

Cross-Agency Steering Group announces collaboration with CDP to enhance data availability and sustainability reporting in Hong Kong

The following is issued on behalf of the Hong Kong Monetary Authority:

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) today (December 20) announced that it has entered into a collaboration arrangement with CDP, an international non-profit organisation that runs the global environmental disclosure system for companies, to jointly enhance climate data availability and sustainability reporting in Hong Kong.

The Steering Group and CDP will work together to:

- enhance climate and environmental disclosure, improve data availability and accessibility in Hong Kong;
- support capacity building and upskilling, to facilitate local companies in disclosing high-quality climate and other environmental-related data in line with existing and upcoming global standards and best practice; and
- facilitate data flow, to provide financial institutions with better data resources to assess climate and environmental related risks, and supporting the real sector in the transition towards carbon neutrality.

As part of this collaboration, the Steering Group and CDP have developed a Climate and Environmental Risk Questionnaire for Non-listed companies/small and medium-sized enterprises (SMEs) (SME Questionnaire) (Note). This is a first cross-sector reporting template designed for first-time reporting corporates in Hong Kong, especially SMEs. The template comes in three versions (Annexes 1 to 3) with different level of granularity, to cater for variation in the reporting corporates' size and sophistication. The easy-to-use template is intended to aid corporates' sustainability reporting processes and raise their sustainability visibility to lenders, investors and supply chain clients so to better access sustainability financing. It will also facilitate financial institutions' collection and assessment of company-level data for risk assessment and relevant business decisions.

To encourage take up, the Steering Group and CDP have developed comprehensive guidance and learning materials for the use of the template, and will arrange targeted capacity building sessions starting in Q1 2023. The Steering Group will also work with the financial institutions and industry bodies to deploy the questionnaire, facilitate data collection and encourage corporates' adoption of the questionnaire. It is developing a data portal to collect and allow financial institutions to access relevant corporate data,

subject to consent.

Co-Chair of the Steering Group and the Chief Executive of the Hong Kong Monetary Authority, Mr Eddie Yue, said, "Data is a critical factor in promoting the adoption of sustainable finance by financial institutions and corporates. With the launch of this collaboration with CDP, we are taking an important step in broadening our data effort to include SMEs, an important and previously hard-to-reach segment of our economy. We look forward to working with CDP to encourage the use of this template and further enhance Hong Kong's sustainable finance ecosystem."

Co-Chair of the Steering Group and Acting Chief Executive Officer of the Securities and Futures Commission, Ms Julia Leung, said, "Companies worldwide are increasingly setting climate goals and actively considering their respective decarbonisation pathways. This collaboration with CDP will enhance the availability and accessibility of comparable and reliable value chain data, which will not only benefit companies that are seeking to understand their current climate footprints and chart the way forward, but also contribute positively to the global emissions reduction agenda."

Managing Director for APAC of CDP Mr Donald Chan, said, "SMEs make up a significant proportion of the global economy and their activity will be essential to the net-zero transition. So, it is crucial that SMEs are equipped with the tools and resources needed to not only commit to and accelerate environmental action, but to ensure their own long-term business viability. As the world's only independent global environmental disclosure system, CDP is committed to supporting SMEs to do so. We are delighted to partner with Steering Group on this pivotal project to drive more, and better, disclosure and action in Hong Kong and improve data quality for all real economy actors."

Note: The SME Questionnaire is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. It was developed with the support of the Data Working Group under the Centre for Green and Sustainable Finance ([member list](#)). There are three versions of SME Questionnaire developed to cater for different size and need of companies. The Steering Group will continue to review and update the questions periodically with CDP's assist, in line with global standards.

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 and Ecology 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 co-ordinate 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.

About the Centre for Green and Sustainable Finance

The Centre for Green and Sustainable Finance is a cross-sector platform launched by the Steering Group in July 2021. The Centre co-ordinates the efforts of financial regulators, relevant government agencies, industry stakeholders and academia in capacity building and to improve data availability for the financial industry.

About CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 680 financial institutions with over US\$130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Nearly 20 000 organisations around the world disclosed data through CDP in 2022, including more than 18 700 companies worth half of global market capitalisation, and over 1 100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, the Investor Agenda and the Net Zero Asset Managers initiative. Visit [cdp.net](https://www.cdp.net) or follow @CDP to find out more.