

31 Mar 2022

The Green and Sustainable Finance Cross-Agency Steering Group welcomes the publication of the International Sustainability Standards Board proposed standards for public consultation

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) welcomes today's (31 March) publication of the proposed general requirements for disclosure of sustainability-related financial information and the climate disclosure requirements by the International Sustainability Standards Board (ISSB). The ISSB is seeking feedback through a public consultation process and aims to finalise the standards by the end of 2022. The Steering Group would like to encourage the financial sector, listed companies and all interested stakeholders to participate in the ISSB consultation.

The proposed standards are built on the recommendations of the Task Force on Climate-related Financial Disclosures and are intended to form a comprehensive and effective global baseline of investor-focused sustainability disclosures.

In line with the Steering Group's strategic plan to support the development of a global uniform set of sustainability reporting standards, the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited plan to engage with industry practitioners including the audit and accounting profession, the Hong Kong Institute of Certified Public Accountants, listed companies, global standard setters such as the International Organization of Securities Commissions and other key stakeholders to evaluate and gather feedback on how the ISSB's proposed disclosure requirements can be applied in Hong Kong.

Ashley Alder, Chief Executive Officer of the SFC and co-chair of the Steering Group, said:

"This is a major step forward in the effort to establish a global baseline for sustainability and climate reporting to provide investors with consistent, comparable information about what companies are doing to address the urgent issue of climate change. Hong Kong, with its sizable capital markets, can play a pivotal role in supporting this initiative, and

we look forward to close cooperation with other authorities and industry stakeholders as we consider how the standards can be implemented in our regulatory framework.”

Eddie Yue, Chief Executive of the Hong Kong Monetary Authority and co-chair of the Steering Group, said:

“The Steering Group acknowledges the importance of a globally consistent baseline for sustainability reporting. It is encouraging to see the progress of the ISSB, which not only provides a baseline for financial institutions in preparing their own reporting, but also improves availability of sustainability-related financial data to help financial institutions' assessment on their counterparties. We are positive that the standards will be useful in improving transparency and comparability of sustainability disclosures, as well as facilitating financial institutions' risk management.”

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About the Green and Sustainable Finance Cross-Agency Steering Group

Established in May 2020, the Steering Group is co-chaired by the Hong Kong Monetary Authority and the Securities and Futures Commission. Members include the Environment Bureau, Financial Services and the Treasury Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and the Mandatory Provident Fund Schemes Authority. The Steering Group aims to coordinate the management of climate and environmental risks to the financial sector, accelerate the growth of green and sustainable finance in Hong Kong and support the Government's climate strategies.