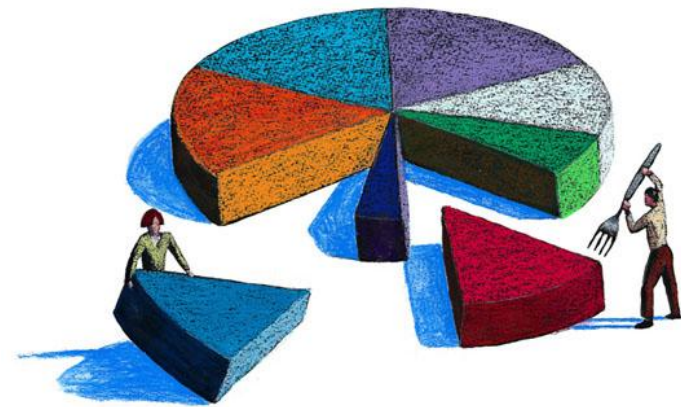


Presented by: Mr. Edward Lau and Mr. Kingsley Cheng

Venue: HKICPA, 27/F, Wu Chung House, 213 Queen's Road East, Wanchai

Date: 2 October 2018

Introduction and Experience Sharing on HKEx ESG Reporting



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Introduction and Experience Sharing on HKEx Environmental, Social and Governance (“ESG”) Reporting



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ROMA Risk Advisory Limited
Member of Roma Group Limited
(HKEx: 8072)

Ranger Advisory Co. Limited



Why does ESG reporting matter?



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Why does ESG reporting matter?

- Increased Interests and Awareness of ESG issues from Investors, Credit Rating Agencies, Customers, Public and other Key Stakeholders



根據董事會現有資料，直至本公告日期，預計直接因高埗鞋廠暫停運作引起之損失為二千七百萬美元，當中包括額外的空運費用、由運作受影響引起之溢利損失及其他固定成本。

Increasingly demand for transparency and communication of non-financial information



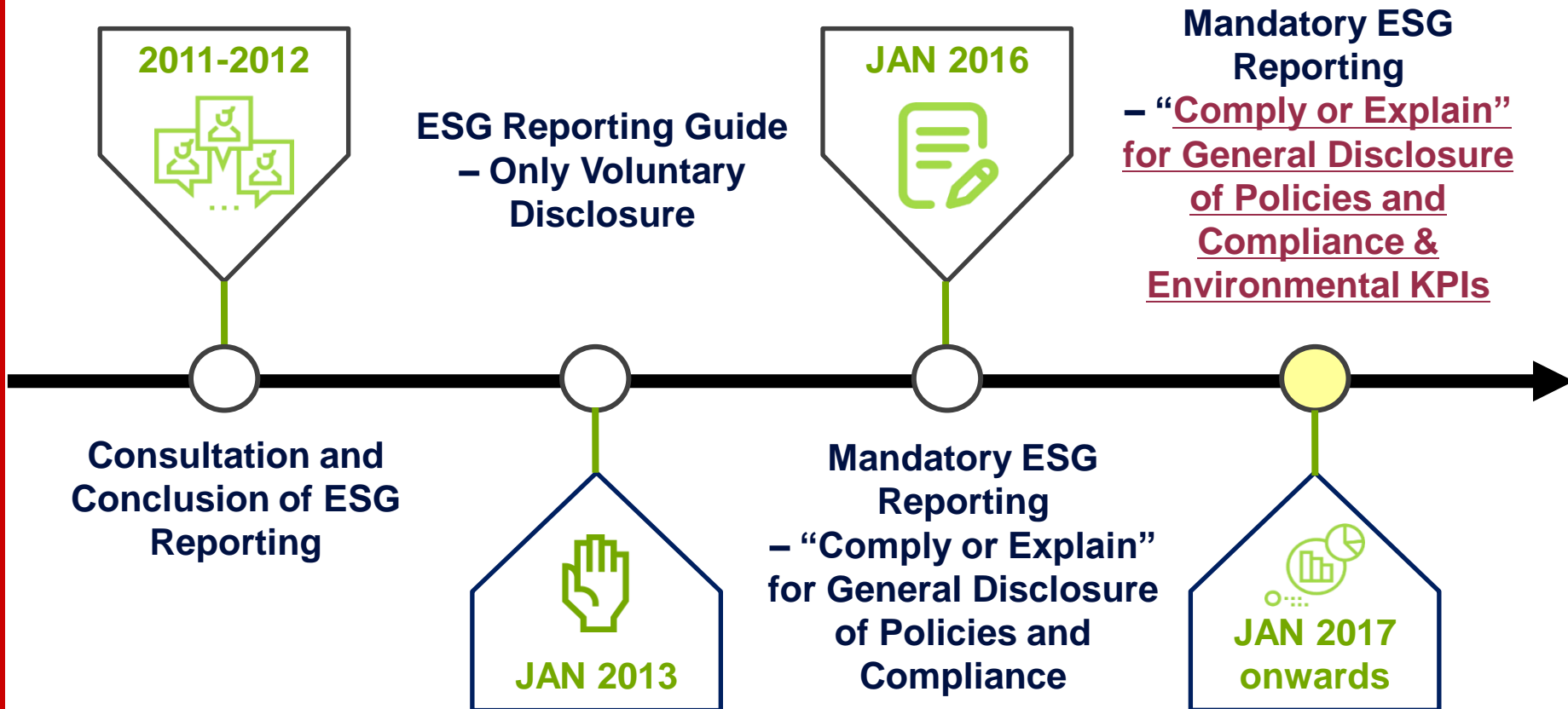
Why does ESG reporting matter?

- **Increasing regulations, rules and guidelines launched by different regulatory bodies in our nation**
 - › (HK) SFC announced green finance strategic framework (綠色金融策略框架) on 21 Sep 2018
 - › Works closely with HKEX to enhance listed companies' reporting of environmental information emphasizing climate-related disclosure
 - › Targets consistent and comparable disclosure of environmental information
 - › (PRC) The Mainland is working towards mandatory requirement for listed companies to disclose environmental information by 2020



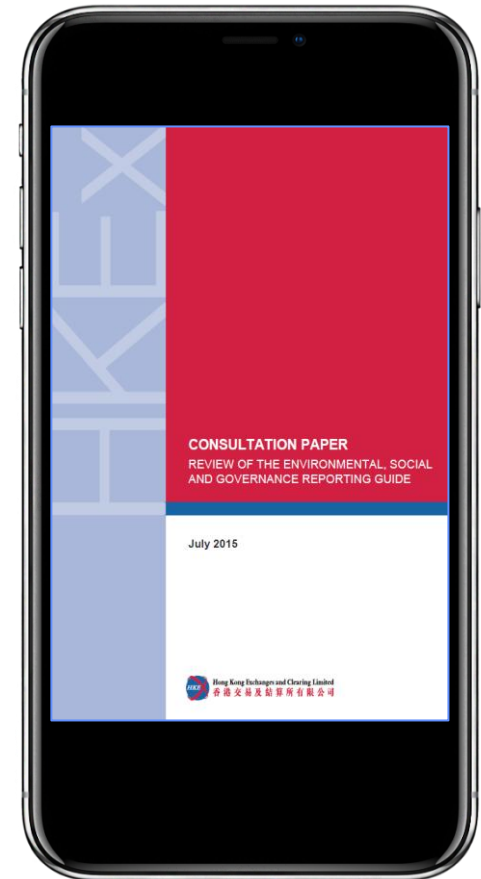
Why does ESG reporting matter?

- ESG Reporting Guide – Appendix 27 of Main Board / Appendix 20 of GEM



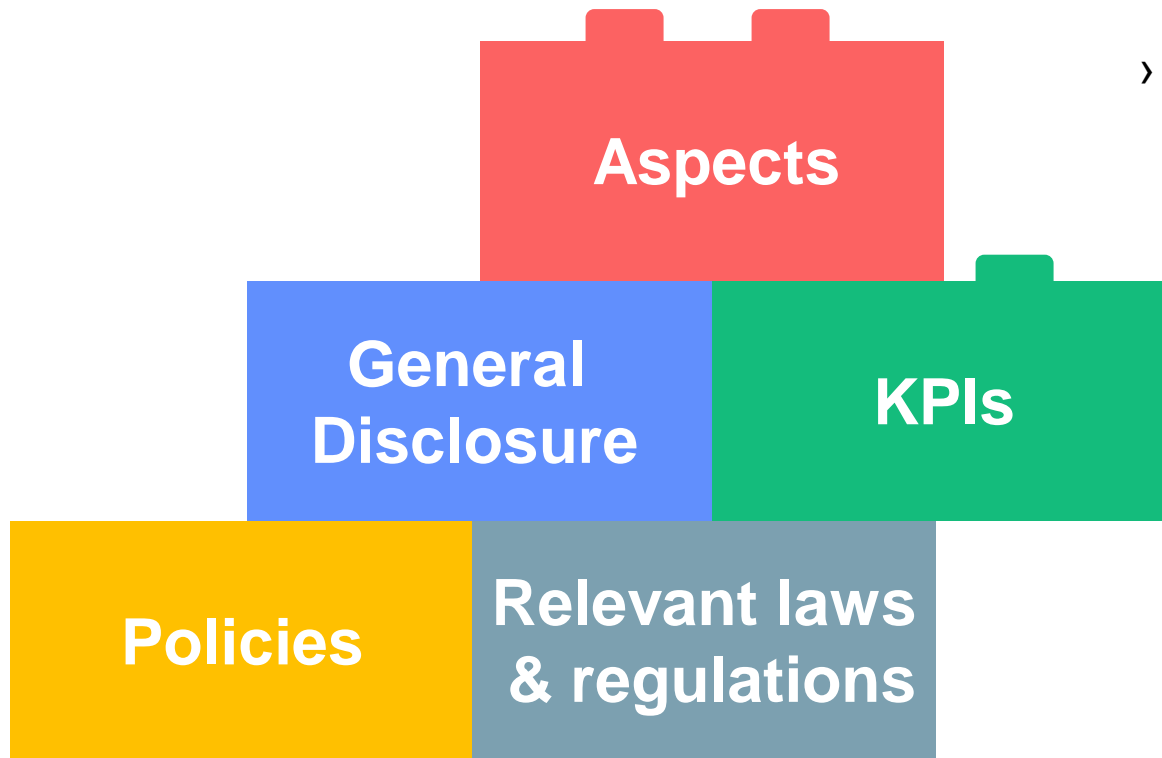
Why does ESG reporting matter?

- **ESG Reporting Guide – Appendix 27 of Main Board / Appendix 20 of GEM**
 - › Requires ALL listed issuers to publish an ESG Report on an annual basis
 - › **As close as possible to and no later than 3 months of publication of annual report**



Why does ESG reporting matter?

- **ESG Reporting Guide – Appendix 27 of Main Board / Appendix 20 of GEM**



› Disclose information under “Comply or Explain” requirements:

- a) policies (both Environmental & Society)
- b) compliances with significant impact on the issuers (both Environmental & Society)
- c) environmental KPIs



Why does ESG reporting matter?

Understanding the regulator's expectation and comments

HKEx performed a review of 400 listed issuers' ESG Disclosure in 2016/17

**ESG Strategy
and
Reporting**

- **Include a Board Statement**
 - › its commitment to ESG
 - › evaluation and determination of ESG risks
 - › how it ensures that appropriate and effective ESG risk management and internal control systems are in place
- **ESG Management Approach and Governance Structure**
 - › Establishing an ESG working group that reports to the board
 - › Formulating clear terms of references for the ESG working group
 - › Conducting materiality assessment exercises



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Why does ESG reporting matter?

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Why does ESG reporting matter?

Understanding the regulator's expectation and comments

HKEx performed a review of 400 listed issuers' ESG Disclosure in 2016/17

Materiality
Assessment

- ONLY 57% of the sample listed issuers conducted Materiality Assessment
(33% OF THEM DID NOT REPORT THIS)
- Materiality = ESG issues become sufficiently important to investors and other stakeholders that they should be reported
- Risk identification and prioritization process
- Reporting the process and results of Stakeholder Engagement and Materiality Assessment Process



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Why does ESG reporting matter?

Understanding the regulator's expectation and comments

HKEx performed a review of 400 listed issuers' ESG Disclosure in 2016/17



Disclosure

- **Failure to explain reasons for non-disclosure of a “Comply Or Explain” requirement is a breach of Listing Rules**
- **PROVIDE RATIONALE / REASON(S)** when the requirement is not applicable to your Company





How to prepare a better ESG report?



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How to prepare a better ESG report?

Understanding the regulator's expectation



- 01** Message from the Board
- 02** ESG Governance Structure and Management Approach
- 03** ESG Reporting Framework, Scope and Boundaries
- 04** Stakeholder Engagement and Materiality Assessment
- 05** General Disclosure on the Policies (Environmental and Social Aspects)
- 06** Reporting of Environmental (“Comply or Explain”) and Social Key Performance Indicators
- 07** Compliance Information and the Relevant Laws and Regulations



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How to prepare a better ESG report?

■ Example of Chairman's message



Chairman's Statement

*Executive Director, Chief Executive Officer,
Chairman and Company Secretary*

Yue Kwai Wa Ken



On Behalf of Roma Group, I am pleased to present the second ESG report of the Group for the year ended 31 March 2018 which reviewed the Group's sustainable development performance in respect of corporate governance, environmental protection, employee care, service quality, and community engagement during the Year.

We have always incorporated the sustainable development philosophy into the Group's business strategy, and adhered to the "people-oriented" human resource management strategy and service strategy, as well as the "green operation" environmental protection strategy. We continuously provide premium services for various enterprises, and have begun to provide sustainable development advisory services during the Reporting Period. Pursuing the vision of "to become the sustainability leader in the industries of valuation and advisory services and financing services", we have incorporated sustainability elements into our daily operations, established best practices of sustainable development within the industry to continuously improve the Group's performance on ESG aspects, and established sustainable development principles and standards within the industries of valuation and advisory services and financing services with the Group as a model.

The publication of this Report is a milestone of the Group on the journey of sustainability. In addition to continuous disclosure of policies on various aspects in accordance with the Reporting Guide, disclosures on environmental KPIs under "Comply or Explain" provisions and meaningful social KPIs under "Recommended Disclosures" stated in the Reporting Guide are added in this Report. During the collection of KPIs, we have integrated the management system with respect to ESG matters into our internal control and risk management mechanism, thereby laying the foundation for constant improvement on our ESG performance.

CORPORATE GOVERNANCE

One of our missions is "to create value for our investors". As such, excellent corporate governance is an indispensable core part to the Group's sustainable development. We have established a sustainability taskforce ("Taskforce") which takes full responsibility for the Group's ESG matters. We communicate with stakeholders through various channels, and carry out materiality assessment to understand the opinions of various stakeholders on our ESG matters. Moreover, we recognize the importance of nurturing of the integrity culture within the Group, and maintain effective internal control mechanism and whistle-blowing policy.

Source: Roma Group Limited (HKEx: 8072)



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How to prepare a better ESG report?

- Example of ESG governance structure and management approach



Source: Roma Group Limited (HKEx: 8072)

GOVERNING SUSTAINABILITY AT MTR

Board of Directors

The Board of Directors is our highest governing body, led by the Chairman, it focuses on overall strategic policies and corporate governance. As an integral part of good corporate governance, the Board has established a total of six Board Committees to oversee different aspects of the Company's affairs.

Executive Committee

The Board has delegated the day to day management of the Company's business to the Executive Committee, led by the Chief Executive Officer and is made up of all the Members of the Executive Directorate.

Corporate Responsibility (CoR) Committee

| | |
|------------------------|---|
| Reports to: | Board of Directors |
| Chaired by: | Chairman of the Board |
| Frequency of meetings: | Twice a year |
| Composition: | One Non-Executive Director (being the Chairman of the Board), four Independent Non-Executive Directors, three members of the Executive Directorate, including the Chief Executive Officer, the Human Resources Director and the Corporate Affairs Director. |

Corporate Responsibility Steering Committee (CoRSC)

The CoR Steering Committee provides input to and cascades initiatives related to corporate responsibility and sustainability across all divisions of the Company.

| | |
|------------------------|--|
| Reports to: | Executive Committee |
| Chaired by: | Corporate Affairs Director |
| Frequency of meetings: | Three times a year |
| Composition: | Executive Directors and senior managers representing all major business units. |

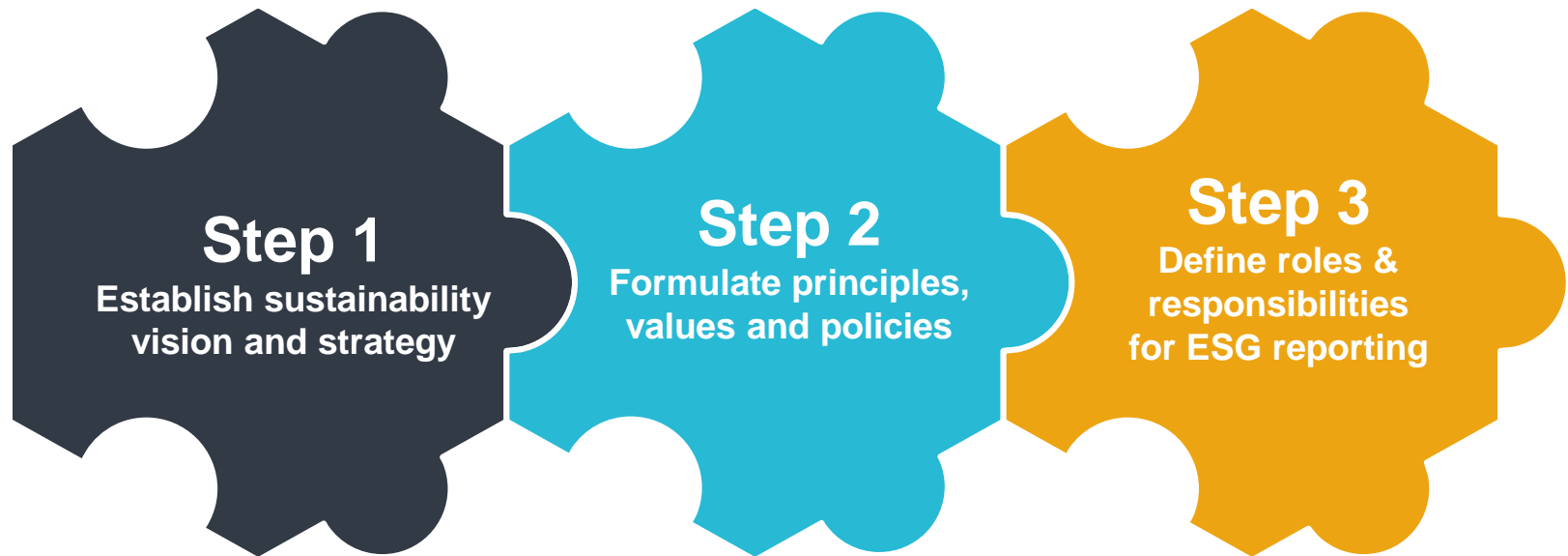
Source: MTR Corporation (HKEx: 66)



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How to prepare a better ESG report?

- Example of ESG governance structure and management approach



How to prepare a better ESG report?

■ Example of ESG Reporting Framework, Scope and Boundaries

REPORTING SCOPE

This Report mainly covers our core business of two operations located in Hong Kong. This Report also covers its subsidiaries, including but not limited to the following entities covered in the consolidated financial statements of the organization, namely Roma Appraisals Limited, Roma Oil and Mining Associates Limited, Roma Surveyors and Property Consultants Limited, Roma Strategic Marketing Limited, Roma Credit and Risk Evaluation Limited, M Success Finance Limited and B.I. Appraisals Limited.

Unless otherwise specified, the Group obtained information on key performance indicators (“KPIs”) of ESG matters through the operation control mechanism of the Group. The Group will intensify its sustainability works in the future, and continue to expand its scope of disclosure when meaningful.

REPORTING FRAMEWORK

This Report was prepared and written in accordance with Appendix 20 Environmental, Social and Governance Reporting Guide (the “Reporting Guide”) to the Rules Governing the Listing of Securities on the GEM of Stock Exchange (“GEM Listing Rules”). This Report was also prepared in accordance with the “Core” option of the standards of Global Reporting Initiative (“GRI”).


Source: Roma Group Limited (HKEx: 8072)



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How to prepare a better ESG report?

■ Example of ESG Reporting Principle, Scope and Boundaries



SMART LINKS, LIVEABLE CITIES

Sustainability Report 2017

ABOUT THIS REPORT

Report Scope

Reporting Guidelines


Our sustainability disclosure references internationally recognised reporting guidelines. For this reporting period, we have prepared our sustainability report in accordance with the Global Reporting Initiative (GRI) Standards Core option. To ease navigation, we have provided a GRI Content Index, which also references the International Association of Public Transport (UITP) Sustainability Charter Reporting Guide 1.0, ISO 26000 Guidance on Social Responsibility and the United Nations Sustainable Development Goals (SDGs). Please refer to our [Materiality Matrix](#) for a list of Identified Material Topics.

As a publicly listed corporation (SEHK: 0066), MTR (the "Corporation") abides by the listing rules of Hong Kong Exchanges and Clearing Limited (HKEx), as such, we have also included a content index that outlines our level of compliance with Appendix 27 Environmental, Social and Governance Reporting Guide (ESG Guide) issued by HKEx.

Report Scope

MTR Sustainability Report 2017 discloses details on issues identified as material to the Corporate during 2017 (1 January until 31 December). The majority of our activities take place in Hong Kong. MTR has also prudently expanded operations internationally with a presence in the Mainland of China, Australia, Sweden and the United Kingdom. With the aim of augmenting the accuracy and transparency of our disclosure, the report incorporates data from all operations, where applicable, including wholly or majority-owned subsidiaries where the Corporate exercises management control. Selected quantitative data disclosed in this report has been independently assured by Deloitte Touche Tohmatsu. Please refer to [the independent assurance report](#) for details.

The following operations are included in this report:



SWEDEN

Operated by **MTR Tunnelbannan AB** | rolling stock maintained by **MTR Tech AB**:

- Stockholm Metro

Operated by **MTR Express [Sweden] AB**:

- MTR Express intercity train service

Operated by **MTR Pendeltågen AB** | rolling stock maintained by **Emtrain AB**:

- Stockholms Pendeltåg (commuter rail)

UNITED KINGDOM

Operated by **MTR Corporation (Crossrail) Limited**:

- TfL Rail / Elizabeth Line

MAINLAND OF CHINA

Operated by **MTR Corporation (Shenzhen) Limited**:

- Shenzhen Metro Line 4 (Longhua Line)

HONG KONG

Operated by **MTR Corporation Limited**:

- Heavy rail, light rail, and feeder bus services
- Property Development, Rental and Management
- Commercial Businesses
- Ngong Ping 360

AUSTRALIA

Operated by **Metro Trains Melbourne Pty. Limited**:

- Melbourne's Metropolitan rail service

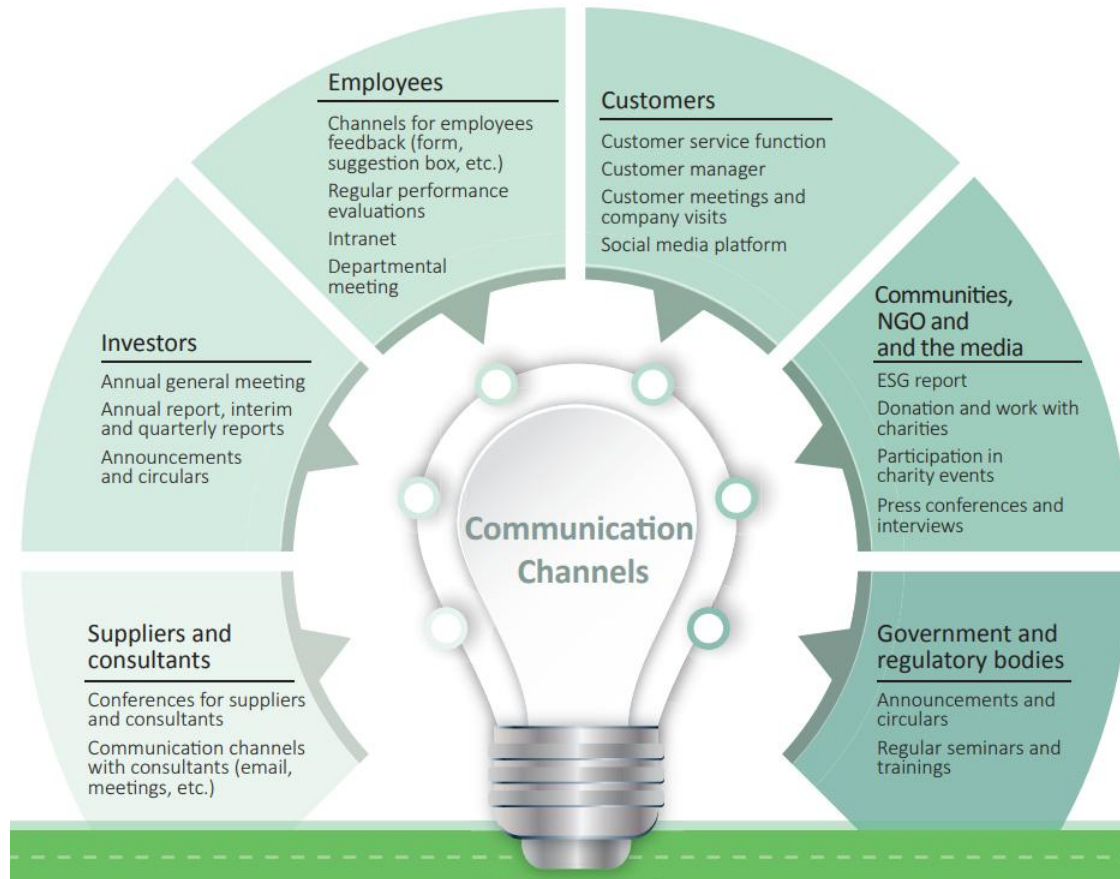
How to prepare a better ESG report?

- Identify your stakeholders, and their expectations



How to prepare a better ESG report?

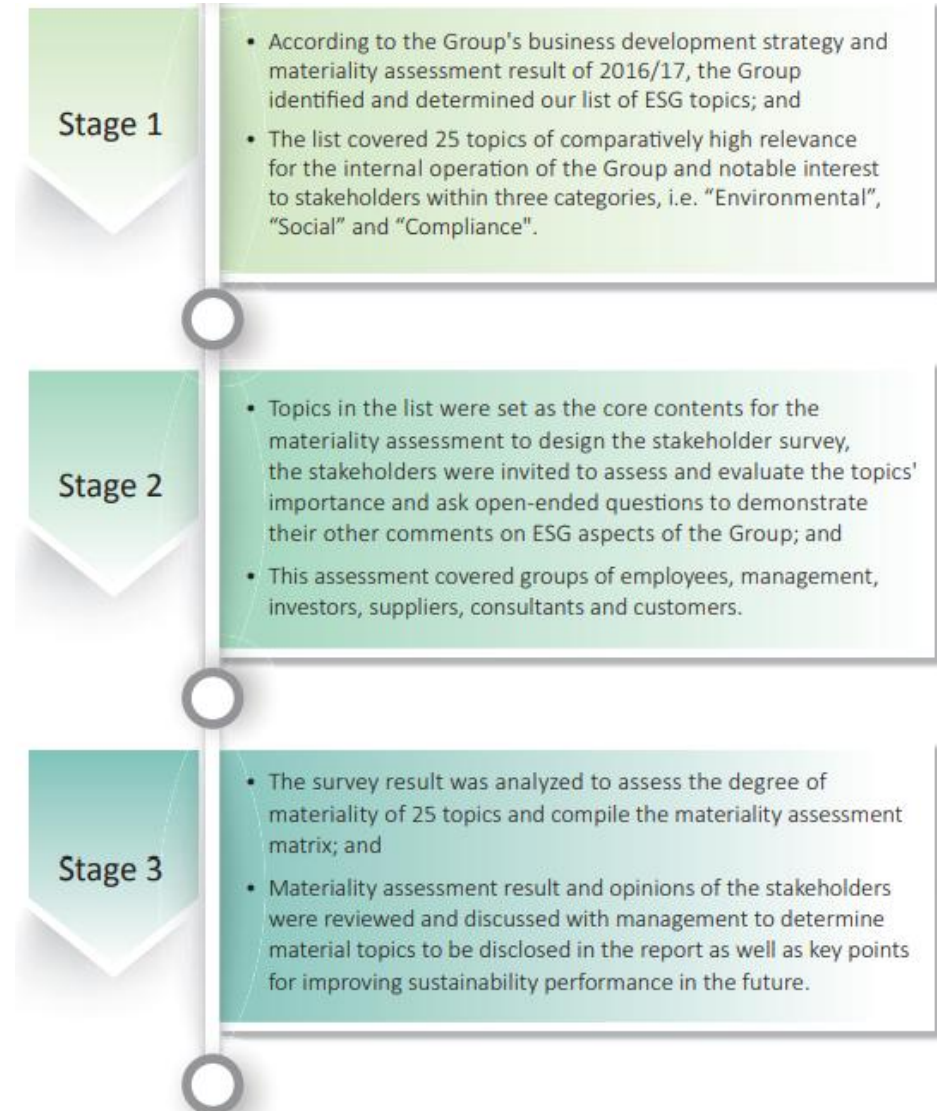
■ Example of Stakeholders Engagement



How to prepare a better ESG report?

■ Example of Materiality Assessment

The specific working process:



Source: Roma Group Limited (HKEx: 8072)



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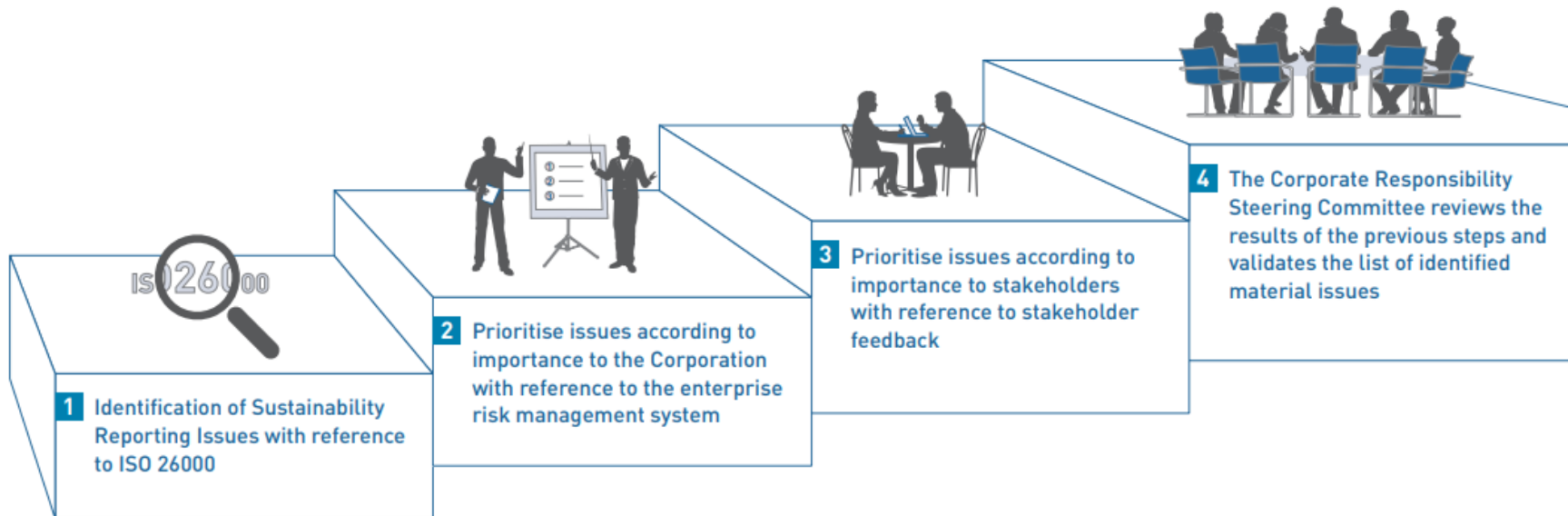
How to prepare a better ESG report?

■ Example of Materiality Assessment

Materiality

To ensure that our sustainability report addresses topics that reflect MTR's significant economic, environmental and social impacts, and/or that substantively influence the assessments and decisions of our stakeholders, we conduct a materiality assessment every year that helps us identify material issues that reflect the shared concerns of the Corporation and all our stakeholder groups.

Our materiality assessment methodology involves four steps:

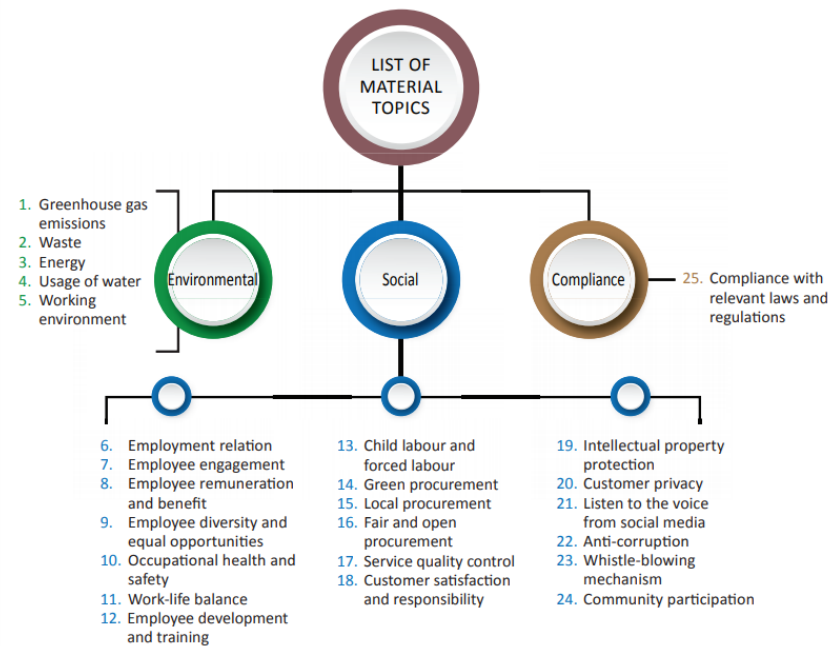
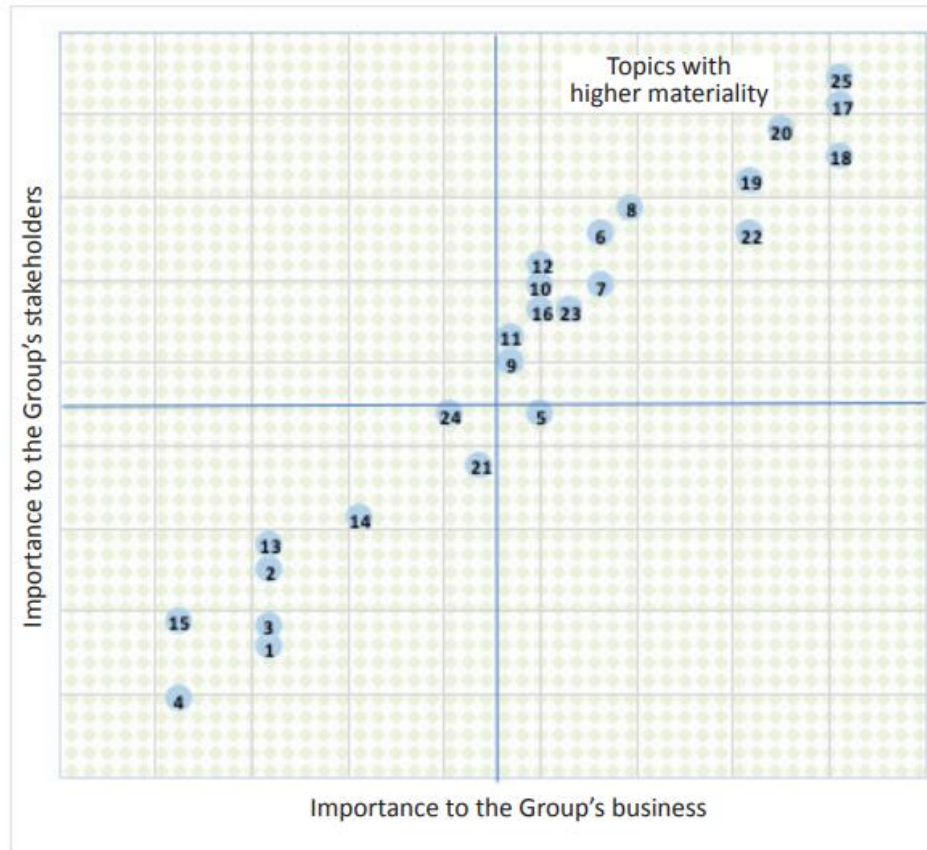


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Source: MTR Corporation (HKEx: 66)

How to prepare a better ESG report?

Example of Materiality Assessment



Source: Roma Group Limited (HKEx: 8072)

How to prepare a better ESG report?

■ Example of Disclosure of Policies (Social aspect)



The Group aims to maintain the highest level of openness, integrity, and accountability, and expects all employees to abide by the highest level of ethics, personal and professional conduct. The Group does not tolerate any corruption, bribery, extortion, money-laundering, and other frauds in relation to business operations. The Group strictly abides by the Prevention of Bribery Ordinance of Hong Kong and other local laws and regulations on anti-corruption. We have taken the measures to nurture the integrity culture within the Group as shown in the right:

Internal Control

The Group has in place a stringent internal control mechanism. As early as 2013 when we listed on the GEM, we established the Audit Committee in accordance with the GEM Listing Rules, and set up internal audit function. The Audit Committee is directly authorized by the Board to check whether the Group's financial statements and accounts comply with the requirements of accounting standards, GEM Listing Rules and relevant laws and regulations.

In addition, the Group has formulated policies on conflict of interests, which are included in the staff handbook for employees to perform their duties with the highest level of integrity and professional attitude. Pursuant to our policies on conflict of interests, employees must report any activities and situations that may lead to conflict of interest to the human resource department and the management. The management determines whether such activities constitute a conflict of interest or are appropriate from the perspective of the Group, and provide action guidelines to the employees. Employees failing to report potential conflicts of interests may be subjected to disciplinary actions.

Whistle-blowing policy

The Group adopts a whistle-blowing policy to handle and prevent any corruption, conflict of interest, suspected or actual fraud, and other misconducts. The whistle-blower may directly send email to the chairman of the Audit Committee. The whistle-blower may elect to use an anonymous email address at his/her discretion to report the incidents. The whistle-blowing channel is also published on the Group's website. The chairman of the Audit Committee of the Company may request to convene Board meetings to investigate the reported incident. The Board may also decide whether to engage external consultants (including but not limited to lawyers and certified public accountants) to handle the incident. In addition, the policy also protects whistle-blowers from unfair treatment for the whistle-blowing and ensures that whistle-blowers will not be subjected to unjustified dismissal or disciplinary actions.

The Group's process for handling reports are as follows:



Corporate governance training

The Group also regularly invites representatives from regulators or professionals to hold lectures on corporate governance for the employees and management so that they may prevent any potential corruption by learning about the latest cases of corruption pitfall and cases of moral practices in corporate governance.

During the Reporting Period, the Group did not identify any material non-compliance with laws and regulations on prevention of bribery, extortion, fraud, and money laundering, nor any concluded legal cases regarding corrupt practices brought against the Group or our employees.

In future, we intend to maintain the high level of integrity in the Group, maintain compliance regarding anti-corruption, and keep the record of the Year of no concluded legal cases regarding corrupt practices brought against the Group or our employees.



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Source: Roma Group Limited (HKEx: 8072)

How to prepare a better ESG report?

- Example of Quantitative KPI (KPIs need to be measurable.)



| Overview of GHG Emissions | | | | |
|---------------------------|---|---|--------------------|---|
| 2016/2017 ⁴ | | Year | 2017/2018 | |
| Emissions (tonnes) | Intensity — Total GHG Emissions per employee (tonnes/employee) ² | GHG Emissions Scope ¹ | Emissions (tonnes) | Intensity — Total GHG Emissions per employee (tonnes/employee) ² |
| 13.87 | 0.21 | Direct GHG emissions (Scope 1) — Petrol Consumption | 14.42 | 0.22 |
| 86.29 | 1.33 | Indirect GHG emissions (Scope 2) — Electricity Consumption | 86.33 | 1.29 |
| 62.26 | 0.96 | Indirect GHG emissions (Scope 3) — Business Trips ³ | 48.48 | 0.72 |
| 162.42 | 2.50 | Total GHG emissions (Scope 1, 2 and 3) | 149.23 | 2.23 |

Source: Roma Group Limited (HKEx: 8072)



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Frequently Asked Questions



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