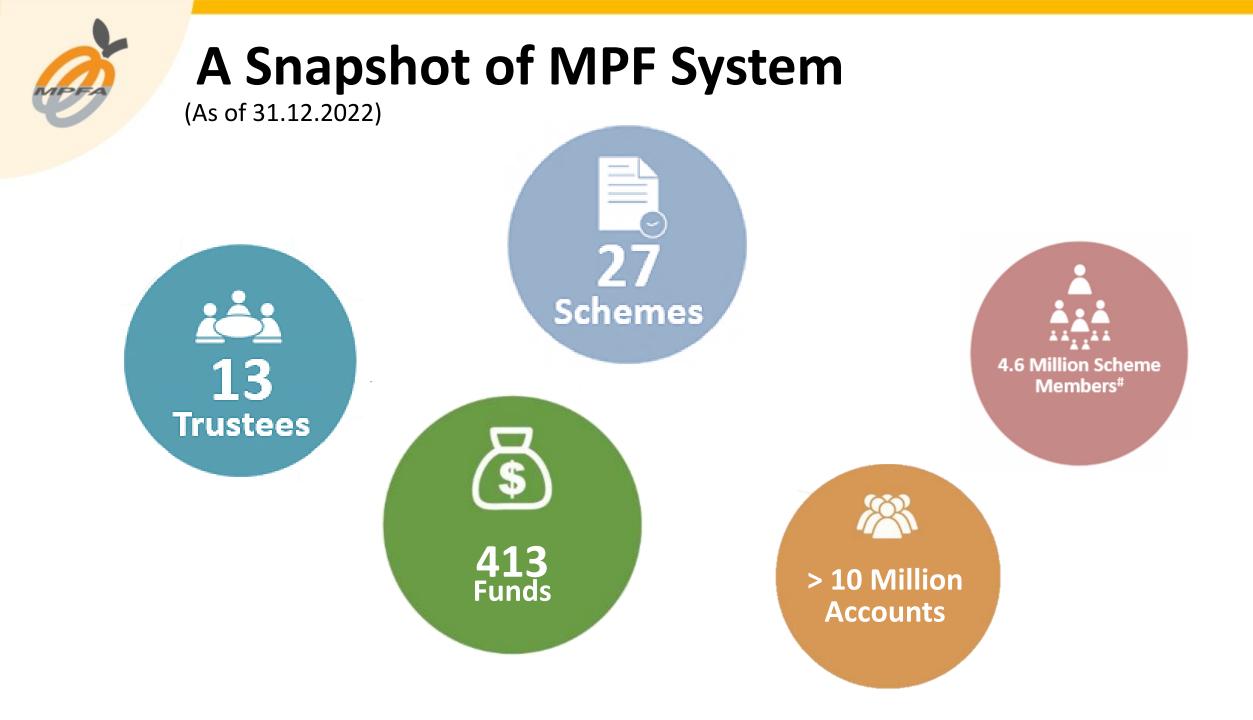


Sustainable Investing for MPF Funds

Mandatory Provident Fund Schemes Authority

13 January 2023





How ESG Risks are Affecting MPF Investments?





Policy to Drive Sustainable Investing for MPF Funds





Protecting MPF scheme members' interests

Aligning with global and local regulatory developments

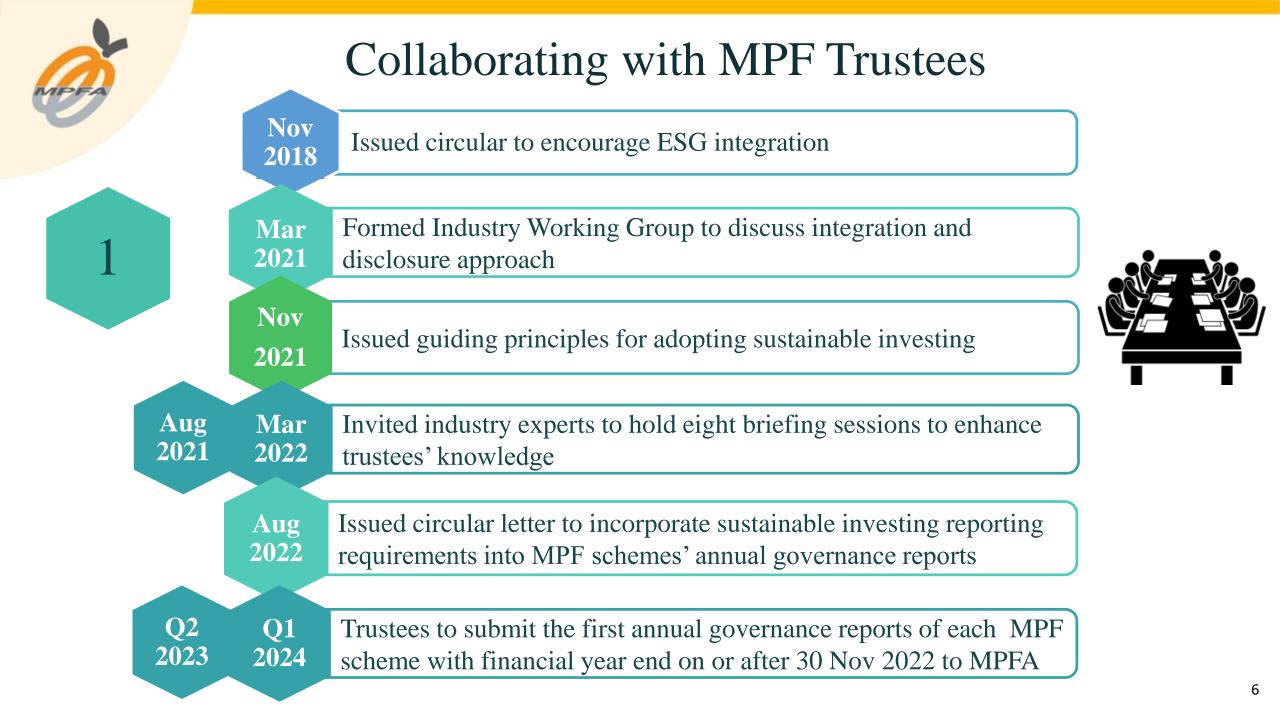


MPFA's Implementation Approach



Aligning with Local and **Global Regulatory Developments**

Promoting Public Awareness





2

Aligning with Local and Global Regulatory Developments

Oct 2019

Aligned with supervisory guidelines on ESG integration and disclosure issued by International Organisation of Pension Supervisors

May 2020 MPFA joined Green and Sustainable Finance Cross-Agency Steering Group to examine policy and regulatory issues in green and sustainable finance in HK



Promoting Public Awareness



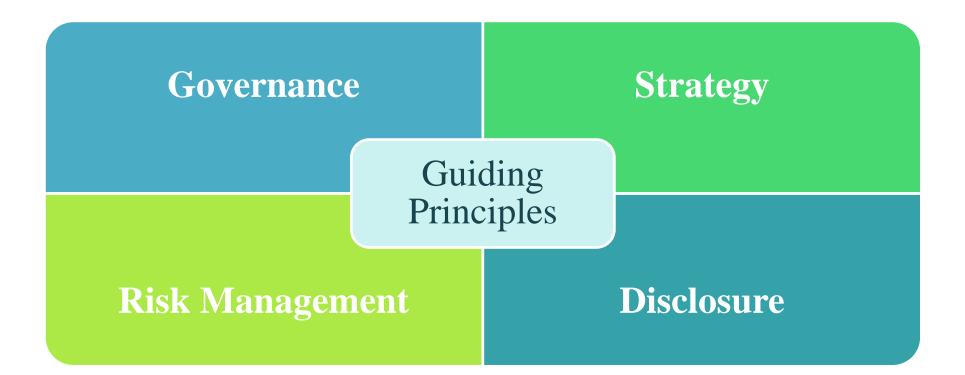
To partner with MPF trustees to raise public awareness





Principles for Adopting Sustainable Investing in Investment And Risk Management Processes of MPF Funds (Principles)

• Issued guiding principles to MPF trustees for adopting ESG integration





Guiding Principles

Governance	MPF trustee should have a governance framework to monitor management of ESG risks by investment managers
Strategy	MPF trustee should formulate an ESG integration strategy at the MPF scheme level
Risk Management	MPF trustee should ensure consideration of ESG factors in investment and risk management of MPF funds
Disclosure	MPF trustee should disclose ESG integration strategies and report implementation progress regularly



MPF Trustees' Implementation Progress

Work Plan

Integration Strategy

Governance Framework Risk Management

Reporting

Gap analysis on adherence to the Principles Board of Directors to formulate integration strategy Management's role in oversight and reporting progress

Set expectation on investment managers and understand how they identify, assess, and manage relevant ESG factors Disclosure in MPF schemes' governance report for year ended on 30 Nov 2022 and after