Disclosure “Beyond Box Ticking” –
A Practitioner’s Perspective

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13 May 2008
Growing Range of Non-Financial Disclosures

In 2008, we reported on matters as diverse as

- power station performance and emissions
- major risks which could undermine CLP’s corporate standing and their respective mitigation measures
- shareholders’ returns compared to other investments
- supply reliability (customer minutes lost)
- affordability of electricity tariffs
- employees’ portfolio (age, qualifications, length of service, nationality)
- safety performance (disability injury incidence rate)
- remuneration policy
- community activities
- extensive corporate governance practices

In 1997 we reported on none of these
Selection of Non-Financial Disclosures – the Challenges

The non-financial disclosures need to reflect the interests of a wide range of potential stakeholders

- shareholders
- customers
- environmental groups
- governments
- joint venture partners
- employees

But

- these interests can be very different
- they can change
- they can be commercially sensitive
- need to make a selection (cannot disclose everything)
Non-Financial Disclosures – The Challenge of Quality

- Not driven by legal / regulatory requirements
- Not specified by accounting standards
- Not disciplined by external audit
- Absence of widely accepted metrics
- Difficulty of comparison with peers
- Possibility of manipulation (such as choice of reference dates)
## Disclosure “Beyond Box Ticking” – Rising to the Challenges

| Growing Range of Disclosures | – commitment to transparency  
|                            | – awareness of the changing value drivers of the business |
| Selection                  | – active process of stakeholder engagement  
|                            | – linking stakeholder feedback to the reporting process |
| Quality                    | – commitment to honesty  
|                            | – rational choice of metrics  
|                            | – explanation of the source and relevance of disclosures  
|                            | – fair comparisons with peers (like with like)  
|                            | – internal systems to support collection, verification and publication of disclosures  
|                            | – support (over time) for independent verification of non-financial disclosures (e.g. environmental information) |
Disclosure “Beyond Box Ticking” is a journey, rather than a destination.