



Hong Kong Special Administrative Region
of the People's Republic of China

Roadmap on Sustainability Disclosure in Hong Kong: Ambition · Assurance · Enablement

December
2024

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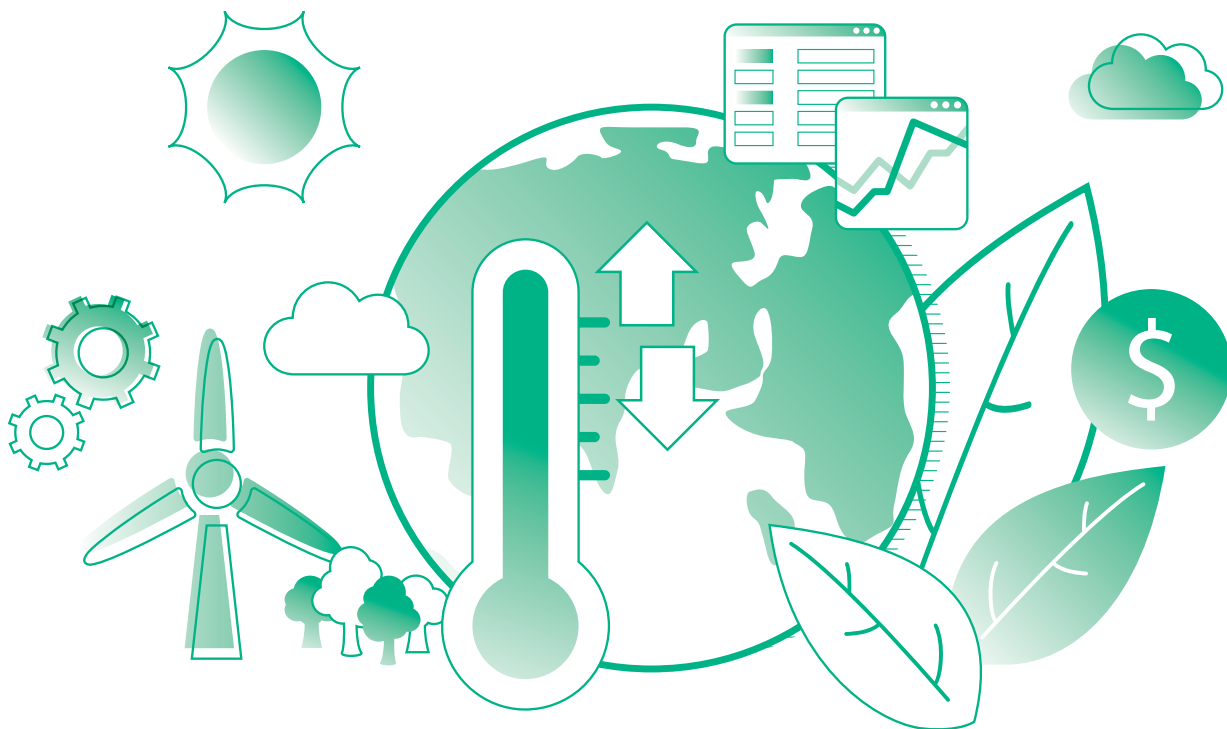
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01

Executive Summary





In June 2023, the International Sustainability Standards Board (“ISSB”) published its inaugural set of International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards, namely the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (collectively, the “ISSB Standards”).

As a leading hub for sustainable finance, Hong Kong is committed to supporting the disclosures of consistent and comparable climate and sustainability-related information in accordance with global standards. High quality disclosures will be conducive to meeting Hong Kong’s

carbon neutrality commitment and our country’s “3060 Dual Carbon Targets”. The Government of the Hong Kong Special Administrative Region (“HKSAR Government”) announced in the 2023 Policy Address¹ that it will work with financial regulators and stakeholders to develop a roadmap on the appropriate adoption of the ISSB Standards to align with international standards. In March 2024, the Financial Services and the Treasury Bureau (“FSTB”) of the HKSAR Government issued a Vision Statement which sets out the vision for Hong Kong to be among the first jurisdictions to align the local sustainability requirements with the ISSB Standards.

¹ https://www.policyaddress.gov.hk/2023/public/pdf/measure/measure-04_en.pdf

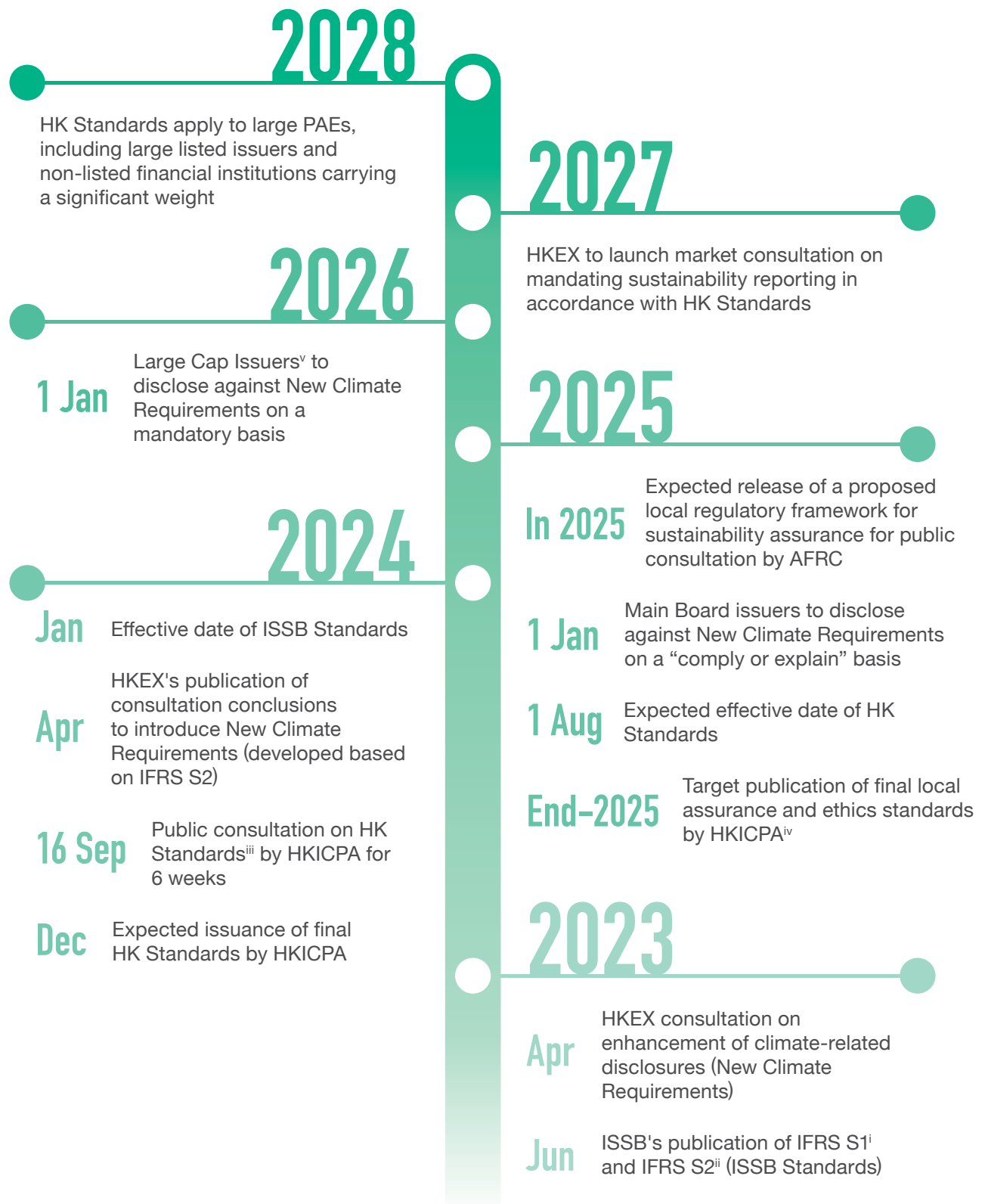
This Roadmap sets out Hong Kong's approach to require publicly accountable entities ("PAEs") (as elaborated in Section 3) to adopt the ISSB Standards. It provides a well-defined pathway for **large PAEs to fully adopt the ISSB Standards no later than 2028** with the following key milestones:

- 📍 The Hong Kong Institute of Certified Public Accountants ("HKICPA") is developing the Hong Kong Sustainability Disclosure Standards ("the Hong Kong Standards") on a full alignment basis² with the ISSB Standards. Following a public consultation on the Exposure Drafts which indicates general support, the HKICPA aims to issue the final Hong Kong Standards by the end of 2024 with an effective date of 1 August 2025.
- 📍 All Main Board issuers are required to disclose against the New Climate Requirements modelling on IFRS S2 on a "comply or explain" basis starting from 1 January 2025. Issuers that are Hang Seng Composite LargeCap Index constituents ("Large Cap Issuers")³ are further required to disclose against the New Climate Requirements on a mandatory basis starting from 1 January 2026. Hong Kong Exchanges and Clearing Limited (HKEX) will consult the market in 2027 on mandating sustainability reporting against the Hong Kong Standards for listed PAEs, with an expected effective date of 1 January 2028 under a proportionate approach.
- 📍 Relevant financial regulators will require financial institutions carrying a significant weight (being non-listed PAEs) to apply the Hong Kong Standards no later than 2028.

² This carries the same meaning as "full convergence" used in the explanatory memorandum accompanying the draft Hong Kong Financial Reporting Standard S1 (HKFRS S1) and Hong Kong Financial Reporting Standard S2 (HKFRS S2) published by the HKICPA in September 2024.

³ Large Cap Issuers refer to issuers that are Hang Seng Composite LargeCap Index ("HSCLI") constituents throughout the year immediately prior to the reporting year. As of 30 June 2024, HSCLI constituents accounted for 75.42% of the combined market capitalisation and 56.38% of the total year-to-date average daily trading volume of all listed issuers.

Timeline on the Implementation of Sustainability Disclosure Standards in full alignment with the ISSB Standards in Hong Kong



ⁱ Disclosure of Sustainability-related Financial Information

ⁱⁱ Climate-related Disclosures

ⁱⁱⁱ Fully aligned with ISSB Standards

^{iv} Issuance date subject to the timing of publication of the final standards by the relevant international organisations

^v Issuers that are Hang Seng Composite LargeCap Index constituents

This Roadmap also elaborates on Hong Kong's blueprint to develop a comprehensive ecosystem to support sustainability disclosures, which encompasses sustainability assurance, data and technology, as well as skills and competencies. Key steps to be taken include:

📍 **Sustainability Assurance:** On standard setting, the HKICPA will be developing local assurance and ethics standards on a full convergence basis with international standards and, subject to the timing of publication of the final standards by the relevant international organisations, aims to publish the final local assurance and ethics standards before end-2025. On regulatory regime, the Accounting and Financial Reporting Council ("AFRC") will release a proposed local regulatory framework for sustainability assurance for public consultation in 2025.

📍 **Data and Technology:** The Green and Sustainable Finance Cross-Agency Steering Group ("Steering Group")⁴ members will continue their efforts in facilitating better sustainability disclosures and enhancing quality of data through a multi-pronged approach, including promoting the development of green fintech, rolling out free data tools, and expanding the Hong Kong Taxonomy for Sustainable Finance, etc.

📍 **Skills and Competencies:** The Steering Group members and the HKICPA will continue to promote alignment with the ISSB Standards and support capacity building efforts locally, regionally and internationally through organising seminars, webinars and other engagement activities as well as publishing articles and newsletters on sustainability-related topics; providing training and certification programmes; facilitating discussions at relevant technical and/or advisory committees; and working with industry practitioners, stakeholders and relevant regulators to establish good practices for sustainability reporting.

This Roadmap was developed with the support of the Steering Group through a dedicated working group co-led by FSTB and the Securities and Futures Commission ("SFC"). Members of the working group comprise the Hong Kong Monetary Authority ("HKMA"), the Insurance Authority ("IA"), the Mandatory Provident Fund Schemes Authority ("MPFA"), the AFRC, HKEX, and the HKICPA.

⁴ Established in May 2020, the Steering Group is co-chaired by the Hong Kong Monetary Authority and the Securities and Futures Commission. Members include FSTB, the Environment and Ecology Bureau, the Insurance Authority, the Mandatory Provident Fund Schemes Authority, the AFRC and HKEX. The Steering Group coordinates the management of climate and environmental risks to the financial sector, accelerates the growth of green and sustainable finance in Hong Kong and supports the Government's climate strategies.

02

Developing the Hong Kong
Sustainability Disclosure
Standards

Designated as the sustainability reporting standard setter in Hong Kong, the HKICPA is developing the Hong Kong Standards, namely HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures on a full alignment basis with the ISSB Standards. The HKICPA's standard-setting function, among others, is overseen by the AFRC, the independent statutory regulator of the accounting profession in Hong Kong.

Exposure Draft HKFRS S1
Issued 16 September 2024

Exposure Draft Hong Kong Financial Reporting Standard S1

General Requirements for Disclosure of Sustainability- related Financial Information



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Exposure Draft HKFRS S2
Issued 16 September 2024

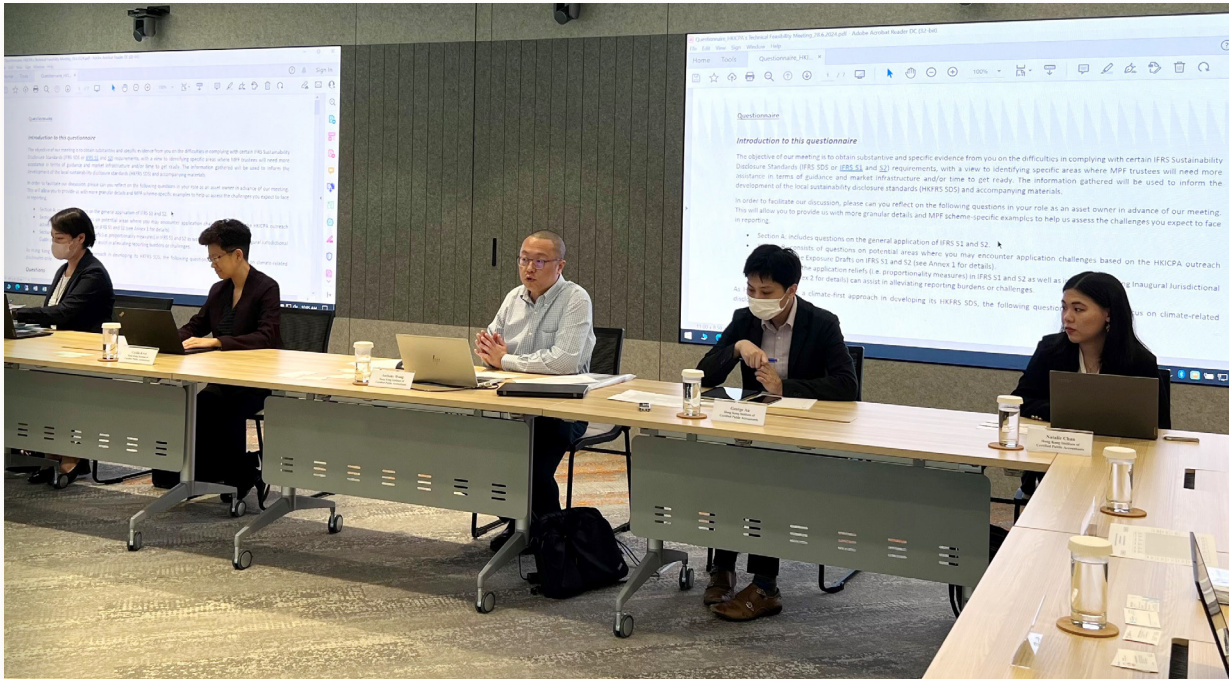
Exposure Draft Hong Kong Financial Reporting Standard S2

Climate-related Disclosures



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Exposure Drafts for HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures (HKFRS Sustainability Disclosure Standards)



Technical feasibility study meeting with MPFA and its regulatees in June 2024

The HKICPA conducted extensive stakeholder engagement with over 150 entities⁵ across the past two years (starting with the publication of the draft ISSB Standards in early 2022 and culminating in the completion of the technical feasibility study⁶ on the application of the ISSB Standards in Hong Kong in June 2024) and gathered substantive evidence incorporating local and international developments. After a holistic assessment, the HKICPA reached the decision to develop the Hong Kong Standards on a full alignment basis with the ISSB Standards.

At the technical feasibility study meetings, investors emphasised the importance for Hong Kong to align in full with the ISSB Standards in order to stay relevant at the

international level and remain competitive in global trade, while preparers' focus laid in the specific areas of data availability and quality, scope 3 greenhouse gas (GHG) emission disclosures, scenario analysis and anticipated financial effects. They shed light on the need for more relevant datasets and capacity building activities for high-quality sustainability disclosures. Many of the views have already been addressed by the changes made by the ISSB in the final ISSB Standards, in particular, the proportionality mechanisms introduced therein as well as on-going capacity building and data and technology initiatives currently or to be undertaken by the Steering Group and other relevant parties.⁷ See section 4 for details.

⁵ The HKICPA engaged with different stakeholders within the sustainability disclosures ecosystem, including members of the Steering Group, preparers, investors, industry associations, academics, sustainability assurance providers, consultants and specialists, amongst others.

⁶ During March to June 2024, the HKICPA together with relevant Steering Group members met with over 80 listed companies, financial institutions, investors and industry organisations to identify Hong Kong-specific circumstances that should be taken into account when developing the Hong Kong Standards, any accompanying implementation guidance and ongoing capacity building activities for delivering an effective roll-out of the ISSB Standards in Hong Kong.

⁷ For more details on how the findings of the technical feasibility study would be addressed, please refer to the explanatory memorandum accompanying the draft HKFRS S1 and HKFRS S2 published by the HKICPA in September 2024.

After a comprehensive assessment of the evidence gathered from the technical feasibility study, among others, the HKICPA has decided to develop the Hong Kong Standards on a full alignment basis with the ISSB Standards for the following key reasons:

- a** There is clear demand from investors for Hong Kong to align in full with the ISSB Standards to remain competitive and to maintain Hong Kong's status as an international financial centre. As the ISSB Standards sets the global baseline of sustainability disclosures, it is imperative for Hong Kong to meet the baseline requirements to provide global investors with consistent and comparable information for capital allocation purposes;
- b** The International Organization of Securities Commissions has endorsed the ISSB Standards as appropriate to serve as a global framework for capital markets to develop the use of sustainability-related financial information in both capital raising and trading, and for the purpose of helping globally integrated financial markets accurately assess relevant sustainability risks and opportunities. As of September 2024, 30 jurisdictions representing approximately 57% of global GDP, over 40% of global market capitalisation and over half of global greenhouse gas emissions, have already decided to use or are taking steps to introduce ISSB Standards in their legal or regulatory framework;
- c** The final ISSB Standards include proportionality and scalability mechanisms that cater to entities with varying capabilities and levels of maturity in sustainability reporting;
- d** There is robust implementation support both locally and internationally for applying the ISSB Standards, including areas on which Hong Kong stakeholders have expressed views; and
- e** In April 2024, HKEX published the conclusions of its public consultation on enhancing climate-related disclosure requirements. The New Climate Requirements together with the implementation guidance released by HKEX, which are highly aligned with the ISSB Standards, received broad support from the market.

The HKICPA conducted a public consultation on the Hong Kong Standards from 16 September to 27 October 2024, and is considering the consultation feedback received with a view to issuing the final Hong Kong Standards by the end of 2024 with an effective date of 1 August 2025.

03

Application of the Hong Kong
Sustainability Disclosure Standards

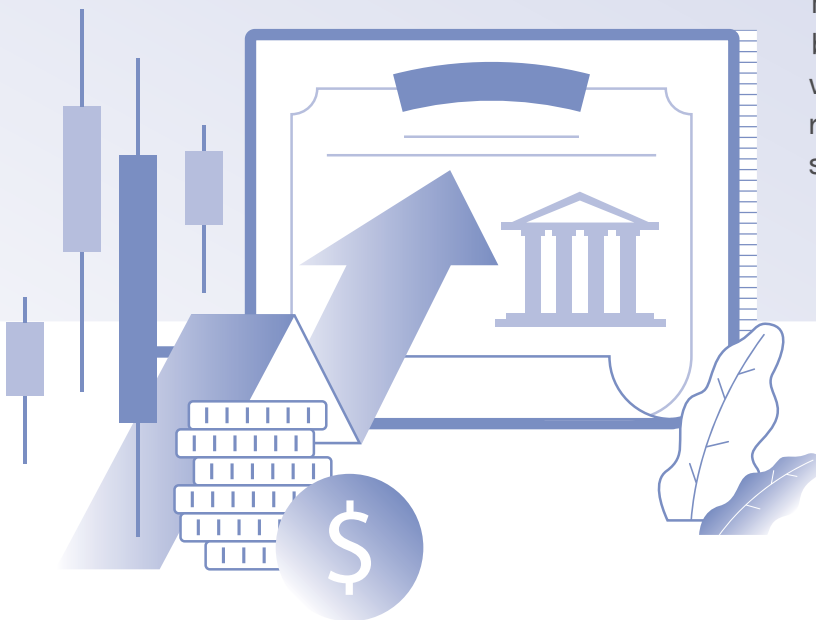
The Hong Kong Standards (as fully aligned with the ISSB Standards) will be developed and made available in a manner that can be applied by any company operating in Hong Kong.

The Steering Group has considered Hong Kong's overall business and financial market composition, and the public accountability and the weight of entities in relation to the economy. Based on the Inaugural Jurisdictional Guide published by

the IFRS Foundation in May 2024⁸, Hong Kong will prioritise the application of the Hong Kong Standards by PAEs under a phased-in approach. Large PAEs in Hong Kong, defined for the purposes of this Roadmap as listed companies which are Large Cap Issuers as well as large non-listed financial institutions carrying a significant weight in Hong Kong, will fully adopt the Hong Kong Standards no later than 2028.

As set out in the Inaugural Jurisdictional Guide issued in May 2024, PAEs are:

- a** Entities whose securities are traded in a public market or entities in the process of issuing securities for trading in a public market (sometimes called listed entities or public entities); and
- b** Entities that hold assets in a fiduciary capacity for a broad group of outsiders as one of their primary businesses (for example, banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks) and have a significant weight in the jurisdiction, regardless of their ownership structure or listed status.



⁸ The Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards.

The Inaugural Jurisdictional Guide makes it clear that PAEs do not include:

- a** Entities whose securities are traded in private markets;
- b** Entities whose securities are traded in relatively small public securities markets;
- c** Entities that are generally characterised by small shareholder bases or low liquidity, or that are not subject to extensive corporate governance disclosure requirements;
- d** Entities that hold assets in a fiduciary capacity for a broad group of outsiders as one of their primary businesses and do not have a significant weight in the jurisdiction; or
- e** Other entities such as private entities and entities without public accountability that are often referred to as SMEs.

Depending on the parameter used, PAEs may be classified into market tiers:

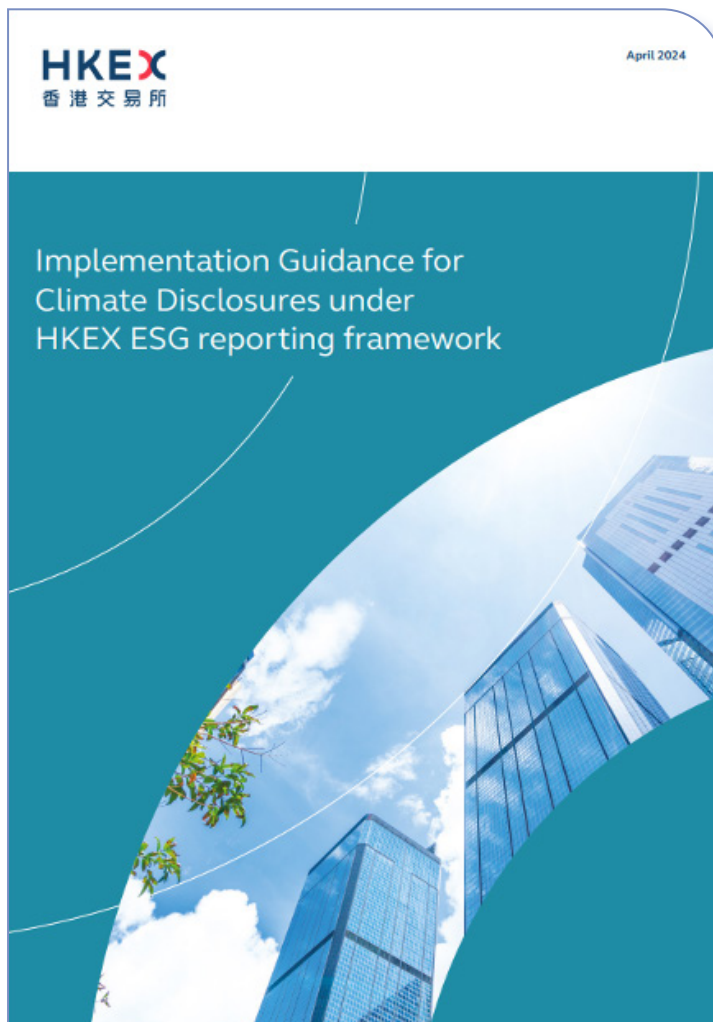
- 📍 First tier - prime, premium or senior;
- 📍 Second tier - standard; or
- 📍 Third tier - growth, entry or venture

The Inaugural Jurisdictional Guide also sets out that the concept of first and second tiers is intended to capture large listed entities that have a significant volume of traded securities, a large shareholder base and high annual revenue. Typically, entities in the first and second tiers (prime, premium or senior, and standard) are subject to the highest standards of transparency and are required to meet extended disclosure requirements. Entities in the third tier (growth, entry or venture) are usually subject to less stringent standards of transparency.

Large PAEs not only have large impact on Hong Kong's economy but also across the globe with their extensive emission footprint and contribution to global trade. Active integration of sustainability considerations into these companies' business operations will positively influence business behaviour and effectively reduce carbon emissions which will advance global sustainability efforts in addressing climate change. The Hong Kong Standards will also serve as a catalyst for large PAEs to articulate their sustainability efforts to their investors and stakeholders.

3.1 Listed Companies

Hong Kong is among the first jurisdictions to have announced new climate-related reporting requirements for listed companies that are based on the ISSB Standards, which will come into force in January 2025.



Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework

In April 2024, HKEX published the New Climate Requirements, which are developed based on IFRS S2. The accompanying implementation guidance, which refers to the relevant parts in IFRS S1, assists issuers to comply with such requirements. All Main Board issuers are required to disclose against the New Climate Requirements modelling on IFRS S2 on a “comply or explain” basis starting from 1 January 2025. Large Cap Issuers are further required to disclose against the New Climate Requirements on a mandatory basis starting from 1 January 2026.

The New Climate Requirements in the Listing Rules are an interim step for companies to start climate reporting early in accordance with provisions of the ISSB Standards. HKEX will conduct a review in 2027 when the first mandated reports based on the New Climate Requirements become available. The aim is to launch a market consultation on mandating reporting in accordance with the Hong Kong Standards (which are fully aligned with the ISSB Standards, i.e. including both IFRS S1 and IFRS S2). It is envisaged that:

- a** The consultation will focus on the implementation of the Hong Kong Standards for listed companies, including whether to replace the existing Listing Rule requirements in respect of ESG reporting (as set out in Appendix C2 Environmental, Social and Governance Reporting Code (Part A to Part D) of the Listing Rules) with a new provision directing listed companies to publish sustainability reports in accordance with the Hong Kong Standards;
- b** Taking into account issuers' experience in sustainability reporting, market capitalisation and capabilities, the requirement to prepare sustainability-related disclosures in accordance with the Hong Kong Standards will be introduced in a proportionate manner. The consultation will ascertain the approach on phasing-in of reporting entities, starting with more advanced issuers (e.g. Large Cap Issuers);
- c** The consultation will also seek feedback on mandating assurance for all or part of the sustainability disclosures and the approach on phasing-in such requirements to enhance credibility and reliability of sustainability disclosures, taking account of local developments on sustainability assurance as elaborated in section 4.1; and
- d** Subject to the consultation feedback, it is expected that the Hong Kong Standards will apply to the first batch of listed companies in respect of reports for financial years beginning on or after 1 January 2028.

Hong Kong Roadmap

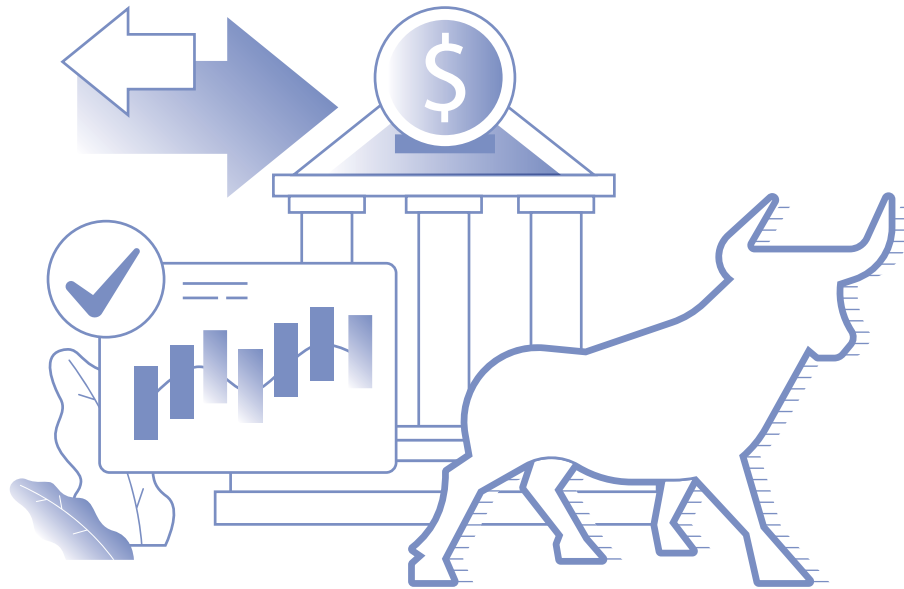
HKEX New Climate Requirements

Sustainability reporting in accordance with HK Standards

The New Climate Requirements in the Listing Rules are an interim step for companies to start climate reporting early in accordance with provisions of the ISSB Standards.

3.2 Non-listed PAEs being Financial Institutions

As an international financial centre, Hong Kong hosts many financial institutions that act as important intermediaries to channel funds towards sustainability goals and to meet investors' needs, and play an important role in managing the climate and sustainability risks associated with assets.



The majority of financial institutions carrying a significant weight in Hong Kong are either HKEX listed companies; or belong to HKEX listed parent or holding companies. The New Climate Requirements, as well as the expected disclosure requirements against the Hong Kong Standards as elaborated in section 3.1, will apply to these financial institutions.

Relevant financial regulators in Hong Kong have introduced climate-related regulatory and disclosure requirements for their respective regulated entities, which align with international standards and best practices issued by international regulatory standard setting bodies. The HKMA, SFC, IA and MPFA will continue to monitor local and international developments,

including recommendations and guidance to be issued by international regulatory standard setting bodies, and the industry participants' preparedness and capabilities, when considering future enhancements to their sector-specific regulatory requirements relating to climate and other sustainability topics. This includes conducting sector-specific engagements to determine the approach and timing of adopting the Hong Kong Standards for different financial sectors. Subject to stakeholders' comments and feedback, relevant financial regulators will require financial institutions carrying a significant weight (being non-listed PAEs) to apply the Hong Kong Standards no later than 2028.



04

Ecosystem to support
implementation of the Hong Kong
Sustainability Disclosure Standards

A comprehensive ecosystem encompassing sustainability assurance, data and technology, and skills and competencies is key to the successful implementation of the Hong Kong Standards. The following are priorities to support the development of the ecosystem.

4.1 Sustainability Assurance

Standard Setting

The International Standard on Sustainability Assurance 5000 was published in November 2024 by the International Auditing and Assurance Standards Board (“IAASB”) and the International Ethics Standards for Sustainability Assurance is expected to be published by the International Ethics Standards Board for Accountants (“IESBA”) in early 2025. Based on the HKICPA’s established convergence policy, the HKICPA will be developing local assurance and ethics standards on a full convergence basis with the above international standards and, subject to



the timing of publication of the final standards by the IESBA, aims to publish the final local assurance and ethics standards before end-2025.

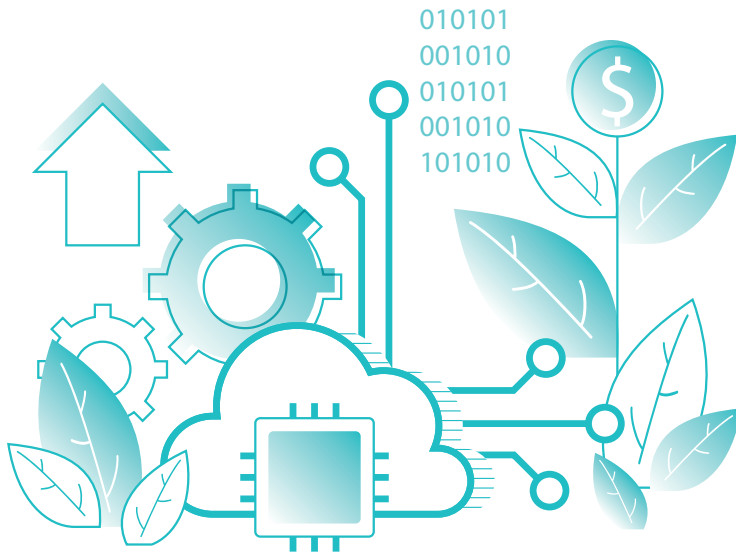
Regulatory Regime

The AFRC will work with relevant financial regulators and stakeholders to drive the development of Hong Kong’s regulatory regime for sustainability assurance. The objectives of the regime are:

- a** to promote high quality assurance by adopting international standards;
- b** to enhance credibility and reliability of sustainability disclosures by promoting independent assurance; and
- c** to ensure a level playing field for assurance providers by setting licensing and registration requirements, and ongoing professional development requirements.

In May 2024, the AFRC conducted a survey of nearly 800 listed companies and over 100 auditors of public interest entities on the preparedness of listed companies in embracing climate reporting and assurance. The report will be issued before end-January 2025.

In 2025, the AFRC will release a proposed local regulatory framework for sustainability assurance for public consultation. This framework will address various aspects, including the registration of assurance providers, the implementation of assurance and ethics standards, and the establishment of the related regulatory regime.



4.2 Data and Technology

Market participants have cited data-related concerns as a challenge for reporting against the ISSB Standards.

The Steering Group will continue its efforts in facilitating better sustainability disclosures and enhancing the quality of data through a multi-pronged approach.

Green Fintech

Green fintech solutions can enhance efficiency and reduce cost for preparers and users of sustainability-related disclosures, as well as enable comparability and interoperability of disclosures across sectors and markets. During the Hong Kong Green Week held on 26 February to 2 March 2024, the Steering Group initiated and launched the Prototype Hong Kong Green Fintech Map in coordination with Cyberport and Invest Hong Kong, providing one-stop information on the current status of green fintech companies in Hong Kong. Hong Kong will continue to promote the development and use of technology driven solutions to increase data availability and accessibility, including considering the applicability of the ISSB Taxonomy.



Prototype Hong Kong Green Fintech Map

In June 2024, FSTB launched the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme to promote the research and development as well as commercial adoption of innovative Green FinTech solutions across five key areas:

- a** Green & Digital Finance and Investment;
- b** ESG Disclosure, Compliance and Regulatory Reporting;
- c** Carbon Trading, Analytics and Technology;
- d** ESG Data, Intelligence and Analytics; and
- e** ESG / Climate Risk Modelling & Assessment.

Each approved project may be provided with funding of up to HK\$150,000.

In October 2024, FSTB issued a policy statement setting out the Government's policy stance and approach towards the responsible application of artificial intelligence (AI) in the financial market. We will closely monitor market developments and draw on international experience in promoting the responsible use of AI in the financial services sector for accelerating the development of new quality productive forces. We also encourage financial institutions to make full use of the AI models developed by academic institutions, with a view to addressing sustainability challenges.

Free data tools offered by the Steering Group

Promoting data and technology is one of the key priorities of the Steering Group which has launched various public utilities to promote the availability and accessibility of sustainability-related information. In particular, the Steering Group recognises that data from SMEs forms an essential element of the sustainability data ecosystem, and emphasises the importance of supporting SME reporting.



Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme

SMEs form the supply chain of listed companies and large non-listed companies in Hong Kong, and multinational corporations. SMEs' collection and disclosure of sustainability-related information, and active integration of sustainability considerations into business operations shall support listed companies' enhancement of sustainability performance. Many large financial institutions operating in Hong Kong offering services to SMEs are according increasing importance to SMEs' sustainability credentials.

Climate and Environmental Risk Questionnaire for Non-listed Companies/ Small and Medium-sized Enterprises (SMEs) (Non-listed Company Questionnaire)

Set A – Micro Enterprises (1-9 employees)

Please note that the questions beginning with * are created by Steering Group, all other questions are taken from CDP.

Report Emissions, Targets & Performance

1.5-1.6/1.7

1. Report Emissions, Targets & Performance

1.5 Describe your emissions in the context of an appropriate business metric (Emissions intensity) ⓘ

1.6 Did you have an emission target that was active in the reporting year? ⓘ

(Select one of the following options.)

- ☐ Absolute target
- ☐ Intensity target
- ☐ No target

Climate and Environmental Risk Questionnaire for Non-listed companies/small and medium-sized enterprises (Set A, for Micro Enterprises) launched in collaboration with CDP, a not-for-profit organisation that runs a global disclosure system for investors, companies, cities, states and regions to manage environmental impacts.

For SMEs to maintain their competitiveness and advantages, it is essential that they are familiar with the common international language of the ISSB, and take active steps to understand their greenhouse gas emissions and decarbonise their operations. On its website, the Steering Group offers a digitised climate and environmental risk questionnaire, which comes in three different versions to cater for reporting entities of varying size and sophistication. Also available on the website are greenhouse gas emissions calculation and estimation tools with clear methodologies and data sources, which incorporate local and Mainland elements in the calculation and estimation modelling. The Steering Group will continue to enhance these tools and explore developing connectivity with the Association of Southeast Asian Nations, to facilitate broader reporting of sustainability-related information.

Calculator for Scope 1 and Scope 2 Greenhouse Gas Emissions of a Corporation

Hong Kong ⓘ

Stationary combustion ⓘ

Station	Fuel Type	Consumption
Station 1	Please select	

+ Add more station

Mobile combustion ⓘ

Vehicle	Vehicle Type	Fuel Type	Consumption
Vehicle1	Please select	Please select	

+ Add more vehicle

Fugitive Emission (optional)

☐ Include fugitive emission in the calculation

Greenhouse gas emissions calculation tool

Estimator for Scope 1 and Scope 2 Greenhouse Gas Emissions of a Corporation

Input Summary

Annual Energy Consumption ⓘ

2 MWh

Results

Estimated scopes 1 and 2 GHG emissions

2.43 metric tonnes CO₂e

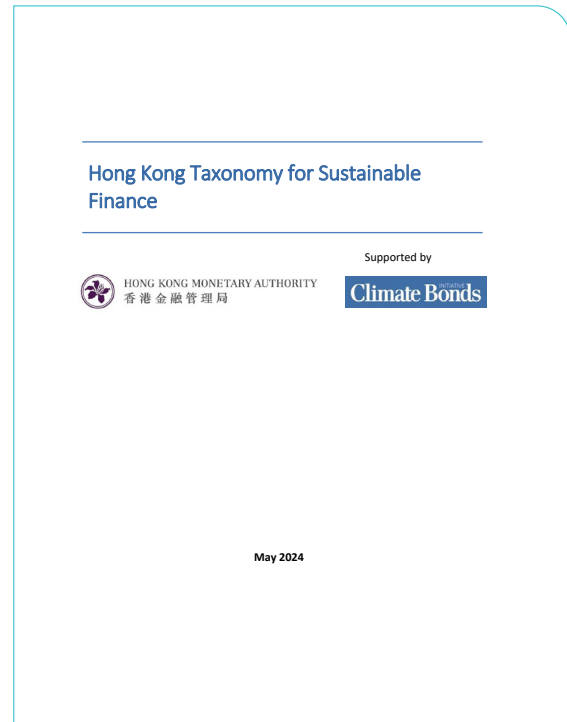
The 95% prediction interval for estimated scopes 1 and 2 GHG emissions

0.65 to 9.09

Greenhouse gas emissions estimation tool

Taxonomy

A clear set of definitions or classification of green activities is useful to the green transition journey. In May 2024, the HKMA published the Hong Kong Taxonomy for Sustainable Finance (“Hong Kong Taxonomy”), which serves as a pivotal tool to raise awareness about green finance, promote common understanding of green economic activities, and facilitate green finance flows. The Hong Kong Taxonomy which operationalises the Common Ground Taxonomy, is interoperable with the taxonomies of the Mainland and the European Union. The current version of the Hong Kong Taxonomy covers 12 economic activities under four sectors (i.e. power generation, transportation, construction, and water and waste management).



Hong Kong Taxonomy for Sustainable Finance

The Hong Kong Taxonomy is a living document. The HKMA has embarked on the next phase of development. It aims to expand the coverage of sectors and economic activities to include transition activities. The HKMA plans to conduct a public consultation on the next phase taxonomy prototype in the first half of 2025.



4.3 Skills and Competencies

Availability of trained sustainable finance professionals is an essential part of a comprehensive sustainability disclosure ecosystem. The Steering Group members and the HKICPA⁹ have been promoting alignment with the ISSB Standards and supporting capacity building efforts locally, regionally and internationally through the following means:

⁹ The HKICPA has established a comprehensive, three-tiered sustainability training curriculum which will be rolled out in phases:

- First tier: builds awareness of the importance of sustainability reporting, the role of the ISSB and its standards;
- Second tier: teaches the key sustainability reporting and assurance concepts;
- Third tier: focuses on the technical details of IFRS S1 and S2.

i. Organising seminars, webinars and other engagement activities as well as publishing articles and newsletters on sustainability-related topics

Financial regulators, HKEX and the HKICPA have been organising various seminars and engagement activities as well as publishing publicity and training materials on sustainability-related topics since late 2021. These include a Sustainability Information Centre established by the HKICPA in November 2021, the inaugural SFC Forum on Sustainability Disclosures



An industry roundtable co-organised by the Steering Group and the ISSB in March 2024

organised in November 2023, an industry roundtable co-organised by the Steering Group and the ISSB in March 2024 to exchange views on the experiences in and the unique circumstances for entities making sustainability disclosures in Hong Kong and Asia, the E-learning videos on the New Climate Requirements launched by HKEX in June 2024, the live online ISSB training¹⁰ organised in September 2024, etc.



The inaugural SFC Forum on Sustainability Disclosures organised in November 2023

¹⁰ The ISSB training was organised in collaboration with the United Nations Sustainable Stock Exchanges Initiative and International Finance Corporation. A video recording of the training is available on the HKEX website.



HKEX's New Climate Requirements (Jun 2024)

To assist issuers in understanding, interpreting and implementing the new climate requirements



E-learning videos on the New Climate Requirements launched in June 2024



IFRS Sustainability Disclosure Standards (Sep 2024)

To walkthrough ISSB Standards and provide practical guidance on preparation of ISSB sustainability disclosures



Live online ISSB training in September 2024

ii. Providing training and certification programmes

The Government attaches great importance to talent development and will continue to support industry capacity building through the Pilot Green and Sustainable Finance Capacity Building Support Scheme (“CBSS”). As of early December 2024, a total funding support of around HK\$28.5 million has been approved to around 5 200 applications made by market practitioners and related professionals as well as students and graduates of relevant disciplines.



ESG Workshop on TCFD Scenario Analysis for Climate Risks and Opportunities in May 2024

The HKICPA organised five deep-dive workshops around the time when HKEX published its consultation on enhanced climate disclosures and when ISSB published IFRS S1 and S2 in 2023 (with re-runs), with topics covering sustainability governance and risk management, TCFD scenario analysis, carbon accounting, decarbonisation strategy, as well as reporting and assurance. These workshops have been recognised as eligible programmes under the CBSS.



ESG Workshop on Reporting and Assurance in October 2024

iii. Facilitating discussions at relevant technical and/or advisory committees

The SFC leads the Sustainable Finance Working Group of the International Organization of Securities Commissions' Asia-Pacific Regional Committee, which seeks to promote experience sharing on jurisdictional adoption of the ISSB Standards to reduce market fragmentation and capacity building on corporate sustainability disclosures in the region.

iv. Working with industry practitioners, stakeholders and relevant regulators to establish good practices for sustainability reporting

The MPFA issued a survey to MPF trustees to understand their views and practices put in place on how and to what extent MPF trustees and investment managers had integrated ESG factors into their investment and risk management. The MPFA has formed a working group comprising MPF trustees to deliberate and formulate how MPF trustees should integrate ESG factors in the investment and risk management of MPF funds and make disclosure to MPF scheme members. The MPFA has issued a set of high level principles to provide guidance to MPF trustees, and developed and rolled out a capacity building programme for MPF trustees. The MPFA will continue to keep in view capacity building needs of MPF trustees by monitoring the development of local and global standards such as the supervisory guidance provided by The International Organisation of Pension Supervisors.

On the basis of the HKICPA's technical feasibility study, the HKICPA, HKEX and the financial regulators will continue to develop training programmes to address the needs of market participants and other stakeholders as PAEs progress towards ISSB aligned disclosures.

Ahead of the publication of the Hong Kong Standards and to address observations from the technical feasibility study, the HKICPA will hold a series of public briefings, webinars and workshops from Q4 2024 onwards to discuss the application of these standards, covering topics where stakeholders have repeatedly raised concerns such as identifying material information, the reporting entity boundary concept, industry-based metrics, determining the value chain, anticipated financial effects, scenario analysis and scope 3 GHG emissions. It has launched the Sustainability Community in phases starting from H2 2024 to engage with stakeholders beyond accountants to share knowledge, raise awareness of best practices and provide education. It will also review the sustainability training curriculum periodically when key events occur (e.g. when new rules/standards are published) and adjust the curriculum as appropriate to align with the evolving landscape.

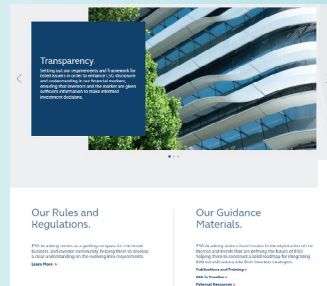
HKEX will continue to enhance the HKEX ESG Academy webpage to (a) include updated external resources useful for the preparation of ESG reports, and (b) update exemplary ESG reporting practices set out in the “ESG in Practice” page to reflect the latest ESG regulatory concerns and developments, as well as potential improvement areas for issuers’ ESG practices.



ESG Academy



The HKEX ESG Academy



Our Guidance Materials.

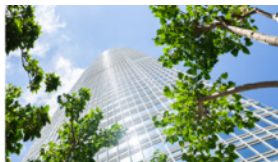
ESG Academy assists listed issuers in the exploration of the themes and trends that are defining the future of ESG, helping them to construct a solid roadmap for integrating ESG considerations into their business strategies.

Publications and Training
[ESG in Practice](#)
[External Resources](#)

Publication and Training

Assist listed issuers to integrate ESG considerations into business strategy

E-Learning



[Preparing ISSB sustainability disclosures](#)

Guides



[Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework](#)

Reports



[2022 Analysis of ESG Practice Disclosure](#)

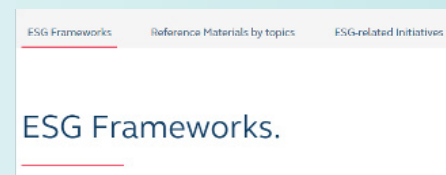
ESG in Practice

Encourage peer learning from best practices of other issuers



External Resources

References to external ESG frameworks, standards and guidance



The Government will also continue to support industry capacity building through the CBSS and gauge industry views in considering other suitable measures.

05

Way Forward





The publication of this Roadmap provides a transparent and well-defined pathway on sustainability reporting for large PAEs in Hong Kong, as well as sufficient time for making preparations and developing readiness for the pragmatic implementation of the Hong Kong Standards no later than 2028.

This Roadmap also aims to arouse awareness in the general business community in Hong Kong on the rising global importance of sustainability development, which warrants their consideration to review existing business operations with view to transitioning towards more sustainable, low-carbon business models. With the publication of this Roadmap to outline the timeline for the

application of the Hong Kong Standards to PAEs, businesses not within the definition of PAEs are encouraged to apply the Hong Kong Standards on a voluntary basis so as to enhance their readiness and competitiveness in responding to worldwide demand for sustainability disclosure and net zero.

In this sustainability journey, the Government, financial regulators, HKEX and the HKICPA will continue to adopt a holistic approach in promoting the development of a comprehensive sustainability disclosure ecosystem in Hong Kong, to engender an enabling environment for the successful implementation of the Hong Kong Standards in alignment with the ISSB Standards.