

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

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# 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) b
- ✦ safety performance (disability injury incidence rate) cc
- ✦ 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.**