

# Cross-Agency Steering Group welcomes publication of IFRS Sustainability Disclosure Standards

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

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) welcomes the International Sustainability Standards Board's (ISSB) [publication](#) of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards today (June 27). These standards aim at becoming the global baseline for corporate disclosure of climate and sustainability-related information (Note 1).

The Steering Group also welcomes the reliefs built into the ISSB standards that would allow jurisdictions to scale and phase in the requirements. Relevant authorities in Hong Kong will consider alignment of the local requirements with this global baseline in a proportionate approach (Note 2).

The IFRS Foundation has stepped up its presence in Asia by opening an ISSB office in Beijing, China on June 19, 2023. The Steering Group looks forward to engaging with the ISSB in the sustainability reporting journey and collaborating on capacity building. The Steering Group will also maintain a close dialogue with market participants and stakeholders, with a view to developing and implementing world-class regulation across different financial services sub-sectors, as well as enabling Hong Kong to capitalise on climate and sustainability-related opportunities.

Co-Chair of the Steering Group and the Chief Executive Officer of the Securities and Futures Commission (SFC), Ms Julia Leung, said, "The availability of transparent, comparable and reliable sustainability information is important for financial intermediaries and global investors to meet their obligations to stakeholders on carbon emissions reduction and regulators' requirements. As an international financial centre, Hong Kong needs to align its corporate sustainability-related disclosures with the global baseline to ensure that financial institutions are able to effectively intermediate capital and price sustainability-related risks in this part of the world."

Co-Chair of the Steering Group and the Chief Executive of the Hong Kong Monetary Authority (HKMA), Mr Eddie Yue, said, "The Steering Group welcomes the release of the ISSB's standards as a major milestone in creating a globally consistent baseline for sustainability reporting. High-quality, globally comparable sustainability disclosure is essential to effective climate risk assessment and business development. The IFRS Sustainability Disclosure Standards will facilitate more consistent disclosure, promote best market practices, and ultimately contribute to the accessibility and

affordability of sustainable financing for corporates."

Vice Chair of the IFRS Foundation Ms Teresa Ko said, "Heartfelt congratulations to the ISSB on its inaugural set of two standards. It is an exciting and historic moment as we see the creation of a single set of investor-focused sustainability-related disclosures that could be adopted across the world. I strongly encourage companies to use these two new standards – which have been built on and expanded from the TCFD recommendations. This is crucial for companies to provide investors with information to make more informed investment and capital allocation decisions. I also hope Hong Kong can take a leadership role in Asia in the use of these two standards now that they are published."

About the [Green and Sustainable Finance Cross-Agency Steering Group](#)

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

Note 1: The IFRS Sustainability Disclosure Standards published on June 26, 2023, include the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. They are built upon the recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD), issued in June 2017, which cover four core areas of governance, strategy, risk management, and metrics and targets.

Note 2: In April 2023, the Stock Exchange of Hong Kong Limited released a public [consultation](#) on new climate-related reporting requirements for Hong Kong listed companies. The newly proposed climate-related disclosure requirements are referenced against the [IFRS S2 Climate-related Disclosures Exposure Draft](#) published by the ISSB in March 2022, and supplemented or modified by subsequent deliberations announced by the ISSB. The consultation is due to close on July 14, 2023, and the consultation conclusions will take market feedback and the final ISSB standards into account.