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The 6 Key Points of the latest ESG Guidelines No. 14 of Shanghai Stock Exchange

On 12 April 2024, the Shanghai Stock Exchange (SSE) published the final version **of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report** to further explain the objectives outlined by the Central Financial Work Conference and the State Council's policies on capital market development and risk management. The aim is to enhance the high-quality development and investment value of listed companies and to standardise the disclosure of sustainability information including **General Provisions; Disclosure Framework for Sustainability Information; Environmental Disclosure; Social Disclosure; and Corporate Governance Information Related to Sustainable Development and Disclosure**.

The Guidelines are applicable to all companies listed on the SSE's main board and the STAR market, with an effective date set for **1 May 2024**.

Key Points of the Guidelines:

1. **Sustainability Integration:** Companies must incorporate sustainability into their strategic planning, business operations, and management.
2. **Environmental Responsibility:** Firms are expected to bolster ecological protection, meet social responsibilities, and strengthen governance.
3. **Positive Impact:** The guidelines seek to promote sustainable development that benefits the economy, society, and environment, while also enhancing corporate competitiveness, innovation, risk management, and profitability.
4. **Mandatory Sustainability Reporting:** Entities in the SSE 180 Index or the STAR 50 Index, as well as those dual-listed in Mainland China and abroad, are required to publish a Sustainability Report in accordance with these guidelines.
5. **Voluntary Reporting Encouraged:** All other listed companies are encouraged to voluntarily issue Sustainability Reports, following the guidelines.
6. **Climate Adaptation and Scenario Analysis:** The SSE recommends that companies engage in scenario analysis for climate adaptation and disclose the underlying assumptions and methodologies.

Guidelines No. 14 reflects the SSE's dedication to the principles of the 20th CPC National Congress and the strategic emphasis on low-carbon development. They guide capital towards sustainable initiatives, supporting China's carbon peak and neutrality goals, and fostering the sustainable development of the economy, society, and environment. (Source: SSE)

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