

Speech by Permanent Secretary for Financial Services and the Treasury (Financial Services) at HKICPA Best Corporate Governance and ESG Awards 2023 Awards Presentation Luncheon (English only)

Following is the speech by the Permanent Secretary for Financial Services and the Treasury (Financial Services), Ms Salina Yan, at the Hong Kong Institute of Certified Public Accountants (HKICPA) Best Corporate Governance and ESG Awards 2023 Awards Presentation Luncheon today (November 29):

Loretta (President of HKICPA, Ms Loretta Fong), HKICPA friends, distinguished guests, ladies and gentlemen,

It is my great pleasure to join you all today to pay tribute to exemplary practices in corporate governance and ESG (environmental, social and governance) reporting among listed companies and public sector or not-for-profit organisations.

It is a rightful recognition of the achievements of all the awardees, for you have demonstrated clearly that doing good to the society and the environment means also doing good to your businesses. From a big picture point of view, concerted efforts by individual organisations to attain a high level of governance embracing risk management and internal controls can also help foster the credibility and resilience of our financial markets to weather changes and challenges.

Thanks to the hard work of our professionals and professional bodies like the HKICPA, regulators and stakeholders, we are seeing an increasingly robust and vibrant ESG ecosystem in Hong Kong.

As of end-September 2023, there were more than 200 SFC-authorized ESG funds, with a total AUM of around US\$160 billion.

According to the HKEX's latest review of issuers' corporate governance practices, issuers have demonstrated strong compliance with new provisions in its 2022 revised Corporate Governance Code. There have also been substantial improvements in periodic board membership refreshment and boardroom gender diversity.

The Government has also led by example in developing green and sustainable finance. We have issued around US\$24 billion of green bond since

2019. In the past three years, some 310 green and sustainable debt instruments totalling about US\$90 billion have been issued in Hong Kong with the support of the Green and Sustainable Finance Grant Scheme. We are also running a three-year Pilot Green and Sustainable Finance Capacity Building Support Scheme to sponsor the training of market practitioners.

In addition, in response to the publication of the IFRS Sustainability Disclosure Standards by the International Sustainability Standards Board, we are now working with financial regulators and stakeholders, the HKICPA including, to develop a roadmap on the appropriate adoption of the IFRS Sustainability Disclosure Standards for Hong Kong. This will bring us in line with international standards and enhance our competitive edge in the global arena for sustainable investments.

Climate change and sustainability are indeed high on our policy agenda, and I am glad to have the chance to take part in COP28 (the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change) related activities in Dubai beginning this week.

Last but certainly not the least, on the theme of governance, I would like to appeal to all accountants in the room and beyond to cast your vote in the HKICPA Council election which is coming to a close in five days, and to all of you to vote in the coming District Council election which will be held on December 10, 2023. Exercise your right to elect the best representatives for Hong Kong's accounting profession and the wider community.

Congratulations again to the happy awardees. Keep up your good work on corporate governance and ESG. Thank you.