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Sustainability accountability or financial resilience? Evidence from sustainability reporting frameworks in Hong Kong

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Abstract

This study examines whether sustainability reporting frameworks commonly grouped under the concept of corporate sustainability reflect the same underlying understanding of sustainability. Specifically, it compares the United Nations Global Compact (UNGC) Communication on Progress (CoP) and the Hong Kong Stock Exchange (HKEX) Climate Disclosure Framework to explore how different reporting frameworks conceptualize corporate sustainability. A qualitative comparative content analysis was conducted on the disclosure requirements of the two frameworks. Disclosure items were systematically mapped across thirteen thematic categories, including governance, risk management, climate strategy, climate resilience, climate-related financial impacts, human rights, labour practices, anti-corruption, environmental stewardship, and sustainability impacts. The analysis assessed areas of convergence and divergence in reporting priorities and underlying sustainability perspectives. The findings reveal significant differences in disclosure priorities. Both frameworks provide strong coverage of governance, risk management, and climate metrics. However, the HKEX framework places substantially greater emphasis on climate strategy, scenario analysis, climate resilience, climate-related financial impacts, and internal carbon pricing. In contrast, the UNGC CoP provides broader coverage of human rights, labour standards, anti-corruption, environmental issues beyond climate, and Sustainable Development Goal (SDG)-related impacts. These differences suggest that the frameworks embody distinct sustainability narratives. The study proposes two complementary conceptions of corporate sustainability: sustainability accountability, which emphasizes organizational responsibilities toward society and the environment, and sustainability resilience, which emphasizes organizational capacity to anticipate, manage, and adapt to sustainability-related risks and opportunities. The UNGC CoP primarily reflects an accountability-oriented perspective, whereas the HKEX framework reflects a resilience-oriented perspective. Organizations operating in Hong Kong increasingly face multiple reporting requirements and must address both accountability-oriented and resilience-oriented disclosure expectations. The findings suggest that developing capabilities in stakeholder accountability, impact assessment, climate-risk management, and strategic resilience can support more comprehensive sustainability reporting and enhance organizational preparedness for evolving regulatory and stakeholder demands.

Keywords: Climate disclosure, Corporate sustainability, Financial materiality, Stakeholder accountability, Sustainability reporting frameworks.

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1. Introduction

In recent years, sustainability reporting has become an increasingly important aspect of corporate governance and accountability in Hong Kong. Organizations face growing expectations from regulators, investors, customers, and broader society to disclose information relating to environmental, social, and governance (ESG) matters. Beyond compliance and transparency, ESG reporting has increasingly been viewed as a mechanism for evaluating sustainability performance, supporting organizational learning, and driving continual improvement in sustainability practices.

Among the sustainability reporting frameworks relevant to organizations operating in Hong Kong are the United Nations Global Compact (UNGC) Communication on Progress (CoP) and the Hong Kong Stock Exchange (HKEX) Climate Disclosure Framework. While both are commonly described as sustainability reporting frameworks, they differ substantially in scope, emphasis, and intended audience. The UNGC CoP adopts a broad sustainability perspective covering governance, human rights, labour, environment, and anti-corruption, whereas the HKEX framework focuses primarily on climate-related disclosures aligned with IFRS S2. These differences raise important questions regarding how corporate sustainability is understood and operationalized within different reporting frameworks.

At first sight, the two frameworks appear to pursue a similar objective by promoting corporate transparency regarding sustainability-related matters. However, a closer examination suggests that they prioritize different disclosure topics and reporting objectives. The UNGC CoP places considerable emphasis on organizational impacts on society and the environment, while the HKEX Climate Disclosure Framework places greater emphasis on climate-related risks and opportunities that may influence organizational performance and enterprise value.

These differences raise a fundamental question that has received limited attention in the sustainability reporting literature. Although both frameworks operate under the banner of corporate sustainability, do they actually refer to the same underlying concept? While the term “corporate sustainability” is widely used in both academic and practitioner communities, its meaning is often assumed rather than explicitly examined. Different reporting frameworks may therefore employ a common language of sustainability while embodying different assumptions regarding what sustainability entails and why sustainability information should be disclosed. In addition, ESG disclosures are increasingly expected to support critical analysis, stakeholder engagement, and sustainability-oriented decision-making, suggesting that reporting frameworks may serve educational and strategic functions beyond traditional compliance purposes.

This issue is particularly relevant in light of ongoing developments in sustainability reporting. Debates surrounding stakeholder accountability, financial materiality, and investor decision-usefulness have increasingly influenced how sustainability information is defined and reported. As organizations become subject to multiple reporting frameworks simultaneously, questions emerge regarding whether these frameworks promote a shared understanding of corporate sustainability or represent different sustainability narratives.

This study argues that the comparison between the UNGC CoP and the HKEX Climate Disclosure Framework should not be viewed merely as a technical comparison of disclosure requirements. Rather, it provides an opportunity to examine competing conceptions of corporate sustainability within the Hong Kong reporting environment. To explore this issue, the study distinguishes between two conceptual perspectives: sustainability accountability, which emphasizes organizational responsibilities toward society and the environment, and sustainability resilience, which emphasizes an organization's capacity to anticipate, manage, and adapt to sustainability-related risks and opportunities.

Accordingly, the study addresses the following research questions:

RQ1: How do the disclosure contents of the UNGC Communication on Progress and the HKEX Climate Disclosure Framework differ?

RQ2: What underlying conceptions of corporate sustainability are reflected in these two frameworks?

RQ3: To what extent do the concepts of sustainability accountability and sustainability resilience provide useful perspectives for understanding contemporary sustainability reporting in Hong Kong?

To answer these questions, the study undertakes a comparative content analysis of the UNGC CoP and the HKEX Climate Disclosure Framework. Disclosure requirements are mapped and analysed across major sustainability categories, including governance, risk management, climate strategy, climate resilience, climate-related financial impacts, human rights, labour practices, anti-corruption, and sustainability impacts. Through this analysis, the study identifies areas of convergence and divergence between the frameworks and examines the sustainability narratives embedded within each reporting approach. This approach is consistent with prior studies that view ESG disclosure analysis as a useful mechanism

for evaluating sustainability performance, understanding organizational priorities, and supporting sustainable development objectives.

This study contributes to the sustainability reporting literature in three ways. First, it provides a comparative analysis of the UNGC CoP and the HKEX Climate Disclosure Framework within a Hong Kong context. Second, it moves beyond disclosure comparison by examining the underlying conceptions of corporate sustainability embedded within each framework. Third, it contributes to ongoing debates concerning sustainability accountability, financial materiality, and sustainability reporting by demonstrating that frameworks commonly labelled as sustainability reporting mechanisms may promote different understandings of corporate sustainability.

2. Literature Review

2.1. Blockchain and Service Quality

Kauffman and Ma [1] mentioned that financial technologies involving payment services and business services with mobile phones and new money technology, for example blockchain have been promoting in past years. Mobile payment and future money with new kind of technologies will be one of the hot issues for the future.

“as a result, the technology platforms that characterize financial services today are not just two-sided – instead they are multisided. This creates issues for financial evaluation, operational performance, technology innovation, firm strategy, and market competition” [1].

Moving along with new technologies for payments, a new concept of money and the use of blockchain in content distribution, it is time to explore the knowledge, skills, attitudes and values in future education to balance the growth of technology and the needs of a social inclusive community. Matthews and Foster [2] brought up that there are nine proposed intelligence of Gardner, a cognitive scientist, to build up a profile of intelligence of which higher education needs to be aware of. The nine intelligence are:

- Linguistic
- Logical
- Spatial
- Bodily-kinesthetic
- Musical
- Intrapersonal (or emotional)
- Interpersonal (or social)
- Naturalistic
- Existential

The service deliverable of blockchain content distribution technology goes beyond analytical, practical, and creative intelligence of above. De Filippi and Wright [3] mentioned that the reach of blockchain has rapidly expanded beyond payments and financial products, helping to support new, autonomous systems that structure social and economic interactions with less of a need for intermediaries. Smart contracts are being used to memorialize all or parts of legal agreements., creating commercial arrangements that are dynamic and potentially harder to terminate” [3]. They further pointed out that blockchain not only used to store actual information. They can also store references to files available elsewhere, such as on separate peer-to-peer file-sharing or overlay networks. By using overlay networks, blockchain-based systems can manage a greater range of information, including messages, photos, or even videos – without causing a blockchain to grow exponentially.....With these capabilities, blockchain technology is supporting new file-sharing applications that are less dependent on intermediaries. These new applications use a blockchain as a resilient and tamper-resistant index of copyrighted works...” [3]. Hence, future intelligence also include copyright awareness, corporate governance and internal controls of smart contracts. Educators need to explore the potential and develop the ability of learners to adapt to the disruptions brought by blockchain content based distribution technology, developing, deploying, maintaining, intervening and shaping the moral and ethical standards of the changes.

Yeung [4] also pointed out that the educational sector was under public service; and the service industry played an increasingly vital role in the economy of many countries, especially the East. In Yeung [5] there was a growing demand of “social good”, “governance structure”, “increasing competitiveness”, “value for money”, “greater access”, “efficiency”, “accountability”, “devolution”, “centralized decentralization”, and “corporatization” of which these elements are relevant to the service delivery in higher education. Yeung and Ho [6] quoted a study of Husain, et al. [7] about adopting the SERVQUAL model to assess educational service delivery and students’ satisfaction. The dimensions that he had adopted were:

1. Tangibles – physical facilities, equipment and appearance of personnel;
2. Reliability – consistency and reliability of the service performance;
3. Responsiveness – staff willingness to help customers and provide prompt service;
4. Assurance – knowledge and courtesy of employees and their ability to inspire trust and customer confidence;
5. Empathy – human factors in service performance, like caring and individual attention.

Besides SERVQUAL, are there any other better ways to measure the performance of advanced technology of blockchain content distribution technology in a holistic way, addressing the aspects of United Nations Sustainable Development Goals (UNSDGs) systemically? Matthews and Foster [2] highlighted that fixed mindset and a growth mind set lead to different outcomes. Is mindset development also needed to be included when measuring the service quality of reporting instead of blockchain technology? Will disclosure contents of the UNGC Communication on Progress and the

HKEX Climate Disclosure Framework are one of the ways to demonstrate service quality of organizations which are committed to Sustainable Development Goals (SDG) and Corporate Social Responsibility (CSR)?

2.2. ISO and Standards Requirements

Based on the ideas of self-evaluation and constructive alignment, the eight principles of International Organization for Standardization (ISO) share the same kind of rationale in the quality model of higher education. The eight principles are: Leadership, Involvement of People, Factual Approach, Process Approach, System Approach, Continual Improvement, Mutual Benefit Supplier Relationship and Customer Satisfaction. These principles focus on system conformity, continuous improvement and customer satisfaction. The following ISO 9001: 2008 clauses are relevant to the operations of a higher educational institution. Examples are:

1. Clause 4.1 “Quality Management System”
 - Outsourcing control
 - Risk and impact
 - Purchasing
2. Clause 6.4 “Work Environment”

Tangible

- Environmental and other factors – noise, temperature, humidity, lighting or weather
 - Intangible
 - Synergy, efficiency, effective, psychological, sensitivity, and ergonomics
3. Clause 8.2.2 “Internal Audit”, 8.2.3 “Monitoring and Measuring Process, 8.5.2 and 8.5.3 “Corrective and Preventive Actions”
 - “Impact on conformity to product requirements and on effectiveness of quality management system”(QMS)
 - The above examples of ISO 9001: 2008 clauses show that there is a need to balance the hard and soft resources in the operations with consideration of stakeholders for maintaining not only programme quality but also institutional system performance.

Apart from ISO 9001, Cajazeira [8] also brought forward the major principles of ISO 26000 CSR guidelines: accountability, transparency, ethical behavior, consideration for the stakeholders, legality, international standards, and human rights. It is the responsibility of organizations to consider the needs of the stakeholders in the seven aspects when designing work processes or executing business-related activities. In fact, both ISO 9001:2008 and ISO 26000 convey a message that non-economic inputs and soft side of outcomes are the trend of quality management system in organizations, including public service organizations. It is undeniable that ISO 9000 QMS requirements and ISO 26000 CSR guidelines provide a framework on the characteristics of a quality model in higher education:

- Consideration of all stakeholders, for example, learners and teachers, programme accreditation bodies and industry associations, employers in different industries and NGOs in the community for the quality of programmes and performance of graduates;
- Identification and realization of vision, mission and objectives of higher educational institutions;
- Establishment of quality culture with accountability, consistency and transparency; and
- Use of benchmarking exercises for continual improvement in teachers and learners, programmes and services.
- However, these are not sufficient for blockchain content distribution technology with the characteristics of decentralization, immutable data, and new infrastructure of data storage. “They are resilient and resistant to change, and enable people to store nonrepudiable data, pseudonymously, in a transparent manner. Most – if not at all – blockchain-based networks future market-based or game-theoretical mechanisms for reaching consensus, which can be used to coordinate people or machines. These characteristics, when combined, enable the deployment of autonomous software and explain why blockchain serve as a powerful new tool to facilitate economic and social activity that otherwise would be difficult to achieve” [3].

2.3. CSR to SDG Reporting and Talent Development

The transition from CSR to SDG reporting in the past 30 years has been moved towards integrated, strategic sustainability management aligned with global priorities, for example SDG reporting and United Nations Global Compact (UNGC) Reporting, demonstrating their commitment with policy, actions, review and preventions for sustainable development with traceability, transparency and accountability.

“Sustainability reporting is broader than financial accounting with respect to the resources upon which disclosures are made. Equity (financial capital) in the financial statements is explicitly defined and measured with respect to the net assets controlled by the reporting entity at the reporting date. Yet financial prospects depend not just upon the entity’s own assets (such as PP&E) but also on resources elsewhere in its value chain that it does not control (but which affect its costs, supply chain resiliency, market opportunities, and so on). There is no automatic relationship between the carrying amount of assets in an entity’s balance sheet and the annual profit it can earn from those assets. Instead, what matters is the vitality of all of the capitals on which the entity’s activities depend, coupled with the effectiveness of the entity’s strategy and operations in generating value from those capitals [9].”

Sustainable reporting frameworks open opportunities for talent development in terms of knowledge, skills, attitude,

values and mindset. In Hong Kong, we have qualification frameworks (QF) at different levels demonstrating generic skills, for example QF Level 6 for master degree level with a certain level of executing actions in a not familiar situation while QF 7 for doctoral degree levels with creativity and a higher level of decision making to design and implement advanced competencies in sustainability strategies, stakeholder engagement, and ethical leadership. Understanding frameworks like UNGC and Hong Kong Exchange (HKEX) enables talents to become professionals to gather solid and relevant data, design contemporary policies for business and social impacts, interpret disclosures in an ethical, critical and sustainable development mindset, fostering a diversity in knowledges, skills, attitudes in sustainability reporting, risk management, and strategic planning.

Effective talent development in this context involves equipping learners with the ability to understand the changing landscape, the requirements of consumers and regulatory bodies, the uniqueness of compliance of different frameworks, implement with compliance to frameworks' underlying principles voluntarily and/ or mandatory, and apply the best practices in sustainability reporting for responsibility and sustainability. This aligns with the competency requirements of QF Level 6 (master degree) and Level 7 (doctoral degree) programmes, emphasizing critical analysis, strategic thinking, and ethical decision-making. Hence, a mindset of fulfilling requirements of different stakeholders with continuous improvement activities systematically is strongly recommended. It is no doubt that achieving a higher level of satisfaction beyond customers and regulatory bodies' requirements is a trend to excel business.

2.4. Qualification Frameworks (QF) in Higher Education (HE)

In line with the United Nations Educational Scientific and Cultural Organization [10] publication entitled: "World Declaration on Higher Education for the Twenty-First Century: Vision and Action", it is believed that all education, including higher education, should serve the needs of economic and vocational development. The declaration of UNESCO highlighted that "new vision of higher education is needed to cater to more diversified categories of people, and of its contents, methods, practices and means of delivery, based on new types of links and partnerships with the community and with the broadest sectors of society." As a result, institutes need to have principles in devising their mission for fulfilling the declaration of UNESCO.

Another objective of education is to equip learners with skills and attitudes for the workplace. Hence, a new requirement on vocational competence has emerged. Bohlinger [11] mentioned that the introduction of a qualifications framework (QF) is to make national educational systems more transparent, more innovative and more competitive. Besides, it can also help improve the match between the educational system and the labor market. Thus, "QFs are seen as engines of innovation: the point of introducing them is to promote a number of fundamental, long-term reforms [11]." He further pointed out that unlike national QFs, it addresses priorities of the European Union and does not include binding mechanisms of recognition addressed to individuals.

Recently, Pless, et al. [12] promoted the use of integrated service learning with involvement of non-governmental organizations (NGOs) and social entrepreneurs to bring insights to learners. "Understanding how participants make sense of, and learn from, their experiences abroad provides us with insights into how service-learning programs can help managers to develop the knowledge, skills, and mind-set that will enable them to successfully support a company's global sustainability and corporate social responsibility (CSR) efforts [12]." Hence, a comprehensive qualification framework needs to embed the rationale of integrated experiential service learning when developing different kinds of skill sets for learners, aiming to broaden, deepen and expand their horizon with a focus on responsibility and sustainability in this dynamic world.

In Hong Kong, the Qualification Framework (QF) was born in 2008. Based on the information released from the Education Bureau (EDB), the aim of having QF is to help people in Hong Kong to set a goal for life-long learning with qualifications assured through the seven levels of qualifications covering academics, vocational and continuing education. The QF levels help visualize an articulation ladder for the learners. Levels 1- 3 cover programmes in certificate levels while levels 4-7 cover programmes from diploma, undergraduate degree to master degree and doctoral degree levels. In each level, there are two to six descriptors under each category to measure the learning outcomes of modules in a programme. These descriptors are classified into the following four categories as shown in the following table of level 5 – undergraduate level provided by The Hong Kong Council for Academic Accreditation and Vocational Qualifications (HKCAAVQ):

- Knowledge & Intellectual Skills;
- Processes;
- Application, Autonomy & Accountability; and
- Communication, IT and Numeracy.

The QF of programmes delivered by institutes is assessed by an independent party named HKCAAVQ through programme validation exercises. The HKCAAVQ was established in 1990 as an independent statutory body to provide authoritative advice to the Hong Kong Government on academic standards of programmes, including sub-degree, and secondary as well as vocational qualifications in the higher education institutions. The role of HKCAAVQ in the QF area is to assure the quality of the learning programmes. As an accreditation authority of QF, the HKCAAVQ assesses the programmes provided by institutes (programme providers) from the following perspectives:

1. Achieving stated educational objectives;
2. Operating learning programmes; and

3. Meeting the required standards to achieve stated learning outcomes with reference to the Generic Level Descriptors (GLD) of QF.

2.5. Quality Tools for Quality Indicators

Quality by itself is neutral [13]. The value of quality is interpreted from the eyes of customers in terms of fulfilling requirements with unique characteristics of the products and/ or services delivered. Conti [13] mentioned that the value judgment was always expressed by people and derived by the associated attributes to the word quality. He further pointed out that the scope of the quality management concept suffered from missing strategic content of which many of today's quality practitioners have tried to identify quality management with defect reduction (doing things right). There is an increasing emphasis on using statistics in reducing variations in processes for maintaining management system performance and for proving a fit-for-purpose system.

The commonly used quality management concepts used in maintaining and improving processes are: Quality Management System (QMS) of ISO 9001, Corporate social Responsibility (CSR) of ISO 26000, Six Sigma of Quality Function Deployment (QFD) with graphical aid of House of Quality (HoQ) to consider the needs and desires of the customers. The latest initiative of United Nations (UN) is United Nations Sustainable Development Goals (UNSDGs) can be considered as a quality tool to develop a mindset of quality management and sustainable development through integrating UNSDGs into the design of processes and products/ services for building a social inclusion community.

Since the adoption of UNSDGs in New York in September, 2015, inclusive community (SDG#16) with quality of education (UNSDG#4) for economic development (SDG#8) has been mentioned. The application of United Nations Sustainable Development Goals (UNSDGs) into policy-making, product/ service design and staff development have become a trend. This paper is to explore the use of a selected theme of UNSDGs, for example, UNSDG 5 Gender Equality and 9 Innovations of blockchain together with ISO 9001, ISO 26000 and blockchain related papers to develop social inclusion quality indicators. These findings provide a better understanding of using quality indicators for working towards UNSDGs via implementing blockchain content distribution technology in sustainable halal hospitality industry, linking ISO standards and UNSDGs with Blockchain Technology for Sustainable Halal Hotel Services and Talent Development. This paper is going to explore the commonalities between ISO, CSR, blockchain related papers, interview results, and focus group interview for developing some generic quality indicators for deriving a full picture of the performance of applying blockchain in the sustainable halal hospitality sector. The research questions are:

RQ1: How do the disclosure contents of the UNGC Communication on Progress and the HKEX Climate Disclosure Framework differ?

RQ2: What underlying conceptions of corporate sustainability are reflected in these two frameworks?

RQ3: To what extent do the concepts of sustainability accountability and sustainability resilience provide useful perspectives for understanding contemporary sustainability reporting in Hong Kong?

Based on comparison of UNGC and HKEX requirements and related documents, it is recommended to implement a reporting system with a focus to the culture and nature of business relevant to organizations who are committed to disclose relevant materials in their reports. Our analysis suggests that the HKEX Climate Disclosure Framework provides greater depth in climate-related financial disclosure, whereas the UNGC CoP provides broader coverage across environmental, social, and governance topics. These differences should not be interpreted as differences in reporting maturity or disclosure sophistication. Rather, they suggest that the two frameworks prioritize different dimensions of sustainability and serve different reporting purposes. The implications of these differences are explored in the following section through the concepts of sustainability accountability and sustainability resilience.

3. Methodology

3.1. Research Design and Data Sources

This study adopts a qualitative comparative research design based on document analysis. Rather than evaluating the sustainability performance of individual organizations, the study examines how corporate sustainability is conceptualized within reporting frameworks through their disclosure requirements. The unit of analysis is therefore the reporting framework rather than individual corporate reports.

Two reporting frameworks relevant to organizations operating in Hong Kong were selected for analysis:

- The United Nations Global Compact (UNGC) Communication on Progress (CoP) 2026 Questionnaire, which serves as the annual reporting mechanism for participants of the United Nations Global Compact and covers governance, human rights, labour, environment, and anti-corruption issues.
- The Hong Kong Stock Exchange (HKEX) Climate Disclosure Framework, which forms part of the HKEX Environmental, Social and Governance (ESG) requirements and is substantially aligned with the International Sustainability Standards Board (ISSB) standards and IFRS S2 Climate-related Disclosures.

The selection of these frameworks reflects their relevance within the Hong Kong reporting environment and their differing approaches to sustainability disclosure. While both are commonly presented as sustainability reporting frameworks, they originate from different institutional contexts and emphasize different sustainability priorities. This provides an appropriate basis for examining how corporate sustainability is conceptualized within contemporary reporting frameworks.

3.2. Comparative Analytical Framework

To facilitate comparison between the two frameworks, a structured content analysis was conducted. Disclosure requirements from both frameworks were reviewed and categorized according to thematic areas identified through iterative review of the documents and informed by sustainability reporting literature. The analysis framework consists of thirteen categories:

- Governance
- Risk Management
- Climate Strategy
- Climate Scenario Analysis
- Climate Resilience
- Climate Metrics and Targets
- Climate-Related Financial Impacts
- Internal Carbon Pricing
- Environment Beyond Climate
- Human Rights
- Labour Practices
- Anti-Corruption
- Sustainability Impacts and SDGs

Together, these categories capture the principal governance, risk, climate-related, environmental, social, and accountability dimensions of sustainability reporting.

For each category, the disclosure requirements contained within the two frameworks were assessed and compared. The extent of coverage was evaluated using the scale presented in Table 1.

Table 1.
Assessment Criteria for Coverage.

Assessment	Definition
Strong Coverage	Most key disclosure elements are explicitly required.
Moderate Coverage	Several important disclosure elements are addressed, although notable gaps remain.
Limited Coverage	Only a small number of relevant disclosure elements are addressed.
Not Covered	The category is largely absent from the framework.

The resulting assessment enabled the development of a comparative coverage matrix illustrating areas of convergence and divergence between the two frameworks.

3.3. Conceptual Interpretation

While the comparative content analysis identifies differences in disclosure coverage, the primary objective of this study extends beyond a technical comparison of reporting requirements. The analysis seeks to examine what these differences reveal about the underlying conceptions of corporate sustainability embedded within each framework. Accordingly, the findings are interpreted through two conceptual lenses: sustainability accountability and sustainability resilience.

Sustainability accountability refers to a conception of corporate sustainability that emphasizes an organization's responsibilities toward society and the environment. From this perspective, sustainability reporting functions primarily as a mechanism through which organizations demonstrate responsible business conduct, stakeholder accountability, and the management of environmental and social impacts.

In contrast, sustainability resilience refers to a conception of corporate sustainability that emphasizes an organization's capacity to anticipate, respond to, and adapt to sustainability-related risks and opportunities. From this perspective, sustainability reporting functions primarily as a mechanism for assessing how sustainability-related developments may affect organizational performance, strategic adaptability, and long-term viability.

These perspectives are reflected in two guiding questions:

- How does the organization affect society and the environment, and how is it accountable for those impacts?
- How do sustainability-related risks and opportunities affect the organization's future performance and resilience?

Using these conceptual lenses, the study interprets the comparative findings as evidence of distinct sustainability narratives embedded within contemporary reporting frameworks. The analysis therefore examines the extent to which the UNGC Communication on Progress and the HKEX Climate Disclosure Framework reflect different understandings of what it means for an organization to be sustainable.

4. Findings

4.1. Overview of the Two Reporting Frameworks

This study compares two sustainability reporting frameworks that are increasingly relevant to organizations operating in Hong Kong: the United Nations Global Compact (UNGC) Communication on Progress (CoP) and the Hong Kong Stock Exchange (HKEX) Climate Disclosure Framework. Although both frameworks are commonly presented as sustainability reporting mechanisms, they differ substantially in scope, reporting objectives, and disclosure priorities.

The United Nations Global Compact (UNGC) Communication on Progress (CoP) serves as the annual reporting mechanism for participants of the UN Global Compact. The framework is organized around five pillars covering governance, human rights and labour, environment, anti-corruption, and sustainability impacts. Collectively, these pillars emphasize responsible business conduct, stakeholder accountability, and the management of social and environmental impacts throughout an organization's value chain.

Although the CoP includes climate-related disclosures, such as greenhouse gas emissions, net-zero commitments, adaptation measures, and transition actions, climate change constitutes only one component within a broader sustainability framework. The primary emphasis of the CoP is therefore on organizational accountability and the management of environmental, social, and governance impacts.

The HKEX Climate Disclosure Framework represents Hong Kong's climate-related disclosure requirements and is substantially aligned with IFRS S1 and IFRS S2. The framework focuses specifically on climate-related risks and opportunities and their potential implications for organizational performance and enterprise value.

Structured around four pillars, namely governance, strategy, risk management, and metrics and targets, the framework places particular emphasis on climate strategy, climate resilience, scenario analysis, and climate-related financial impacts. Unlike broader sustainability frameworks, the HKEX approach adopts a financial materiality perspective and prioritizes information that may be relevant to investors, lenders, and capital market participants.

Table 2 summarizes the principal conceptual differences between the UNGC CoP and the HKEX Climate Disclosure Framework.

Table 2.
Key Conceptual Differences Between the Two Frameworks

Aspect	UNGC CoP	HKEX Climate Framework
Primary objective	Demonstrate progress on responsible business practices	Provide investor-focused climate-related financial disclosures
Main stakeholders	Broad stakeholder group	Investors, lenders and capital markets
Reporting philosophy	Sustainability accountability and due diligence	Financial materiality
Subject matter	Governance, Human Rights, Labour, Environment and Anti-Corruption	Climate-related risks and opportunities
Value chain focus	Human rights, environmental and governance impacts	Financial impacts arising from climate-related risks
Strategic focus	Policies, management systems and remediation	Business resilience and financial consequences
Climate analysis	Emissions, targets and transition actions	Strategy, scenario analysis, resilience and financial impacts

Source: Author's synthesis based on framework requirements.

Although both frameworks are positioned as sustainability reporting frameworks, Table 2 indicates substantial differences in reporting objectives, stakeholder orientation, materiality perspectives, and sustainability priorities. These differences provide the basis for the comparative analysis presented in the following sections.

4.2. Comparative Coverage Analysis

To examine how the two frameworks operationalize corporate sustainability, the disclosure requirements of the UNGC CoP and the HKEX Climate Disclosure Framework were mapped across thirteen thematic categories. Table 3 presents the resulting coverage assessment.

Table 3.
Comparative Coverage Matrix.

Category	Representative Topics	UNGC CoP	HKEX Climate
Governance	Board oversight, accountability, committees, remuneration, assurance	Strong Coverage	Strong Coverage
Risk Management	Risk identification, assessment, mitigation, monitoring, value chain risks	Strong Coverage	Strong Coverage
Climate Strategy	Climate risks, opportunities, business model impacts, transition planning, capital allocation	Moderate Coverage	Strong Coverage
Climate Scenario Analysis	Climate scenarios, IPCC pathways, NGFS pathways, climate modelling	Not Covered	Strong Coverage
Climate Resilience	Strategic resilience, adaptation capacity, uncertainty assessment	Not Covered	Strong Coverage
Climate Metrics & Targets	Scope 1-3 emissions, net-zero, reduction targets, renewable energy targets	Strong Coverage	Strong Coverage
Climate Financial	Revenue, costs, cash flow, assets, financing, cost of capital	Limited	Strong

Impacts		Coverage	Coverage
Internal Carbon Pricing	Carbon pricing mechanisms and investment decisions	Not Covered	Strong Coverage
Environment Beyond Climate	Water, biodiversity, pollution, waste, circular economy, resource efficiency	Strong Coverage	Limited Coverage
Human Rights	Human rights due diligence, grievance mechanisms, vulnerable groups	Strong Coverage	Not Covered
Labour Practices	Child labour, forced labour, wages, safety, diversity, gender pay gap	Strong Coverage	Not Covered
Anti-Corruption	Anti-bribery, whistleblowing, investigations, supplier due diligence	Strong Coverage	Not Covered
SDGs & Sustainability Impact	SDG alignment, sustainability initiatives, societal impacts	Strong Coverage	Not Covered

Table 4.
Relative Strength Assessment.

Category	Relative Strength
Governance	Shared
Risk Management	Shared
Climate Strategy	HKEX Stronger
Climate Scenario Analysis	HKEX Only
Climate Resilience	HKEX Only
Climate Metrics & Targets	Shared
Climate-related Financial Impacts	HKEX Only
Internal Carbon Pricing	HKEX Only
Environment Beyond Climate	UNGC Stronger
Human Rights	UNGC Only
Labour Practices	UNGC Only
Anti-Corruption	UNGC Only
Sustainability Impacts & SDGs	UNGC Only

Table 4 summarizes the relative strengths of the two frameworks and highlights the principal areas of convergence and divergence identified through the comparative analysis.

4.2.1. Areas of Convergence

The analysis identifies three categories where both frameworks demonstrate strong coverage: Governance, Risk Management, and Climate Metrics and Targets. In these areas, both frameworks require organizations to establish governance structures, identify and manage sustainability-related risks, and disclose climate-related performance indicators, including greenhouse gas emissions and climate targets. Consequently, organizations already reporting under the UNGC CoP possess a substantial foundation for satisfying many of the governance and emissions-related expectations embedded within the HKEX framework.

The existence of these common areas suggests that the two frameworks share a baseline understanding that effective sustainability reporting requires governance oversight, structured risk management processes, and measurable performance indicators.

4.2.2. Areas of Stronger Coverage within the HKEX Framework

The HKEX Climate Disclosure Framework provides substantially stronger coverage in five categories: Climate Strategy, Climate Scenario Analysis, Climate Resilience, Climate-related Financial Impacts, and Internal Carbon Pricing. These categories are either only partially addressed or absent within the UNGC CoP.

Collectively, these categories reflect the framework's emphasis on understanding how climate-related risks and opportunities may affect organizational performance, resilience, and enterprise value. In particular, the requirements relating to scenario analysis, resilience assessment, and financial impacts require organizations to adopt a forward-looking perspective and assess the potential consequences of climate-related uncertainties.

The findings indicate that the HKEX framework places greater emphasis on organizational exposure to climate-related risks and the capacity of organizations to respond to those risks over the long term.

4.2.3. Areas of Stronger Coverage within the UNGC CoP

In contrast, the UNGC CoP provides substantially broader coverage in Environment Beyond Climate, Human Rights, Labour Practices, Anti-Corruption, and Sustainability Impacts and SDGs. These categories receive limited or no coverage within the HKEX framework.

The pattern observed across these categories highlights the broader sustainability scope of the CoP. Rather than focusing primarily on climate-related risks, the framework places significant emphasis on organizational impacts on

stakeholders, society, and the environment. Human rights, labour standards, anti-corruption practices, and broader environmental stewardship are treated as core components of sustainability performance.

The findings therefore indicate that the CoP is designed to address a wider range of environmental, social, and governance issues than the HKEX Climate Disclosure Framework.

Overall, the comparative analysis suggests that the HKEX Climate Disclosure Framework provides greater depth in climate-related financial disclosure, whereas the UNGC CoP provides broader coverage across environmental, social, and governance topics. These differences should not be interpreted as differences in reporting maturity or disclosure sophistication. Rather, they suggest that the two frameworks prioritize different dimensions of sustainability and serve different reporting purposes. The implications of these differences are explored in the following section through the concepts of sustainability accountability and sustainability resilience.

4.3. Sustainability Accountability versus Sustainability Resilience

The comparative coverage analysis presented in Section 4.2 suggests that the differences between the UNGC CoP and the HKEX Climate Disclosure Framework extend beyond disclosure scope and reporting detail. Rather, the patterns observed across the two frameworks point to different conceptions of corporate sustainability. The UNGC CoP primarily reflects a perspective of sustainability accountability, whereas the HKEX Climate Disclosure Framework primarily reflects a perspective of sustainability resilience.

These differences are not simply variations in reporting emphasis. Instead, they suggest that the two frameworks seek to answer different questions regarding the role of sustainability within organizations. Consequently, they prioritize different stakeholder groups, materiality perspectives, and reporting objectives.

The UNGC CoP reflects a conception of sustainability centered on accountability for organizational impacts. The broad coverage of human rights, labour practices, anti-corruption, environmental stewardship, and sustainability impacts suggests that the framework views sustainability primarily as a question of responsibility. Organizations are expected to demonstrate how they identify, manage, and respond to the social and environmental consequences of their activities.

Under this perspective, sustainability reporting serves as a mechanism for accountability to stakeholders. The primary concern is not whether sustainability issues affect organizational performance, but whether organizations conduct their activities responsibly and manage adverse impacts on society and the environment. Sustainability is therefore approached from an outward-looking perspective focused on organizational impacts.

The central question underpinning this perspective can be expressed as follows:

How does the organization affect society and the environment, and how is it accountable for those impacts?

By contrast, the HKEX Climate Disclosure Framework reflects a conception of sustainability centered on organizational resilience to sustainability-related risks and opportunities. The framework's emphasis on climate strategy, scenario analysis, resilience assessment, and climate-related financial impacts indicates that sustainability is primarily viewed through the lens of organizational exposure, adaptability, and long-term viability.

Under this perspective, sustainability reporting serves as a mechanism for understanding how sustainability-related developments may influence organizational performance, enterprise value, and future resilience. The focus is therefore less concerned with organizational impacts on society and more concerned with society's and the environment's impacts on the organization. Sustainability is approached from an inward-looking perspective focused on risk, preparedness, and adaptation.

The central question underpinning this perspective can be expressed as follows:

How do sustainability-related risks and opportunities affect the organization's future performance, resilience, and enterprise value?

4.3.1. Two Sustainability Narratives

Table 5 summarizes the principal characteristics of the two conceptions of corporate sustainability identified through the comparative analysis.

Table 5.
Two Conceptions of Corporate Sustainability.

Dimension	Sustainability Accountability	Sustainability Resilience
Core Question	How does the organization affect society and the environment?	How do sustainability-related risks and opportunities affect the organization?
Direction of Attention	Outward-looking	Inward-looking
Primary Audience	Stakeholders	Investors and capital markets
Materiality Logic	Impact Materiality	Financial Materiality
Temporal Orientation	Present impacts	Future risks and resilience
Reporting Focus	Responsibility and impacts	Risk and resilience
Representative Framework	UNGC CoP	HKEX Climate Framework

Table 5 illustrates that the two frameworks differ not only in disclosure content, but also in their underlying reporting logic. The UNGC CoP emphasizes accountability for organizational impacts, whereas the HKEX Climate Disclosure Framework emphasizes resilience to sustainability-related risks and opportunities. While both frameworks operate under

the banner of corporate sustainability, they prioritize different dimensions of sustainability and are directed toward different audiences.

The findings therefore suggest that the distinction between the two frameworks is not simply one of breadth versus depth. Rather, the frameworks embody different interpretations of what corporate sustainability means. This distinction provides the foundation for the discussion in the following section concerning the implications of these competing conceptions for sustainability reporting in Hong Kong.

5. Discussion and Conclusion

5.1. Implications of Competing Conceptions of Corporate Sustainability

The findings of this study suggest that sustainability reporting frameworks may differ not only in their disclosure requirements but also in their underlying interpretations of corporate sustainability. The comparative analysis indicates that the UNGC CoP primarily reflects a perspective of sustainability accountability, whereas the HKEX Climate Disclosure Framework primarily reflects a perspective of sustainability resilience. These differences imply that sustainability reporting may encompass multiple conceptions of sustainability rather than a single universally accepted understanding.

The coexistence of these perspectives within the Hong Kong reporting environment highlights the increasingly multidimensional nature of sustainability reporting. Accountability-oriented reporting focuses on an organization's impacts on society and the environment, while resilience-oriented reporting focuses on how sustainability-related risks and opportunities may affect organizational performance and long-term viability. Although these perspectives differ in emphasis, they address different information needs and are directed towards different stakeholder groups.

This finding has important implications for sustainability reporting practice in Hong Kong. Organizations participating in both reporting regimes are effectively required to operate under two reporting logics simultaneously. On one hand, they are expected to disclose how they manage environmental and social impacts through governance, due diligence, and stakeholder engagement processes. On the other hand, they are expected to assess climate-related risks, evaluate strategic resilience, and communicate the potential implications of sustainability-related developments for enterprise value.

The findings also suggest that organizations may require different capabilities to address these two dimensions of sustainability reporting. Accountability-oriented reporting relies heavily on impact assessment, stakeholder engagement, human rights due diligence, and governance mechanisms. Resilience-oriented reporting, by contrast, requires capabilities in climate-risk assessment, scenario analysis, strategic planning, and financial impact evaluation. Prior research further suggests that effective ESG reporting increasingly requires critical analysis, self-directed learning, and the ability to interpret sustainability information across environmental, social, and governance dimensions.

For policymakers and standard setters, the findings highlight the continuing tension between impact-oriented and financially oriented approaches to sustainability reporting. While financially material disclosures may improve decision usefulness for investors, a narrow focus on enterprise value may underrepresent important sustainability topics that do not immediately affect financial performance. Conversely, accountability-oriented disclosures may provide richer information regarding societal and environmental impacts while offering less insight into organizational resilience and future risk exposure.

Taken together, these findings suggest that the contemporary sustainability reporting landscape in Hong Kong is characterized not by a single definition of sustainability, but by the coexistence of multiple sustainability narratives. Understanding these competing conceptions is therefore important for both reporting organizations and users of sustainability information.

5.2. Towards an Integrated Understanding of Corporate Sustainability

The distinction between sustainability accountability and sustainability resilience should not be interpreted as a choice between competing approaches. Rather, the findings suggest that both perspectives capture important dimensions of corporate sustainability and provide complementary insights into organizational sustainability performance.

Sustainability accountability focuses on whether organizations manage their impacts on society and the environment responsibly. Sustainability resilience focuses on whether organizations possess the capacity to anticipate, respond to, and adapt to sustainability-related risks and opportunities. The former emphasizes responsibility, while the latter emphasizes preparedness. Together, they address both organizational impacts and organizational exposure to sustainability-related developments.

Viewed in this way, corporate sustainability involves both outward-facing and inward-facing dimensions. Organizations are increasingly expected not only to understand how their activities affect stakeholders and the environment, but also to assess how sustainability-related developments may influence future organizational performance. A comprehensive understanding of corporate sustainability therefore requires consideration of both accountability and resilience perspectives.

This integrated perspective also provides a useful interpretation of the relationship between the two frameworks examined in this study. The UNGC CoP contributes insight into organizational responsibilities, ethical conduct, and sustainability impacts, whereas the HKEX Climate Disclosure Framework contributes insight into climate-related risks, adaptation, resilience, and long-term viability. Rather than representing competing reporting approaches, the two frameworks may therefore be viewed as addressing complementary dimensions of sustainability reporting. This interpretation is also consistent with recent ESG research that emphasizes sustainability reporting as a tool for both performance evaluation and continual improvement [14]. From this perspective, ESG disclosure frameworks not only

communicate sustainability information to external audiences but also support organizational reflection, learning, and sustainability capability development.

The findings further suggest that future developments in sustainability reporting may involve greater integration between accountability-oriented and resilience-oriented disclosures. As sustainability issues become increasingly connected to organizational strategy, risk management, and capital allocation, reporting frameworks may need to provide information on both societal impacts and organizational resilience. Such integration may offer stakeholders and investors a more complete understanding of corporate sustainability than either perspective alone.

This interpretation is also consistent with recent ESG research that emphasizes sustainability reporting as a tool for both performance evaluation and continual improvement [14]. From this perspective, ESG disclosure frameworks not only communicate sustainability information to external audiences but also support organizational reflection, learning, innovation, and sustainability capability development.

Accordingly, this study proposes that corporate sustainability is best understood as a multidimensional construct encompassing both sustainability accountability and sustainability resilience. Such an interpretation is consistent with research emphasizing stakeholder accountability, ethical conduct, transparency, and sustainability-oriented learning as integral elements of responsible organizational practice. Such an interpretation provides a broader foundation for evaluating organizational sustainability and may contribute to ongoing discussions concerning stakeholder-oriented and investor-oriented approaches to sustainability reporting.

5.3. Conclusion

This study examined how corporate sustainability is conceptualized within two sustainability reporting frameworks that are relevant to organizations operating in Hong Kong: the United Nations Global Compact (UNGC) Communication on Progress (CoP) and the Hong Kong Stock Exchange (HKEX) Climate Disclosure Framework. The comparative analysis identified areas of overlap in governance, risk management, and climate metrics and targets, while also revealing substantial differences in disclosure priorities. The UNGC CoP provides broader coverage across human rights, labour practices, anti-corruption, environmental stewardship, and sustainability impacts, whereas the HKEX Climate Disclosure Framework provides greater depth in climate strategy, scenario analysis, resilience assessment, and climate-related financial impacts.

The primary contribution of this study is to demonstrate that differences between sustainability reporting frameworks may reflect different conceptions of corporate sustainability rather than merely different disclosure requirements. The analysis suggests that the UNGC CoP primarily reflects a conception of sustainability accountability centered on organizational impacts, whereas the HKEX Climate Disclosure Framework reflects a conception of sustainability resilience centered on organizational exposure to sustainability-related risks and opportunities.

The findings therefore indicate that corporate sustainability should not be understood as a single, universally agreed concept. Rather, different reporting frameworks may operationalize sustainability through different reporting logics, stakeholder orientations, and materiality perspectives. Within the Hong Kong reporting environment, sustainability reporting increasingly incorporates both accountability-oriented and resilience-oriented dimensions.

From a practical perspective, organizations may need to develop reporting capabilities that address both dimensions simultaneously. In addition to satisfying disclosure requirements, ESG reporting can support organizational learning, critical reflection, sustainability capability development, and stronger decision-making processes relating to stakeholder engagement, risk management, and sustainable development. Sustainability accountability remains important for demonstrating responsible business conduct and managing societal and environmental impacts, while sustainability resilience is increasingly important for communicating climate-related risks, opportunities, and long-term organizational viability.

Several limitations should be acknowledged. First, the study focuses on only two reporting frameworks and therefore does not capture the full diversity of sustainability reporting approaches currently in use. Second, the analysis examines reporting frameworks rather than corporate disclosures, meaning that it does not assess how reporting requirements are interpreted and implemented in practice. Third, the study is situated within the Hong Kong reporting environment and does not seek to generalize its findings to all sustainability reporting frameworks globally.

Future research may extend this analysis to other frameworks, including the Global Reporting Initiative (GRI), the European Sustainability Reporting Standards (ESRS), and the IFRS Sustainability Disclosure Standards. Further research may also investigate how organizations reconcile accountability-oriented and resilience-oriented reporting requirements in practice and how these competing conceptions influence sustainability reporting decisions.

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