

ESG 研究中心
RESEARCH CENTRE FOR ESG
香港恒生大學
THE HANG SENG UNIVERSITY
OF HONG KONG



Asia Sustainability and ESG Summit

**KMUTT KX KNOWLEDGE
EXCHANGE, BANGKOK**

AUG 17-19, 2023





KMUTT AND SOCIETY

Founded in 1960 as a small technical college with merely four departments all in engineering, since then King Mongkut's University of Technology Thonburi (KMUTT) has been expanding to now house 12 faculties and schools with around 13,000 students, pursuing degrees in sciences and engineering, robotics, energy to education, linguistics, architecture, as well as management. The University has also grown physically to comprise of three campuses and a city center—the Knowledge Exchange or KX building. KX is envisioned to be an ecosystem for “exchanging of knowledge” between real sectors and the academia within KMUTT as well as a sandbox for startups and idea generations. “Entrepreneurial University” has become a buzzword to which entrepreneurial spirit is to be nurtured and innate with the KMUTT graduates.

Academically, KMUTT has been striving to excel in sciences and technology. We are honored to be recognized by the Times Higher Education (THE) with the 1st rank in Thailand in Engineering for the past seven consecutive years. On the society, the University has adopted 10 areas around the country to be “social labs” where students, staff, and faculty members are mobilized to apply their knowledges to help solving area-based problems, ranging from basic and smart agriculture, environment preservation, science education, to local product designs and production, and community enterprises. These labs not only benefit the locals but also provide real-life exercises for students to learn and experiment. Solutions to many of these problems have also been disseminated to the general public through publications. Our several decades long endeavor has recently been acknowledged in the 2023 SDG Impact Ranking by the Time Higher Education (THE) in which KMUTT is ranked first in Thailand on “SDG1: No Poverty” and “SDG6: Clean Water and Sanitation”, 2nd in “SDG7: Affordable and Clean Energy”, 5th in “SDG14: Life Below Water”, and 6th in “SDG17: Partnerships for the Goals”.

KMUTT is determined to foster sustainability in our education, and we are grateful to be part of this Asia Sustainability and ESG Summit.

Co-organizers



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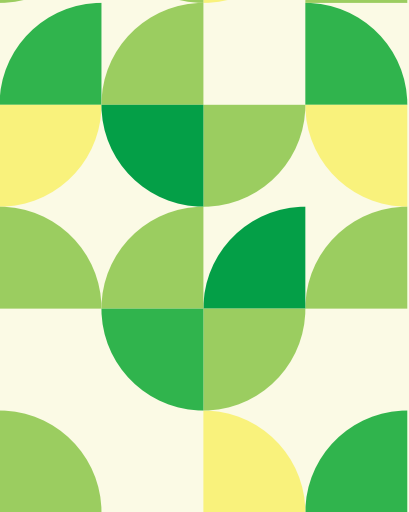
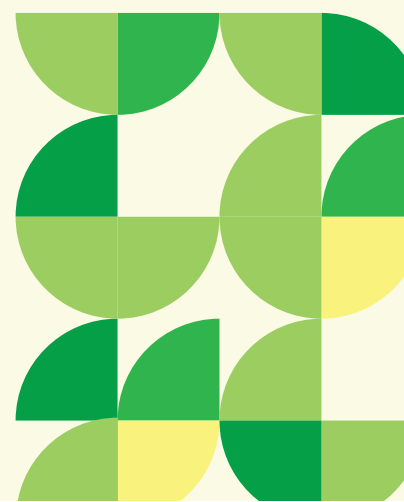


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WELCOMING MESSAGE

On behalf of the Research Centre for ESG at the Hang Seng University of Hong Kong (HSUHK) and King Mongkut's University of Technology Thonburi (KMUTT), I would like to welcome and thank all of you for attending the Asia Sustainability and ESG Summit 2023. Our sincere appreciation goes to Dean Vorapoch Angkasith of Graduate School of Management and Innovation, and his staff at KMUTT for their support, making the ESG Summit a resounding success.

ESG integration has attracted different sectors' interests globally. However, there is little discussion in the challenges and performance of ESG integration in Asia. We aim to provide a platform for various stakeholders, from researchers to industry professionals, to share their research findings and practical insights in ESG integration and business sustainability.

Industry speakers include Dr. Jacky Tang (MD, Goldman Sachs), Dr. Ally Adigue (Head of GRI ASEAN Regional Hub) and Tientip Subhanij (Division Chief, UNESCAP). Their topics include latest ESG research in finance and ESG integration in asset management, policy issues, and best practice in ESG disclosure.

For academic presentations, we have a total of 12 papers organized in three concurrent sessions. In addition, we are glad to have Prof. John Goodell and Prof. C.S. Agnes Cheng to give opening remarks to discuss their views on ESG research. They also take the lead in managing the Special Issue of the Research in International Business and Finance (RIBAF).

Finally, we strongly believe that the Summit will serve as a great opportunity for ESG stakeholders to network and learn from each other. To demonstrate our confidence and commitment, we proudly announce that the next Summit will be co-hosted by the Research Centre for ESG, HSUHK and Shenzhen Audencia Financial Technology Institute, Shenzhen University in Shenzhen, China, May 2024. We hope you enjoy the Summit and find it worthy of your time.

Professor Louis CHENG
Chairman, Asia Sustainability and ESG Summit 2023
Dr. S H Ho Professor of Banking and Finance
Director of Research Centre for ESG
The Hang Seng University of Hong Kong



MAIN SPEAKERS





Prof. Louis T.W. Cheng

**Dr. S H Ho Professor of Banking and Finance
Director of Research Centre for ESG
Director of Research Institute for Business
The Hang Seng University of Hong Kong**

Dr. Cheng is the Dr. S H Ho Professor of Banking and Finance at the Hang Seng University of Hong Kong. He is a member of the Hospital Governing Committee of Ruttonjee & Tang Shiu Kin Hospitals (April 2023 – March 2024). He was a member of the Investment Committee of the Hospital Authority Provident Fund Scheme (2016-2022) in which he led the effort in promoting ESG integration for the investment portfolio. Dr. Cheng actively engages in ESG and green finance research. In addition to publishing on Green Bond, he received various research donation and grants related to ESG and financial services for a total exceeding HKD8mil. He is also a coauthor of a book chapter titled “Fintech Unicorns” in The Palgrave Handbook of Fintech and Blockchain, 2021.

Dr. Cheng is a member of the Business Studies Assessment Panel for Competitive Research Funding Schemes for the Local Self-financing Degree Sector under the Research Grants Council (RGC). He also served as a member of the Business Studies Panel (Joint Research Schemes) for the RGC, Solicitors Disciplinary Tribunal Panel, and University Council and Trustee Board of the Hong Kong Polytechnic University Pension Fund. He is currently a member of the Examination Board of The Institute of Financial Planners of Hong Kong (IFPHK).

Dr. Cheng graduated with a DBA in Finance from Louisiana Tech University in 1989. He has been a CFPCM certificant since 2001. Before joining Hang Seng University, he was Professor of Finance and Director of Economic Sustainability and Entrepreneurial finance at PolyU. From 1989 to 1998, he was an Assistant Professor and then Associate Professor at Murray State University in Kentucky. In 2003, he served as the HSBC Fellow at the University of Exeter in the UK. Moreover, he has over 100 articles and books published including the Journal of Finance. Dr. Cheng is an author of Fundamentals of Financial Planning, and the lead author of Financial Planning and Wealth Management: An International Perspective, both by McGrawHill.

Dr. Cheng served as a project consultant for various organizations including United Nations, Bank of China (HK) Private Banking, Investor Education Centre (IEC), Securities and Futures Commission (SFC), Mandatory Provident Fund Scheme Authority (MPFA), Value Partners, Agricultural Bank of China (HK) Private Banking, Bank Consortium Trust Hong Kong, Fubon Bank, Hong Kong Exchanges (HKEx), Charles Schwab (US), Tai Fook Securities, and Hong Kong Securities and Investment Institute (HKSI).



Dr. Jacky Tang

Managing Director and Chief Investment Officer Portfolio Management Group Goldman Sachs (Asia)

Jacky Tang is the managing director and the chief investment officer for Goldman Sachs Portfolio Management Group in Asia Pacific. He also heads up the Portfolio Advisory Group, the Investment Strategy Group, and the Sustainable Solutions Group for Goldman Sachs Consumer and Wealth Management Division in Asia. He is responsible for centralized discretionary portfolio management for ultra-high net worth and institutional clients across Asia Pacific. Jacky is also responsible for advising clients on strategic asset allocation, tactical investment strategies, and ESG investment solutions. He has served as the co-chair of the Asia PWM Sustainability Council and PWM Content Council since 2017. Previously, Jacky spent two years as a macro strategist in the Investment Strategy Group, covering Asia Pacific economics and macro strategy.

Prior to joining Goldman Sachs, Jacky worked at Credit Suisse, where he was head of Greater China Equity Research. Prior to that, he was head of Hong Kong Equity Strategy at Merrill Lynch. Earlier in his career, Jacky worked as an investment strategist at Brevan Howard Asset Management, managing an emerging markets hedge fund. Jacky has served as an adjunct professor for the City University of Hong Kong's department of Economics and Finance and has led a number of workshops in behavioral finance, sustainable finance, financial markets, asset allocation and portfolio management. He also served as the masters dissertation supervisor on sustainable finance for the University of Cambridge. Jacky earned a PhD in Economics from the Shanghai University of Finance and Economics and a master's degree in Sustainability Leadership from the University of Cambridge.



Dr. Michael Wu

Chairman of Creative Asset Management

Dr. Michael Wu, holds a doctor degree in business administration (Best Thesis Award) and a master degree in corporate governance from the Hong Kong Polytechnic University. He also holds a master degree in business administration from Northeast Louisiana University, a diploma of China trade and investment from the Peking University, a diploma of China laws from the Guangdong Economic Laws Research Centre. He is a fellow member of the Hong Kong Securities and Investment Institute, associate member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

Gala Dinner Sponsor

Dr. Wu has extensive experience in financial investment and corporate finance. He is the chairman and responsible officer of Creative Asset Management Ltd, a boutique asset management company licensed under the Hong Kong Securities and Futures Ordinance for carrying out portfolio and investment management services in Greater China region.



Prof. C.S. Agnes Cheng

**Professor of Accounting
Dale Looper Chair in Accounting
University of Oklahoma**

Prof. C.S. Agnes Cheng is the Dale Looper Chair in Accounting in the Price College of Business. She was the Chair Professor and Head at the School of Accounting and Finance, the Hong Kong Polytechnic University before joining the University of Oklahoma. She obtained her Doctor of Philosophy degree in Accountancy from University of Illinois at Urbana-Champaign, USA. She has taught at University of Houston and Louisiana State University; and has visited University of Arkansas and Securities and Exchange Commission as a Visiting Scholar. Prof. Cheng's current research interest focuses on empirical financial accounting research. She published numerous articles including a research monograph (Studies in Accounting Research #29, published by American Accounting Association). She has publications in Journal of Accounting Research, The Accounting Review, Journal of Financial Economics, Decision Sciences, Review of Economics and Statistics, Journal of International Business Studies, Journal of Business, Finance and Accounting, Auditing, A Journal of Practice and Theory, Accounting and Business Research, and Journal of Management Accounting Research. She has served on numerous editorial boards including The Accounting Review and the Contemporary Accounting Research. She is currently serving as Editor for Journal of Business Finance and Accounting, Journal of Accounting, Auditing and Finance (conference), Journal of International Accounting Research, Associate Editor for Journal of Financial Stability; and as Senior Track Editor for China Accounting and Finance Review. Prof. Cheng has also provided key services for several accounting organizations including President for CAPANA and Vice President – International for AAA.



Prof John W. Goodell

**Professor of Finance
University of Akron**

John W. Goodell is a Professor in the College of Business of The University of Akron. His research interests focus on the impact on financial systems of national culture, and institutions. In 2011 he received the Stockholm School of Economics/Women in the Academy of International Business Award for Increased Gender Awareness in International Business Research. His research has been highlighted in numerous media outlets including the Washington Post, PBS News Hour, and Bloomberg Business week, as well as the blogs of the Columbia University and Duke University law schools. He is formerly Assistant Editor of the Journal of Teaching in International Business, and formerly served on the Board of the Southwestern Finance Association. Since completing his PhD from Kent State University in 2008, he has co-authored over seventy articles and book chapters, including articles in the Journal of Banking and Finance, International Business Review, Energy Economics, and the Journal of Business Ethics. He is currently Editor-in-Chief of Elsevier's Research in International Business and Finance; as well as an Associate Editor for several leading finance journals. He is frequently invited to speak at international conferences and events.



Dr. Tientip Subhanij

Chief of Investment and Enterprise Development United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

Ms. Tientip Subhanij is Chief of Investment and Enterprise Development of United Nations ESCAP. She has more than 20 years of experience in macroeconomics, financial sector, international trade and investment issues. Throughout her career, she has served in several key managerial

and professional positions in academia, government and private sector, including the Bank of Thailand, the Stock Exchange of Thailand, Bank for International Settlements and South East Asian Central Banks. At United Nations ESCAP, she has managed a large portfolio of work on climate finance, SME financing and infrastructure investment for a wide range of countries in Asia Pacific region and beyond.

She provided advisory services on sustainable capital market development and successfully helped the Royal Government of Bhutan issue its first-ever sovereign bond in 2020. She is a founder of the Infrastructure Financing and Public- Private Partnership Network of Asia and the Pacific and is instrumental in mobilizing private finance for sustainable development. She has published widely in the areas of macroeconomics, financial market, international finance, business and investment. Ms. Subhanij holds a PhD in Economics from the University of Cambridge, United Kingdom.



Dr. Allinnettes Adigue

Head, ASEAN Regional Hub Global Reporting Initiative

Dr Allinnettes Go Adigue is the Head of the ASEAN Regional Hub of the Global Reporting Initiative. As Head of GRI's ASEAN Hub, Ally is tasked to promote the practice of sustainability reporting across Southeast Asia by working with relevant stakeholders to create a conducive policy environment for sustainable business practices, promote wider adoption of sustainability reporting and build the capacity of organizations in sustainability reporting.

A lifelong learner and a global citizen, Ally has lived in 3 continents in the past 19 years. Prior to GRI, Ally has previously worked for the academe, and both the public and private sectors. While working on her PhD, she worked as a graduate research assistant in the field of Climate Change Policy and Economics. She also worked in a retail electricity company in Singapore and for the Office of the President of the Philippines. Ally earned her PhD on Public Policy from the Crawford School of Public Policy at the Australian National University in 2017. She has two Masters degrees: one in Development Studies from the Institute of Social Studies, Erasmus University, The Netherlands; and another in Public Administration from the Lee Kuan Yew School of Public Policy in Singapore. She also has Bachelor's degrees in Law and Political Science.



Dr. Liane Lee

Assistant Professor of Management HSUHK

Dr Liane Lee has 15 years of senior management experience in product management and large-scale strategic project experiences and represented HSBC in developing landmark infrastructure financial projects such as Renminbi and Deposit Protection Scheme with the Hong Kong Monetary Authority. Her last post was Chief Operating Officer of a mining company based in the Asia Pacific region with a strong focus on sustainable mining practices, where she works with the geologist to devise in sustainability plans to reinstate the original habitat and indigenous tribes that reside in the mine fields. Dr Lee received donation grants of HKD\$360k in big data analytics: workforce analytics. Her research focuses on Corporate Social Responsibility (CSR) related topics, media's impact on stock price, and sentiment big-data analytics.



Vivi Hu

CEO of YoujiVest

Vivi is an entrepreneur, she created her first startup in ECM and DCM while attending university. After graduation, she spent a number of years working for renowned fintech and data companies, and was an early innovator of ESG, who was instrumental in the product development and driving customer adoption in the market. Later, she followed her passion to build another startup using cutting edge technology to influence the market for sustainability with long term revenue gain.

Vivi is a firm believer in technology and sustainability investment that can be combined to build an ecosystem to enhance investment returns and create positive value-add for society as well as the environment. She is multilingual in four fluent languages that includes English, Mandarin, Cantonese and Shanghaiese.



PROGRAM RUNDOWN





* In Bangkok local time (GMT+7)

| DAY 1 - August 17, Thursday | | |
|-----------------------------|--|--------------------|
| 4:00-6:00pm | Registration and Reception | Room X04AB (FL.10) |
| 4:30-5:10pm | Opening Remarks: SDG Implementation in Asia and ESG Reporting Dr. Tientip Subhanij Chief of Investment and Enterprise Development, Trade, Investment and Innovation Division, UNESCAP Dr. Allinnettes Adigue Head of GRI ASEAN Regional Hub Prof. Louis Cheng Dr. S H Ho Professor of Banking and Finance, Director of Research Centre for ESG, The Hang Seng University of Hong Kong | Room X04AB (FL.10) |
| 5:10-6:00pm | Networking and Refreshment | Room X04AB (FL.10) |
| DAY 2 - August 18, Friday | | |
| 9:00-9:15am | Registration | Room X04AB (FL.10) |
| 9:15-9:35am | Welcoming Address KMUTT President: Associate Professor Dr. Suvit Saetia HSUHK President: Professor Simon Ho The GMI Dean, KMUTT: Assistant Professor Dr. Vorapoch Angkasith Business School Dean, HSUHK: Professor Bradley Barnes | Room X04AB (FL.10) |
| 9:35-9:45am | Opening Remarks: Industry Research and Knowledge Transfer in ESG Integration: A Stakeholder Perspective Prof. Louis Cheng Dr. S H Ho Professor of Banking and Finance, Director of Research Centre for ESG, The Hang Seng University of Hong Kong | Room X04AB (FL.10) |
| 9:45-10:15am | Keynote Speech: ESG Integration in Asset Management: A Dual Materiality Perspective Dr. Jacky Tang, Managing Director and Chief Investment Officer, Portfolio Investment Group, Goldman Sachs (Asia) | Room X04AB (FL.10) |



* In Bangkok local time (GMT+7)

| | | |
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| 10:15-10:45am | <p>Panel Discussion: Challenges in SDG Implementation and ESG Reporting</p> <p>Moderator: Prof. Louis Cheng</p> <p>Panel member 1: Dr. Tientip Subhanij Chief of Investment and Enterprise Development, Trade, Investment and Innovation Division, UNESCAP</p> <p>Panel member 2: Dr. Allinnettes Adigue Head of GRI ASEAN Regional Hub</p> <p>Panel member 3: Dr. Jacky Tang Managing Director and CIO, Goldman Sachs (Asia)</p> | Room X04AB (FL.10) |
| 10:45-11:15am | Coffee Break | Room X04AB (FL.10) |
| 11:15am -12:15pm | <p>Round Table Discussion/ Town-hall Meeting</p> <p>Topic: Opportunities and Challenges of ESG Education and Research</p> <p>Moderators:</p> <p>Prof. Carlos Lo Director of Centre for Business Sustainability, CUHK</p> <p>Prof. Piyush Sharma John Curtin Distinguished Professor, Curtin University</p> <p>Dr. William Yu CEO of WGO</p> <p>Mr. Hauman Yeung Chairman of Sustainability Professional Association</p> <p>Participants (All are welcome)</p> | Room X04AB (FL.10) |
| 12:15-1:30pm | Networking Lunch (Included) | Cafeteria at FL.9 |
| 1:45-2:15pm | <p>Opening Remarks: Latest Research in ESG Disclosure</p> <p>Prof. John Goodell Chief Editor of RIBAF, University of Akron</p> <p>Prof. C.S. Agnes Cheng Professor of Accounting, University of Oklahoma</p> | Room X04AB (FL.10) |



* In Bangkok local time (GMT+7)

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| 2:15-2:45pm | <p>Panel Discussion: Big Data Analytics and Machine Learning for ESG Research: An Overview of ESG Data</p> <p>Moderator: Prof. Louis Cheng The Hang Seng University of Hong Kong</p> <p>Panel member 1: Dr Liane Lee Assistant Professor, The Hang Seng University of Hong Kong</p> <p>Panel member 2: Ms. Vivi Hu CEO of YoujiVest</p> | Room X04AB (FL.10) |
| 2:45-3:00pm | Coffee Break | |
| Paper Presentation (Concurrent Sessions) | | |
| 3:00-4:30pm | <p>Session 1 Venue: Room X11.1 (FL.11) Session chair: Prof. C.S. Agnes Cheng, University of Oklahoma</p> <ol style="list-style-type: none"> The Impact of ESG Practice on Firm Value: Evidence from China (MS.f.04) <i>Tsung-ming YEH (Kyushu University) and Hiroaki KIDOGUCHI (Kyushu University)</i> Developer's ESG Reputation Concern and Green Building Development (MS.i.05) <i>Jianfu SHEN (The Hong Kong Polytechnic University), Kwok Yuen FAN (The Hong Kong Polytechnic University) and Daoju PENG (Capital University of Economics and Business, China)</i> Environmental Governance and Discretionary Accounting Choices (MS.i.07) <i>Feifei LAI (The Chinese University of Hong Kong)</i> Achieving better comparability and transparency: A comparison of ESG reports for listed companies in Hong Kong and Singapore (MS.i.08) <i>Heather Mui Fong LEE (The Hang Seng University of Hong Kong) and Shanshan SHI (Lingnan University, Hong Kong)</i> <p>Session 2 Venue: Room X11.2 (FL.11) Session chair: Dr. Jeff J. Shen, The Hong Kong Polytechnic University</p> <ol style="list-style-type: none"> The trickle-down effect in green markets: Evidence from Hong Kong (MS.f.03) <i>Ying FAN (The Hong Kong Polytechnic University) and Yuqi FU (Tsinghua University, China)</i> A stakeholder-engagement approach to ESG using big data analytics (MS.i.01) <i>Liane W.Y. LEE (The Hang Seng University of Hong Kong) and Louis T.W. CHENG (The Hang Seng University of Hong Kong)</i> Selective ESG Practices in REITs Performance: A Global Perspective (MS.i.03) <i>Lu YANG (The University of Hong Kong), Weisheng LU (The University of Hong Kong), Jianfu SHEN (The Hong Kong Polytechnic University) and Louis T. W. CHENG (The Hang Seng University of Hong Kong)</i> ESG Divergence and Market Reactions to Covid-19 in China (MS.i.06) <i>Louis T.W. CHENG (The Hang Seng University of Hong Kong), Lulu PAN (The Hong Kong Polytechnic University), Jianfu SHEN and Qing YU (The Hong Kong Polytechnic University)</i> | Room X11.1 & X11.2 (FL.11) |



* In Bangkok local time (GMT+7)

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|------------------------------------|--|-------------------------|
| 3:00-4:30pm | Session 3 Venue: Room X11.3 (FL.11) Session chair: Prof. Piyush Sharma, Curtin University 1. Air Pollution, Regulations on Emission and Firms' Social Responsibility (MS.f.01) <i>Jun Myung SONG (Singapore Management University)</i> 2. Constructing a "Carbon Neutrality Index" for the Small and Medium-sized Enterprises in Hong Kong (MS.i.02) <i>Tak Ming LAM (Lingnan University, Hong Kong)</i> 3. Greenwashing in the Hong Kong Bond Market (MS.i.04) <i>Anson WONG (The Hong Kong Polytechnic University)</i> | Room X11.3 (FL.11) |
| 6:00-8:30pm | Gala Dinner Restaurant: The Never Ending Summer (Address: 41/5 Charoen Nakhon Rd, Khlong San, Bangkok 10600, Thailand) | The Never Ending Summer |
| DAY 3 - August 19, Saturday | | |
| 9:30am-12nn | Closed-door meeting for the ASERCC Co-lead by Louis Cheng and Simon Mak | Room X04AB (FL.10) |
| Summit Ends | | |



NOTES TO PARTICIPANTS



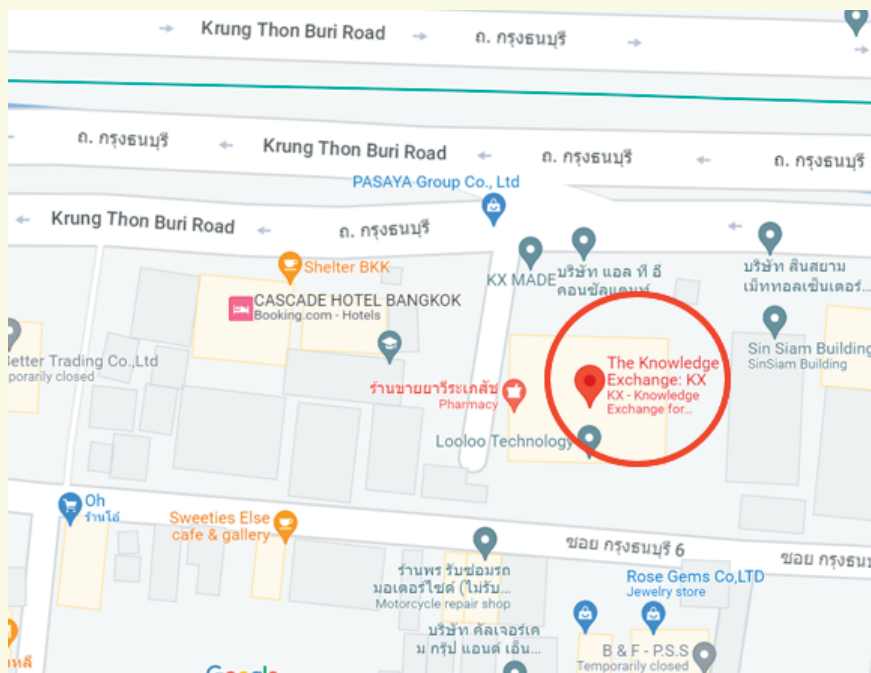


Meeting venue

KMUTT KX Knowledge Exchange

110/1 Thanon krung Thon Buri, Bang Lamphu Lang, Thon Buri, Bangkok, Thailand 10600

(<https://www.kmutt.ac.th/en/about-kmutt/campus/knowledge-xchange-for-innovation-kx/>)

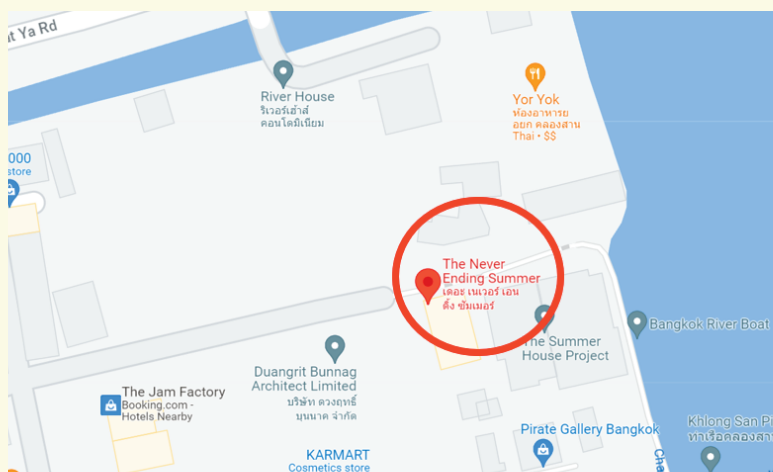


Gala dinner venue

The Never Ending Summer

41/5 Charoen Nakhon Rd, Khlong San, Bangkok 10600, Thailand

Tel.: +66 61 641 6952





ABSTRACT





Paper Number: MS.f.01

Air Pollution, Regulations on Emission and Firms' Social Responsibility

Jun Myung SONG

Singapore Management University

Abstract

This paper examines whether firms adjust their strategy in emission when air pollution is severe. Considering high PM 2.5 as severe air pollution across 65 countries, I show that firms from countries with severe air pollution have low emission score, suggesting that they put less effort in reducing emission. This is because if they improve emission strategy, firm performance deteriorates. However, such relationship disappears when the government's environmental stringency is strong, suggesting that government's intervention is crucial for sustainable environment. This paper concludes with analysis on the factors which can mediate the negative impact of air pollution on firms' emission strategies.

JEL classification: G32, G38, D22, Q53

Keywords: Air Pollution, Emission, Firm Performance, Environmental Stringency



Paper Number: MS.f.03

The trickle-down effect in green markets: Evidence from Hong Kong

Ying FAN

The Hong Kong Polytechnic University

Yuqi FU

Tsinghua University

Abstract

The green housing market is a two-sided market that entails information asymmetry and equity issues. However, little is known about how green housing is allocated to households through bilateral transactions that are distributed across the socioeconomic spectrum and affect market efficiency. In this paper, we provide the first empirical evidence of the trickle effect occurring in green markets along the distribution of the physical, human, and social capital of sellers and buyers. Using Hong Kong's housing transaction records, we find a phenomenon in which green properties are filtered up toward cohorts with higher levels of speculation incentives and green awareness, and a close-knit trade community among locals. These trade pairs lead to further concerns about price discrimination, which amplifies the level of inequality among different cohorts and induces exclusion in green markets. Furthermore, those transaction activities that are associated with green retrofitting change local compositions and drive neighborhood gentrification.

JEL classification: Q56; R30; D12

Keywords: green building; trickle-down effect; inequality; green premium; housing markets



Paper Number: MS.f.04

The Impact of ESG Practice on Firm Value: Evidence from China

Tsung-ming YEH

Kyushu University

Hiroaki KIDOGUCHI

Kyushu University

Abstract

This study investigates Chinese listed companies to analyze the relationship between ESG level and firm value, and whether and how the relationship is moderated by the company's financing constraints. The results show that a company's ESG level is positively associated with firm value. Furthermore, the positive relationship is restrained by the firm's financing constraints. The results imply that financing constraints will restrain the beneficial effects of ESG practices.

Key words: ESG; Firm value; Financing constraint



Paper Number: MS.i.01

A stakeholder-engagement approach to ESG using big data analytics

Liane W.Y. LEE

The Hang Seng University of Hong Kong

Louis T.W. CHENG

The Hang Seng University of Hong Kong

Abstract

This study explores how listed companies Environmental, Social and Governance (ESG) activities are viewed by the media and whether such perceptions impact its' performance. Using the Service-dominant logic view of engagement, the concept of business-to-business partnership engagement is explored to determine whether triple-bottom line is achieved when good ESG practices are positively viewed by the media stakeholders. A novel longitudinal approach using big data-derived news sentiment values as the key engagement factor in this study. The richness of this study will enable unexplored themes to be identified to further advance knowledge in engagement literature regarding ESG strategic planning and implementation options.



Paper Number: MS.i.02

Constructing a “Carbon Neutrality Index” for the Small and Medium-sized Enterprises in Hong Kong

Tak Ming LAM

Lingnan University

Abstract

In this project, we will develop a Carbon Neutrality Index for the Small and medium-sized enterprises (SMEs) in Hong Kong. We aim to develop a measurement to help the SMEs in HK identify their performance related to carbon emissions and areas to improve to achieve carbon neutrality.

Help SMEs in HK identify the dimension in which they need to invest to achieve carbon neutrality.

Specifically, we aim to:

- identify the obstacles in carbon neutrality for SMEs
- explore the opportunities in carbon neutrality for SMEs
- establish the SME Carbon Neutrality Index in HK
- extend the Carbon Neutrality Index to GBA



Paper Number: MS.i.03

Selective ESG Practices in REITs Performance: A Global Perspective

Lu YANG

The University of Hong Kong

Weisheng LU

The University of Hong Kong

Jianfu SHEN

The Hong Kong Polytechnic University

Louis T. W. CHENG

The Hang Seng University of Hong Kong

Abstract

This proposal investigates how different ESG practices influence the stock performance in a global real estate market. Owing to the specific environmental impact and stable profit distribution plan, Real Estate Investment Trusts (REITs) catch our attention to implement the selective ESG practices as investing in environmental practices could be costly. We hypothesize three different responses of REITs to selective ESG practices in the United States, the European Union, and Asia due to different investment philosophy and ESG regulations. Based on a twenty-year observation period, we provide solid empirical evidence on how the selective ESG practices affect stock returns and market valuation using a Fama-French's three factor model with a momentum. Our research contributes to both ESG and real estate literature that real estate companies can benefit from selective ESG practices and strike a balance between financial returns and ESG rating.

Keywords: ESG; real estate market; stock returns



Paper Number: MS.i.04

Greenwashing in the Hong Kong Bond Market

Anson Wong

The Hong Kong Polytechnic University

Project Objectives:

The primary objective of this research project is to examine the prevalence of greenwashing in the Hong Kong bond market. Specifically, the project aims to:

- Identify the extent and nature of greenwashing practices among issuers of green bonds in Hong Kong.
- Evaluate the effectiveness of current policy measures, such as green bond ratings and disclosure requirements, in mitigating greenwashing behaviour.
- Develop recommendations for improving the effectiveness of policy measures in promoting transparency and reducing the risk of greenwashing in the Hong Kong bond market.



Paper Number: MS.i.05

Developer's ESG Reputation Concern and Green Building Development

Jianfu SHEN

The Hong Kong Polytechnic University

Kwok Yuen FAN

The Hong Kong Polytechnic University

Daoju PENG

Capital University of Economics and Business

Abstract

This study investigates whether ESG reputation concerns incentivize developers to achieve a high quality of green building development. We argue that, as high-quality green building development can enhance developers' ESG reputation, this concern drives developers to engage in the development of more costly and efficient green buildings. We test this hypothesis using a sample of green building developments in Hong Kong from 2011 to 2019. Developers can choose whether or not to develop acquired land parcels into green buildings and at which level of green building certification (Platinum, Gold, Silver, Bronze or Unclassified). A developer's ESG reputation concern is measured by whether the developer is covered by leading ESG rating agencies, such as MSCI, Refinitive, Sustainalytics, etc. Our findings suggest that ESG rating coverage significantly increases a developer's probability of developing high-quality green buildings (i.e., green buildings that finally receive a Platinum or Gold certificate). The results remain robust when matching approach and instrumental variable approach are employed to address the endogeneity issues. Furthermore, our analysis suggests that developers' decision to engage in high-quality green building development driven by ESG reputation concern does not harm their profitability or market valuation. Taken together, this study provides evidence of the role of ESG in addressing climate change issues.

Keywords: ESG reputation; green building development; ESG rating; firm performance



Paper Number: MS.i.06

ESG Divergence and Market Reactions to Covid-19 in China

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Abstract:

This paper conducts a comparative analysis of the Environmental, Social, and Governance (ESG) divergence between domestic and international rating agencies in China at the onset of Covid-19, focusing specifically on the consequential impact on market reactions to Covid-19. We find divergences related to Governance demonstrate a significant negative association with market reactions to Covid-19, and the divergence in Governance scores between domestic and international agencies is the driving factors behind this correlation. This paper thus illuminates the role of Governance divergence among different rating agencies in financial markets during crisis periods, and further underscores the need for a standardized, global approach to ESG ratings, particularly in the context of global crises such as the Covid-19 pandemic.

Keywords: ESG divergence, local agencies, international agencies, cumulative abnormal returns, governance



Paper Number: MS.i.07

Environmental Governance and Discretionary Accounting Choices

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Abstract

This paper investigates the influence of a macro-level environmental policy change on micro-level corporate management's discretionary accounting choices from the perspective of communication with stakeholders. I examine how discretionary accruals change for Chinese-listed firms in polluting industries following the announcement of new air quality standards and a nationwide monitoring scheme initiated by the Chinese government in 2012. I examine several hypotheses regarding the motivation of managerial discretion, including 1) incentives to convey information to customers, suppliers, employees, and external funding providers, 2) managers' self-interest, and 3) rent-seeking. I further examine whether the information content contained in discretionary accruals is misleading, and the valuation implications for shareholders.



Paper Number: MS.i.08

Achieving better comparability and transparency: A comparison of ESG reports for listed companies in Hong Kong and Singapore

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Abstract

Environmental, social, and governance (ESG) have become increasingly important for businesses big and small. There has been a fivefold growth in internet searches for the term ESG since 2019. ESG represents various criteria companies use to help run themselves responsibly and sustainably. Various international organizations and governments have been promulgating and implementing a series of ESG disclosure requirements for businesses. Companies around the world have been putting lots of efforts to bring ESG disclosure in compliance with the regulatory requirements to meet the expectations of various stakeholders. The ESG disclosure ecosystem includes many players. Many questions remain for effective ESG disclosure especially in the areas of comparability and transparency. This paper compares the ESG report disclosure of top 200 listed companies by market capitalization in Hong Kong and Singapore, two of the most prominent financial markets in Asia, to gain insights of the current status of ESG disclosure and draw conclusions on recommendations for enhancing ESG disclosure in future.

Key words: ESG disclosure, comparability, transparency



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Next year, the Research Centre for ESG, HSUHK and Shenzhen Audencia Financial Technology Institute, Shenzhen University will co-host the Summit. All presented papers related to ESG and sustainability will be considered at the Special Issue of RIBAF, which is expected to be published by the end of 2024. We look forward to seeing you all again at our second Asia Sustainability and ESG Summit in Shenzhen, May 2024.

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The Graduate School of Management and Innovation of King Mongkut's University of Technology Thonburi, or **GMI KMUTT**, was founded in 2002 to promote Technology and and Knowledge-Based Economy. Over 20 years the School has served as an institute that provides integrated innovative education of Business Management and Innovation with Green Growth and Sustainable Development in mind. GMI KMUTT has recently been accredited by AACSB, making the School among the eight business schools in Thailand that have been accredited.

KMUTT is continuously ranked as the top innovation and engineering school in Asia along with being certified as a Climate Action Leading Organization. We are also among the top institutions in Thailand that actively promote Energy Conservation and Renewable Energy, hence we proudly hold the Thailand Energy Award since 2021.

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- Royal Project Research: Promote sustainable agricultural research projects in the northern and northeastern parts of Thailand seeking a last-long strategy to reduce inequality gap of Thai population.

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