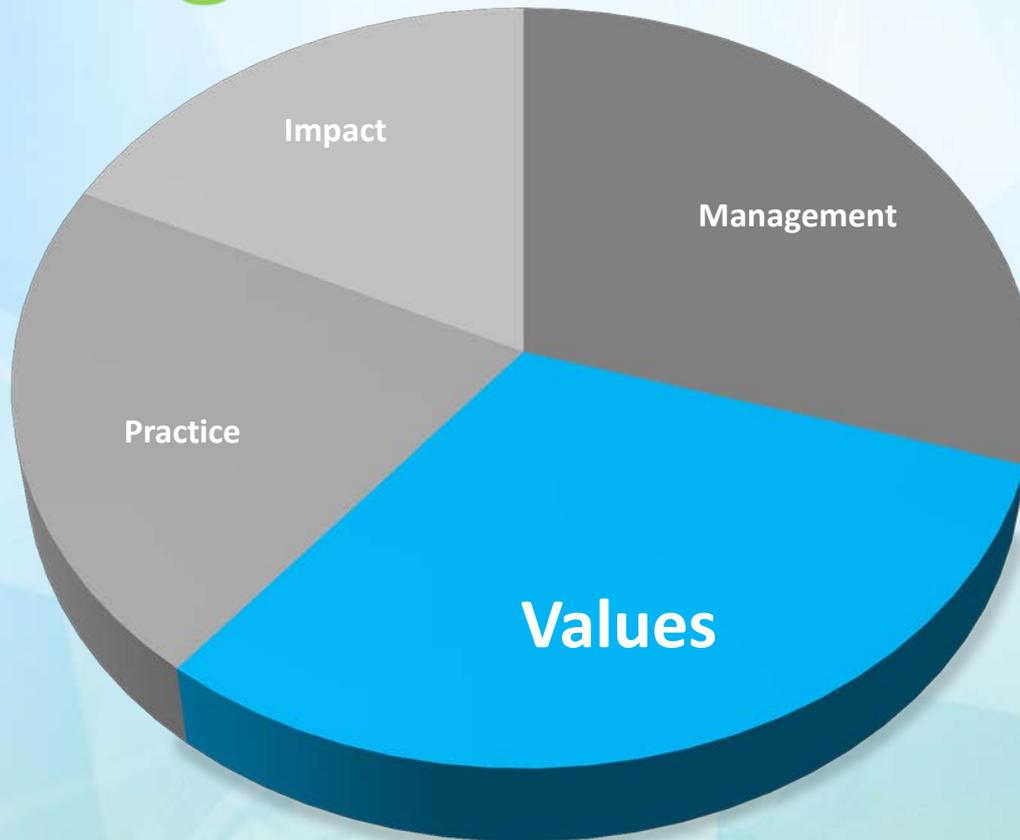
Mean of HK-based companies

49.42

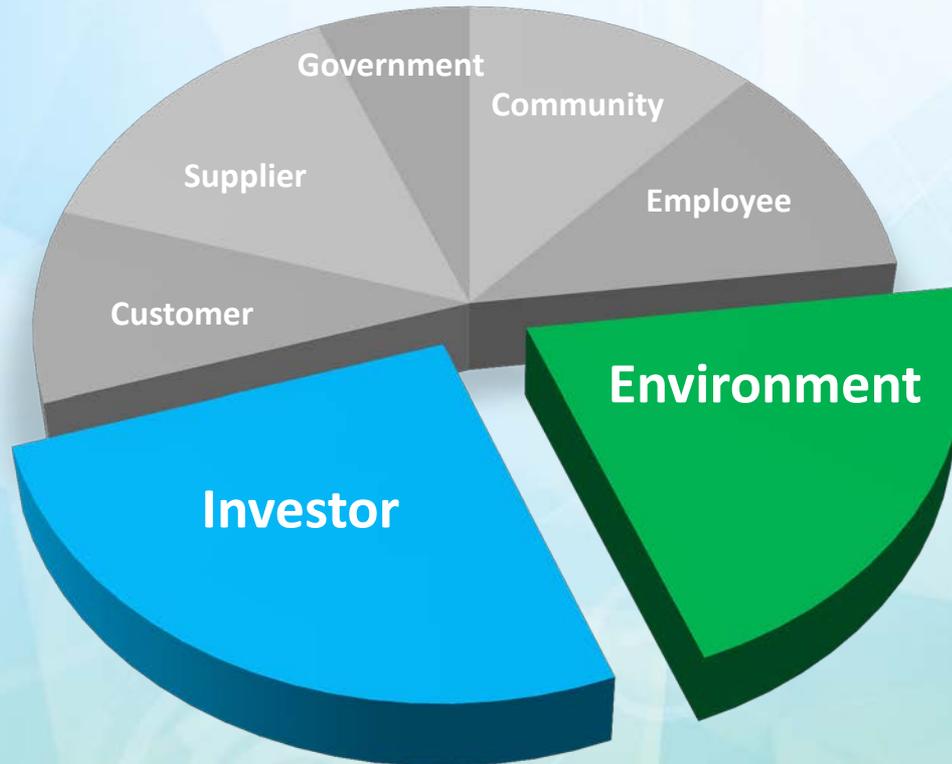
Mean of non-HK-based companies

35.17

The highest score of aspect



The stakeholder the Index companies concern most



Observations to Share

- **VPI Assessment Scheme**
 - holistic and stringent: rising stakeholders' expectations and the growing attention to CSR effects
- **Index Scores and Corporate Social Performance**
 - Top-ranked companies in HKBSI comparable to international benchmarks: weak in impact assessment
- **Corporate Social Performance**
 - Values (Clear conceptualization), Management (management infrastructure in place), Practice (expanding coverage), and Impact (weakest part)
- **Individual Stakeholder Responsibility**
 - Emphasis: Investors and environment

The HKBSI & the Reporting Platform

- A BSI Platform can improve the
 - Transparency (透明度)
 - Public Awareness (公眾意識)
 - Comparability (可比較性)
 - Objectivity (客觀性)
 - Simplicity (簡明性)

of business sustainability performance (BSP) reporting

- To automate the process of BSI assessment

Acknowledgement

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 - Hong Kong Productivity Council
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Thank You !