

08 Jan 2024

Cross-Agency Steering Group announces key initiatives to support Hong Kong in capitalising sustainable finance opportunities

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) met today (8 January) to consider its work plan for this year and agreed on three key initiatives to capture financing and investment opportunities from the Asia-Pacific Region's low carbon transition. The Steering Group also welcomed the Accounting and Financial Reporting Council (AFRC) as a new member.

- 1. Adopting International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards locally as appropriate.** A new working group, co-led by the Financial Services and the Treasury Bureau (FSTB) and the Securities and Futures Commission (SFC), reported to the Steering Group on the progress in developing a roadmap on the appropriate adoption of the IFRS Sustainability Disclosure Standards (Note 1). The roadmap will comprise four key areas — sustainability reporting, assurance, data and technology, and capacity building. The working group will start engaging with stakeholders to identify Hong Kong-specific circumstances that should be considered when implementing international reporting standards.
- 2. Leveraging technology to support sustainability reporting and data analysis.** The Steering Group decided to organise an event in Q1 2024 to showcase potential green fintech use cases to scale the sustainable finance market. In the coming months, it will launch enhancements to its [website \(Note 2\)](#), including the Climate and Environmental Risk Questionnaire for Non-listed companies (Questionnaire) in digital format ([Note 3](#)), and new greenhouse gas emissions calculation and estimation tools jointly developed with the Hong Kong University of Science and Technology ([Note 4](#)). It will also explore new features that would enable broader consent-based sharing of the data collected through the Questionnaire.
- 3. Supporting the development of transition finance to consolidate Hong Kong's role as a leading sustainable finance hub.** The Steering Group identified transition finance as a priority for 2024. Its members have continued to make progress in

integrating transition considerations into their policy work to support sustainable finance development. The Steering Group will broaden the development of its local taxonomy to cover transition activities, work with regional and international partners on capacity building and elevate Hong Kong's thought leadership in the net-zero transition.

Ms Julia Leung, Co-Chair of the Steering Group and Chief Executive Officer of the SFC, said, "As an international financial centre, Hong Kong's development of a roadmap for the local sustainability disclosures ecosystem is a key priority. Adopting the IFRS Sustainability Disclosure Standards locally requires collective action by both the public and private sectors. We have been actively engaging with regional stakeholders and promoting technological solutions to support interoperability with global markets and alignment of common metrics, thereby bolstering Hong Kong's position as a leading sustainable finance hub."

Mr Eddie Yue, Co-Chair of the Steering Group and Chief Executive of the Hong Kong Monetary Authority (HKMA), said, "Disclosure remains a key focus of the Steering Group. We are working on the local adoption of the IFRS Sustainability Disclosure Standards while taking steps to ensure the availability of the data, talents, capability and technologies needed for their implementation. At the same time, we continue to work with local and international stakeholders in promoting the development of transition finance, which is particularly relevant to Asia where there is a pressing need to balance sustainability with economic development."



The meeting of the Green and Sustainable Finance Cross-Agency Steering Group is attended by (from left to right): Janey Lai, Acting Chief Executive Officer, Accounting and Financial Reporting Council; Salina Yan, Permanent Secretary for Financial Services and the Treasury (Financial Services); Eddie Yue, Chief Executive, Hong Kong Monetary Authority; Christopher Hui, Secretary for Financial Services and the Treasury; Tse Chin-wan, Secretary for Environment and Ecology; Julia Leung, Chief Executive Officer, Securities and Futures Commission; Bonnie Chan, Co-Chief Operating Officer, Hong Kong Exchanges and Clearing Limited; Cheng Yan-chee, Managing Director, Mandatory Provident Fund Schemes Authority; Clement Cheung, Chief Executive Officer, Insurance Authority.

For details on the initiatives of the Steering Group and its members, please visit <https://sustainablefinance.org.hk/en/>.

About the Steering Group

Established in May 2020, the Steering Group is co-chaired by the HKMA and the SFC. Members include the AFRC, the Environment and Ecology Bureau, FSTB, 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.

Notes:

1. In the Policy Measures of the 2023 Policy Address, the Government committed to work with relevant financial regulators and stakeholders to develop a roadmap on the appropriate local adoption of the IFRS Sustainability Disclosure Standards to align with international standards.
2. Launched in March 2023, the Steering Group's [website](#) serves as a one-stop shop for useful information, resources and data conducive to the development of green and sustainable finance in Hong Kong. Existing repositories under the [Centre for Green and Sustainable Finance](#) will be migrated to the Steering Group's website, with enhanced functionalities to facilitate better access to information and data.
3. The [Questionnaire](#) was jointly developed by the Steering Group and CDP, an international non-profit organisation that runs the global environmental disclosure system for companies, to aid corporates' sustainability reporting processes and raise their sustainability profiles to lenders, investors and supply chain clients with a view to facilitating better access of sustainability financing. It will also facilitate financial institutions' collection and assessment of company-level data for risk assessment and relevant business decisions.

4. The Steering Group [announced](#) in June 2022 its plan to create free and publicly accessible greenhouse gas emissions calculation and estimation tools, and has subsequently been engaging with the Hong Kong University of Science and Technology to develop the tool.