



ACCA HONG KONG AWARDS FOR SUSTAINABILITY REPORTING 2003

Report of the Judges

# Introduction

Following the success of the ACCA Hong Kong Environmental Reporting Awards in 2002, ACCA added a second category and re-named its Awards in 2003. The new ACCA Hong Kong Awards for Sustainability Reporting embrace two award categories: environmental reporting and sustainability reporting.

This expansion of the scheme reflects the Government's commitment to sustainable development and the global trend towards sustainability reporting.

The aim of these Awards is to identify and reward innovative attempts to communicate organisational performance in environmental or sustainability reporting.

All organisations have an impact on the environment and society. These impacts can be direct (from day to day operations) or indirect (via the products used and services provided). All organisations should be accountable to their stakeholders, and as such these Awards are open to all sectors and organisations of all sizes.

# Endorsers

The ACCA Awards scheme is endorsed by the following organisations:

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Association for Sustainable & Responsible Investment in Asia (ASrIA)

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Business Environment Council

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Centre for Urban Planning and Environmental Management, The University of Hong Kong

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Chinese Manufacturers' Association of Hong Kong

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Conservancy Association

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Deloitte Touche Tohmatsu

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Environmental Protection Department, HKSAR

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Federation of Hong Kong Industries

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Hong Kong Business Coalition on the Environment

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Hong Kong People's Council for Sustainable Development

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Sustainable Development Unit, HKSAR

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World Wide Fund for Nature for Hong Kong



Environment  
Protection Department

**Sustainable Development Unit**  
Chief Secretary for Administration's Office  
Administration Wing

# Entrants 2003

## Sustainability Reporting Category

### **Architectural Services**

#### **Department**

[www.archsd.gov.hk](http://www.archsd.gov.hk)

### **CLP Holdings Limited**

[www.clpgroup.com/clpgroup/CLPH](http://www.clpgroup.com/clpgroup/CLPH)

### **Gammon Skanska Limited**

[www.gammonskanska.com](http://www.gammonskanska.com)

### **Hsin Chong Construction**

#### **Group Ltd.**

[www.hsinchong.com](http://www.hsinchong.com)

### **MTR Corporation Ltd.**

[www.mtr.com.hk](http://www.mtr.com.hk)

### **Shell Hong Kong Limited**

[www.shell.com.hk](http://www.shell.com.hk)

## Environmental Reporting Category

### **The Hong Kong and China Gas Company Ltd.**

[www.towngas.com](http://www.towngas.com)

### **Hong Kong Housing Authority**

[www.housingauthority.gov.hk](http://www.housingauthority.gov.hk)

### **Swire Pacific Limited**

[www.swirepacific.com](http://www.swirepacific.com)

### **The Kowloon Motor Bus Co. (1933) Ltd.**

[www.kmb.com.hk](http://www.kmb.com.hk)

# Judging

## **Panel of judges 2003**

### **Ms Anne Copeland Chiu**

Stakeholder Council Member,  
Global Reporting Initiative (GRI)

### **Professor Peter Hills**

Director, Centre for Urban Planning  
and Environmental Management,  
The University of Hong Kong

### **Mr Albert Lai**

Chairman,  
Conservancy Association

### **Ms Christine Loh**

Chief Executive Officer,  
Civic Exchange

### **Dr Andrew L Thomson**

Chief Executive Officer  
Business Environment Council

## **Judges' Criteria**

The judging panel assessed the applications based on 3 key elements: completeness, credibility, and communication. More information about the criteria can be found at: [www.accaglobal.com/sustainability](http://www.accaglobal.com/sustainability)

# Winners 2003

## **BEST SUSTAINABILITY REPORT**

### **MTR Corporation Ltd**

*Sustainability Report 2002*

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Benchmarks against the GRI Guidelines which enhances the credibility of the report

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Presents clearly its targets and achievements through a “matrix”

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Describes the process of risk identification and how these risks are managed in each area

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Includes a clear presentation of the challenges

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Demonstrates excellent stakeholder engagement processes

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Provides full linkage to other reports on the web

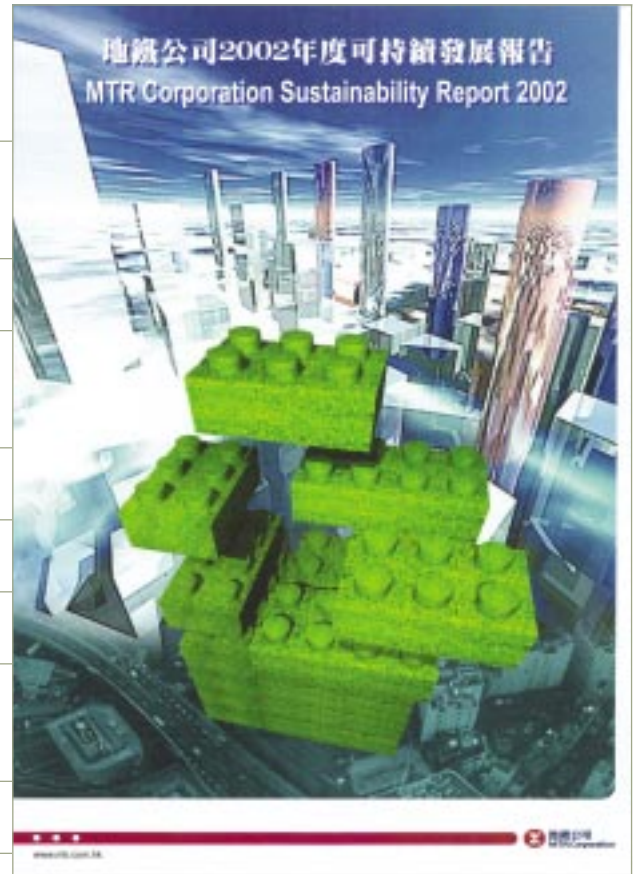
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Reports can be downloaded electronically or onto PDA format which significantly improves navigability

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Demonstrates comparative analysis

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## COMMENDATION FOR SUSTAINABILITY REPORTING

### Architectural Services Department

#### *Environmental/Health/Safety Report 2003*

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Benchmarks against the GRI Guidelines which enhances the credibility of the report

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Performance statistics are summarised for easy and quick reference

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Report is clearly laid out and is easy to navigate through

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Stretching targets are set

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Case studies on various projects are used in the report to demonstrate achievements

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Excellent graphs and illustrations are used

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Normalized data is included

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A comprehensive description of the scope of the report is available

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A clear communication and feedback mechanism is available

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Report is verified by an independent third-party

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## **BEST ENVIRONMENTAL REPORT**

### **The Hong Kong and China Gas Company Limited**

*Health, Safety and Environmental Report 2002*

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Excellent presentation of corporate context

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A good balance of report content between health, safety and the environment

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A clear indication of changing landscape and the corresponding Towngas approach

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A good indication of commitment to move towards sustainability

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Is easy to follow and understand

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## COMMENDATION FOR ENVIRONMENTAL REPORTING

### Hong Kong Housing Authority

#### *Environmental Report 2002/2003*

Excellent use of policy, contract specifications, Life Cycle Analysis tools and performance assessment scoring system for new developments

A very comprehensive feedback form is included and feedback from stakeholders is summarized in the report

Process of selecting indicators is clearly described

A clear description of policy and management commitment is given

Report is published in a user-friendly format

Report is verified by an independent third-party



# Technical recommendations

The following areas are perceived by the panel of judges to be areas where greater emphasis is required in sustainability and environmental reports.

## **Increase stakeholder involvement and disclosures**

Stakeholder identification and involvement is particularly weak in reports. In an environmental, social or sustainability report, reporters should:

- disclose who the key stakeholders are to the organisation, and explain how were these stakeholders identified
- identify which stakeholder groups the report is targeted to
- include and involve the stakeholders throughout the reporting process
- describe the dialogue process and disclose it in the report
- explain how stakeholder feedback was used
- give details how this has changed the reporting process and internal management procedures, and disclose the 'weighting' different stakeholder groups have to facilitate change.

## **Report credibility needs improving: verification statements must be included**

The purpose of verification is to add credibility to the report and to instil confidence in the reader: it is difficult to see how statements made in the absence of any under-pinning examination can achieve these purposes. As the Awards' criteria helps explain, 'External credibility relates to the extent to which there is evidence that, where appropriate, the internal systems and information have been tested and the views of external parties have been incorporated into the report. This includes stakeholder interactions as well as third party statements on the report.'

### **Absolute and normalised data - is critical for credibility**

Over the last few years there has been concerted effort to increase the level of normalised data disclosed in reports. Many companies have responded and now report-users can find performance data presented in quantities per m<sup>2</sup>, per employee, per unit of product and so on.

Normalising the data over time only gives an indication of efficiency, however, and although it is encouraging to see so much normalised information, reporters must still report their absolute figures. Just disclosing normalised data can obscure any rise in absolute terms. An organisation can improve its efficiency but if it also increases floor space, the number of employees or product output, there may be a rise in the absolute value too. By disclosing both values - normalised and absolute - the reader obtains a more complete, and therefore accurate, picture.

### **More trend analysis is needed for year on year comparisons**

Reporting data for just the current year does not inform the reader how well (or poorly) the organisation is performing. Such data lacks context, and therefore the report-user cannot obtain an accurate understanding of an organisation's impact. Trend data needs to be included in order to facilitate any useful assessment of an organisation's progress. The only exception to this is for first-time reporters where data may not have been collated in previous years. If so, this should be explained in the report.

### **Core business activities need to be disclosed to put report data in context**

Reports should include a concise overview of the organisation, including a description of its products or services, the number of employees, location(s) of core facilities and any additional information which is of relevance and would assist in improving the picture of what the company does, how it does it and where. By disclosing such an overview, the key environmental impacts (highlighted above) become more relevant and the information that follows - such as data, policies and programmes - is put into its proper context.

### **Include sector benchmarks**

Benchmarking data is an effective way of comparing performance between one organisation and another. Comparing data between organisations within the same industry sector provides a better and more relevant comparison of performance. This same-sector organisation comparison within reports should be encouraged to provide readers with industry benchmarks of performance. GRI will be particularly useful as an emerging benchmark system and has provided indicators to help to facilitate comparisons.

### **Include cross-border activities**

Stakeholders will expect companies to report on the impacts of all business activities they control, including those across the border. For Hong Kong companies, it is important to cover the activities in Mainland China as the breadth and depth of their business expands in that direction. The same standard of reporting should apply to these cross-border activities although it is generally accepted that the level of data collection may differ because of practical constraints. Such constraints, if they exist, should also be explained as part of the reporting.



## ACCA Awards 2004

The timetable for the  
ACCA Hong Kong Awards for  
Sustainability Reporting 2004 is:

**November 2004**

Invitation to enter

**February 2005**

Deadline for participation

**March 2005**

Judging panel meeting

**May 2005**

Awards ceremony

### **Contact Information**

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Kong Awards scheme, please contact:

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To access these ACCA Award winners, together with thousands of additional environmental, social and sustainability reports, visit [www.corporateregister.com](http://www.corporateregister.com)

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The Association of Chartered Certified Accountants