An evaluation of Hong Kong's green finance policies:

A policy review with reference to selected Asian finance hubs

香港綠色金融政策評價

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Executive Summary

Fossil fuels supply approximately 80% of global energy through coal, crude oil and natural gas, which is causing climate heating. To address climate concerns, the United Nations Climate Change Conferences have established guidelines for countries to achieve carbon neutrality by mid-century and limit warming to 1.5 degrees Celsius (°C). Most recently, at COP28 in 2023 in Dubai, United Arab Emirates (UAE), progress was made through the UAE Consensus in which countries agreed to phase down unabated coal and transition away from fossil fuels. The consensus aligns with the Global Stocktake outcomes urging countries to submit more ambitious nationally determined contributions (NDCs) for 2030 and establish new 2035 targets to stay on track for 1.5°C. Additionally, 123 countries signed the COP28 pledge to triple renewable energy generation and double the global annual rate of energy efficiency improvements. With countries rallying behind the COP28 commitments, green financing has emerged as an essential tool to direct financial flows towards environmentally positive outcomes and away from fossil fuels, enabling countries to meet their ambitious national climate targets.

This working paper provides a review of the role of Hong Kong in the emerging green finance landscape and climate financial risk and resilience management. Although Hong Kong has rolled out ambitious sustainable finance measures, there is a need for Hong Kong to develop (1) stronger regulations to prevent greenwashing, (2) robust implementation plans, and (3) greater accountability through quantitative targets and timelines to catalyse climate action. In this paper, we consider relevant policies, strategies, mechanisms, frameworks and standards where applicable. Where appropriate, we also draw on good policies and practices of other Asian cities for comparison.

The core question is to what extent Hong Kong's green finance policies and measures facilitate the growth of green finance. The review focuses on key aspects including governance and accountability mechanisms, data transparency and disclosure, climate risk management, and taxonomies and innovations. Specifically, the study examines governance structures, timelines, indicators, data disclosure requirements, climate risk regulations, policies on green financial products, support for innovation and carbon markets. This framework assesses the ambition and comprehensiveness of strategies to achieve a systemic shift away from financing fossil fuel-intensive activities and to prevent build-up of climate financial risks that also threaten economic welfare.

The study finds that Hong Kong's green finance development has a lot to learn from regional leaders, including Singapore and Tokyo. More governmental prioritisation on green finance, with robust strategies and key performance indicators are needed. While Hong Kong aims to expand green bonds and mandatory environmental, social and governance data (ESG) disclosure, tackling emerging greenwashing, climate risk management practices and monetary policy adjustments are key tests. Hong Kong also lacks targeted greenwashing legislation, fossil fuel phase-out pledges, and extensive carbon markets, unlike its counterparts. To join the top green finance hubs in the world, Hong Kong must be more precise on the implementation of the standards set by the International Sustainability Standards Board (ISSB) in the transition plan disclosure elements, and must accelerate its strategy with stronger metrics, combat greenwashing through legislation, align with international standards, expand carbon markets, and phase out fossil fuel financing. Particularly on anti-greenwashing, Hong Kong should prevent climate risk build-up within financial institutions and the financial system as a whole, as well as improve resilience to possible climate risk contagions. Hong Kong also needs supervisory toolkit expansion and to ensure monetary policy effectiveness in the future, as well as integrating climate considerations in all monetary policy operations.

Recommended policy initiatives for Hong Kong

- Government accountability and quantitative targets: Hong Kong's current regulators' green finance plans lack clearly defined, quantifiable targets. Without measurable goals or timelines, the government's initiatives are at risk of failure.
  A key recommendation would be to benchmark green finance plans against other international standards, such as those developed by the United Nations Sustainable Development Goals or Europe's Green Deal, to ensure both alignment and accountability.

- Greenwashing: Greenwashing poses financial stability risks by improperly allocating capital into "dirty" projects and slowing climate mitigation efforts, while also eroding market trust and exposing institutions to litigation, thus requiring priority attention from financial supervisors. Despite the mounting concern about greenwashing globally, Asian financial hubs have been slow in enacting stringent regulations, yet Hong Kong lacks behind some other Asian hubs.
  Rigorous verification processes, third-party audits, and ensuring that companies substantiate their green claims with empirical data are crucial to combat the rise of misleading environmental claims.

- Ensure carbon market proceeds finance green projects: To facilitate an authentic and impactful green transition, it is critical that revenue generated from carbon markets is allocated towards verifiably sustainable initiatives. Hong Kong's nascent carbon market requires further maturation, particularly regarding the direction of capital into bona fide net zero emissions projects that can be quantified and validated.
  Net zero projects could be in the form of renewable energy infrastructure, green transport initiatives or reforestation.

- Financial supervision of climate risk: Hong Kong's Financial regulators including the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) face growing urgency to address the systemic risks climate change poses to financial stability. However, current prudential oversight may not be able to account for climate risk when assessing the safety and soundness of individual institutions or the financial system.
  There is a need to explore how existing micro- and macro-prudential tools could be adapted to identify and mitigate climate-related vulnerabilities. Prudential authorities have a crucial part to play in assessing climate-related financial risks and taking proportionate action to safeguard financial stability.

- Climate considerations in financial policy: If the HKMA does not sufficiently account for intensifying climate risks, there is a risk of misalignment with climate goals that may undermine price and financial stability mandates. As climate impacts rise, the HKMA faces a careful balancing act to support climate action where it is consistent with responsibilities.
  Incorporating climate considerations alongside financial policy could prove vital amidst the global low-carbon transition.

Overall, there is significant potential for Hong Kong to improve its green finance governance. Although Hong Kong accounts for one-third of total green bond issuance in Asia, its regulations and governance must be strengthened. Priorities include specific regulations to prevent greenwashing, phase out fossil fuel assets, and boost renewable energy investment through mechanisms such as carbon trading and carbon tax.

Category	Rating
1. Governance and accountability Review of Hong Kong's strategies and targets related to phasing out fossil fuels and promoting zero-carbon investments	
2. Data and disclosure Review of the transparency of the mechanism behind ESG disclosure requirements, anti-green-washing measures, pension fund, etc., imposed by the Government and regulators on corporations	
3. Climate risks reporting Review of the mechanisms adopted by enterprises for managing climate-related risks, as well as the support and promotion of such mechanisms by the Government and regulatory bodies	
4. Green finance market Review of the taxonomy and regulatory criteria of financial products, such as green bonds, by the Government and regulatory bodies	
5. Carbon markets and innovative solutions Review of the development of the carbon market in Hong Kong and the support for green technology and fintech solutions	

Legend:
Green : Satisfactory;
Blue : Work in Progress with some adjustment required;
Yellow : Work in Progress with more adjustment required;
Red : Needs urgent attention

Content

1.FOREWORD

1.Foreword

Fossil fuels are formed from the decomposition of buried organisms that died millions of years ago. Fossil fuels are non-renewable energy resources and currently supply around 80% of the world's energy. Pervasive use of coal, oil and gas sends vast quantities of greenhouse gases, including carbon dioxide, into the atmosphere, escalating climate heating. Shifting to renewable energy is imperative.

By adopting the Paris Agreement on climate change and the United Nations 2030 Agenda for Sustainable Development in 2015, more than 190 countries have committed to hold "the increase in the global average temperature to well below 2 degrees Celsius (°C) above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels.". Most recently, at COP28 in 2023 in Dubai, United Arab Emirates (UAE), progress was made through the UAE Consensus in which countries agreed to phase down unabated coal and transition away from fossil fuels. The consensus aligns with the Global Stocktake outcomes urging countries to submit more ambitious nationally determined contributions (NDCs) for 2030 and establish new 2035 targets to stay on track for 1.5°C. Additionally, 123 countries signed the COP28 pledge to triple renewable energy generation and double the global annual rate of energy efficiency improvements. The world is facing an urgent challenge to transition towards a sustainable and low-carbon future. While the financial system is being reformed to address the lessons of the financial crisis, likewise, it can be part of the solution towards a greener and more sustainable economy.

Green finance has emerged as a vital tool to redirect financial flows towards environmentally sustainable investments that support the transition to a net zero emissions future. Mobilising significant capital into renewable energy, clean transportation, energy efficiency, and other green sectors is imperative to meet global climate goals. Financial institutions, corporations, governments, and investors all have a pivotal role in aligning lending and investment decisions with long-term sustainability objectives. Major financial centres are pioneering innovative strategies to scale up their green finance and decarbonization efforts. As described by the United Nations Environment Programme (UNEP), green financing entails increasing financial flows from banking, microcredit, insurance, and investment into environmentally sustainable development. These flows have become a key mechanism for Hong Kong to advance the city's climate goals. However, implementing green finance strategies has faced challenges including accountability, transparency, and lack of robust quantitative targets. Despite the growing prevalence of global green finance initiatives, evaluating their effectiveness and establishing common standards is needed to drive meaningful progress.

Hong Kong SAR government aims to emerge as a leading Asian green finance hub by phasing in mandatory environmental, social, and governance data (ESG) disclosures, expanding green bond issuance, incubating green fintech, and driving regional cooperation. This working paper focuses closely on Hong Kong's green finance policies. In particular, it examines parameters around laws, regulations, governance, accountability, guidelines, and standards targeting Hong Kong's financial regulators. By aligning tightly with international best practices, Hong Kong can strengthen regulations to establish itself as an ethical and effective hub for green finance in Asia.

This working paper provides valuable insights into the challenges and opportunities for advancing green finance in Hong Kong. It highlights the key drivers needed to achieve green finance goals, emphasising that governance, transparency, accountability, and collaboration are essential factors for success. While Hong Kong plays an important role in catalysing green finance, setting robust targets and coherent evaluation mechanisms to assess the effectiveness of strategies is essential. The paper underscores that as Hong Kong aims to drive the green finance agenda, a clear framework for setting and assessing goals is vital.

The authors of this paper have conducted an extensive review on the topic, drawing on a range of sources to provide a comprehensive and insightful overview of the state of green finance in Hong Kong. This paper is intended for policymakers, financial institutions, investors, and other stakeholders involved in promoting green finance and net zero financing in Hong Kong.

The authors intend that this working paper will contribute to ongoing discussions and efforts to promote green finance in Hong Kong and support the transition towards a net zero future.

2. OBJECTIVES

2.Objectives

This study aims to critically assess the sufficiency of Hong Kong's policy framework to enable private sector green finance. It examines key components of the city's green finance architecture, as promoted by the HKMA and the Securities and Futures Commission (SFC), including policies, standards, guidelines, and metrics across areas such as governance, disclosure, climate risk, green bonds, carbon markets, and financial innovation. By analysing current private sector green financing instruments in Hong Kong, the study seeks to benchmark the city's developments against best practices in green finance in other Asian cities. Gaps identified through comparison with regional precedents will highlight areas in which Hong Kong's green finance policies may be strengthened to better catalyse the private sector's role in supporting the city's transition to a green financial hub.

3.METHODOLOGY

3.Methodology

3.1 Scope

As an international financial hub, Hong Kong has an opportunity to lead in driving private sector finance towards sustainability. This study focuses on private sector finance and its major role in driving green finance flows to Hong Kong. Specifically, it examines various mechanisms set up by the regulators to enable private sector green finance in Hong Kong, including green finance strategies, ESG disclosure, risk reporting, green bonds, green technology and financial technology, Mandatory Provident Fund (MPF), carbon markets and international cooperation. Where appropriate, the study includes good policies and practices of other Asian cities for comparison. Given Hong Kong's involvement in these areas, the city's approach and private sector actions are reviewed. The study does not encompass green finance tools such as green loans and sovereign bonds, which are currently not important financial instruments in Hong Kong.

The roles and policies of key stakeholders in Hong Kong's green finance, including the government, financial regulators, monetary authority and stock exchange are examined in this study. This report presents the following:

- A stocktake of Hong Kong's current green finance policies and measures, with a focus on key areas including governance, data disclosure, climate risk management, regulations, market development and innovation, and international collaboration.
- Identifies gaps in Hong Kong's green finance policies compared to best practices, particularly in other Asian financial hubs.
- Provides policy recommendations to address the identified gaps and ways to strengthen Hong Kong's green finance ecosystem across the key focus areas.

3.2 Methodology

The methodology of this study focuses on the key components of Hong Kong's green finance systems, as gathered from the policies and guidelines of the HKMA and SFC. Specifically, this study examines Hong Kong's high-level strategy and policies regarding ESG data disclosure by listed companies, climate risk reporting, taxonomies used by green and sustainable finance product issuers, carbon trading and fintech innovations. The city's climate action plan is also discussed because achieving climate neutrality is a legally binding international treaty signed in the Paris Agreement.

Table 1: Assessment Key

Category	Parameters	Indicators	Description
Governance and Accountability	High-level strategy with robust indicators	Timeline and targets	Has Hong Kong's regulatory authority or government body issued a high-level green finance strategy with clear timelines and targets, a renewable energy investment timeline and targets? Are the established targets definite and ongoing or have they been discontinued?

Table 1 *(Cont.)*

Category	Parameters	Indicators	Description
Governance and Accountability	High-level strategy with robust indicators	Comprehensive key performance indicators	Does the high-level green finance strategy have key performance indicators established by the respective regulatory authority?
	Pledge to phase out fossil fuels or incentives to encourage zero carbon investment		Do Hong Kong's green finance policies include a pledge to phase out fossil fuel assets and investments? The presence of such a pledge is considered as a positive indicator in evaluating the comprehensiveness of Hong Kong's green finance strategy.
Data and Disclosure	Mandating ESG disclosure practices in the stock market	Requirement	Are Hong Kong's disclosure practices fully mandated, mandatory for certain sectors, operating on a "comply or explain" basis, or are they entirely voluntary?
		Standards	Are the current public disclosure standards mandated by Hong Kong's regulatory authorities for listed companies aligned with International Financial Reporting Standards (IFRS) or other standards?
		Training	Does Hong Kong's regulatory authority or governing body provide adequate training to relevant corporate entities on ESG disclosure practices?
	Anti-greenwashing		Do Hong Kong's financial regulators have plans to implement regulations or guidelines to prevent and/or prohibit greenwashing of ESG investment products in Hong Kong's financial markets?

Table 1 *(Cont.)*

Category	Parameters	Indicators	Description
Data and Disclosure	Mandatory Provident Fund (MPF) transparency		Do Hong Kong's financial regulators have plans to implement or are already implementing guidelines and principles that require the city's Mandatory Provident Fund (MPF) scheme to disclose investments and align with ESG principles? The MPF is a pension fund scheme that requires contributions from all Hong Kong employers and employees. The focus of this study is on understanding if regulators intend to or are already mandating greater ESG alignment and investment transparency for the MPF specifically, given its compulsory nature as Hong Kong's primary pension scheme.
Climate Risks Reporting	Climate risk management	Policy and regulations	To identify the policies and regulations established by Hong Kong's authority in relation to climate risk reporting. This assessment determines whether or not there is a framework that ensures that financial institutions adequately highlight and address climate-associated risks in their reports.
		Disclosure standards	To identify the disclosure standards mandated for climate risk reporting. Our evaluation will focus on whether or not there are standards in ensuring that all significant climate-related risks are properly disclosed and communicated.
		Training	To identify the training initiatives provided by Hong Kong's regulatory authority to prepare corporate entities for climate risk reporting, ensuring that they are well equipped to meet the prescribed standards.

Table 1 *(Cont.)*

Category	Parameters	Indicators	Description
Green Finance Market	Regulatory regime of green bond taxonomies	International standard	Are Hong Kong's financial regulators developing or have they developed taxonomies that align with international standards established by the International Capital Market Association (ICMA) or other international bodies?
		Policies of issuance	Does the Hong Kong SAR government have established policies and programmes to continuously issue green bonds, financing green investments?
		Regulations	Does Hong Kong have relevant laws and regulations on green finance products for their financial markets?
	Regulations or guidelines on green and sustainable products		Are there established regulations or guidelines on Green and Sustainable Products issuing, naming and disclosure in Hong Kong?
Carbon Markets & Innovative Solutions	Carbon trading market	Coverage	To examine the coverage of carbon trade in specific sectors of Hong Kong.
	Green tech and fintech enabler	Availability of relevant policies	To count the availability of policies and guidelines supporting the development of green tech and green fintech in Hong Kong.

This report entails a review of existing literature, policy documents, and reports related to green finance in Hong Kong. Specifically, the review analysed Hong Kong's Climate Action Plan 2050, the HKMA's Strategic Plan to Strengthen Hong Kong's Financial Ecosystem in Support of a Greener and More Sustainable Future, the HKMA's White Paper on Green and Sustainable Banking, the SFC's Strategic Framework for Green Finance, and other relevant documents. The research methodology was structured as a review of Green Finance measures of Hong Kong. The methodology chosen was designed to provide a review of the green finance measures of Hong Kong and, where appropriate, make comparisons in certain green finance policies with selected Asian cities such as Seoul, Shanghai, Shenzhen, Singapore and Tokyo.

This paper focuses on Hong Kong's green finance policies. The documents reviewed in the preparation of this working paper were identified and compared in terms of the availability of their overall roadmap, data and disclosure requirements, regulations, standards, and guidelines, status of climate risks mainstreaming, investment in green markets and innovative solutions, human resources and capacity building, governance and accountability, and international cooperation.

The traffic light-based rating (green, blue, yellow and red) of Hong Kong's green finance policies in this paper, which is devised by the authors, is based on an assessment of the availability of relevant laws, strategies, regulations and standards, with weighting of laws and regulations over strategies, mechanisms, frameworks, standards and best practices, as more robust policy frameworks with greater numbers of instruments that are strictly enforced indicate a city government's stronger commitment to enabling capital flows towards climate change mitigation and adaptation. The underlying logic is that the intentionality, rigour and capacity that Hong Kong exhibits in enacting and implementing green finance policies proxy their advancement in catalysing climate-aligned investment.

What’s the difference? Sustainable, green, and climate finance

The terms ‘green finance’, ‘sustainable finance’, and ‘climate finance’ relate to an overlapping territory of environmental, social, economic and governance issues, applied to financial decision-making and flow. All these issues overlap and interrelate. Although the terms are not always used consistently by people in the field of green finance, in general, a distinction can be drawn between them.

Green Finance

Sustainable finance refers to financing broad environmental, social, economic, and governance objectives.

Sustainable Finance

Green finance focuses on environmental issues and risks. It involves increasing the amount of financial flow (from banking, micro-credit, insurance, and investment) from the public, private and not-for-profit sectors to environmental objectives, and has emerged as an important tool for cities in their efforts to meet their countries' climate goals, with a greater focus on greening broad flows of private investment rather than mainly concerning public and public-leveraged financial flows.

Climate Finance

Climate finance is a narrow focus on climate change mitigation and/or adapting to climate change impacts. It is associated with the United Nations Framework Convention on Climate Change (UNFCCC), which defines climate finance as “local, national or transnational financing, which may be drawn from public, private and alternative sources of financing. Climate finance is critical to both reduce emissions and to allow countries to adapt to the adverse effects and reduce the impacts of climate change.” (UNEP, UNFCCC)

4.CORE ANALYSIS

4.Core Analysis

4.1 Governance and accountability

Hong Kong is governing green finance strategies through regulators and policymakers, but with less ambition, oversight and fossil fuel phase-out plans. Robust frameworks with clear targets, timelines and accountability metrics are needed to accelerate the growth of green finance in the city.

4.1.1 Evaluation

The colour-coded rating system applied in this table provides an assessment of performance benchmarked against the parameters outlined in the methodology.

Category	Hong Kong's rating
Governance and accountability	

Hong Kong's approach to green finance has been comparatively limited in its scope and vision, yet other major Asian cities like Shanghai, Shenzhen, Singapore and Tokyo have implemented comprehensive green finance strategies with ambitious goals and some accountability mechanisms to support net zero emissions targets. Rather than an overarching strategy set by top policymakers with clearly defined timeframes, quantitative goals and detailed implementation roadmaps, Hong Kong has relied on fragmented initiatives such as green bond issuance and the Green Tech Fund. Despite outlining a renewable energy target in the Hong Kong Climate Action Plan 2050, the city does not establish a concrete plan for investing in renewable energy. The lack of robust governance frameworks and inadequate monitoring, reporting and verification systems to ensure accountable progress towards sustainability, lead the authors of this report to designate Hong Kong a "red" rating for Governance and Accountability.

To align with other leading Asian cities, Hong Kong must adopt a holistic, government-led green finance strategy. As the highest financial authority, the Financial Secretary should spearhead the development of this strategy, signalling strong leadership and commitment from the top. The strategy should contain specific time-bound targets, quantifiable key performance indicators, and detailed action plans for financial institutions and regulators. Illustrating proactive leadership, Singapore, despite boasting substantial assets and investments entrenched in carbon-intensive sectors, has committed to phasing out financing for fossil fuel projects. Hong Kong should follow suit with a clear roadmap and guidelines to shift capital away from carbon-intensive sectors.

More broadly, Hong Kong should position itself as a green finance hub in Asia with the ambition articulated in a high-level policy paper on its envisioned leadership role in driving regional sustainability. A policy paper will need to lay out a timeline of when the city aims to achieve targets, such as percentage of green financial flows, and how it intends to meet its climate goals. Ongoing monitoring of implementation strategies should be mandated, with the Financial Secretary empowered to hold stakeholders - such as the Hong Kong Monetary Authority, Securities and Futures Commission and Hong Kong Stock Exchange - accountable. Shifting the approach from ad-hoc green finance initiatives to an integrated strategy led from the top would bring much-needed coordination and urgency. Significant work remains to fully decarbonize Hong Kong's financial system, but a comprehensive roadmap would enable the coordinated action essential to reaching net zero in line with global climate imperatives.

Suggestions to improve Hong Kong's governance and accountability.

- Launch a high-level paper by the Financial Secretary on the roadmap to develop the city into a green finance hub in Asia.
- Articulate the city's targets with timelines and KPIs and with the high-level Financial Secretary to hold the roadmap and relevant stakeholders including the HKMA, SFC and HKEX accountable.
- Seek expert advice, establish committees and issue financial system-wide guidelines to facilitate green finance growth targeted at all types of financial institutions on disclosure, accounting and risk management, resulting in a more stringent, transparent and accountable green finance system.

Table 2: Key policies in relation to governance and accountability in selected places

	Hong Kong	Shanghai	Shenzhen	Singapore	Tokyo
Highest level decarbonization target	Carbon neutrality before 2050.	Peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060.	Peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060.	Peak carbon dioxide emissions before 2030 and achieve net zero emissions by 2050.	Carbon neutrality before 2050.
Highest level decarbonization document	Hong Kong Climate Action Plan 2050 (launched 2021)[a1].	Action Plan for Carbon Peaking (2030)[c2].	Action Plan for Carbon Peaking (2030)[c2].	Long-Term Low-Emissions Development Strategy[d1].	Zero Emission Tokyo Strategy[e1].
KPIs	No.	Yes, the target is to raise 1.5 trillion CNY of green finance.	Yes, issuance of green bonds in 2025 shall quadruple compared with 2020.	Yes.	Yes, until 2025.
Department	Green and Sustainable Finance Cross-Agency Steering Group hosted by Hong Kong Monetary Authority and Securities and Futures Commission; Financial Services and Treasury Bureau (FSTB); Securities and Futures Commission (SFC); Hong Kong Green Finance Association; Hong Kong Exchanges and Clearing Limited (HKEX).	Shanghai Banking and Insurance Regulatory Bureau; Shanghai Stock Exchange.	Shenzhen Local Financial Supervision and Administration Bureau; Shenzhen Stock Exchange.	Green Finance Industry Taskforce by Monetary Authority of Singapore; Singapore Exchange (SGX); The Association of Banks in Singapore (ABS).	Tokyo Green Finance Initiative hosted by Tokyo Metropolitan Government; Ministry of Finance Japan; Financial Services Agency (FSA); Japan Exchange Group (JPX); Tokyo Exchange Group; Tokyo Stock Exchange.
Separated Finance related Action Plan	Strategic Plan to Strengthen Hong Kong's Financial Ecosystem to Support a Greener and More Sustainable Future (December 2020)[a2].	Action Plan for the Promotion of Green Finance Development and Support of Carbon Peaking & Carbon Neutrality by Shanghai's Banking and Insurance Industry during the 14th Five-Year Plan period (Jan 2023)[c3].	Implementation Plan for the Development of Green Finance to Support Carbon Peaking in Guangdong Province (July 2022)[c5].	Finance for Net Zero Action Plan (April 2023)[d2].	Tokyo Green Finance Initiative (TGFI): Proposals for Developing Green Finance (June 2021)[e2]; Basic Guidelines on Climate Transition Finance (2021)[e3]; Transition Finance Follow-up Guidance (2023)[e4].

Table 2 *(Cont.)*

	Hong Kong	Shanghai	Shenzhen	Singapore	Tokyo
Key points in Finance-related Action Plans	1. Mandating climate-related disclosures aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations across relevant sectors no later than 2025. 2. Supporting the International Financial Reporting Standards (IFRS) Foundation's establishment of the International Sustainability Standards Boards (ISSB).	1. Achieving a green finance balance of over 1.5 trillion CNY. 2. Forming the standard of the green finance industry. 3. The stable development of operations including green finance, green bonds, green funds, green trusts, green asset management and green leasing.	1. Strengthening the leadership role of Shenzhen and Guangzhou in the field of green finance and regional coordination. 2. Strengthening the role of government in green financial planning, and standardised operations. 3. Taking the needs of low-carbon technology development and industrial transformation. 4. Balancing the reform and raising risk awareness for guarding financial safety.	1. Strengthening the reliability and transparency of climate data disclosure and developing traffic light systems to define green activities. 2. Strengthening the industry adoption of the Environmental Risk Management Guidelines. 3. Adopting credible transition plans. 4. Expansion of credible green and transition financing solutions.	1. Accelerating the development of the green finance market. 2. Attracting market players and supporting business development. 3. Sharing information and nurturing ESG expertise.
Financing for phasing out fossil fuels	No.	No.	No.	Yes, but a clear action plan has yet to be announced.	No.

4.2 Data and disclosure

Hong Kong is developing green finance requirements on ESG disclosure. Hong Kong joins Singapore to champion stringent ESG disclosure standards. However, without specific legislation, greenwashing presents as a risk to investors. Advancing globally aligned, transparent rules through cooperation can accelerate sustainable capital flows in Hong Kong.

Green finance regulatory regimes are evolving rapidly in Hong Kong, albeit at varying paces. ESG disclosure is a form of public reporting by a company's management team about its performance on ESG issues. Stakeholders such as investors, creditors, employees, etc. can understand how a company is managing ESG risks and opportunities, whereas for regulators and government agencies.

4.2.1 Evaluation

The colour-coded rating system applied in this table provides an assessment of performance benchmarked against the parameters outlined in the methodology.

Category	Hong Kong's rating
Data and disclosure	

Hong Kong has implemented corporate environmental disclosure policies to direct investments and mitigate risk. Together with Singapore and Tokyo, Hong Kong jointly led in transitioning from "comply-or-explain" to mandatory reporting. Hong Kong, Singapore and Tokyo are aligning with internationally recognized sustainability standards where possible and ensure compliance by listed companies.

Pension funds are pivotal capital sources for ESG investing. Regarding climate-related investment disclosures for pension funds, Tokyo was an early pioneer, adopting guidelines to track the climate impacts of pension investments as early as 2017. This set a precedent that Hong Kong has since followed, with the Mandatory Provident Fund (MPF) Authority issuing similar principles in 2021 for climate-related investment disclosures. Regular reporting, strict policies and oversight, such as those implemented under the EU's Sustainable Finance Disclosure Regulation, would strengthen accountability.

Despite Hong Kong's leadership in mandating ESG disclosures, gaps remain in HK listed companies' climate actions. Only 17% of MSCI MPF Hong Kong Investable Market Index companies have science-based emissions reduction targets, reflecting considerable room for improvement. Scope 3 and climate scenario analysis remain underdeveloped, with insufficient quantitative rigour. Caution is warranted on potential emissions underreporting via disclaimer technicalities, shifting to the companies' subsidiaries, or selective exclusions of certain operations or of Scope 3.

While ESG funds proliferate, greenwashing concerns grow amid fragmented responses. Greenwashing poses financial stability risks at both the micro and macro levels by improperly allocating capital towards assets that are misleadingly marketed as "green" but fail to meet sustainability expectations, thus exposing individual institutions to transition risk and slowing economy-wide efforts to mitigate climate change. Widespread greenwashing also erodes market trust and exposes financial institutions to increased litigation and reputation risk that can further destabilise their finances. Therefore, identifying and mitigating greenwashing should be a priority for financial supervisors given its implications for prudential risks across the financial system as well as conduct concerns for investors. Singapore, Tokyo and Seoul have tightened reporting rules or have considered anti-greenwashing laws; among them, in South Korea, the National Assembly is currently reviewing a bill that will impose a fine on companies identified by the South Korean Ministry of Environment as deceiving the public in terms of greenwashing. In contrast, the Hong Kong Monetary Authority has recently commissioned research on greenwashing behaviour and advised that it will be discouraged by the market. Hong Kong's current Trade Descriptions Ordinance only provides recourse for consumer transactions, which is inadequate for addressing greenwashing in Hong Kong's monetary policy and financial supervision aimed at tracking climate risk. The EU's Sustainable Finance Disclosure Regulation, mandating substantiated policies, could serve as a template that could contribute to these anti-greenwashing efforts.

There is an acceleration in terms of setting legislation around the world on reporting emission measurement, climate-related risk disclosures, and general sustainability reporting and disclosure. As the ESG global regulatory landscape is evolving quickly, there are more than 600 ESG reporting frameworks and standards around the world that provide ESG reporting metrics guidance for entities. Global efforts are underway to consolidate these requirements so that the data can be more harmonised, though the consolidation pace is different in various countries.

In conclusion, this working paper review finds that Hong Kong is moderately positioned as a leader in ESG data disclosure and transparency, meriting a "yellow" rating. The financial hubs of Hong Kong, Seoul, Singapore and Tokyo have implemented more stringent ESG reporting requirements compared to others. However, each hub has limitations: Hong Kong lacks legally binding MPF fund transparency and explicit anti-greenwashing regulations; Seoul, Singapore and Tokyo demonstrate greater progress, albeit efforts to combat greenwashing require further observation as related policies undergo legislation. Urgent focus is needed to ensure integrity and comprehensiveness of emissions reporting, alongside transitioning companies to science-based decarbonization trajectories. Overall, the four Asian cities are at varying stages of improving ESG transparency and mitigating greenwashing risks, with ample room for advancement[a3]. A systematic approach to harness regulatory policies, corporate compliance, and stakeholder engagement is imperative to enact meaningful sustainability in Hong Kong and other Asian financial centres.

Suggestions to improve Hong Kong's data and disclosure capabilities.

- Align ESG reporting standards of Hong Kong with internationally recognised standards, such as the International Sustainability Standards Board (ISSB).
- Mandate rules and guidelines to enhance pension fund transparency.
- The identification and mitigation of greenwashing as a climate risk should be a priority for financial supervisory authorities.
- Implement explicit anti-greenwashing regulations for all green and sustainable financial products.

Table 3: Key policies in relation to data and disclosure in selected places

	Hong Kong	Singapore	Tokyo	Shenzhen
Data transparency	ESG Guide in the Code of Corporate Governance for Listed Companies (2012)	Sustainable Reporting Guide for Listed Companies (2016)[d3]. Circular 02/2022 Disclosure and Reporting Guidelines for Retail ESG Funds (2023)[d4].	Environmental Reporting Guidelines (2000)[e5], Environmental Performance Indicators for Businesses (2002)[e6]. Corporate Governance Code (2015)[e7] and Stewardship Code (2014)[e8] for Listed Companies, Practical Handbook for ESG Disclosure (2020)[e9]. Guidance of Climate-related Financial Disclosures 3.0 (2022)[e10].	Notice on Publicising the List of Financial Institutions for Environmental Information Disclosure in Shenzhen (2023). Guidelines for Environmental Information Disclosure of Financial Institutions in Shenzhen (2022). Code of Corporate Governance for Listed Companies (2018). Guidelines for Corporate Social Responsibility of Listed Companies (2006). Guidelines for the Standardised Operation of Listed Companies.

Table 3 *(Cont.)*

	Hong Kong	Singapore	Tokyo	Shenzhen
Disclosure requirements	Comply or explain, to introduce mandatory disclosure by 2025 (in consultation).	Comply or explain; Mandatory climate reporting for issuers in 1. financial, 2. agriculture, 3. food products, 4. forest products, and 5. energy industries, from FY 2023. All listed issuers from FY2025; Large non-listed companies with annual revenue of at least S$1 billion (~US$740 million) in FY 2027[d5].	Voluntary. If any environmental or social information is deemed to have a remarkable effect on investors' investment decisions, it must be immediately disclosed as required by the Exchanges' Listing Rule.	Voluntary. Only those listed companies categorised as key pollutant emission units and "Shenzhen 100" listed companies are mandatory to disclose carbon emission information.
Disclosure standards	ISSB, TCFD	GRI, TCFD, SASB, WEF Core Metrics	ISSB, TCFD	Unspecified.
Training	Yes.	Yes.	Yes.	Yes.
Pension fund ESG reporting	Mandatory Provident Fund Schemes Authority (MPFA) issued Principles for Adopting Sustainable Investing in the Investment and Risk Management Processes of MPF Funds in 2021[a4].	No statement on ESG investing.	The Government Pension Investment Fund (GPIF) signed on the Principles for Responsible Investment (PRI) in September 2015, and revised Investment Principles to expand the scope of stewardship activities from equities to all asset classes, and selected three ESG indices for Japanese equities and commenced investment tracking those indices since 2017[e11].	National Council for Social Security Fund selecting mature overseas markets to pilot ESG investment launching a global responsible equity product, while setting up an ESG investment special task force to gradually require domestic asset managers to apply ESG investment concepts.

Table 3 *(Cont.)*

	Hong Kong	Singapore	Tokyo	Shenzhen
Anti-greenwashing measures/ efforts	1. For listed companies, HKEX issued the Guidance on Climate Disclosures in 2021[a10]. 2. Research study released by HKMA "Greenwashing in the Corporate Green Bond Markets" released in November 2022[a11]. 3. HKMA released a discussion paper titled "Prototype of a Green Classification Framework for Hong Kong" in May 2023[a12]. 4. Cap. 571 Securities and Futures Ordinance[a13], Cap. 362 Trade Descriptions Ordinance[a14].	1. Apply reporting requirements of Code on Collective Investment Schemes and the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations to retail ESG funds[d6]. 2. The Consumer Protection (Fair Trading) Act 2003[d7]. 3. Singapore Code of Advertising Practice implemented by the Advertising Standards Authority of Singapore[d8].	The FSA has proposed new guidelines to define the scope of ESG funds, and guidelines for investment trust managers to disclose ESG public funds[e12].	No specific regulation applies. A combination of regulations apply, for example The People's Republic of China's Anti-Unfair Competition Law, Civil Procedure Law.

Abbreviations: ISSB - International Sustainability Standards Board; TCFD - Task Force on Climate-Related Financial Disclosure; GRI - Global Reporting Initiative; SASB - Sustainability Accounting Standards Board; WEF - World Economic Forum

4.3 Climate risk reporting

Hong Kong is incorporating climate risk reporting into its ESG frameworks, but the practices are evolving and require transparency and consistency to maximise impact. Harmonising the operationalization of climate risk reporting is essential to address the challenges of climate risk disclosure. Targeted policy interventions, cooperation between cities, and capacity building for laggard sectors can accelerate progress.

Financial markets need clear, accurate and comprehensive information on the impact of climate change, which includes risks and opportunities arising from rising temperatures, climate-related policies and regulations, or emerging low-carbon technologies. Climate risk disclosure can bring several benefits: 1. Help financial institutions identify and manage climate-related risks and facilitate stakeholders' assessment of a financial institution's environmental impact, 2. Facilitate more effective pricing mechanisms for climate-related risks, and 3. Create new opportunities such as green financial product development. There may be some mandatory domestic regulations and rules to follow that constitute a main part of disclosure strategies. Countries and cities are adapting international practices such as those of the TCFD to help them align with international standards. The TCFD has developed recommendations on the types of information that companies should disclose to investors for appropriately assessing climate-related risks, which can be physical risks and transition risks associated with transitioning to a low-carbon economy. Cities across Asia recognize the importance of climate risk reporting and are incorporating it into their ESG reporting frameworks. However, climate risk reporting practices are nascent and evolving. While the practices are still developing in Asia, transparency and consistency are crucial to maximise impacts of climate risk management. Disclosure of climate risks allows investors and stakeholders to make informed decisions and also prompts companies and cities to strengthen climate resilience and decarbonisation efforts.

4.3.1 Evaluation

The colour-coded rating system applied in this table provides an assessment of performance benchmarked against the parameters outlined in the methodology.

Category	Hong Kong's rating
Climate risks reporting	

The adoption of established frameworks like TCFD and later the reporting standards such as ISSB provides an important foundation. However, ensuring comparable and consistent implementation of standards in Hong Kong is crucial to catalysing systemic change. While Hong Kong financial institutions demonstrate growing climate risk measurement, with more than half actively engaging in such efforts, the net-zero transition across Asia demands collective, coordinated efforts. These efforts should be underpinned by robust and consistent climate risk reporting policies enabling transparency, comparability and urgent disclosures across borders. Singapore's Climate Data Steering Committee and ESGenome portal exemplify leadership in synergized disclosures and offer models for emulation.

While evolving, the region's sustainable finance ecosystem can accelerate by promoting harmonised best practices in disclosure. Ultimately, comprehensive, accurate, standardised climate risk reporting will prove fundamental to informing sustainable investment and enabling decisive transitions to climate-resilient, decarbonized financial systems.

In addition, climate risk should be further strengthened in the oversight of Hong Kong's financial sector. On the micro-prudential side, this includes accounting for climate risk when setting capital and liquidity requirements for individual banks and other financial institutions. Hong Kong's financial regulators should also reflect climate risks in macro-prudential policies like capital buffers across the whole system. Additional macro-prudential tools like sector-specific leverage ratios and concentration limits could also be adjusted to account for climate exposures.

While the Hong Kong Monetary Authority (HKMA) has taken initial steps to address climate risks by issuing a Supervisory Policy Manual on Climate Risk Management in 2022, there is scope for further strengthening the integration of climate considerations in Hong Kong's financial policy framework. The current guidelines serve an important function, but remain discretionary for financial institutions. Going forward, HKMA should build on its convening and signalling role to more explicitly drive climate risk management practices across the financial sector. Specific areas of focus could include incorporating climate factors in asset purchases and foreign exchange reserve management, setting climate-aligned collateral policies, and expanding targeted lending programmes for climate mitigation and adaptation projects. A more assertive supervisory approach by HKMA, combined with prudent monetary policy initiatives, could help mobilise Hong Kong's financial system to support the urgent climate actions needed while maintaining financial stability.

In summary, Hong Kong earned "blue" ratings for pioneering international climate risk reporting guidelines and best practices. However, because of absent regulations and gradual uptake by financial institutions and companies, progress remains a key concern. The key is whether climate risk can be strengthened in the oversight of Hong Kong's financial sector, and particularly regarding climate considerations in the city's monetary policy.

Suggestions for Hong Kong’s improvements.

- Explicit regulations to incorporate and mainstream climate risk reporting by companies.
- Promote uptake of financial institutions and companies in climate risk reporting.
- Integrate climate considerations into financial policy by factoring climate risks into asset purchases, foreign exchange reserve management and collateral policies, and by launching lending programmes targeting climate mitigation and adaptation projects.
- Incorporate climate risk in micro-prudential policies such as capital and liquidity requirements and into macropru-dential oversight through economy-wide capital buffers, sector-specific leverage ratios, and concentration limits.

Table 4: Key policies in relation to climate risk reporting in selected places

	Hong Kong	Singapore	Tokyo
Policy and regulations	HKMA’s White Paper on Green & Sustainable Bank-ing (2020)[a5]; A Supervisory Policy Manual on Climate Risk Management (2021)[a6]; HKEX’s Climate-related Disclosure under the ESG Framework (2023) taking effect from Jan 2025[a7].	Finance for Net Zero Action Plan (2023)[d2].	Supervisory Guidance on Climate-related Risk Management and Client En-gagement (by Financial Ser-vices Agency, 2022)[e13].
Disclosure standards	ISSB, TCFD	TCFD	TCFD
Insurance-linked securities (ILS)	Four ILS in the form of catastrophe bonds issued in 2023.	ILS grant scheme in 2017 funding 100% upfront costs for CAT bond issuance; issued six CAT bonds (US$ 488 million) since 2019.	N/A
Training	HKMA & HKEX incl. a three-year Pilot Green and Sustainable Finance Capacity Building Support Scheme and Enhanced Capacity Framework[a23].	MAS; ESGenome portal for data sharing and transpar-ency[d9].	Ministry of Environment.

4.4 Green finance market

Hong Kong is adopting green finance policies and regulations but needs robust frameworks such as consistent impact measurement, transparent reporting, and accountability for targets. Learning from the EU's experience with taxonomy, disclosure rules, external reviews and carbon pricing can strengthen Hong Kong's development of sustainable finance

Section 3 discussed the policies and regulations of different cities regarding how climate-related risks in financial markets are required to be disclosed and managed. This section looks at how taxonomies and regulations enable green finance and fulfil the requirement of due diligence. For financial institutions to address climate change, two simultaneous activities are required: 1. Scaling up capital for low-carbon transition; and 2. Addressing the risks posed by climate change. Addressing climate change may include instruments and tools like green bonds that can mobilise and catalyse additional financing for investing in low carbon and resilient technology or products.

While Hong Kong lacks top-level green finance strategy with concrete targets, disclosure requirements and oversight mechanisms, non-compliance risks for some green bonds and lack of transparency in ESG funds are key issues. The requirements for taxonomies and regulations then come into play.

4.4.1 Evaluation

The colour-coded rating system applied in this table provides an assessment of performance benchmarked against the parameters outlined in the methodology.

Category	Hong Kong's rating
Green finance market	

The development of green finance market taxonomies in Hong Kong faces crucial limitations that need addressing to fully realise its potential. Hong Kong's green taxonomies, which identify activities mitigating climate change, facilitates sustainable investment and aims to enable links with mainland China's taxonomy.

While Hong Kong has developed taxonomies aligned with international standards, there is a concerning lack of consistent baselines and robust methodologies for impact measurement across green bonds and loans in the region. This results in fragmented, inconsistent, and often inadequate reporting on the environmental impacts and green credentials of these instruments. External independent reviews to verify post-issuance reporting are also seldom conducted. The Hong Kong Monetary Authority published guidance in late 2022 intended to direct financial institutions' due diligence processes for green and sustainable finance products. However, the efficacy and adoption of these guidelines will require further time to properly assess.

This lack of standardisation and transparency hampers accurate impact assessment of green investments in Hong Kong. Transparent policies and disclosures can mitigate greenwashing risks. By catalysing sustainable capital flows, financial hubs like Hong Kong can drive climate resilience.

Hong Kong's financial regulators can learn from the EU's experience in crafting robust green finance frameworks. The EU's external review system independently vets all green bond issuances, ensuring adherence to strict green criteria and funding allocation. The EU's carbon pricing mechanism also incentivizes verified green bond purchases while disincentivizing potential greenwashing.

Specifically, Hong Kong's Green Bond Programme developing a Green Classification Framework can emulate the EU's stringent standards to mitigate greenwashing risks. The Common Ground Taxonomy piloted by China and the EU provides a consistent reference. While laudable steps have been taken, Hong Kong must urgently address standardisation, transparency and accountability around impact reporting, expanding the green product range, and integrating carbon pricing to incentivize truly green investment flows.

In summary, Hong Kong aligned its green bond taxonomies with international standards, earning the city "blue" ratings. However, the Hong Kong Monetary Authority has only issued voluntary guidance for due diligence of green financial products, rather than enforcing explicit regulations. While the guidance encourages good practice by authorised institutions, more can be done to enhance transparency and accountability. Hong Kong should prioritise addressing this by implementing mandatory regulations for robust green finance frameworks, clear eligibility criteria, and mandatory reporting. This would strengthen oversight and reassure investors that green finance in Hong Kong meets high standards. Transitioning from voluntary to regulated approaches would demonstrate Hong Kong's leadership and commitment to sustainable finance.

Suggestions for Hong Kong's improvements

- Explicit regulations on green and sustainable financial products on their level of disclosure.
- Mandate an independent party verification of green bond proceeds among the issuers.
- Emulate the more stringent EU taxonomy in Hong Kong's taxonomy.

Table 5: Key policies in relation to the green finance market in selected places

	Hong Kong	Singapore	Tokyo
Green bond issuance	Yes (2019). US$10 billion equivalent of green bonds issued by end of 2022 under Government Green Bond Programme; A three-year Green and Sustainable Finance Grant Scheme announced in 2021-22.	Yes (2022). S$2.4 billion (~US$1.8 billion) inaugural sovereign green bond was issued in August 2022.	Yes (2016). JBIC (2014) 10 billion yen inaugural green bond by TMG was issued in Dec 2016.
Green bond taxonomy	HKSAR Green Bond Framework [a8](Compliant with International Capital Market Association (ICMA)'s Green Bond Principles (2018)); HKMA also commissioned a prototype study on Green Classification Framework for private capital market in 2023[a9].	Singapore Green Bond Framework (In Compliance with ICMA & ASEAN)[d10].	Japan Ministry of Environment's Green Bond Guidelines (GBG) (2020)[e14] and Tokyo Green Bonds Framework (2021) (Compliant with ICMA)[e15].
Taxonomy aligned with international standards	Yes.	Yes.	Yes.
Green finance-related laws and regulations	HKMA issued guidelines for Due Diligence Processes for Green and Sustainable Products in late 2022.	N/A	N/A

4.5 Carbon markets and innovative solutions

Hong Kong is piloting a carbon trading system to meet climate goals. Robust design and governance are crucial for effectiveness. Hong Kong has huge potential to develop liquid, transparent carbon markets, align prices with net zero and use revenues to fund green innovation. This enables cost-effective decarbonisation and sustainable competitiveness.

Carbon pricing mechanisms including emissions trading systems (ETS) and carbon taxes are gaining traction globally as policy tools to meet Paris Agreement emissions reduction targets. In 2022, government revenues from carbon pricing grew more than 10% to USD 95 billion worldwide.

4.5.1 Evaluation

The colour-coded rating system applied in this table provides an assessment of performance benchmarked against the parameters outlined in the methodology.

Category	Hong Kong's rating
Carbon markets and innovative solutions	

On policies and governance on technologies and innovations, Hong Kong established the Green Tech Fund to finance energy solutions and connect mainland China companies to global green capital flows. On carbon markets, South Korea and Japan, particularly Tokyo, lead in implementing and strengthening compliance cap-and-trade carbon trading. Hong Kong has started pilot schemes and is exploring options to develop its own markets, which are currently the voluntary carbon markets, lagging regional counterparts. Hong Kong was therefore rated "yellow" for excelling in only one area. While Seoul and Tokyo lead in carbon trading, Hong Kong should consider accelerating expansion of its pilot programmes.

Suggestions for Hong Kong's improvements

- Integrate the carbon market into the core element of Hong Kong's green finance strategy.
- Leverage Hong Kong's international financial market for the development of carbon market platforms together with mainland, particularly the Greater Bay Area, and other Asian markets, to learn international best practice in carbon reduction and provide more voluntary carbon credits that are linked with the international market.

Table 6: Key policies in relation to carbon markets and innovative solutions in selected places

	Hong Kong	Seoul	Shanghai	Shenzhen	Singapore	Tokyo
Research	Financial Services Development Council & Hong Kong Monetary Authority.	Korea Institute of Finance, Korea Environmental Industry and Technology Institute.	Unclear.	Unclear.	Singapore Green Finance Centre (MAS).	IGES, Research Institute for Environmental Finance.

Table 6 *(Cont.)*

	Hong Kong	Seoul	Shanghai	Shenzhen	Singapore	Tokyo
Research	Financial Services Development Council & Hong Kong Monetary Authority.	Korea Institute of Finance, Korea Environmental Industry and Technology Institute.	Unclear.	Unclear.	Singapore Green Finance Centre (MAS).	IGES, Research Institute for Environmental Finance.
Budget for R&D	Yes. HK$400 million (US$51 million) allocated for Green Tech Fund from 2020 (longest project duration: 5 years).	There is a separate budget on R&D.	Shanghai Science and Technology Commission (Unclear).	Budget for Shenzhen Science and Technology Innovation Committee in 2023 is 1.49 trillion CNY (duration: unclear).	Yes, S$284 million (US$208 million) allocated for two green R&D initiatives, i.e. Closing the Waste Loop Initiative (2017) and the Research, Innovative and Enterprise 2020 Plan (2016-2020).	Yes, 2 trillion yen (US$20 billion) allocated for the Green Innovation Fund (METI) over a 10-year period (2021).
Carbon market type	Voluntary (2022).	Compliance (cap-and-trade) (2015).	Compliance (cap-and-trade) (2021).	Compliance (cap-and-trade) (2013).	Voluntary (2021).	Voluntary (2023-24) Compliance (cap-and-trade) (2026-2027).
Carbon trading platforms	Yes, CORE Climate.	Yes, Korea ETS (2015), Carbon Transaction Platform (2022), Energy X, Fair Lab, XQuant, QuantifiedESG, Who's Good.	Yes, Regional Pilots (2013-16), Nationwide (2021).	Yes, Shenzhen Emissions Exchange. Regional Pilots (2013-16), Nationwide (2021).	Yes, AirCarbon Exchange, Climate Impact X.	Yes, Tokyo (2010). National-level Trial Trading on TSE (2020).
Carbon tax policy	No.	No.	No.	No.	Yes, S$5/tCO2e (2023).	Yes.

Table 6 *(Cont.)*

	Hong Kong	Seoul	Shanghai	Shenzhen	Singapore	Tokyo
Green tech incubator	Yes, Gov-led: Green Tech Fund. To set up Green Technology and Finance Development Committee (HK$400 million for 5 years since 2020); FinTech Proof-of-Concept Subsidy Scheme by FSTB to encourage FIs to collaborate with FinTech startups (100% subsidy, three tiers of subsidy per project, a. HK$150k, b. HK$200k and c. HK$400k). Non Gov-led: Moment FinTech ESG-focused FinTech accelerator- a FinTech accelerator aims to connect FinTech and RegTech startups with FIs.	Yes, Gov-led: Korea National Institute of Green Technology; The Korea Fintech Support Center, Seoul FinTech Lab.	Gov-led: Implementation plan for building a market-oriented green technology innovation system in Shanghai (2020); Implementation Plan for Science and Technology-support to Carbon Peaking and Carbon Neutrality in Shanghai (2022). Budget unclear.	Yes, Gov-led: Specialised Plan for Shenzhen's Financial Technology Development (2023-2025). Budget unclear.	Yes, Gov-led: Green Finance Industry Taskforce (2019 - 2023). Non Gov-led: FinLab Greentech Accelerator (3 months, US$ 112k); F10 Climate Fintech incubator; Mbanq LABS accelerator (S$250k worth of benefits to startups).	Yes, Gov-led: Green Innovation Fund by METI (2 trillion yen); Finolab to provide seed money support to early stage fintech firms, duration of fund: 10 years (2021).

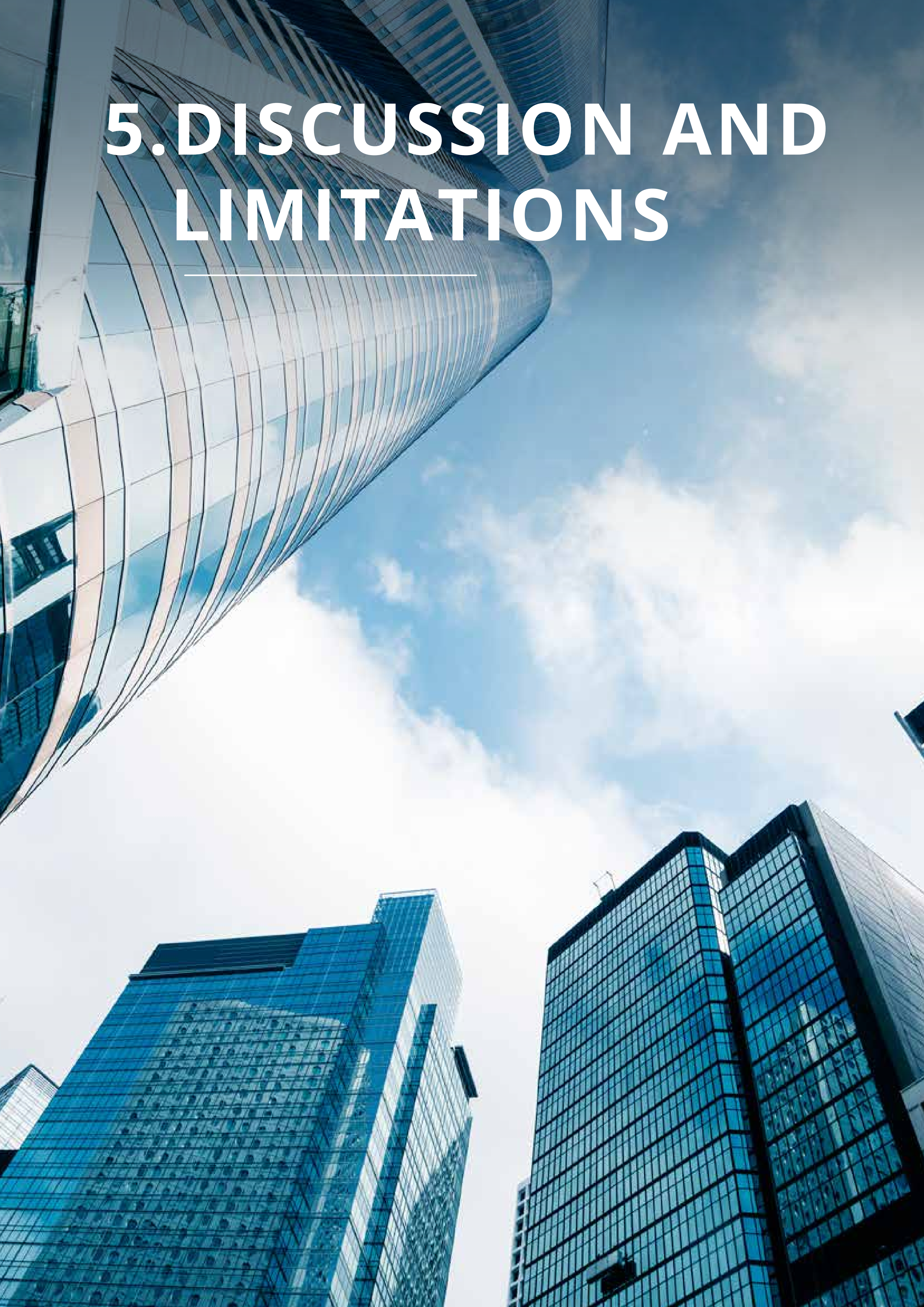
Table 6 *(Cont.)*

	Hong Kong	Seoul	Shanghai	Shenzhen	Singapore	Tokyo
Green tech incubator	Yes, Gov-led: Green Tech Fund. To set up Green Technology and Finance Development Committee (HK$400 million for 5 years since 2020); FinTech Proof-of-Concept Subsidy Scheme by FSTB to encourage FIs to collaborate with FinTech startups (100% subsidy, three tiers of subsidy per project, a. HK$150k, b. HK$200k and c. HK$400k). Non Gov-led: Moment FinTech ESG-focused FinTech accelerator- a FinTech accelerator aims to connect FinTech and RegTech startups with FIs.	Yes, Gov-led: Korea National Institute of Green Technology; The Korea Fintech Support Center, Seoul FinTech Lab.	Gov-led: Implementation plan for building a market-oriented green technology innovation system in Shanghai (2020); Implementation Plan for Science and Technology-support to Carbon Peaking and Carbon Neutrality in Shanghai (2022). Budget unclear.	Yes, Gov-led: Specialised Plan for Shenzhen's Financial Technology Development (2023-2025). Budget unclear.	Yes, Gov-led: Green Finance Industry Taskforce (2019 - 2023). Non Gov-led: FinLab Greentech Accelerator (3 months, US$ 112k); F10 Climate Fintech incubator; Mbanq LABS accelerator (S$250k worth of benefits to startups).	Yes, Gov-led: Green Innovation Fund by METI (2 trillion yen); Finolab to provide seed money support to early stage fintech firms, duration of fund: 10 years (2021).

Table 6 *(Cont.)*

	Hong Kong	Seoul	Shanghai	Shenzhen	Singapore	Tokyo
FinTech	Yes, Project Genesis 1.0 & 2.0; FinTech 2025 Strategy Green & Sustainable Finance Grant Scheme; Green & Sustainable Finance Cross-Agency Steering Group.	Yes, 90 billion won for Green New Deal 100 Promising Companies (2022), Roadmap to mandatory ESG disclosure in 2030.	Unclear.	Green Financial Services Real Economy Laboratory (2019).	Yes, Project Greenprint; Climate X; CO2 Connect.	Yes, Green Innovation Fund and Green Finance Subsidy Program for Tokyo Market Entry; FinCity Tokyo.
Ecosystem building	Yes, FinTech 2025 Strategy, Cyberport, HK Science & Tech Park.	Yes, Korea Green New Deal and Roadmap to mandatory ESG disclosure in 2030.	2025. SSE's Action Plan for Carbon Peaking & Carbon Neutrality during the 14th Five Year Plan period.	Shenzhen Financial Technology Ethics Committee's mission.	Yes, Green Finance Industry Taskforce, Singapore Green Plan 2030, and ESG Impact Hub (MAS).	Yes, Startup Ecosystem Tokyo Consortium.

5. DISCUSSION AND LIMITATIONS



5.Discussion and limitations

5.1 Discussion and conclusion

This study finds that there are things that Hong Kong can learn from its regional counterparts like Singapore and Tokyo regarding the development of green finance. More needs to be done to elevate green finance as an all-government priority with a robust roadmap and key performance indicators. Hong Kong can learn from counterparts including Shanghai, Shenzhen, Singapore and Tokyo in this regard. While Hong Kong shows ambition to expand green bond issuance and lead Asian markets towards mandatory ESG disclosure aligned with ISSB standards, key tests include climate risk management practices, monetary policy adjustments, and tackling emerging greenwashing of financial products.

Unlike Singapore and Tokyo, Hong Kong currently relies on the Trade Descriptions Ordinance and on HKEX guidelines to tackle greenwashing. This insufficient approach poses financial stability risks. Inadequate safeguards against greenwashing can improperly allocate capital into environmentally harmful "dirty" projects and slow climate mitigation efforts. At the same time, greenwashing erodes market trust and exposes financial institutions to litigation risks. Thus, bolstering anti-greenwashing measures requires priority attention from Hong Kong's financial supervisors.

Strict regulations are imperative to curb pervasive greenwashing across the region's financial sector. Cities can draw lessons from the European Union's Sustainable Finance Disclosure Regulation to establish comprehensive policies tackling greenwashing. Specific guidelines mandating consideration of environmental, social and governance (ESG) factors in investment processes are also needed for pension funds and other institutional investors. While cities such as Singapore and Tokyo have pledged to tackle greenwashing, Hong Kong lags on this front. Of particular note is Singapore's commitment to proactively transition its financial system away from fossil fuel assets, setting an important precedent for peers.

Hong Kong lags in pledging to phase out fossil fuels and expand its carbon market. To join the top tier of Asian green finance hubs, Hong Kong must take decisive action. This includes accelerating its green finance strategy with robust metrics, enacting legislation to combat greenwashing, aligning with international standards and expanding carbon markets. Most crucially, Hong Kong must commit to phasing out fossil fuel financing. Additional priorities are preventing climate risk build-up within financial institutions and improving resilience to climate contagions. Hong Kong also needs to expand its supervisory toolkit to integrate climate considerations into all monetary policy operations. This will ensure the effectiveness of monetary policy while building climate risk mitigation into the financial system.

While mandatory ESG reporting is an important tool to facilitate the urgent transition to a low-carbon economy, progress on establishing rigorous, uniform disclosure standards has been slow. International principles have offered a foundation, but broad exemptions undermine the credibility and comparability of reporting. Focused policy and regulatory actions are vital to mainstream climate risk disclosure. As Hong Kong implements the International Sustainability Standards Board's (ISSB) standards, the transition plan disclosure requirements should be made more precise.

Although ambitious emissions reductions targets and climate action plans have been formulated, uncertainty remains regarding whether Hong Kong has managed to translate the plans into concrete laws and regulations, market mechanisms and policy tools to achieve the goals. Cities with sophisticated systems provide valuable models to accelerate establishment of transparent, efficient carbon markets.

In summary, while Hong Kong has made some initial strides, there is a considerable scope for improvements to governance, disclosure, innovation and cooperation frameworks to meet green finance ambitions. Adopting proven best practices from leaders like Singapore and Tokyo can catalyse the broader regional transition to green, climate-resilient economies. Robust, consistent and transparent financial regulation will be instrumental to unlock the private capital imperative for financing this transition.

In addition, a combination of ambitious policy actions, technology adoption, global cooperation, and public–private investment at scale can transition cities to sustainable economies and advance climate resilience. Tools and knowledge exist but require collective action to implement. Hong Kong’s policymakers must lead the way with clear market signals, strict oversight, and support for innovation to unlock the potential of private green finance. The policy, technology, and financial tools exist; what remains is the collective will and initiative to implement them.

With coordinated efforts across these spheres, Hong Kong can equitably transition its financial systems and economies towards the urgent net zero imperative.

5.2 Limitations

This study provides an in-depth analysis of the key components of Hong Kong's green finance architecture as promoted by the Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC), and Hong Kong Exchanges and Clearing Limited (HKEX) up to September 2023. The research focused specifically on analysing the policies, standards, guidelines, and metrics established by these regulators across governance, disclosure, climate risk management, green bonds, carbon markets, and financial innovation. While ongoing developments in green finance will continue beyond September 2023, this study is limited to insights and data available within the stated time frame. Furthermore, the scope centred on green finance policies and frameworks implemented in Hong Kong, rather than comparative analysis with other Asian financial hubs. Delineating the research parameters in this manner has allowed for an appropriately in-depth investigation within the time scale and resources available.

6.RECOMMENDATIONS FOR REGULATORS

6.Recommendations for regulators

Introduce quantitative targets and accountability measures, such as anti-greenwashing regulations: To accelerate the transition to sustainable economies, Hong Kong should catch up and take the lead ahead of other major cities in Asia Pacific. Hong Kong must establish precise and time-bound quantitative targets for green finance strategies, including specific goals for mobilising investments and reducing emissions. Strict accountability measures like regular progress reporting are also crucial to build credibility and ensure targets are met. Specific regulations should be set up to tackle the pervasive greenwashing across all kinds of financing and investment.

Enhance financial supervision on climate risk: Financial regulators should consider further incorporating climate risk into their oversight of the financial sector. On the microprudential side, this includes accounting for climate risk when setting capital and liquidity requirements for individual banks and other financial institutions. Financial regulators should also look at reflecting climate risks in macroprudential policies like capital buffers across the whole system. Additional macroprudential tools like sector-specific leverage ratios and concentration limits could also be adjusted to account for climate exposures. The overall goal is to use financial supervision powers to mitigate climate-related financial risks.

Integrate climate considerations in financial policy: The Hong Kong Monetary Authority (HKMA) should consider integrating climate considerations into various aspects of monetary policy. This includes factoring in climate risks when purchasing assets, managing foreign exchange reserves, and setting collateral policies. The HKMA should also launch and expand lending programmes that target climate mitigation and adaptation projects. The goal is to use monetary policy tools to help address climate change while maintaining financial stability.

Strengthen mandatory environmental, social and governance reporting and disclosure requirements: Consistent, standardised, and mandatory environmental, social and corporate governance (ESG) reporting will be important to realise a green finance regime's full potential. Hong Kong authorities should mandate ESG reporting aligned with global standards, applying across all sectors. This involves implementing stringent penalties for false ESG claims and establishing independent oversight bodies, also known as "greenwashers". Additionally, creating a digital ESG disclosure portal will help standardise data quality. The city's pension funds should also adopt clear ESG investment guidelines, with regular public disclosure of their portfolio assessments.

Strengthen governance and oversight: Robust governance structures with clearly defined roles and responsibilities are essential to the success of any green finance strategy. Hong Kong policymakers must strengthen oversight and accountability to ensure transparency and stakeholder participation in decision making. They should evaluate the effectiveness of initiatives and make adaptations as needed to maximise impact.

Foster innovation and technology: Fostering innovation in green finance solutions and technology is important to unlock new funding sources and partnerships. Policymakers should promote the adoption of digital tools and carbon trading to incentivize private capital at scale. They should also cultivate a supportive ecosystem for green FinTech by driving demand, enabling partnerships between stakeholders, and providing incentives for sustainable practices.

Increase bilateral and multilateral cooperation: Cooperation through regional and global alliances can help accelerate progress by enabling peer learning, leverage complementary resources and promote healthy competition. Hong Kong should be more proactive in participating in international net-zero finance alliances and forge bilateral and multilateral partnerships to share best practices, identify synergies, and work towards common goals. By collaborating in areas like developing green taxonomies and transitioning from fossil fuel financing, cities can drive systems-level change.

Drive policy signals and investment: Achieving carbon neutrality or net-zero targets will require a combination of top-down guidance with bottom-up action from public and private stakeholders. Policymakers must provide clear market signals through robust regulations, carbon pricing and strict accountability measures. They should also invest in innovation, capacity building and partnerships to unlock financing and solutions at scale.

7.報告撮要

7.1 背景

化石燃料是由數百萬年前死亡被埋的生物分解形成。化石燃料是不可再生的能源，目前供應著全球約 80%的能源。廣泛使用煤、石油和天然氣產生大量溫室氣體，包括二氧化碳，排放到大氣，加劇氣候變化。轉向可再生能源是勢在必行的。

透過落實2015年的《巴黎協定》和聯合國 2030年可持續發展議程，超過190個國家承諾將「全球平均氣溫升幅控制在工業化前水平低於2攝氏度（°C）之內」，並努力「將氣溫升幅限制在工業化前水平的1.5°C之內」。最近，2023年於阿拉伯聯合酋長國（阿聯酋）杜拜舉行的第28屆聯合國氣候變化大會（COP28）取得進展，在「阿聯酋共識」下，各國同意逐步降低未有應用碳捕獲技術的燃煤使用，並「轉型脫離」化石燃料。這共識與全球首份減碳成績單「全球盤點」的結論一致，敦促各國提交更積極的「國家自主貢獻」（NDCs），並制定新的2035年目標，務求達至全球升溫限制於1.5°C。此外，123個國家簽署了COP28承諾，2030年前將可再生能源發電容量提高至現時的三倍，並將全球每年能源效率加倍。全球面臨著迫切的挑戰，以邁向可持續和低碳的未來。經歷金融危機的教訓，金融體系在進行改革的同時，亦可以為實現更綠色和可持續的經濟提供解決方案。

綠色金融已成為將資金引導到可持續投資，實現零碳排放未來的重要的工具。將大量資本投放於可再生能源、潔淨運輸、提升能源效率和其他綠色領域，對實現全球氣候目標至關重要。金融機構、企業、政府和投資者均有關鍵的角色，在進行貸款和投資決定時，考慮長遠的可持續發展目標 。

主要的金融中心正在開創新策略，擴大綠色融資和減碳工作的規模。根據聯合國環境規劃署（UNEP）的描述，綠色融資意指將來自銀行、小額信貸、保險和投資等方面的資金，引導到促進環境可持續發展的領域。這些資金流已成為推進氣候目標的關鍵機制。然而，實施綠色金融策略面對各種挑戰，包括問責性、透明度和缺乏具體可量度的目標。儘管全球有關綠色金融的倡議盛行，不過要推動有意義的進程，需要評估效果並建立一致的準則。

香港特區政府的目標是透過逐步實施強制性的環境、社會和治理（ESG）數據披露要求、擴大發行綠色債券、創新綠色金融科技，以及推動區域合作，成為亞洲領先的綠色金融中心。本文件關注香港的綠色金融政策，特別以香港金融監管機構為對象，檢視相關法律、法規、治理、問責、指引和標準等方面的參數。透過對照國際最佳的實踐情況，香港可以藉著加強監管，成為亞洲區內一個符合規範且有效益的綠色金融中心。

本文件就推動香港綠色金融發展所面臨的挑戰和機遇，提供了有價值的見解。文件明確指出實現綠色金融目標所需的幾個關鍵之處，治理、透明度、問責和合作均為成功的重要因素。香港在促進綠色金融方面發揮著重要作用，而制定堅實的目標和一致的評估機制，以評估策略的有效性十分重要。由於香港致力推動綠色金融議程，一個用來確立和評估目標的清晰框架至關重要。

本文件的作者就主題進行了廣泛的研究，並參考一系列資料，就香港綠色金融的現況，提供了全面和富有洞察力的概述。這份文件針對政策制定者、金融機構、投資者和其他參與促進香港綠色金融和淨零融資的相關人士而撰寫。

作者期望這份文件能為正在進行的相關討論和工作作出貢獻，促進香港綠色金融的發展，支持邁向淨零排放的未來。

7.2 研究局限性

本文件深入分析了截至2023年9月，由香港金融管理局（金管局）、證券及期貨事務監察委員會（證監會），以及香港交易所（港交所）推動的香港綠色金融架構當中的各個關鍵組成部分。本文件重點分析這些監管機構在治理和問責、資料透明度、氣候風險管理、綠色金融產品、碳市場和創新解決方案方面制定的政策、標準、指引和指標。雖然綠色金融在2023年9月後持續發展，但本文件只涵蓋所述時間範圍內可獲取的觀點和數據。此外，研究範圍側重於在香港實施的綠色金融政策和框架，而非與其他亞洲金融中心進行比較分析。透過這種方法界定研究參數，有助在指定時間和資源範圍內進行恰當和深入的調查。

7.3 主要發現及建議

本文總結了香港在新興綠色金融領域、氣候金融風險及韌性管理方面所扮演的角色。儘管香港已推出積極的可持續金融措施，為促進氣候行動，香港仍需制定（1）更有力的法規以防止「漂綠」（2）制定穩健的實施計劃（3）透過可量度的目標和時間表加強問責。我們在本文中探討了相關政策、策略、機制、框架和標準（如適用）。在適當的情況下，我們亦會參考其他亞洲城市的良好政策和做法，以作比較。

一個核心的問題是香港的綠色金融政策和措施，能在多大程度上促進綠色金融發展。重點評估的領域包括治理和問責機制、資訊透明度和披露要求、氣候風險管理、.綠色金融產品以及碳市場和創新性。具體而言，本研究檢視了治理結構、時間表、指標、資料披露要求、氣候風險監管、綠色金融產品政策及對創新和碳市場的支持。該框架評估各項策略是否積極和全面，以實現系統性變革，減少對化石燃料為本的項目提供資金，並防止威脅氣候金融風險的積累。

五大範疇	評級
1.治理和問責 檢視香港逐步淘汰化石燃料和促進零碳投資相關的策略與指標	
2.資訊透明度 檢視政府及監管機構對企業的ESG披露要求、反 「漂綠」措施以及退休基金等機制的透明度	
3.氣候風險管理 檢視企業對管理氣候相關風險的機制，以及政府和監管機構對此類機制的支援和推動	
4.綠色金融產品 檢視政府及監管機構對綠色債券等金融產品的分類和監管準則	
5.碳市場和創新解決方案 檢視香港碳交易市場發展，及支援綠色科技與金融科技解決方案	

圖例　綠色：滿意；藍色：發展中但仍有改進空間；黃色： 發展中，且有較多改善空間；紅色： 急需正視

本文件發現，香港在綠色金融發展方面，有很多地方可向新加坡和東京等區內領先者學習。政府需要提高綠色金融的政策優先次序，並制定強而有力的策略和關鍵績效指標。雖然香港目前的正著力於擴大發行綠色債券規模，和強制要求披露環境、社會和治理（ESG）數據，但在如何應對「漂綠」行為、實踐氣候風險管理，和融合氣候因素在金融政策上仍然存在挑戰。香港與其他地方不同，缺乏具針對性的反「漂綠」法例、淘汰化石燃料的承諾和廣大的碳市場。要躋身世界頂尖綠色金融中心之列，香港必須更精確地實施國際可持續性標準委員會（ISSB）制定的轉型計劃披露標準，並加快推進策略，採用更有力的評估指標，通過立法打擊「漂綠」行為，與國際標準接軌，擴大碳市場，以及逐步淘汰對化石燃料的融資。特別是在反「漂綠」方面，香港應該防止氣候風險在金融機構和整個金融體系內累積，同時就可能出現的氣候風險蔓延提高抵禦能力。香港亦需要增加監管工具，確保未來的金融政策既具成效，亦能將氣候因素納入考慮之列。

7.4 建議香港採取的政策措施

政府問責與量化目標：香港現時監管機構的綠色金融計劃缺乏明確的定義和可量度的目標。如果沒有可衡量的目標或時間表，政府的措施有失敗的風險。

建議將香港的綠色金融計劃與其他國際標準（例如聯合國「可持續發展目標」或「歐洲綠色政綱」），進行對照以確保追上世界步伐，並需具問責機制。

「漂綠」：「漂綠」行為是通過將資本不當地以「綠色」之名投放到污染項目，既會削弱緩解氣候變化的努力，對金融穩定構成風險，同時會蠶蝕市場的信任，使機構面臨訴訟風險，需要金融監管機構優先關注有關問題。儘管全球對「漂綠」行為日益關注，但亞洲各個金融中心在制定嚴格的法規方面進度緩慢，香港更是落後於其他亞洲金融中心。

為了打擊具誤導性的「綠色」投資項目，須訂立嚴格的驗證流程、第三方審計，以及確保企業運用真實數據來證明其綠色投資。

確保碳市場收益用於資助綠色項目：為了促進真正且有影響力的綠色轉型，確保碳市場產生的收益用於可驗證的可持續項目尤其重要。香港新興的碳市場需要更為成熟，特別是要將資本引導到可量化和可驗證的真正零碳排放項目上。

零碳排放項目該是可再生能源基礎設施、綠色運輸或以自然為本的項目等等。

氣候風險的金融監管：香港的金融監管機構包括證券及期貨事務監察委員會（證監會）和香港金融管理局（金管局）有一個日益迫切的任務，就是要解決氣候變化對金融穩定所構成的系統性風險。然而，現時的審慎監管在評估個別機構或金融系統的安全和穩健程度時，或未能考慮到氣候風險。

政府有必要探討如何調整現有的微觀和宏觀審慎監管工具，以識別和修補與氣候有關的漏洞。審慎監管機構在評估與氣候相關的金融風險，以及採取相應行動維護金融穩定方面，發揮著至關重要的作用。

金融政策中的氣候考慮：如果金管局未能充分考慮日益加劇的氣候風險，與氣候目標不一致或會招致價格貶值和影響金融穩定。隨著氣候影響加劇，金管局需要小心平衡，在履行職責的同時支持氣候行動。

在全球低碳轉型的過程中，金管局須將氣候因素納入金融政策至關重要。

整體而言，香港在改善綠色金融治理方面有很大的潛力。雖然香港的綠色債券發行量佔亞洲總量三分之一，但仍有必要加強監管和治理。當務之急包括制定具體法規以防「漂綠」，逐步淘汰化石燃料資產，並透過碳交易和碳稅等機制促進可再生能源的投資。

結論

本文件發現，在發展綠色金融方面，香港可以向新加坡和東京等地區取經。香港需要進一步努力，將發展綠色金融提升為全政府的優先處理項目，制定堅實的路線圖和關鍵績效指標。在這一方面，香港可以向上海、深圳、新加坡和東京等地學習。雖然香港有雄心壯志擴大綠色債券的發行，並引領亞洲市場實現與ISSB標準一致的強制性ESG披露要求，但關鍵的考驗還包括如何實踐氣候風險管理、融合氣候因素於金融政策，以及應對金融產品「漂綠」的問題。

相較新加坡和東京，香港目前依賴《商品說明條例》和香港交易所的指引，來應對金融產品的「漂綠」問題。可是，這種方法會為金融穩定帶來風險，對「漂綠」行為欠缺防範，可能導致資金不當地投放到對環境有害的污染項目上，削弱緩解氣候變化的努力。「漂綠」同時會蠶蝕市場的信任，使金融機構面臨訴訟風險。因此，香港金融監管機構需要優先關注有關問題，加強反「漂綠」措施。

要遏止區內金融業普遍存在的「漂綠」現象，必須制定嚴格的法規。各城市可以借鑒歐盟的《可持續金融資訊披露條例》，制定全面的政策來解決「漂綠」問題。退休基金和其他機構投資者也需要制定具體的準則，規定在投資過程中，必須考慮環境、社會和治理（ESG）因素。新加坡和東京等城市已承諾解決 「漂綠」問題，但香港在這方面相對落後。值得一提的是，新加坡承諾會積極地進行金融體系轉型，遠離化石燃料資產，為同行樹立了重要的先例。

香港在承諾淘汰化石燃料和擴大碳市場方面落後。要成為亞洲頂尖的綠色金融中心之一，香港必須採取果斷行動。這包括加快實施綠色金融策略，建立堅實的指標，制定法律打擊「漂綠」，與國際標準接軌，以及擴大碳市場。香港必須承諾逐步淘汰對化石燃料融資最為重要。其他要優先處理的還包括防止氣候風險在金融機構內部累積，提高對氣候風險蔓延的抵禦能力。此外，香港亦需要增加監管工具，將氣候考慮因素納入所有金融政策的操作。這將確保金融政策的有效性，同時可將氣候風險管理納入金融體系當中。

儘管強制性的ESG報告是促進低碳經濟快速轉型的重要工具，不過在建立嚴格、統一的披露標準方面卻進度緩慢。雖然國際原則為此提供了基礎，但廣泛的豁免條款削弱了報告的可信性和可比性。具針對性的政策和監管行動，對實現氣候風險披露主流化至關重要。 隨著香港實施國際可持續性標準委員會（ISSB）的標準，轉型計劃的披露要求應該更加精確。

雖然香港訂立了進取的減排目標和氣候行動計劃，不過能否將這些計劃轉化為具體的法律法規、市場機制和政策工具以實現目標，仍存在不確定性。一些制度成熟的城市為如何加快建立透明、高效的碳市場，提供了寶貴的範例。

總而言之，雖然香港已經取得一些初步的進展，但在治理、資訊披露、創新和合作框架方面仍有相當大的改進空間，以實現發展綠色金融方面的雄心壯志。借鑒新加坡和東京等成功的先例，有助推動整體區域轉型成為綠色和氣候適應性強的經濟體。健全、一致和透明的金融監管將有助釋放私人資本，為轉型提供資金。

此外，進取的政策行動、技術運用、全球合作和大規模的公私投資結合，可以令城市轉型成為具可持續性的經濟體，並提升氣候適應能力。相關工具和知識經已存在，但需要集體行動來實踐。香港的政策制定者必須以明確的市場訊號、嚴格的監督，並透過支持創新來引領前路，釋放私營綠色金融的潛力。我們已經具備政策、技術和金融工具，現在需要的是以集體意志和行動把它們實踐起來。

透過不同領域的協作，香港可以將金融體系和經濟公平地轉型，以達至淨零排放的目標。

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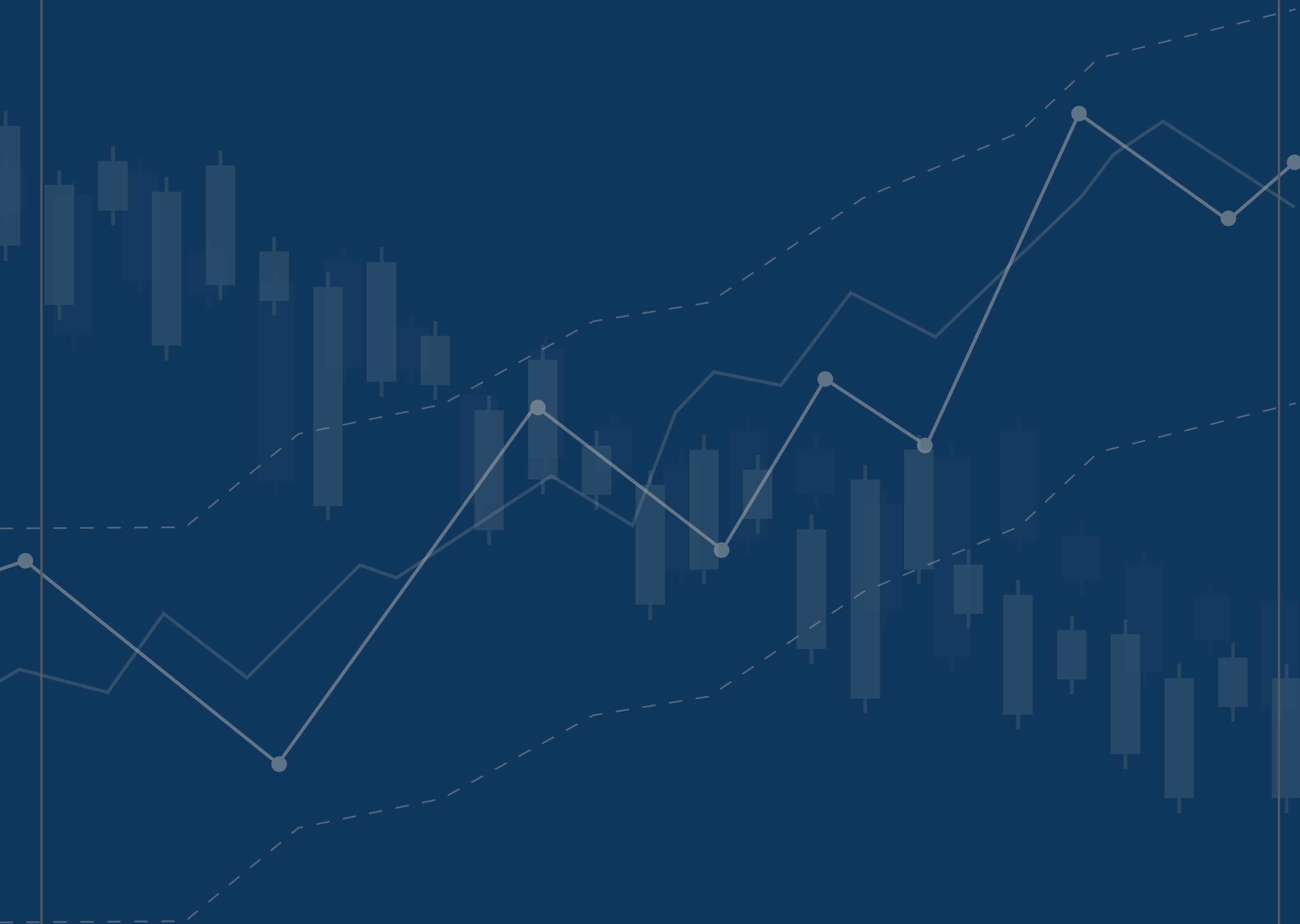

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