

## HKICS CG Paper Competition 2020 – Uncovering the Essence of ESG Reporting and Value Proposition

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Our team participated in the Hong Kong Institute of Chartered Secretaries (HKICS) Corporate Governance Paper Competition 2020 in August. We were honored to be invited to share our research findings in the final round on the topic: “ESG Reporting is a value proposition? Yes or No?” Although we were not one of the winning teams, we are delighted to be selected as one of the Top 6 teams and to be recognized with a merit award.

The competition was intense and eye-opening, as participating teams were required to undergo in-depth research and analysis on Environmental, Social and Governance (ESG) and ESG Reporting. With no prior knowledge of corporate governance and ESG, we developed a concrete understanding of these concepts and were able to demonstrate strong analytical and critical thinking skills in our research paper.



### ESG Reporting: A Value Proposition? Yes or No?

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Our team took a very bold approach this time: we argued that ESG Reporting is of great value, but that it is far from being a value proposition.

In our presentation, we first defined ESG and ESG Reporting and gave the audience an overview of the global ESG Reporting landscape. After delivering some background information, we shared our opinion on how ESG Reporting creates value for stakeholders ranging from investors, issuers, and exchange houses to business partners. Finally, we dived into the essence of value proposition and discovered that ESG Reporting in fact does not fulfill the criteria of value proposition and should not be perceived as such. The reasons are surprising: (1) ESG Reporting is biased towards large corporations; and (2) ESG Reporting does not necessarily enhance ESG and financial performance. Overall, our

journey in the CG Paper Competition was fruitful, and we received tremendous opportunities from HKICS. For instance, our team received professional public speaking training and networking opportunities, along with the other five winning teams. What is more, we learnt about ESG Reporting and value proposition by researching journal papers. The feedback from the judges was truly inspirational, as they pointed out the blind spots in our research paper.

Being involved in the HKICS CG Paper Competition has been one of the most memorable experiences of our university life, and we truly appreciate HKICS for offering us such a golden opportunity.

