



## News Release

8 May 2024

### HSBC GBA ESG INDEX RECORDS CONTINUOUS IMPROVEMENT IN FIRST QUARTER 2024

*\*\*\* "New Quality Productive Forces" set to drive long term sustainability  
development in GBA \*\*\**

HSBC, in collaboration with the CECEP Environmental Consulting Group, has released a first quarter 2024 update of the HSBC GBA ESG Index report. The findings indicated that "New Quality Productive Forces" initiative, a strategy advocated by the mainland Chinese government to enhance productivity through technological innovation, has encouraged emerging industries in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to drive continuous improvements in the region's ESG performance.

In the first quarter, on a year-on-year basis, the GBA ESG Regional Index and the Industry Sub-indices grew 6 per cent and 20 per cent, reaching scores of 124.42 and 186.05 respectively.

The economic transformation within the GBA has encouraged local enterprises to step up their efforts towards achieving low-carbon objectives. The number of GBA enterprises scoring an A or A- in the CDP<sup>1</sup>'s climate change questionnaire for 2023 has doubled year-on-year. Moreover, in the first quarter alone, 28 local enterprises have either established new emission reduction targets or committed to new initiatives under the Science Based Targets initiative (SBTi)<sup>2</sup>, representing a 33 per cent increase from the last quarter of 2023.

**Daniel Chan, Head of Greater Bay Area, HSBC**, said: "As a national innovation hub, the GBA has seen swift advancements in emerging sectors, including electric vehicles, renewable energy, and smart robotics, all of which benefit from ongoing policy support. In the first two months of this year, Guangzhou's new energy vehicle production surged by 30 per cent year-on-year, while Shenzhen saw a nearly 50 per cent increase in the production of charging piles. The momentum created by 'New Quality Productive Forces' initiative is setting the GBA in a solid path to meet its ambitious 'dual-carbon' targets."

The report offers a detailed analysis of the communication services and the food and beverage sub-sector within the consumer staples category, highlighting their carbon reduction strategies. Both sectors have seen ESG performance enhancements this quarter, attributed to policies that foster the

growth of the digital economy, promote trade-in of old consumer goods, and enhance climate change management.

**Liao Yuan, Managing Director and General Manager of CECEP (Hong Kong) Investment Company Limited**, said: "The communication services sector is pivotal to the GBA economy, with companies implementing extensive carbon management systems across manufacturing and infrastructure. Leveraging technological expertise, they offer innovative products and services to support energy efficiency across various sectors. Concurrently, the food and beverage industry is responding to the growing demand for green consumption by introducing more eco-friendly products, catering to the trend towards healthier and sustainable diets."

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**Note to editors:**

1. The CDP is an international non-profit organisation that helps companies and cities disclose their environmental impact. The CDP has a separate set of questionnaires for climate change, forests, and water security.
2. The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to drive ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.
3. Methodology

**Indicators for regional/cities and industry level**

First-level Indicator	Second-level Indicator
Environment	Corporate CDP disclosure performance
	Corporate science-based climate commitments
	Air quality
	Energy use efficiency
	Water use efficiency
	Electricity use efficiency
	Public sector's contribution to environmental protection
	Urban greenness
Economic and Social Development	Economic development
	Economic contribution of tertiary industry
	Employment situation
	Public sector's contribution to education
	Innovation and technological advancement
Corporate Governance	Activeness of market players
	Corporate ESG disclosure performance
Green and Sustainable Finance	Activeness of market players
	Investor commitment to sustainable investing
	Volume of sustainable debt instruments
	Number of ESG mutual funds
Policy	Policies related to sustainable development in the GBA

### **Indicators for company level**

<b>First-level indicator</b>	<b>Second-level indicator</b>
Environmental	Greenhouse gas (GHG) emissions
	GHG targets
	Waste management
	Water management
	Energy management
Social	Employee data
	Employee development
	Supply chain management
	Privacy and data security
	Philanthropic contribution
	R&D and innovation
Governance	Board accountability for ESG
	ESG risk management
	Executive pay linked to ESG
	Board gender diversity
	Board independence
Green and sustainable Finance	Issuance of GSSS Bonds
External Assurance	ESG report external assurance

(Source: CECEPEC)

### **Base period and update frequency**

- Index base period: The fourth quarter of 2019
- Region/City and Industry-level data: Update quarterly
- Company-level data: Update annually
- Weight adjustment: Adjust annually

### **Limitations**

- The Index is only applicable to the evaluation of the GBA, the cities, industries and companies in the GBA.
- The evaluation of ESG performance retrieved from the quantitative models is based on public data of listed companies, which we do not warrant or guarantee the accuracy and completeness of such disclosures.
- Given the incompleteness of publicly available macroeconomic data, performance evaluation on the GBA, cities, and industries could involve assumptions.

### **The Hongkong and Shanghai Banking Corporation Limited**

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### **CECEP Environmental Consulting Group Limited**

CECEP Environmental Consulting Group Limited is a professional sustainability consulting company established by CECEP. We are headquartered in Hong Kong with branch offices in Beijing, Shenzhen and Shanghai. Our partners and clients are found throughout Greater China, Europe, and America, covering national governments, industry associations, mainstream financial institutions and nearly 200 well-known enterprises in and out of China. We are committed to providing bespoke solutions to satisfy the specific sustainability needs for various industries, which include sustainability management consulting, green and sustainable finance consulting, climate change and carbon neutrality consulting with implementation solutions, and others.

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