

Luncheon remarks by SFST at One Earth Summit (English only) (with photo)

Following are the luncheon remarks by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the One Earth Summit today (March 25):

Poman (Founder of the Institute of Sustainability and Technology, Professor Poman Lo), Mr Tsao (Chairman of IMC Pan Asia Alliance Group, Mr Chavalit Frederick Tsao), distinguished guests, ladies and gentlemen,

Good afternoon.

A warm welcome to all of you from around the world to Hong Kong, a vibrant city, for addressing the crucial task of safeguarding the sustainability of our Earth. I am sure you all have had a fantastic and thought-provoking day so far, with interesting discussions and sharing of ideas on sustainability, finance, and global collaboration.

Before I start, I would like to thank today's organiser, the Institute of Sustainability and Technology, for organising today's wonderful event which also serves to kick-start our Financial Mega Event Week covering a series of top-tier international conferences and exhibitions taking place in Hong Kong. These include the highly acclaimed Wealth for Good in Hong Kong Summit exclusively for our family offices; and the Global Investors' Symposium organised by the Milken Institute, the first large-scale summit held in Hong Kong by the Institute since 1998. On the arts and culture side, we also have the annual Art Basel Hong Kong show to be held near the end of the week. So your choice to visit the city this week is timely and wise, as you will definitely experience the vitality and vibrancy, as well as the international and multicultural qualities of Hong Kong.

Turning back to the theme of today's summit on sustainability, as the Principal Official of Hong Kong Special Administrative Region (HKSAR) Government covering the development of financial services, let me share with you Hong Kong's efforts in promoting green and sustainable finance development. First and foremost, I am proud to announce that the HKSAR Government is today issuing a vision statement on developing the sustainability disclosure ecosystem in Hong Kong.

With heightened worldwide awareness on sustainable development, it has become vital to ensure that accurate, consistent and relevant information about sustainability-related matters is available for investors and other market participants to manage risks and support investments. The International Sustainability Standards Board (ISSB) published in June 2023 its first set of International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) as the global baseline for entities around the globe to prepare comparable, consistent and reliable climate and

sustainability-related information, and make sustainability disclosures focusing on the needs of investors and the financial markets. Our vision is to be among the first jurisdictions to align the local sustainability disclosure requirements with the ISSB Standards, as we consider it essential to showcase our commitment to reinforcing Hong Kong's leading position on the international sustainable finance map and solidifying the competitiveness of businesses in Hong Kong to address the global demand for sustainability disclosure. To transform this vision into concrete actions, we will launch a roadmap within this year to provide a transparent and well-defined pathway on sustainability reporting for businesses in Hong Kong.

We will adopt a holistic approach which includes phased implementation of the local sustainability disclosure requirements for all financial services sub-sectors, including listed companies and all regulated financial institutions, such as banks, fund managers, insurance companies, and Mandatory Provident Fund trustees, etc. Publicly accountable entities such as listed companies and regulated financial institutions will be prioritised to apply the local standards, taking into account their preparedness and capabilities.

The ecosystem will also cover sustainability assurance to enable credible implementation and capacity building to support industry and companies. We will also facilitate the use of technological solutions to improve data availability and support data collection and reporting. To this end, we have recently launched a set of greenhouse gas emissions calculation and estimation tools for public access free of charge. They refer to internationally recognised standards, while also integrating elements and data specific to Hong Kong and Mainland China in their calculation and estimation models. We have also recently promulgated an online questionnaire which serves as a reporting template for our non-listed companies and small and medium-sized enterprises to assist their sustainability reporting processes.

Talking about green finance innovation, let me also highlight our achievements and new initiatives to further promote its development. Under the Government Green Bond Programme, we have successfully issued Government green bonds totalling US\$25 billion equivalent so far, which include the world's first tokenised government green bond issued in early 2023, and the world's first multi-tranche digitally native green bonds issued just last month, in addition to the traditional institutional and retail green bonds. We will also launch a dedicated proof-of-concept subsidy scheme for green fintech in the first half of this year to provide early-stage funding support for green fintech, facilitating commercialisation and fostering the development of new green fintech initiatives.

Ladies and gentlemen, the above are just a few examples to showcase Hong Kong's leading position as an international and regional green finance hub. With the concerted efforts of the Government, our financial regulators, industry and other stakeholders, we have seen rewarding results. The annual issuance of green and sustainable debt instruments in Hong Kong has seen remarkable growth in the last few years, expanding from just US\$12 billion in

2020 to more than US\$80 billion in 2022, a six-fold increase in just two years. In 2022, the volume of green and sustainable bonds arranged in Hong Kong topped the Asian market, accounting for 35 per cent of the market. We will continue to leverage our unique position as an international financial centre that connects capital flows between economies across the Asia-Pacific region, with unparalleled connectivity to the Mainland and contribute to the green transition of the world's economy.

As a collective force, we have the power to make a real difference and create a world of sustainable practices. I want to express my gratitude once more for your active involvement, and I wish all of you a day filled with success and fruitful outcomes.

Thank you, and let's continue our journey towards global sustainability together.

