

# Driving Change

Climate Disclosure of HK Listed Companies in Key Sectors and the Road Ahead

This report unveiling the status and readiness of Hong Kong-listed consumer goods businesses in mainland China and HKSAR in response to the climate disclosure requirements by Hong Kong Exchanges and Clearing Limited, focuses on:



Read the full report

go.dbs.com/drivingchange

48 HKSAR-listed consumer goods companies were selected for **desktop analysis**, complemented by expert and business leader interviews to distil **decarbonisation insights** and identify **best practices**.

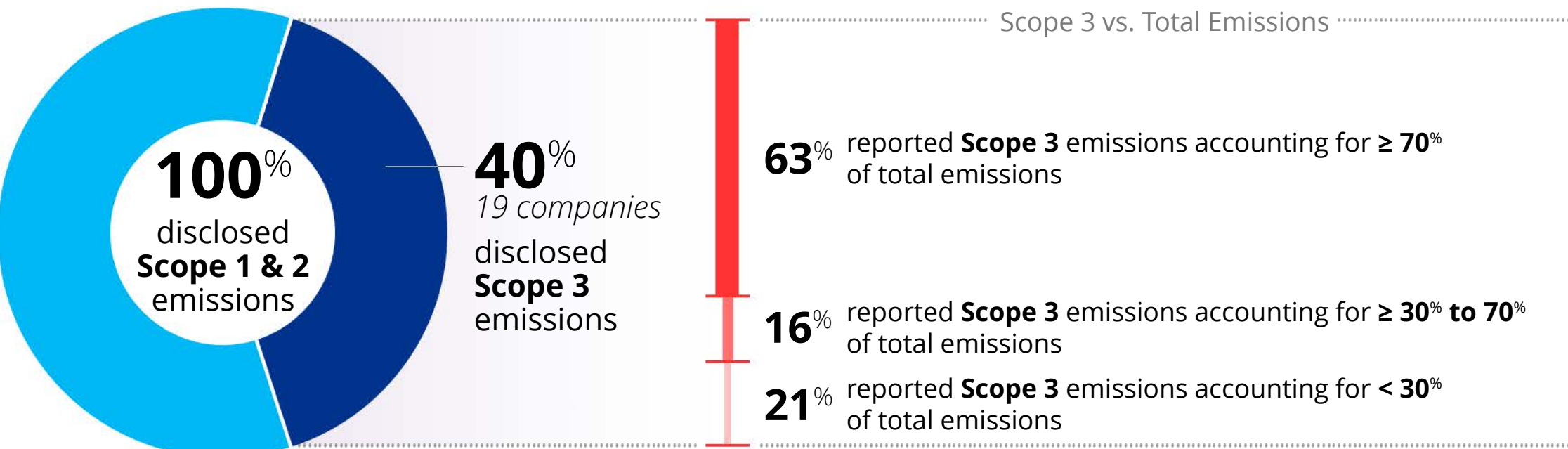
Through in-depth analysis, we have concluded the **key findings below**:

## Finding #1

### Data Gap

#### Scope 1, 2 & 3 Disclosure Rate

Out of **48 companies** analysed:



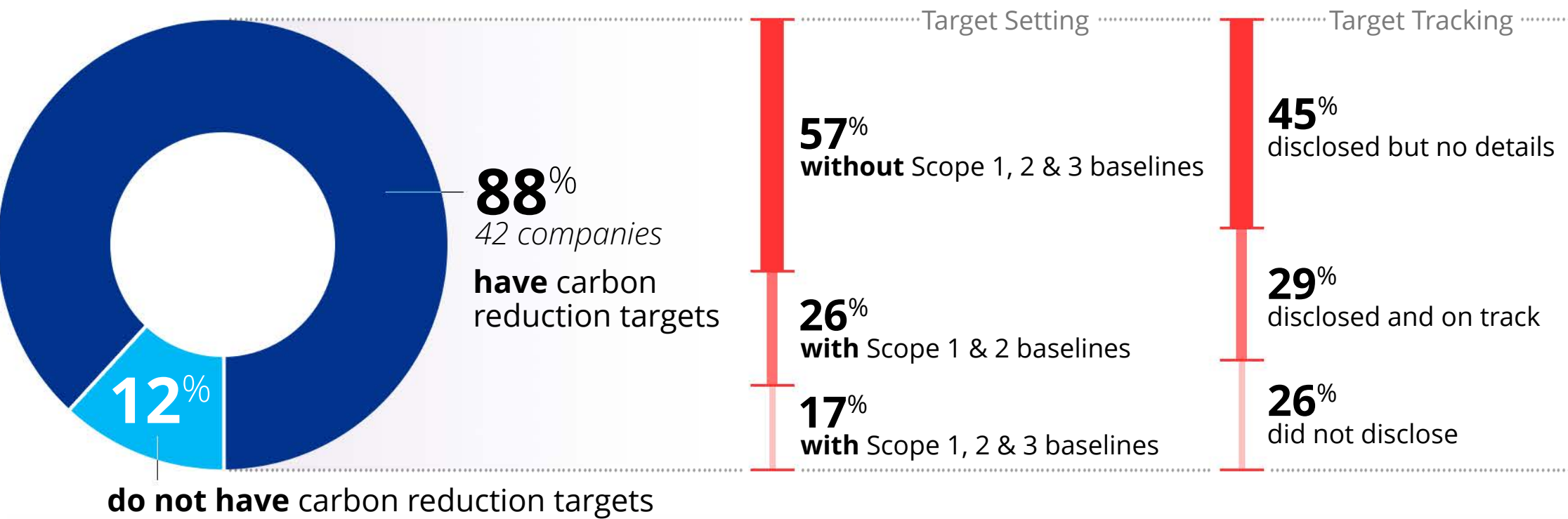
Impact:	What It Means for Companies:
<ul style="list-style-type: none"> <li>Scope 3 emissions often represent a <b>large share</b> of total emissions.</li> <li>Not tracking Scope 3 can <b>leave gaps</b> in understanding a company's full carbon footprint.</li> </ul>	<ul style="list-style-type: none"> <li><b>Prioritise</b> Scope 3 data collection by working with suppliers and partners.</li> <li>Use <b>digital tools</b> to improve data collection and fill gaps.</li> <li>Focus on improving <b>value chain visibility</b> for better reporting.</li> </ul>

## Finding #2

### Knowledge Gap

#### Scope 1, 2 & 3 Target Setting

Out of **48 companies** analysed:



Impact:	What It Means for Companies:
<ul style="list-style-type: none"> <li>Vague or ineffective targets may <b>undermine company credibility</b>.</li> <li>Public commitments not backed by a science-based approach or lack of measurement could <b>reduce investor trust</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Align targets with <b>recognised frameworks</b>.</li> <li>Set <b>clear</b> milestones and track progress consistently.</li> <li>Ensure targets cover Scope 1, 2, and 3 emissions to reflect a <b>complete carbon footprint</b>.</li> </ul>

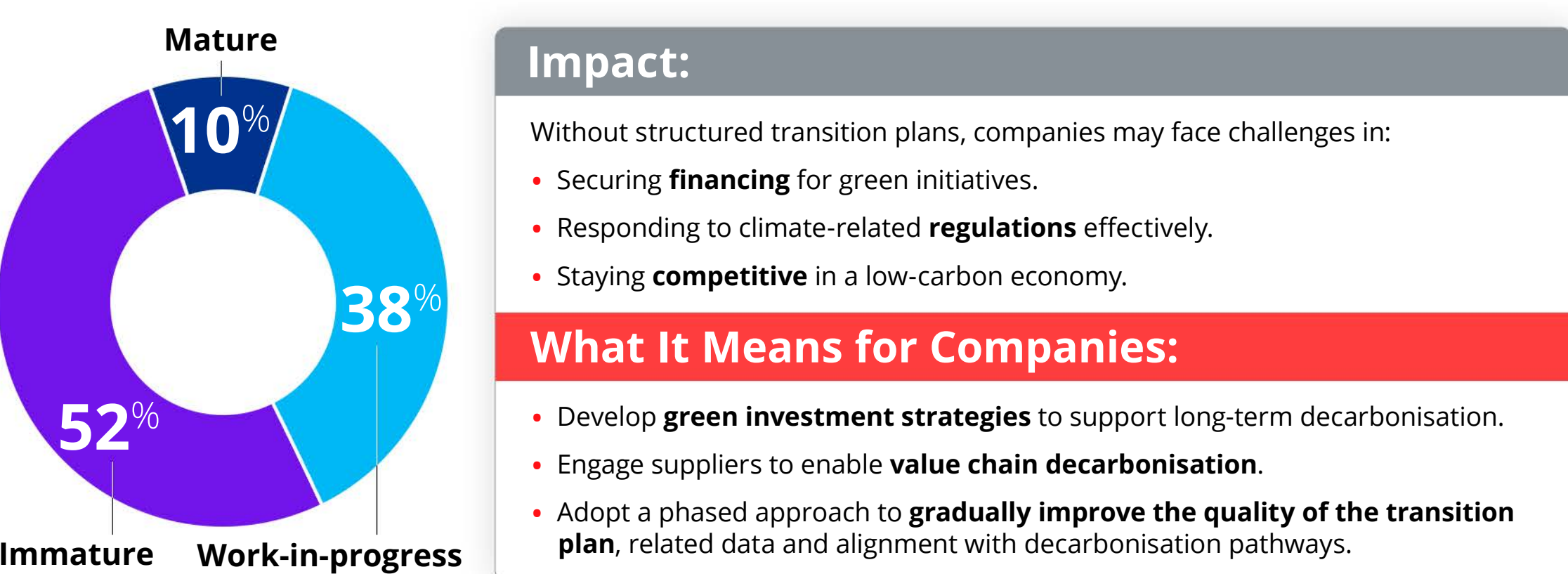
## Finding #3

### Financial Gap

#### Maturity Level of Transition Plan

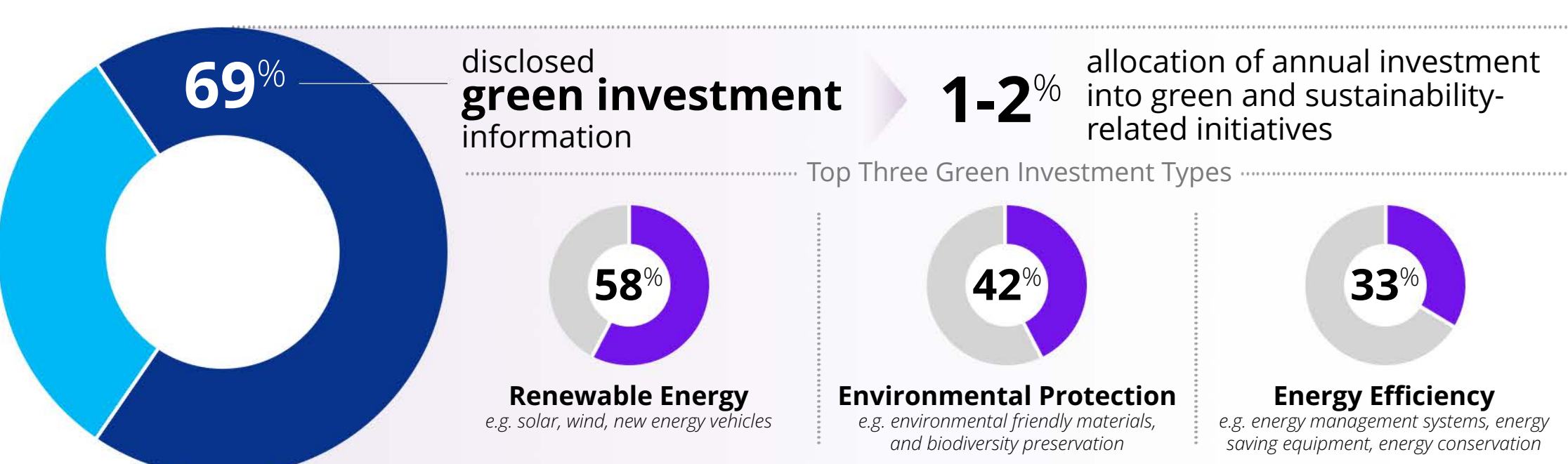
In accordance with the 3As principles – Ambition, Action, and Accountability proposed by the Transition Plan Taskforce

Out of **48 companies** analysed:



#### Green Investment Disclosure

Out of **48 companies** analysed:



Impact:	What It Means for Companies:
<ul style="list-style-type: none"> <li><b>Limited</b> transparency on green investment information and data.</li> <li><b>Positives signs</b> of growing investment in sustainability efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced transparency in <b>green strategies</b> and <b>capital allocation</b> plan can strengthen stakeholders trust.</li> <li>Top 3 green investment categories including <b>renewable energy</b>, <b>environmental protection</b> and <b>energy efficiency</b>.</li> </ul>

## Sector Findings

### Key Insights

#### Decarbonisation Approach by Market Leaders

	<div>1 Apparel</div> <ul style="list-style-type: none"> <li>Actively <b>engage suppliers</b> and enhance supplier evaluation process.</li> <li>Leverage <b>energy management systems</b> to monitor energy and water usage efficiently.</li> <li><b>Educate consumer</b> about environmental impact of their purchasing decisions.</li> </ul>
	<div>2 Food &amp; Beverage</div> <ul style="list-style-type: none"> <li>Enhance <b>supply chain transparency</b> to keep strong collaboration with the suppliers.</li> <li>Leverage <b>energy management systems</b> to monitor energy and water usage efficiently.</li> <li>Promoted <b>consumer awareness</b> to minimise waste throughout the value chain.</li> </ul>
	<div>3 Home Products</div> <ul style="list-style-type: none"> <li>Enhance <b>product lifecycle management</b> to keep end-to-end visibility of carbon footprint.</li> <li>Invest in <b>R&amp;D development</b> on sustainable packaging materials.</li> <li>Introduce campaign to <b>educate consumers</b> of concepts relevant to sustainable products.</li> </ul>
	<div>4 Hospitality</div> <ul style="list-style-type: none"> <li><b>Upgrade equipment</b>, implement energy management system for better energy usage control.</li> <li>Optimise <b>energy management systems</b> to reduce waste and improve resource efficiency.</li> <li>Conduct in-depth <b>supply chain assessment</b> to improve visibility and develop supplier engagement strategies for decarbonisation.</li> </ul>
	<div>5 Logistics</div> <ul style="list-style-type: none"> <li>Transition to <b>alternative fuels</b> and employ electrical vehicle.</li> <li>Optimise <b>delivery systems</b> to reduce the carbon footprint while maintaining service levels.</li> <li>Invest in <b>renewable energy sources</b> and alternative fuels which are less subject to price volatility.</li> </ul>
	<div>6 Transportation &amp; Automobile</div> <ul style="list-style-type: none"> <li>Collaborate with technology companies and research institutions to <b>accelerate innovation</b>.</li> <li>Partnerships with mining companies and investing in <b>sustainable mining practices</b>.</li> <li>Adopt comprehensive <b>lifecycle assessments</b> to evaluate the environmental impact of vehicles from production to end-of-life.</li> </ul>