



Creating Value through ESG Target Setting

Under the new “Comply or Explain” disclosure requirements of the Hong Kong Stock Exchange (“**HKEx**”) Environmental, Social and Governance Reporting Guide, issuers are expected to emphasize the company’s roadmap towards sustainable growth through environmental, social and governance (“**ESG**”) target-setting. ESG is also being incorporated into the investment strategies of investors throughout the world, which demonstrates its growing importance. Over the period from 2019 to 2021, the percentage of institutional investors implementing ESG increased by 18%. The number of fund selectors implementing ESG has also increased, from 65% to 77%¹.

Setting ESG performance targets may help companies to attract the increasing number of ESG investors. Companies can set clear directions for their ESG development with quantifiable impacts and measures that provides investors with clear metrics to identify the potential benefits of their investments. Corporates can also leverage the benefits sustainable finance to catalyse business transformation and take their business to the next level of growth.

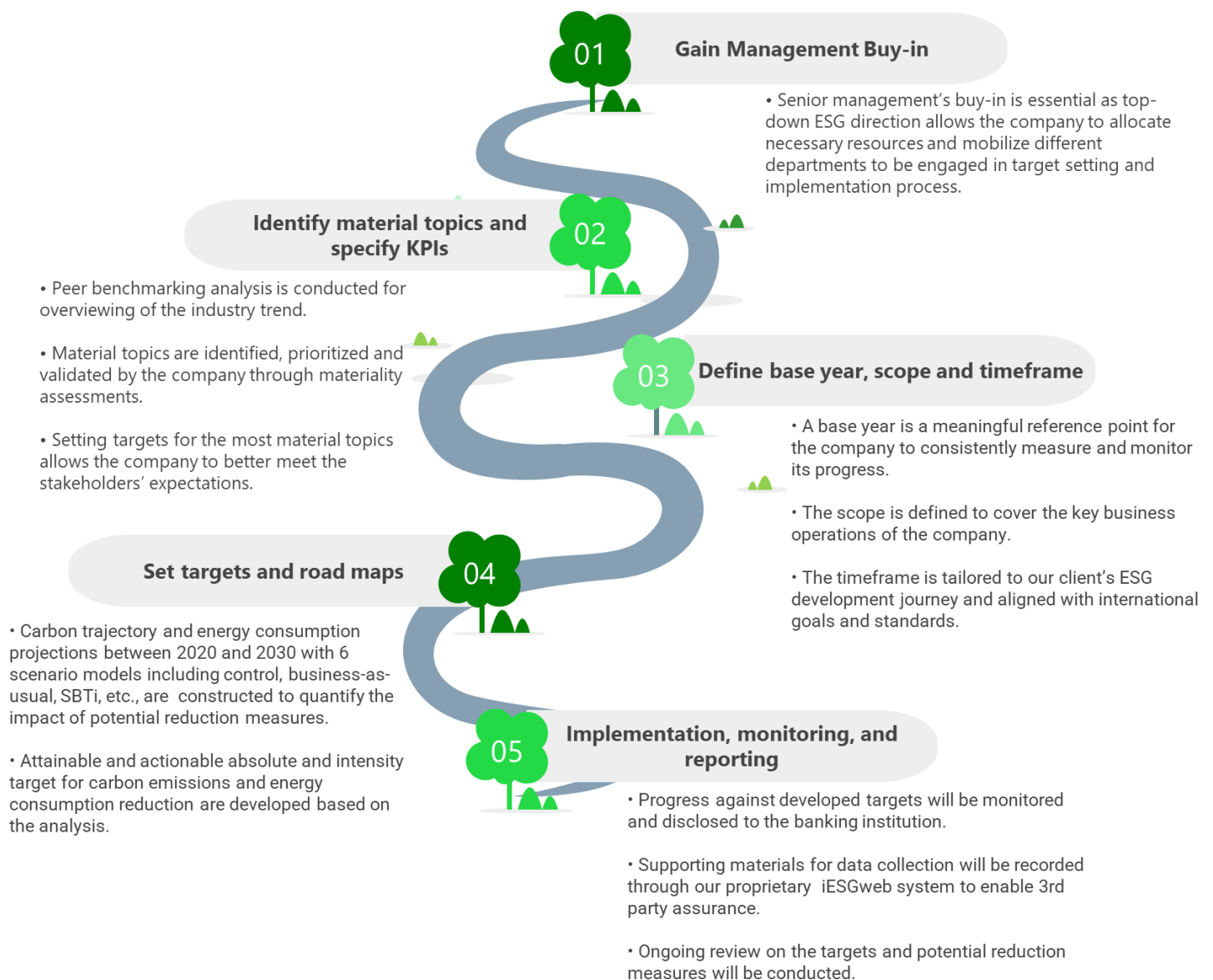
¹ Natixis, 2021

A Case Study on Green Finance: Setting Environmental Targets for Green and Sustainability-Linked Loan

AVISTA leads the way for our client to seize the new ESG opportunities, mitigate the climate-related risks and catch up with the latest global sustainability trend.

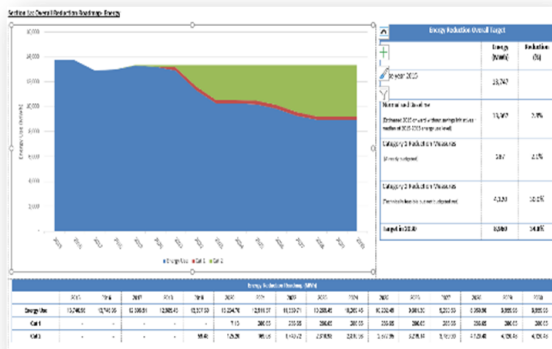
To advance environmental sustainability, in the following section, we share our experience in assisting a client in establishing quantitative carbon emissions reduction and energy reduction targets and turning the targets into practice to capture the financial benefits from favourable interest rates.

The below demonstrates our step-by-step approach to taking our client through all important steps for climate action and value creation:



AVISTA's team of experts has extensive experience in empowering our clients across sectors to integrate ESG into their operations for unlocking their unseen value and enhancing business resilience. Our services include:

- ✓ Sustainability strategy and roadmap
- ✓ ESG data management (via our proprietary iESGweb system)
- ✓ ESG reporting
- ✓ Sustainability governance management
- ✓ Sustainability target setting: carbon trajectory projection and modelling
- ✓ Independent assurance
- ✓ ESG-related risk management
- ✓ ESG due diligence
- ✓ Sustainable finance
- ✓ ESG rating and index enhancement (e.g. MSCI ESG ratings)
- ✓ United Nations Sustainable Development Goals (SDGs) projection



Contact Us



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About AVISTA

AVISTA Group ("AVISTA") is a leading professional advisory firm. We are experienced in performing a full range of Valuation Advisory, ESG Advisory and Risk Management Advisory for various purposes.

With a strong presence in the Asia-Pacific region, we are headquartered in Hong Kong, and have offices in Shanghai and Beijing.

The AVISTA professional team comprises professional consultants with different areas of expertise and detailed familiarity of financial reporting standards and regulatory standards. Our team of experienced professionals come from globally-renowned valuation firms, consulting firms and international accounting firms with global qualifications such as CFA, CPA, CPV, FRM, MRICS, FCCA, CIA, CISA, ACS and so on.

