

## Hang Seng Indexes Company Launches Four New ESG Indexes with a focus on A-share market

*Further Enriching its diverse ESG index suites for investors  
interested in sustainable investing*

(Hong Kong, 29 January 2024) – Hang Seng Indexes Company (‘HSIL’) today launched below four new ESG Indexes focused on the A-share market, further expanding its diverse suite of ESG indexes for investors interested in sustainable investing.

- Hang Seng Stock Connect China A 300 ESG Index (‘HSCAESG’)
- Hang Seng Stock Connect China A 300 ESG Enhanced Index (‘HSCAESE’)
- Hang Seng Stock Connect China A ESG Leaders Index (‘HSCAESL’)
- Hang Seng Stock Connect China A ESG 50 Index (‘HSCAE50’)

In light of sustainability gaining momentum around the world, global corporates have placed increased emphasis on ESG and embraced ESG principles in their business practices to support the transition to a sustainable economy. International investors also increasingly recognise the pivotal significance of integrating ESG considerations into investment processes.

With a focus on the A-share market, the new ESG index series is based on the existing Hang Seng Stock Connect China A 300 index (‘HSCA300’) which measures the overall performance of the 300 largest A-share companies eligible for Northbound trading under the Stock Connect schemes. This facilitates global investors’ investments into China’s A-share market while integrating ESG elements into their investment portfolios.

The new HSCAESG and HSCAESE aim to combine the existing HSCA300 with ESG initiatives. Meanwhile, the other two new indexes, HSCAESL and HSCAE50, reflect the performance of the top 50 ESG leaders among the constituents of the HSCA300. The new ESG index series encompasses various ESG screening and integration strategies, supported by ESG data provided by international and local ESG data providers, to accommodate investors’ diverse sustainable investing needs.

Anita Mo, Chief Executive Officer at Hang Seng Indexes Company, said, “With the rising importance of sustainability, more institutional investors believe ESG factors play an integral role in identifying investment opportunities. The launch of the new ESG index series will bring the number of HSIL’s ESG-themed indexes to 29, offering a wider array of ESG solutions for institutional investors to integrate ESG considerations into the investment process. HSIL will continue to address the rising interest in sustainability by formulating innovative ESG-themed indexes.”

These indexes are calculated and disseminated in real-time at two second intervals. Further details about new indexes, e.g. index universe, are provided in the appendices that accompany this release.

For more details of new ESG indexes, please click [here](#).

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### **About Hang Seng Indexes Company Limited**

Hang Seng Indexes Company Limited (‘Hang Seng Indexes Company’) manages and compiles the Hang Seng Family of Indexes, which cover stocks listed in Hong Kong and Mainland China. Our index series includes the Hang Seng Index, the Hang Seng China Enterprises Index and the Hang Seng TECH Index, as well as Stock Connect, Greater Bay Area and sector-related indexes. As at the end of 2023, assets under management in products passively tracking indexes in the Hang Seng Family of Indexes had reached a total of about USD65.8 billion. Hang Seng Indexes Company is a wholly owned subsidiary of Hang Seng Bank. For further information on the Hang Seng Family of Indexes, please visit [www.hsi.com.hk](http://www.hsi.com.hk)

**Appendix 1**
**Hang Seng Stock Connect China A 300 ESG Index**

Constituents	The constituent list of the Hang Seng Stock Connect China A 300 ESG Index (the “Index”) contains the securities from the Hang Seng Stock Connect China A 300 Index (the “Base Index”)
Eligibility for Stock Connect Trading	Northbound – Yes Southbound – No
Weighting	The Index is freefloat-adjusted market-capitalisation weighted with tilting applied according to the ESG Scores <sup>1</sup> . The weights are subject to the same weight cap as the Base Index
Launch Date	29 January 2024
Base Date	5 December 2014
Base Value	6,000
Review Frequency	Half-yearly
Currency <sup>3</sup>	Renminbi
Dissemination	Real-time at two-second intervals
Vendor Code	<u>Price Index</u> .HSCAESG (Refinitiv)  <u>Total Return Index</u> .HSCAESGT (Refinitiv)  <u>Net Total Return Index</u> .HSCAESGN (Refinitiv)

<sup>1</sup> ESG Scores are the overall sustainability performance scores compiled by the Hong Kong Quality Assurance Agency

<sup>2</sup> Day-end closing index values in CNY, HKD and USD are available

Note: Please refer to the index methodology for details

## Appendix 2

## Hang Seng Stock Connect China A 300 ESG Index

Top 10 constituents and respective weightings as at 29 Dec 2023

Code	Company Name	Weightings (%)
300750	Contemporary Amperex Technology Co., Ltd.	4.07
601318	Ping An Insurance (Group) Company of China, Ltd.	3.27
600036	China Merchants Bank Co., Ltd.	3.24
002594	BYD Company Limited	2.41
601166	Industrial Bank Co., Ltd.	1.93
600030	CITIC Securities Co. Ltd.	1.82
601899	Zijin Mining Group Co., Ltd.	1.81
600519	Kweichow Moutai Co., Ltd.	1.60
600887	Inner Mongolia Yili Industrial Group Co., Ltd.	1.50
601398	Industrial and Commercial Bank of China Limited	1.49

**Appendix 3**
**Hang Seng Stock Connect China A 300 ESG Enhanced Index**

Universe	Hang Seng Stock Connect China A 300 Index (the “Base Index”)
Screening	<p>The constituent list of the Hang Seng Stock Connect China A 300 ESG Enhanced Index (the “Index”) contains the securities from the Base Index, with exclusion policy.</p> <p>Exclusion would be applied from three dimensions:</p> <ol style="list-style-type: none"> <li><u>ESG Risk Ratings</u><sup>1</sup> The 30 constituents in the Base Index with the highest ESG Risk Ratings will be excluded from the Index</li> <li><u>Controversial Product Involvement</u><sup>1</sup> Securities exceeding the respective thresholds of controversial product involvement in thermal coal extraction / power generation, tobacco products and controversial weapons will be excluded based on data from the data provider</li> <li><u>United Nations Global Compact Principles (“UNGC”) Ratings</u><sup>2</sup> Securities classified as UNGC non-compliance will be excluded based on data from three data providers</li> </ol>
Eligibility for Stock Connect Trading	Northbound – Yes Southbound – No
Weighting	The Index is freefloat-adjusted market-capitalisation weighted with tilting applied according to the ESG Risk Ratings. The weights are subject to the same weight cap as the Base Index.
Launch Date	29 January 2024
Base Date	6 December 2019
Base Value	6,000
Review Frequency	Quarterly
Currency <sup>3</sup>	Renminbi
Dissemination	Real-time at two-second intervals
Vendor Code	<u>Price Index</u> .HSCAESE (Refinitiv)  <u>Total Return Index</u> .HSCAESET (Refinitiv)  <u>Net Total Return Index</u> .HSCAESEN (Refinitiv)

<sup>1</sup> The data provider for ESG Risk Ratings and Controversial Product Involvement is Sustainalytics

<sup>2</sup> The data providers for UNGC compliance ratings are Sustainalytics, ESG Book and ISS ESG

<sup>3</sup> Day-end closing index values in CNY, HKD and USD are available

Note: Please refer to the index methodology for details

## Appendix 4

## Hang Seng Stock Connect China A 300 ESG Enhanced Index

Top 10 constituents and respective weightings as at 29 Dec 2023

Code	Company Name	Weightings (%)
601318	Ping An Insurance (Group) Company of China, Ltd.	6.05
600519	Kweichow Moutai Co., Ltd.	4.20
600036	China Merchants Bank Co., Ltd.	3.63
600900	China Yangtze Power Co., Ltd.	3.13
603259	WuXi AppTec Co., Ltd.	2.99
601166	Industrial Bank Co., Ltd.	2.18
300750	Contemporary Amperex Technology Co., Ltd.	2.11
002475	Luxshare Precision Industry Co. Ltd.	1.92
000858	Wuliangye Yibin Co., Ltd.	1.89
002594	BYD Company Limited	1.68

**Appendix 5**
**Hang Seng Stock Connect China A ESG Leaders Index**

Universe	Hang Seng Stock Connect China A 300 Index (the “Base Index”)
Selection Criteria	<p>Securities that are classified as severe ESG risk<sup>1</sup> will be excluded.</p> <p>The remaining eligible securities are classified into an Industry of the Hang Seng Industry Classification System and ranked in their own Industry by ESG Risk Ratings<sup>1</sup> in ascending order (“ESG Rank”). The top 50 securities with the highest ESG Rank (i.e. lowest ESG Risk Ratings) will be selected as constituents.</p> <p>If two securities have the same ESG Rank, the one with a lower (better) ESG Risk Ratings will be selected; If two securities have the same ESG Risk Ratings, the one with a larger FFMV will be selected.</p>
Eligibility for Stock Connect Trading	Northbound – Yes Southbound – No
Number of Constituents	Fixed at 50
Weighting	The Index is freefloat-adjusted market capitalization weighted with 10% cap on individual constituents
Launch Date	29 January 2024
Base Date	6 December 2019
Base Value	6,000
Review Frequency	Quarterly
Currency <sup>2</sup>	Renminbi
Dissemination	Real-time at two-second intervals
Vendor Code	<u>Price Index</u> .HSCAESL (Refinitiv)  <u>Total Return Index</u> .HSCAESLT (Refinitiv)  <u>Net Total Return Index</u> .HSCAESLN (Refinitiv)

<sup>1.</sup> ESG Risk Ratings data provider is Sustainalytics. Securities with ESG Risk Ratings higher than or equal to 40 are classified as severe ESG risk by Sustainalytics.

<sup>2.</sup> Day-end closing index values in CNY, HKD and USD are available

Note: Please refer to the index methodology for details

## Appendix 6

## Hang Seng Stock Connect China A ESG Leaders Index

Top 10 constituents and respective weightings as at 29 Dec 2023

Code	Company Name	Weightings (%)
601318	Ping An Insurance (Group) Company of China, Ltd.	10.12
600519	Kweichow Moutai Co., Ltd.	10.10
600036	China Merchants Bank Co., Ltd.	9.97
000858	Wuliangye Yibin Co., Ltd.	7.88
600900	China Yangtze Power Co., Ltd.	6.61
603259	WuXi AppTec Co., Ltd.	4.60
600016	China Minsheng Banking Corp., Ltd.	2.69
002352	S.F. Holding Co., Ltd.	2.58
000063	ZTE Corporation	2.47
601728	China Telecom Corp. Ltd.	2.43



**Appendix 7**
**Hang Seng Stock Connect China A ESG 50 Index**

Universe	Hang Seng Stock Connect China A 300 Index (the “Base Index”)
Selection Criteria	<p>Securities that are classified as “Minimal” or “Vulnerable” in Sustainability Rating<sup>1</sup> (“ESG Scores”) will be excluded.</p> <p>The remaining eligible securities are classified into an Industry of the Hang Seng Industry Classification System and ranked in their own Industry by ESG Scores in descending order (“ESG Rank”). The top 50 securities with the highest ESG Rank will be selected as constituents.</p> <p>If two securities have the same ESG Rank, the one with a higher (better) ESG Scores will be selected; If two securities have the same ESG Scores, the one with a larger FFMV will be selected.</p>
Eligibility for Stock Connect Trading	Northbound – Yes Southbound – No
Number of Constituents	Fixed at 50
Weighting	The Index is freefloat-adjusted market capitalization weighted with 10% cap on individual constituents
Launch Date	29 January 2024
Base Date	11 September 2015
Base Value	6,000
Review Frequency	Annually
Currency <sup>2</sup>	Renminbi
Dissemination	Real-time at two-second intervals
Vendor Code	<u>Price Index</u> .HSCAE50 (Refinitiv)  <u>Total Return Index</u> .HSCAE50T (Refinitiv)  <u>Net Total Return Index</u> .HSCAE50N (Refinitiv)

<sup>1.</sup> The data provider for Sustainability Rating is Hong Kong Quality Assurance Agency (HKQAA)

<sup>2.</sup> Day-end closing index values in CNY, HKD and USD are available

Note: Please refer to the index methodology for details

## Appendix 8

## Hang Seng Stock Connect China A ESG 50 Index

Top 10 constituents and respective weightings as at 29 Dec 2023

Code	Company Name	Weightings (%)
002594	BYD Company Limited	6.82
600030	CITIC Securities Co. Ltd.	6.44
600887	Inner Mongolia Yili Industrial Group Co., Ltd.	5.59
603259	WuXi AppTec Co., Ltd.	5.48
002714	Muyuan Foods Co., Ltd.	4.67
600028	China Petroleum & Chemical Corporation	3.67
601088	China Shenhua Energy Co. Ltd.	3.57
688981	Semiconductor Manufacturing International Corp.	3.43
300274	Sungrow Power Supply Co., Ltd.	3.15
000063	ZTE Corporation	2.95