

APPENDIX GA36d

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	Yuen Wai Kuen	Student ID number:	1916081
Programme:	DBA		
Module:	Approaches to Research and Academic Communication		
Module code:	HKBM7000	Contribution to Overall Module Assessment (%):	40%
Lecturer:	Dr. Luk Chung Leung	Internal Verifier:	
Assignment Title:	In-class Presentation	Time Allowed:	15 minutes
Submission deadline:	18 July 2020	Return date of provisional marks & written feedback:	7 September 2020
Submission method:	Each students needs to present to the class a summary of the research proposal within 10 minutes. The presentation is designed to gauge the student's ability to communicate and present information related to research and academic matters. A soft copy of the PowerPoint slides used for the presentation should also be submitted via Turnitin before the presentation.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

DBA Project

University of Wales

Trinity Saint David

“Identify the problems relating to the setting up of an efficient and effective ESG framework of the Company and based on the finding, to observe any correlation trend for the individual ESG items to maximize the benefits of the stakeholders”

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Module Code: HKBM7000

Hypothesis 1

Whether to increase the investment in training for managers
can reduce the emission, waste and shipyard casualties.

1. Research Problems and Objectives

- i. HKF was incorporated in 1923 and has more than 90 years' history.
- ii. The only passenger ferry transport company in the territory and has more than 20 serving routes
- iii. With the emergence of Cross harbor tunnel and Mass transit railway, HKF diversified into property development business.

a. Company Background

Hong Kong Ferry (Holdings) Company Limited ("HKF") was established in 1923 specializing in passenger ferry transport. It was the only cross-harbour transportation service provider from 1920's to 1970's. With the construction of the Cross-Harbour Tunnel and the Mass Transit Railway (MTR) and the emergence of other transportation vehicles, the demand from passenger ferry transport declined significantly. HKF then started to diversify into other area so as to enhance profitability. In 1998, HKF failed to reach an agreement with the government of the Central Piers Development and decided not to renew the ferry transport franchise. In 1999 HKF entered an agreement with the government with respect of the proposed development project in Tai Kok Tsui, the existing shipyard site premises. The site was redeveloped into residential and commercial complex. HKF started to locate sites for property development. HKF agreed with the government to sell the ferry license to New World First Ferry. The principal business of the HKF and its subsidiaries are property development (in the development and sale of properties), property investment (property leasing), ferry (operation of the dangerous goods vehicular ferry service), shipyard (ship repair and maintenance service) and related business (harbour cruise with buffet meals) and securities investment.

b. Definition of Problem

- i. External pressure including statutory requirements from Stock Exchange on compliance of ESG in Hong Kong
- ii. Global trend on ESG reporting on substantiality and ESG Index serves as yardstick for investors' investment in listed companies.
- iii. Internal pressure from the management and general staff to strike a balance on cost and impact on the working life of the operational staff.

In view of the stringent requirement on environmental, social and governance (ESG) in the world and the tightening of the regulating measures in Europe and United States, there is a growing demand for the local listed companies to monitor the ESG policy and implementation of the relevant ESG measures to protect the environment for the interest of the stakeholders. The global investors often focus on the ESG index of the listed companies as reference to make proper investment. It is understood from the statistics that listed companies with higher ESG index rating would usually have good governance and promising returns in the long run.

The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Securities and Future Commission (“SFC”) jointly issued the papers on ESG in 2019 illustrating the importance of ESG in good governance of the listed companies in Hong Kong. The Stock Exchange issued a letter in May 2019 enquiring the response of the public on the new requirement on ESG and issued a consultation conclusion in December 2019 stating that the new ESG requirement would be effective 1 July 2020. The new ESG requirements focus on the importance of the Board on formulating and monitoring ESG policy, the climate impact of the Company and the training of the Board on anti-corruption issue.

The management problem is how to set up a procedure to collect the relevant ESG data and analyze the result for compilation of the ESG Report to be incorporated in the Annual Report of the Company. It was also noted that the data collected would enable the researcher to see the trend among the ESG items. If the management can notice any correlation of any ESG items and the relationship can be monitored, the management can make proper investment in ESG issue which would maximize the benefits of both the company and the stakeholders with the ultimate aim of increasing the ESG ranking and contribute to the well-being of the global earth.

Taking the opportunities of the preparation of the 2020 ESG Report, the researcher would also try to identify any problems on setting up an efficient and effective ESG framework of HKF and observe if there is any correlation among the ESG items so that the Company can adjust its spending in the ESG items to maximize the returns of the dollars spent. Hypothesis will be tested and the right combination of ESG investment will be monitored.

c. Research Objectives

The research objective is set up an efficient and effective ESG framework for Hong Kong Ferry Group and to ascertain whether there is any correlation among the various ESG items and the Company can base on the trend to make adjustment on the ESG investment on training of managers so as to enhance the ESG value in the area of emission, reusable waste and shipyard casualties and set up a continuous ESG programs for annual reporting with compliance with the listing rules requirement of Stock Exchange with qualitative and quantitative method applied.

The hypothesis to be tested as follows:

“With the increase in the spending of the budget in training the managers, there will be a corresponding decrease in emission, waste and plant casualties.”

The researcher can vary the hypothesis later shifting the comparison of the correlation trend between the renewable energy (to be added when solar panel installed) with emission, anti-corruption with managers and staff training and different age group with the community investment.

2. Research Design

Research design is a framework for blueprint for conducting the research project. It details the procedures necessary for obtaining information needed to structure or solve the marketing research problem. The Company would divide the company structure by four operating units before collecting the qualitative and quantitative information so as to prepare the ESG report of the Group. First of all, we formulate the framework and then prepare the toolkits for collection of the qualitative and quantitative information from the four operational units. We would analyze the data and make conclusion and recommendation to the Board.

a. The four operating units are classified as follows:

- i) Corporate Office
- ii) HK Shipyard
- iii) HK Yaumati Ferry
- iv) Harbor-Cruise

b. The Researcher has to formulate the following proposed project approach for the preparation of the 2020 ESG Report and the testing of the hypothesis:

Task 1 – Conduct Stakeholder Engagement and Materiality Assessment

Task 2 – Data collection and calculation

Task 3 – Analyze the results obtained from information collected

Task 4 – Develop Report Framework

Task 5 – Finalize 2020 ESG Report

Task 6 – Test the hypothesis based on three years' data

Task 7 – Make Recommendation to the Board

c. The various variables of the ESG items have to be defined with reference to the requirement of the listing rules. Each operating unit has its relevant list of ESG variables to be completed. After gathering the information from the four units, the data would be analyzed and the result would be consolidated into an ESG Report for the reference of the Board of the Directors.

d. The Company would conduct both qualitative and quantitative methods to collect the ESG information. The following means are used to collect qualitative information:

- i) Online Survey
- ii) Questionnaires
- iii) Individual /Focus Group Face-to-Face interview
- iv) Zoom interview

- e. The following stakeholders are invited to give their response on ESG issues. In view that it is impossible to conduct research to all stakeholders, HKF has decided to determine sample size of stakeholder which is representative of the category of the stakeholders:

<u>Stakeholders</u>	<u>Total No.</u>	<u>Sample Size</u>	<u>Reason/threshold</u>
i) employees	204	20	Around 10%
ii) suppliers	980	10	Around 1%
iii) customers	200	10	Around 10%
iv) NGO/Charitable organization	30	3	Around 10%
v) shareholders	>1000	N/A	Due to huge sample size
vi) government regulators	/ >10 (Note 1)	N/A	Due to the inaccessibility.

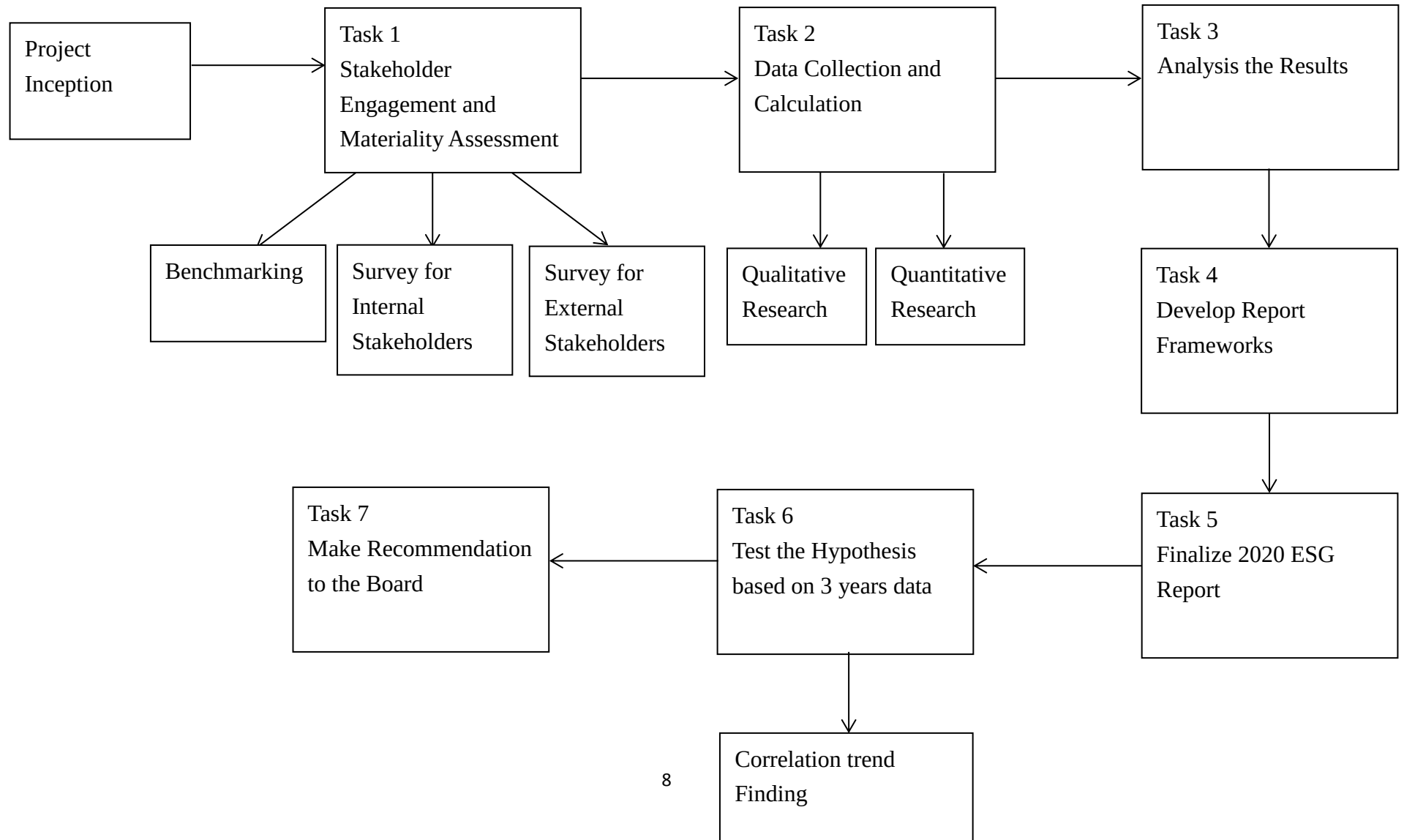
Note 1: SFC, Stock Exchange, Company Registry, Business Registration Office, Inland Revenue, Land Registry, Transport Department and Marine Department

- f. Proposed Approach

After formulating the proposed project approach, the researcher has to prepare the peer benchmarking with corporations in the same industry prior to proceed to determine the relevant KPIs and the collection of data from the four operational units.

The researcher has to confirm the details and the adopted methodology and in particular, the scope of the Report. The information and data should be identified, the proposed programme be fixed and the contact parties be listed.

Proposed Project Approach



PROPOSED ITEMS AND TIMEFRAME

Item	Description	Project Content	Proposed Completion Date
Item 0	Project Inception	● Kick-off Meeting	July 2020
Item 1	Task 1 – Conduct Stakeholder Engagement and Materiality Assessment	● Launch of online survey for external stakeholders	Mid- August 2020
		● Focus Group interview with internal stakeholders	Mid-August 2020
		● Stakeholder Engagement and Materiality Assessment	Late September 2020
		● Validation meeting with management	Mid-October 2020
Item 2	Task 2 – Data Collection and Calculation	● Data Collection Checklist	Late October 2020
		● Data collection ● Training session ● Data calculations	Late October 2020
Item 3	Task 3 – Analysis data	● Formulate spreadsheet and graphs	Early November 2020
Item 4	Task 4 – Develop Report Framework	● Draft Report Framework	Late December 2020
Item 5	Task 5 – Finalize 2020 ESG Report	● Consolidate data from 4 segments	February 2021
Item 6	Task 6 –Test the hypothesis based on 3 years data	● Observe any correlation trend between training to managers with emission, water consumption and health and safety	March 2021
Item 7	Task 6 – Make Recommendation to Board	● Formulate recommendation from findings	March 2021

3. Data Collection and Analyses and Report

a. Proposed Data Collection and Processing

The Company has to set up the reporting staff and the framework to collect the data from the various divisions.

v) Human Resources Manager of the Corporate Office

vi) Operation Manager of HK Shipyard

vii) Operation Manager of HK Yaumati Ferry

viii) Operation Manager of Harbor-Cruise

The HKF would prepare a list to collect data from the various sectors and forward to the managers in charge of the respective operations for them to coordinate the completion of the data form. Deadline will be set for the return of the forms for consolidation of data. The researcher would analyses the trend for review purpose before making recommendation to the management for improvement and compliance of the ESG requirement.

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b. Available data for research.

The researcher will use the data received from the four operational managers for preparation of the 2020 ESG report. The researcher also use the data for the last 3 years (2017, 2018 and 2019) formulating the basis for the preparation of research for testing the hypothesis if there is any negative correlation among the ESG items, in particular, between training to managers with emissions, water consumption and health and safety.

c. Data Analyses to be used

The data used would be concentrated on the various specific requirements in the Listing Rules, including emission, use of resources, employment, health and safety, development and training, supply chain, product responsibility, anti-corruption, community investment and others.

The data collected regarding training to manager would be compared to those data relating to emission, waste and shipyard casualties to ascertain if there is a reverse correlation among them i.e. increasing the training to manager would reduce the emission, waste and health and safety. This will further enable the researcher to set up an effective ESG framework both for compliance and monitoring in future.

d. Expected Findings and Recommendations

The researcher would gather all relevant information for setting up an effective ESG environment not only to comply with listing rules requirement but to contribute to the good performance listed companies and good global citizen for the contribution to the welfare of the plant. This is also a good exercise to increase motivation of staff and morale of the operational managers. The relevant problems found in the ESG exercise will be analyzed for future reference.

Upon the confirmation of the reverse correlation of the mentioned ESG items, the Company would consider to increase the budget on providing more training to the managers of the Company. The researcher will set up relevant hypothesis to test the productivity of any ESG investment.

e. Report and Organization

The findings would be incorporated in an ESG report for meeting compliance purpose and enable the management to monitor the effort on ESG. The graphs, charts and tables will be finalized to illustrate the correlation trend. The research result will be forwarded to the Board of Directors for reference. The report also serves the purpose of directing the Company's resources to those most productive ESG items to maximize the benefit of both the Company and its stakeholders. The Report will enable the directors to formulate their ESG policy for the guidance of the Company in future.