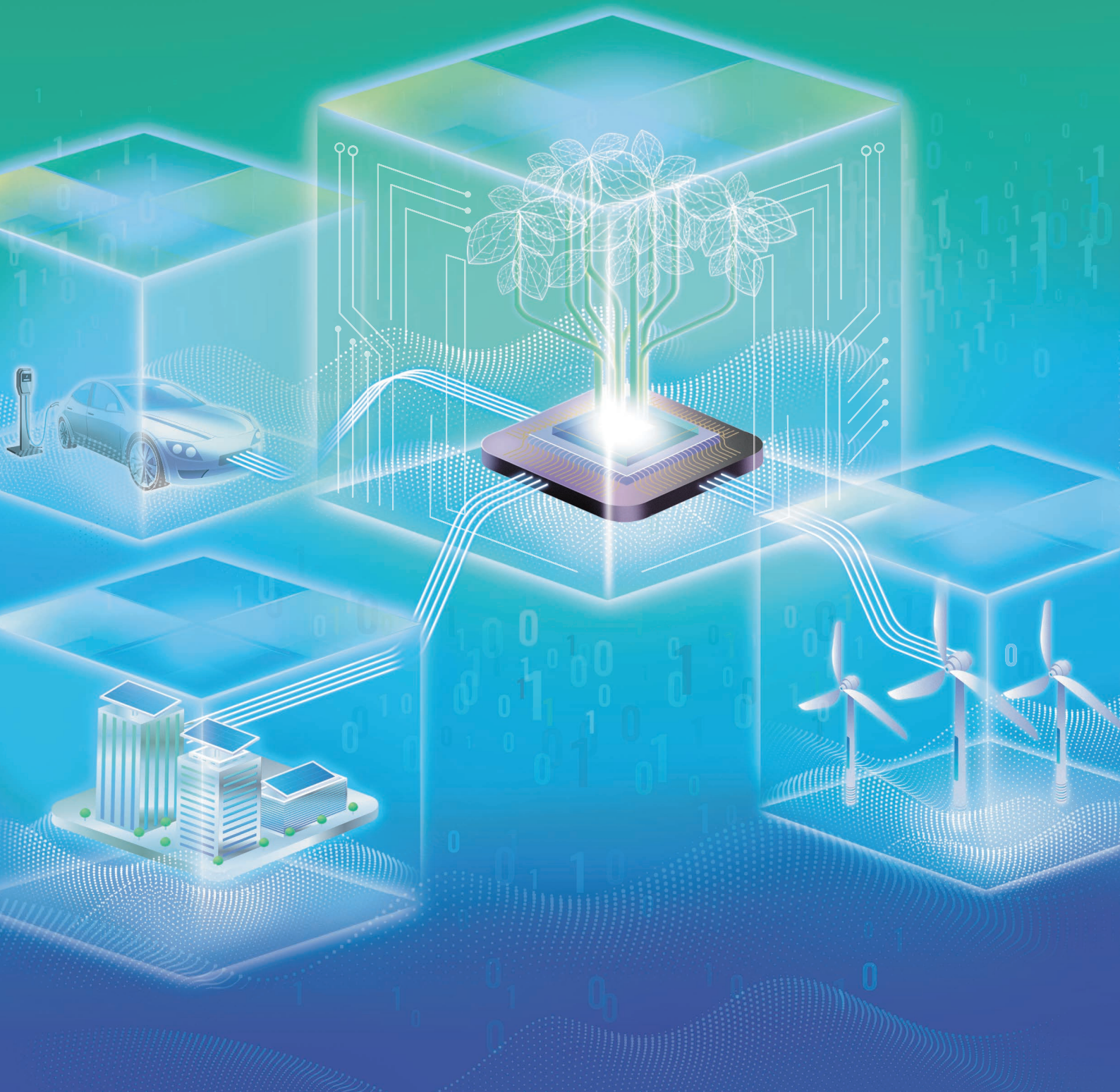




HONG KONG MONETARY AUTHORITY
香港金融管理局

SUSTAINABILITY REPORT 2025



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Chief Executive's Message

2025 was a pivotal year that tested global resolve on climate action, as apathy grew in some quarters of the world, and economies around the world navigated slower growth amid heightened geopolitical uncertainty, escalating trade tensions, and supply chain fragmentation. This was before military conflicts in the Middle East broke out in 2026 that severely disrupted global energy supply, exposing deep structural dependencies. Against this backdrop, many economies are faced with an increasingly complex situation, balancing between ensuring energy security and affordability in the short-term on the one hand, and advancing sustainability on the other, as near-term challenges may overshadow longer-term climate objectives at times. The rollback and delays in climate pledges of some economies further complicated the global climate agenda.

Here in Asia, these challenges are particularly acute. According to the World Meteorological Organization, the region is warming nearly twice as fast as the global average¹, fuelling more frequent and severe weather events and imposing growing economic and social costs. Meanwhile, the region's heavy reliance on fossil fuels underscores the formidable challenge of balancing rapid development with urgent climate action. The transition to a low-carbon economy across Asia therefore remains both complex and capital-intensive, requiring substantial and steady fund flows to drive meaningful progress.

Despite these challenges, Hong Kong remains steadfast in its commitment to sustainability. This determination is grounded in our deep conviction that a just and orderly transition is essential for long-term financial stability and economic resilience. That is why last year, we pressed ahead with our Sustainable Finance Action Agenda, a comprehensive strategy launched in 2024 to embed sustainability at the core of our financial system and catalyse climate action across Asia. I am encouraged by the concrete progress achieved across our strategic priorities and the growing momentum among market participants.

Building a climate-resilient financial system

As a core pillar of Hong Kong's financial system, the banking sector plays a vital role in channelling capital towards green and sustainable activities. To support banks in this role, we focused on addressing pain points faced by the industry, including closing gaps in standards, readiness, information and talent. Following a public consultation in 2025, we recently published Phase 2A of the Hong Kong Taxonomy for Sustainable Finance to provide greater clarity on green and sustainable activities, including introducing transition elements, adding a new category on climate change adaptation, and expanding coverage to additional sectors. We also strengthened supervision of banks' climate risk management, launched the formal version of the Physical Risk Assessment Platform to support banks in assessing physical risks to property assets, conducted an industry consultation on banks' transition planning guidelines, and continued to work towards aligning sustainability disclosure requirements with evolving global standards.

Investing in a sustainable future

As a major asset owner and manager, we are committed to supporting Asia's green and sustainable development through strategic investment. Our experience demonstrates that sustainable investing can deliver strong financial performance alongside positive environmental impact, with sustainable investments now constituting more than 10% of the Exchange Fund's Investment Portfolio. To support regional transition efforts, we partnered with the Asian Infrastructure Investment Bank to jointly invest in venture capital funds focused on green and technology-enabled infrastructure.

¹ <https://wmo.int/news/media-centre/rising-temperatures-and-extreme-weather-hit-asia-hard>

Chief Executive's Message |



Mr Eddie Yue, Chief Executive, opens the Green Fintech Symposium during the Hong Kong Green Week 2025

Enhancing the green and sustainable finance ecosystem

The success of Asia's low-carbon transition hinges on the effective mobilisation of capital towards high-impact initiatives. As Asia's premier financial centre, Hong Kong has fully embraced this responsibility and opportunity. In 2025, Hong Kong reaffirmed its position as the largest arranging hub for international green and sustainable bond issuances in Asia, accounting for 40% of the region's total issuance volume. To drive further innovation, we supported the Government in issuing a third batch of tokenised green bonds of around HK\$10 billion, which marked the largest digital bond issuance globally. Through issuances under the Government Sustainable Bond Programme and subsidies under the Green and Sustainable Finance Grant Scheme, we continued to strengthen the sustainable finance ecosystem.

Recognising that talent is critical to sustaining progress, we supported the Government in providing subsidies for sustainable finance training and hosted flagship events to foster collaboration and knowledge exchange, including the Hong Kong Green Week and the HKMA-DFSA Joint Climate Finance Conference.

Sustainable HKMA

As we continue to scale our efforts externally, we remain equally committed to operating as a responsible and sustainable organisation ourselves. From climate scenario analyses and corporate emissions reporting to the cultivation of an environmentally conscious and inclusive workplace, we integrate sustainability considerations into every facet of our operations.

Navigating uncertainty with purpose

As we look ahead, I am reminded that the path to a sustainable future is rarely straightforward. The world around us is shifting – shaped by global realignments, rapid technological advances and an increasingly complex economic environment. Yet amid these uncertainties, there are immense opportunities to innovate, to collaborate, and to strengthen the resilience of our financial systems and communities. By harnessing our shared purpose and working together across borders and sectors, we can turn today's challenges into the momentum that carries us forward. Hong Kong will continue to lead with purpose and to play an active role in forging a more resilient, inclusive, and sustainable future for finance.

Eddie Yue
Chief Executive
30 April 2026

Priorities for 2026 and Beyond

Climate change is the defining challenge of our era. By strengthening supervisory engagement and enhancing its internal operations, the HKMA aims to bolster the resilience of Hong Kong's financial sector and of the HKMA itself against climate-related risks.

Meanwhile, as an international financial centre and Asia's hub for sustainable finance, Hong Kong is well-positioned to accelerate the green transition across the region and beyond. To this end, the HKMA is actively developing strategic policies to drive this goal, while also leveraging its role as a major global asset owner to direct investments toward the region's green transition.

Additionally, the HKMA is dedicated to actively participating in international and regional dialogues and contributing to the development of green and sustainable finance policies and standards.

Building a climate-resilient banking sector

As a banking supervisor, the HKMA is committed to strengthening the climate resilience of the banking sector and supporting banks in maintaining their safety and soundness amid the real economy's transition. Our key priority actions for 2026 include:

- ④ continuing to monitor banks' climate risk management through targeted thematic examinations and other supervisory exercises;
- ④ enhancing the supervisor-driven stress testing framework by incorporating a new scenario that integrates both macroeconomic and climate-related shocks;

- ④ keeping the Supervisory Review Process under review to take into account banks' effective management of climate-related risks, with the aim of incentivising banks to strengthen their climate risk management frameworks;
- ④ providing further guidance and sharing good practices to help banks enhance their climate risk management capabilities;
- ④ working towards aligning regulatory sustainability disclosure requirements with international standards, including the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) and the Basel Committee on Banking Supervision's disclosure framework for climate-related financial risks, while ensuring appropriate tailoring to Hong Kong's market context; and
- ④ finalising a new Supervisory Policy Manual module GS-2 on "Transition Planning" to provide banks with guidance on managing risks associated with the economy's net-zero transition.

In addition to its role as a banking supervisor, the HKMA also acts as an enabler to support banks in financing the economy's net-zero transition. Building on Phase 1 (released in 2024) and Phase 2A of the Hong Kong Taxonomy for Sustainable Finance (newly released in January 2026) – which provide the industry with a robust framework for classifying green and sustainable economic activities and facilitating relevant capital flows – development of Phase 2B is now underway. This next phase aims to broaden the coverage of the taxonomy by introducing additional green and transition activities and expanding on adaptation-related measures.

Additionally, following the success of the Green Fintech Symposium held in 2025, we plan to organise another similar event in 2026 to further advocate for the adoption of green fintech solutions by banks.

Priorities for 2026 and Beyond |

Enhancing the green and sustainable finance ecosystem

To cement Hong Kong's position as Asia's go-to sustainable financing platform, the HKMA will continue to support the Government in implementing the Government Sustainable Bond Programme in 2026, leveraging its demonstrative effects to attract more regional issuers to raise sustainable financing in Hong Kong. Complementing this, we will continue to provide subsidies through the Green and Sustainable Finance Grant Scheme and strengthen outreach efforts to promote Hong Kong's sustainable financing platform.

Beyond Asia, to further elevate Hong Kong's status on the international stage, we will host our flagship sustainability event, the Hong Kong Green Week, for the third consecutive year in 2026, and actively participate in key global forums to raise Hong Kong's profile as a premier sustainable finance centre worldwide.

In parallel, we will continue to drive innovation in sustainable finance by incentivising digital green bond issuances through the Digital Bond Grant Scheme and collaborating with members of the Green and Sustainable Finance Cross-Agency Steering Group (CASG) to help the industry capitalise on early-mover advantages in emerging areas such as transition finance and adaptation finance.

To enhance market readiness for sustainability disclosures, which form the foundation for the robust growth of the sustainable finance market, we will further promote and explore enhancements to the CASG sustainability disclosure toolkit.

Meanwhile, we will step up local capacity building efforts and facilitate knowledge sharing in the broader region to support the financial sector in navigating the evolving sustainable finance landscape. This includes enhancing and promoting the Government-funded Pilot Green and Sustainable Finance Capacity Building Scheme to strengthen the local talent pool in sustainability, and collaborating and exchanging insights with like-minded institutions in the broader region.

Investing responsibly

As a responsible investor, the HKMA will continue to enhance the sustainability profile of the Exchange Fund in 2026 through a pragmatic and disciplined responsible investment approach, focusing on long-term portfolio resilience and exploring opportunities to deliver positive climate outcomes.

Moving forward as a sustainable organisation

Within the organisation, the HKMA will strive to continuously improve energy efficiency across its office premises and engage suppliers capable of delivering carbon-efficient solutions in 2026. We will optimise the use of mobile devices and IT equipment, streamline our technology infrastructure, and continue investing in digital innovation to support a more paperless and efficient operation.

Additionally, we will continue to integrate energy efficiency and environmental sustainability principles into our data centre upgrades, while making concerted efforts to further reduce waste generation and increase recycling rates.

Sustainability Governance



Climate change is affecting all aspects of life and everyone can contribute towards mitigating its impact. The HKMA plays its part in enabling and catalysing the transition to net zero in Hong Kong and the region, through its multiple roles as a central banking institution, a banking supervisor, a market facilitator, a responsible investor, and a sustainable organisation. A robust sustainability governance structure is in place to guide the development of relevant HKMA strategies and policies, oversee the execution of relevant initiatives, and ensure that sustainability considerations are integrated into the HKMA's own operations and practices.

Sustainability Governance

To achieve its commitment to good corporate governance, the HKMA puts in place a robust sustainability governance structure with clear lines of accountability and transparency on all sustainability-related matters. The governance structure ensures the effective integration of sustainability considerations into the HKMA's strategic planning and decision-making processes; and that an effective mechanism is in place for monitoring and evaluating the progress and outcomes of sustainability initiatives.



HKMA's sustainability governance structure

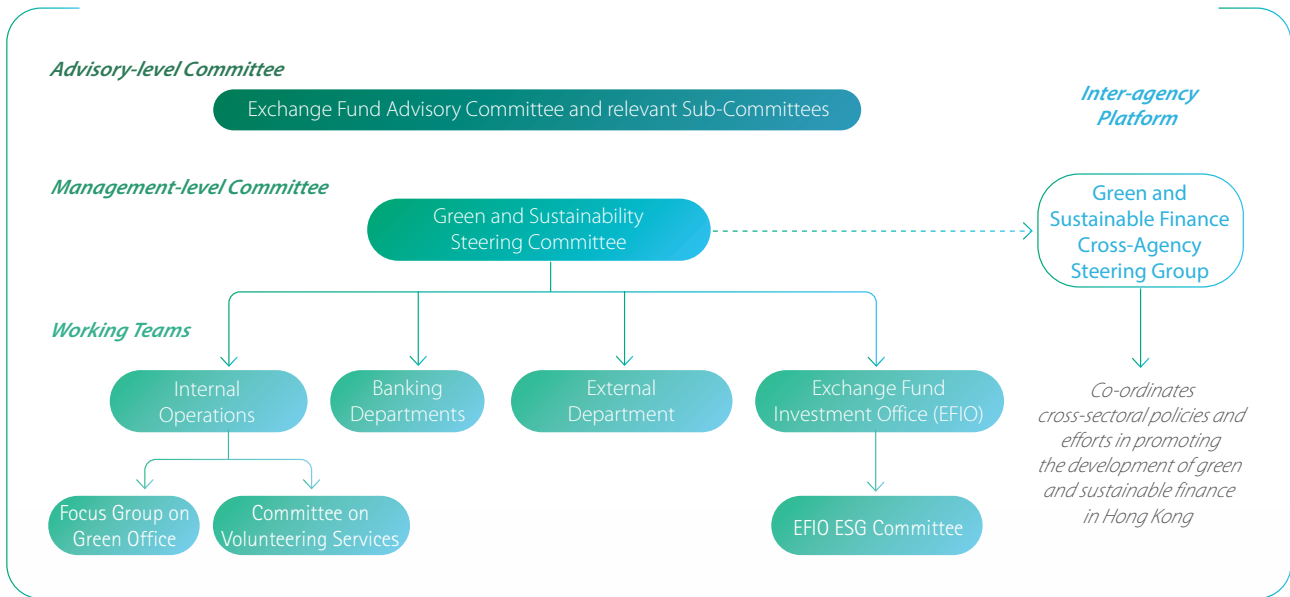
The HKMA's sustainability governance structure comprises:

- ④ The Exchange Fund Advisory Committee and relevant Sub-Committees, which monitor and make recommendations on the HKMA's work, including the HKMA's sustainability-related initiatives;
- ④ The Green and Sustainability Steering Committee (GSSC), chaired by the Chief Executive of the HKMA, which steers overall environmental, social and governance (ESG) strategies and policies within the HKMA at the management level;
- ④ On responsible investment, the Exchange Fund Investment Office (EFIO) ESG Committee, which co-ordinates and oversees ESG-related efforts within EFIO; and
- ④ For other functional areas, relevant teams and working groups that plan and execute sustainability initiatives on the banking and market development fronts, plus the HKMA's own operations.

On a cross-sectoral level, the Green and Sustainable Finance Cross-Agency Steering Group (CASG), co-initiated by the HKMA and the Securities and Futures Commission (SFC)¹, co-ordinates the efforts of financial regulators, Government agencies, industry stakeholders and other stakeholders in accelerating the growth of green and sustainable finance in Hong Kong.

¹ Other members of the CASG are the Financial Services and the Treasury Bureau, the Environment and Ecology Bureau, Hong Kong Exchanges and Clearing Limited, the Insurance Authority, the Mandatory Provident Fund Schemes Authority and the Accounting and Financial Reporting Council.

Sustainability Governance



Green and Sustainability Steering Committee

Purpose of the GSSC

The GSSC serves as a central platform to provide direction and better co-ordinate all sustainability work across the different functional areas of the HKMA.

Terms of Reference

- ④ Guidance on the development of strategies, policies and plans on ESG-related matters across the four functional areas: banking, green and sustainable finance ecosystem development, Exchange Fund investments and internal operations;
- ④ Oversight of the implementation of ESG-related plans across the HKMA's various functions;
- ④ Evaluation of the performance and effectiveness of the HKMA in achieving its ESG goals or targets; and
- ④ Oversight of the external communication strategies.

Committee composition

The GSSC is chaired by the Chief Executive of the HKMA, with the three Deputy Chief Executives serving as standing members. Executive Directors from key functions relating to green and sustainability matters are invited as attending officers to report on key achievements and forward-looking plans of their work at the GSSC meetings. The GSSC meets regularly and is supported by relevant working teams in the HKMA, including the banking departments, the Corporate Services Department, the External Department and EFIO.

Green and Sustainable Finance Cross-Agency Steering Group

The CASG, co-initiated by the HKMA and the SFC, is an inter-agency platform that provides strategic direction and co-ordinates cross-sectoral management of climate and environmental risks facing the financial sector, with the aim of bolstering Hong Kong's position as a leading green and sustainable finance hub in Asia and globally.

For details about the work of the CASG, please refer to its webpage via the QR code below.



Building a Climate- resilient Financial System



Climate change could pose risks to the financial system if not properly managed. The HKMA has been prioritising its efforts to strengthen the resilience of Hong Kong's financial system to climate-related risks, while contributing to Hong Kong's climate goals and the global sustainability agenda.

Building a Climate-resilient Financial System

Banking supervisor

Banks, through their day-to-day operations, are exposed to various climate-related risks, making it crucial to proactively manage these risks. At the same time, banks play a vital role in the financial system in channelling capital towards green and sustainable activities. As a banking supervisor, the HKMA is committed to strengthening banks' resilience to climate risks, enhancing their climate risk management capabilities, and accelerating their efforts to support the transition to a low-carbon economy.

Building climate resilience and supporting the transition

Banking for net zero

The HKMA continues to support the banking sector in achieving the goals set out in the Sustainable Finance Action Agenda (Action Agenda). Specifically, it has undertaken the following banking policy work.

Sustainable Finance Action Agenda *Banking for net zero*



Goal 1

All banks to strive to achieve net zero in their own operations by 2030 and in their financed emissions by 2050



Goal 2

All banks to enhance transparency on climate-related risks and opportunities



All banks to strive to achieve net zero in their own operations by 2030 and in their financed emissions by 2050

In 2025, the HKMA consulted the industry on the draft Supervisory Policy Manual module GS-2 on "Transition Planning". This new module aims to support banks in enhancing their resilience to, and managing the risks associated with, the economy's net-zero transition. Based on feedback received, the HKMA has revised the draft guidelines for a second round of consultation.

The HKMA has also been keeping the Supervisory Review Process under review to take into account factors related to banks' effective management of climate-related risks, with the aim of incentivising banks to strengthen their risk management frameworks – including transition planning – thereby enhancing their resilience to climate-related challenges.

All banks to enhance transparency on climate-related risks and opportunities

The HKMA has been working towards aligning sustainability disclosure requirements with international standards, including the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) and the Basel Committee on Banking Supervision's disclosure framework for climate-related financial risks. In 2025, the HKMA advanced industry engagement to analyse the local sustainability disclosure landscape, assess key challenges, and identify sound practices across the industry.

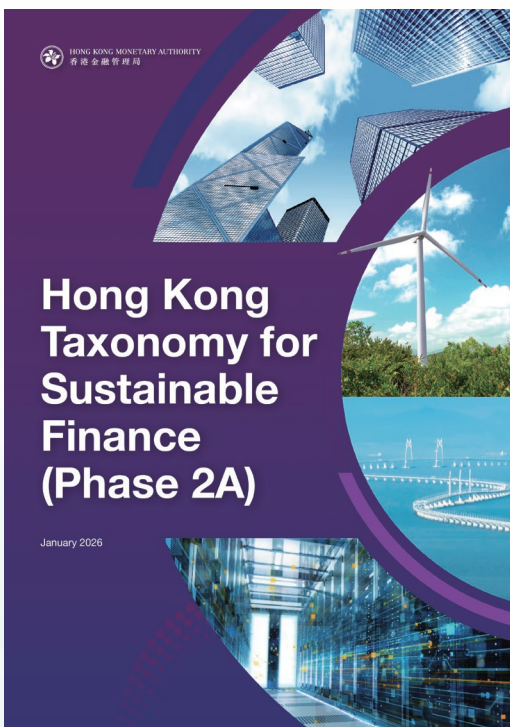
These insights will inform its policy formulation process, ensuring that the new disclosure requirements are aligned with global standards while being appropriately tailored to Hong Kong's market context.

Building a Climate-resilient Financial System |

Publication of Phase 2A Hong Kong Taxonomy to scale up green and sustainable finance flows

Stimulating green and transition finance flow is key to advancing the Action Agenda. The HKMA has been developing the Hong Kong Taxonomy in phases to provide a robust and transparent framework for classifying economic activities that contribute to green and sustainable development, with the objective of facilitating green and sustainable capital flows and supporting the region's transition to a low-carbon economy.

In 2025, the HKMA worked on developing Phase 2A of the Taxonomy. Compared to Phase 1, launched in May 2024, Phase 2A expands coverage to additional sectors and activities, integrates transition elements, and introduces a new category on climate change adaptation. Referencing mainstream taxonomy standards, the Taxonomy also reflects local, Chinese Mainland and regional contexts, ensuring alignment with global investor priorities while meeting the practical needs of the local markets. Phase 2A was published in January 2026. Development of Phase 2B is underway, involving active engagement with a broad range of stakeholders.



Hong Kong Taxonomy for Sustainable Finance (Phase 2A)

Strengthening supervision of climate risk management and promoting capacity building

In 2025, the HKMA continued to strengthen its supervision of banks' climate risk management and provided further guidance to the banking industry to promote capacity building and enhance their resilience against the impacts of climate change.

Thematic examinations and consultative sessions to review banks' implementation of the HKMA's supervisory expectations on climate risk management

In 2025, the HKMA launched a new round of thematic examinations, expanding coverage to a new cohort of banks, to assess the robustness and adequacy of their climate risk management frameworks and practices against the supervisory expectations set out in the Supervisory Policy Manual module GS-1 on "*Climate Risk Management*".

The HKMA also conducted its third series of consultative sessions to evaluate banks' progress in implementing its climate risk management supervisory expectations across governance, strategy, risk management and disclosure. During these sessions, the HKMA gained insights into the challenges individual banks faced in implementing certain supervisory expectations, while also exchanging views with banks on recent developments in key climate-related areas, including transition planning, climate disclosure standards, and emerging initiatives to address nature-related risks.

Through these bilateral supervisory engagements, the HKMA delivered targeted feedback and recommendations to support banks in further enhancing their climate risk management capabilities.

| Building a Climate-resilient Financial System

Thematic review of banks' integration of climate risk considerations into internal capital adequacy assessment process and capital planning

In 2025, the HKMA completed a thematic review to assess banks' progress in integrating climate risk considerations into their internal capital adequacy assessment process (ICAAP) and capital planning. The results were satisfactory, showing that many banks had leveraged their experience from participating in the HKMA's climate risk stress tests to begin incorporating climate-related risks into their ICAAP and capital planning ahead of the implementation of the relevant supervisory requirements on 1 January 2026. The HKMA also identified some good practices from the review and shared these observations with the industry.

Thematic review of banks' selling of green and sustainable investment products

In light of the continued market interest in green and sustainable investment products, the HKMA conducted a thematic review of banks' sale of such products in 2025 and issued a circular in December in the form of frequently asked questions, aimed at providing additional guidance and sharing good practices with banks to enhance customer experience while ensuring investor protection.

Sharing of sound practices on climate risk management and effective tools to support green transformation

In 2025, the HKMA published its key observations on general good practices adopted by banks in climate risk management, providing a reference for the broader industry to strengthen its climate risk management capabilities. Among the best practices are the adoption of quantitative frameworks to manage climate risks; proactive efforts to bridge climate data gaps through data-driven methodologies and questionnaires, thereby enabling the incorporation of more robust climate risk assessments into credit underwriting and decision-making processes; and the implementation of a holistic approach in managing the interplay between climate-related risks and traditional risk categories – such as operational, liquidity and market risks.

The HKMA also shared examples of practical tools that banks can implement to support the green transformation of their corporate customers, particularly small and medium-sized enterprises, under the overarching principle of prudent risk management. These tools include, for example, tailored advisory services to help clients set emission reduction targets; climate data collection templates to assist clients in reporting their operational climate data; and Greentech applications to help assess clients' sustainability profiles and enable the design of customised green and sustainable finance products to support their green transformation.

Building a Climate-resilient Financial System |

Seminars to strengthen banks' capacity in climate risk management

In February, the HKMA organised the *Climate Risk Stress Test Forum*, bringing together more than 300 subject matter experts from banks and professional institutions to engage in in-depth discussions on climate risk assessment methodologies and best practices.

In October, the HKMA hosted the seminar *Managing Climate-related Financial Risks*, bringing together approximately 300 professionals from the banking sector to

exchange insights and practical experiences in managing climate-related financial risks. Four banks shared their respective approaches, detailing the frameworks and tools used to evaluate clients' climate risk profiles and support their net-zero transition.

These events served as interactive platforms to promote industry-wide knowledge exchange, foster collaborative learning, and strengthen banks' capacity in climate risk management.



Senior representatives from the HKMA and the banking industry participate in the *Climate Risk Stress Test Forum*



Ms Carmen Chu (centre), Executive Director (Banking Supervision), on stage with the distinguished speakers at the seminar *Managing Climate-related Financial Risks*

Building a Climate-resilient Financial System

Using technology in climate risk management and adopting green fintech solutions

To address the challenge of limited physical risk data and analytical tools for climate risk assessments, the HKMA developed the Physical Risk Assessment Platform. The Platform enables users to assess the potential impact of physical climate risks on residential and commercial buildings in Hong Kong under various climate scenarios. Following the launch of the beta version in 2024, the HKMA released the formal version in July 2025. As of December 2025, more than 100 banks had registered for the Platform, with over 1.3 million assets analysed.

Furthermore, the HKMA has continued to collaborate with relevant stakeholders to promote the adoption of green fintech solutions across banks and the broader financial services sector to support their climate risk management and net-zero transition. In September 2025, the HKMA organised the *2025 Green Fintech Competition* and *2025 Green Fintech Symposium*. The Competition attracted over 140 entries from 26 jurisdictions – more than a 60% increase compared to the inaugural event in 2023¹. The Symposium brought together approximately 500 in-person and online participants from a wide range of stakeholder backgrounds to discuss the latest trends, challenges and opportunities in green fintech adoption.

The multiple promotional initiatives over the past few years have driven substantial progress in Greentech adoption across the banking industry, increasing from 26% in 2022 to 45% in 2025². As banks increasingly recognise the potential of technology in managing climate-related risks and advancing sustainable finance, adoption of more advanced Greentech solutions is projected to double over the next three years (2026-2028).



Mr Eddie Yue, Chief Executive, opens the 2025 Green Fintech Symposium



Mr Arthur Yuen (second from right), Deputy Chief Executive, participates in a fireside chat at the 2025 Green Fintech Symposium



Mr Donald Chen (front row, seventh from right), Executive Director (Banking Policy); and Ms Carrie Leung (front row, seventh from left), Chief Executive Officer of the Hong Kong Institute of Bankers, together with representatives from supporting organisations, present awards to the winners of the 2025 Green Fintech Competition

¹ Winners of the *2025 Green Fintech Competition* were given the opportunity to showcase their winning solutions at the *2025 Green Fintech Symposium* and on several other occasions.

² Please refer to HKMA (2025), *Fintech Adoption: Progress and Future Directions*.

Building a Climate-resilient Financial System |

Financial and monetary stability

Cognisant of the potential risks that climate change may pose to the financial system, the HKMA incorporates a broad range of climate-related considerations and scenarios into its analysis of financial risks and research studies to enhance its ongoing surveillance efforts.

Integrating climate-related risks into financial stability monitoring

The HKMA takes into account climate change in its ongoing monitoring of financial stability risks, and incorporates analyses of climate-related risks in various financial stability reports. Through its active participation in the workstream on Scenario Design and Analysis under the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the HKMA contributes to enriching the climate scenarios that help central banks and supervisors assess the macroeconomic and financial impacts of climate change. In May, the NGFS published a set of short-term climate scenarios, providing a framework for central banks and supervisors to analyse the potential near-term impacts of climate change on financial stability and economic resilience.

On the research front, the HKMA has undertaken several applied research projects that examine the implications of climate change for the financial sector and the economy. The topics studied include corporates' exposure and resilience to climate-related physical risk³ and the influence of foreign direct investment on corporate environmental, social and governance (ESG) performance⁴. The findings from these research projects support the HKMA's ongoing monitoring and assessment of the financial stability impacts of climate change and ESG-related issues. These findings have also been shared with a wide range of stakeholders via various channels.

The Hong Kong Institute for Monetary and Financial Research (HKIMR), the research arm of the Hong Kong Academy of Finance, also facilitated knowledge exchange on sustainable finance by organising a joint seminar⁵ and publishing research studies on climate risk disclosure⁶, climate policy spillovers⁷, carbon emissions trading systems⁸, and corporate decarbonisation targets⁹. These studies have been shared with academic and policy communities both locally and internationally.

Integrating sustainability into the Liquidity Facilities Framework

The HKMA's Liquidity Facilities Framework serves as a collateral-based liquidity backstop, providing timely liquidity support to banks when needed. Sustainability considerations have been integrated into the evaluation of eligible collaterals under the framework.

³ Kong, Ying and Tang (2025), "Asia-Pacific corporates' exposure and resilience to climate physical risk", HKMA, *Research Memorandum*, 2025/09.

⁴ Tam (2025), "Exploring the bidirectional environmental, social and governance spillover effects in foreign direct investment", HKMA, *Research Memorandum*, 2025/06.

⁵ The seminar Green and Transition Finance Policy Evolution in China and the Impact of Pilot Zones was organised by the HKIMR in collaboration with the CFA Institute and the Hong Kong Green Finance Association.

⁶ Zhang (2025), "The Real Effects of Climate Disclosure: Evidence from Insurance Products", HKIMR, *HKIMR Working Paper*, No. 05/2025.

⁷ Ho, Wong, and Lo (2025), "Cross-Border Effects of Climate Policies on Bank Lending: Insights from Foreign Bank Branches in Hong Kong", HKIMR, *HKIMR Working Paper*, No. 06/2025.

⁸ Cao and Zhang (2025), "Carbon Emissions Trading and Stock Price Informativeness: The International Evidence", HKIMR, *HKIMR Applied Research Paper*, No. 01/2025.

⁹ Jiang (2025), "Corporate Decarbonisation Targets, Stock Performance, and Investment", HKIMR, *HKIMR Working Paper*, No. 07/2025.

Building a Climate-resilient Financial System

International collaboration

The HKMA actively participates in international and regional forums on addressing climate risk and mainstreaming sustainable finance. Through these engagements, it contributes to international and regional policy dialogues while also gaining insights to strengthen the climate resilience of Hong Kong's financial system.



Financial Stability Board (FSB)

The HKMA actively engages in the FSB's efforts to address climate-related financial risks. This includes promoting consistent and comparable climate-related disclosures, operationalising the analytical toolkit for monitoring climate-related vulnerabilities, and contributing to the FSB's evidence-based analysis of climate-related financial risks.

The HKMA is a member of the FSB's Climate Vulnerabilities and Data Working Group (CVD), which is tasked with analysing climate-related vulnerabilities and developing tools to monitor them across sectors and jurisdictions. In 2025, the CVD conducted a deep-dive study on how abrupt asset repricing due to climate shocks could affect the financial system. The HKMA also participated in the FSB's Transition Plans Working Group (until January 2025), which published a report to enhance the conceptual understanding of how transition plans by financial and non-financial firms interact with climate-related financial risks.



Basel Committee on Banking Supervision (Basel Committee)

The HKMA participates in the Basel Committee's work to address climate-related financial risks to the global banking system, including the Task Force on Climate-related Financial Risks, which adopts a holistic approach to addressing relevant risks spanning regulatory, supervisory and disclosure-related elements. In 2025, the Basel Committee published a voluntary framework for disclosing climate-related financial risks for jurisdictions to consider. It will also pursue further analytical work on the financial impacts of extreme weather events on banks.



Bank for International Settlements (BIS)

The HKMA participates in the BIS Innovation Network, which explores technological solutions to help banks identify, measure and monitor their exposures to climate-related risks.

The HKMA is also a member of the BIS Asian Climate Network, where experts from Asian central banks exchange views, share progress, and disseminate knowledge on climate and environmental sustainability policies.



Network of Central Banks and Supervisors for Greening the Financial System (NGFS)

The HKMA is a member of the NGFS, which aims to share best practices and contribute to the development of climate and nature-related risk management in the financial sector, as well as mobilise mainstream finance to support the transition towards a sustainable economy. The HKMA serves as a member of the NGFS Steering Committee and actively participates in NGFS workstreams and task forces relating to supervision, scenario design and analysis, central bank net-zero initiatives, and nature-related risks. Notably, the HKMA serves as a co-chair of the Workstream on Supervision, which aims to advance the integration of climate-related and environmental risks into supervisory frameworks and practices.

Building a Climate-resilient Financial System |



International Platform on Sustainable Finance (IPSF)

Together with the Securities and Futures Commission, the HKMA represents Hong Kong in the IPSF, which has developed the Common Ground Taxonomy and is actively promoting transition finance.

The HKMA is exploring participation in selected IPSF initiatives to enhance the interoperability of global taxonomies.



Executives' Meeting of East Asia-Pacific Central Banks (EMEAP)

The HKMA is a member of EMEAP, where climate and environmental risk is a key strategic priority. The HKMA serves as the Champion of the Interest Group on Sustainable Finance within EMEAP's Working Group on Banking Supervision, which promotes information sharing on various aspects of climate risk management.

The HKMA also actively participates in EMEAP's Working Group on Financial Markets, which promotes investment in green bonds through the Asian Bond Fund initiative.

Furthermore, at the EMEAP Monetary and Financial Stability Committee, the HKMA shares its knowledge on climate-related issues with fellow authorities by leading a research project that examines the impact of climate-related factors on global greenfield foreign direct investment.



Other research-related initiatives

The HKMA participates in a climate research initiative under the International Banking Research Network, which analyses the cross-border effects of climate policies on bank lending.

Enhancing the Green and Sustainable Finance Ecosystem



To consolidate Hong Kong's position as Asia's leading sustainable finance hub, the HKMA has stepped up its efforts to enhance the city's sustainable financing platform, catalyse innovation, facilitate sustainability disclosures, and foster talent and knowledge development.

Enhancing the Green and Sustainable Finance Ecosystem

Enriching the green and sustainable finance ecosystem

In 2025, the HKMA continued its efforts to drive the Sustainable Finance Action Agenda, further strengthening Hong Kong’s green and sustainable finance ecosystem.

Sustainable Finance Action Agenda
Financing net zero and Making sustainability more inclusive

- 
Goal 5 — Develop Hong Kong into the go-to sustainable financing platform 
- 
Goal 6 — Catalyse innovation in sustainable finance 
- 
Goal 7 — Support high-quality and comprehensive sustainability disclosures 
- 
Goal 8 — Close talent and knowledge gaps in sustainable finance 

Develop Hong Kong into the go-to sustainable financing platform

Total green and sustainable debt instruments issued in Hong Kong exceeded US\$76 billion in 2025. Notably, Hong Kong reaffirmed its status as the largest arranging hub for international green and sustainable bond issuances in Asia, accounting for 40% of the region’s total issuance volume, which amounted to US\$37.7 billion, as reported by the International Capital Market Association.



| Enhancing the Green and Sustainable Finance Ecosystem

To further solidify Hong Kong's position as the go-to sustainable financing platform in Asia, the HKMA has undertaken the following work:

Government Sustainable Bond Programme

Since 2018, the HKMA has been assisting the Government in issuing bonds under the Sustainable Bond Programme (formerly the Green Bond Programme). As of the end of 2025, we had assisted in the issuance of approximately US\$32 billion equivalent of green bonds under the Programme – targeting both institutional and retail investors. The proceeds have been allocated to over 110 Government projects under initiatives such as green buildings, waste management and resource recovery, and energy efficiency and conservation, among others. In the process, we have seized the opportunity to innovate and expand the suite of green bond features in terms of currency, tenor and distribution channels, setting benchmarks for issuers in the region while also promoting the diversified development of the local bond market.

Green and Sustainable Finance Grant Scheme and outreach initiatives to attract Mainland and international issuers

To encourage more borrowers across the region to leverage Hong Kong's financing platform for sustainable funding, the HKMA has also continued to administer the Green and Sustainable Finance Grant Scheme, launched in 2021 to provide subsidies for eligible green and sustainable debt issuances in Hong Kong. The Scheme has been well received by the market. As of the end of 2025, it had benefited close to 650 green and sustainable debt instruments issued in Hong Kong, with a total underlying issuance volume of around US\$180 billion.

In parallel, the HKMA has continued its active outreach efforts to attract issuers from the Chinese Mainland and international markets – including municipal and provincial governments in the Mainland – to issue green and sustainable bonds in Hong Kong. Further details can be found in the *International Financial Centre* chapter of our *Annual Report 2025*.

Catalyse innovation in sustainable finance

Government tokenised green bonds

The HKMA has continued to drive innovation in sustainable finance through advancing its work on tokenisation. In November, we supported the Government in issuing its third batch of tokenised green bonds with a record issuance size of around HK\$10 billion equivalent – marking the largest digital bond issuance globally. Building on the key innovative features of the previous issuance, this latest offering achieved new breakthroughs, including being the world's first digital bond to integrate tokenised central bank money in the form of e-CNY and e-HKD in the settlement process, marking another milestone in the Government's bond tokenisation journey. Moving forward, we will assist the Government in issuing tokenised bonds regularly and further promote the adoption of tokenisation technology in sustainable finance and the broader capital market.

Additionally, we have continued to implement the Digital Bond Grant Scheme, which offers subsidies for eligible tokenised bond issuances, including tokenised green bonds, with a view to driving innovation in our green and sustainable finance markets.

Enhancing the Green and Sustainable Finance Ecosystem |

Support high-quality and comprehensive sustainability disclosures

Enhance climate disclosure tools and raise awareness among stakeholders

To support high-quality and comprehensive sustainability disclosures by banks and their clients, the HKMA has been working closely with local and international partners to strengthen disclosure tools and raise awareness.

We have enhanced the Non-listed Company Sustainability Questionnaire (“Questionnaire”)¹ and upgraded the online reporting portal to better serve the needs of entities at different stages of disclosure readiness and with varying disclosure needs. In parallel, to further promote awareness of sustainability disclosures – especially among small and medium-sized enterprises, which play a key role in global supply chains – we have proactively engaged relevant industry organisations through activities such as seminars, roundtables and workshops.

Key Improvements of Questionnaire 2.0

- ④ Consists of core questions and intermediate questions, with the latter further categorised by use cases, enabling users to customise the questionnaire to match their level of disclosure readiness and address their disclosure needs across different scenarios
- ④ Links to a greenhouse gas emissions calculator to assist entities in calculating and reporting their Scope 1 and Scope 2 emissions²



Scan the QR code to access the Questionnaire

Upgraded Online Reporting Portal

1. Introduction
 - 1.1
 - 1.2
 - 1.3
 - 1.4
 - 1.5
 - 1.6
2. Governance
3. Assessment of Risks and Opportunities
4. Business Strategy
5. Reported Emissions
6. Other Environmental Risks
7. Supply Chain
8. Assurance

Non-listed Company Sustainability Questionnaire (CASG Questionnaire)

Questionnaire template for core questions and use case(s) of: Access to capital

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

0% / 100%

1. Introduction

1.1 Select the currency used for all financial information disclosed throughout your response. ⓘ

Please Select ▼

1.2 State the end date of the year for which you are reporting data. ⓘ

End date of reporting year 📅

Alignment of this reporting period with your financial reporting period

Yes No

1.3 Briefly introduce your organization: ⓘ

* Select the industry that is most applicable to your organization.

<input type="radio"/> Apparel	<input type="radio"/> Biotech, health care & pharma
<input type="radio"/> Food, beverage & agriculture	<input type="radio"/> Fossil fuels
<input type="radio"/> Hospitality	<input type="radio"/> Infrastructure
<input type="radio"/> International bodies	<input type="radio"/> Manufacturing
<input type="radio"/> Materials	<input type="radio"/> Power generation
<input type="radio"/> Retail	<input type="radio"/> Services
<input type="radio"/> Transportation Services	

New CASG Questionnaire Response

Questionnaire template: ⓘ

Core questions and use case(s) (optional)

Note: Please select use case(s) that best describe your objectives; you may select more than one

- Access to capital
- Supply chain client requests
- Voluntary sustainability reporting
- Regulatory preparedness
- Self-assessment
- Risk management
- Full questionnaire

Continue

¹ The Questionnaire is a free, online disclosure tool developed by the HKMA in collaboration with the Green and Sustainable Finance Cross-Agency Steering Group, the independent environmental disclosure platform CDP, and in consultation with the local business community. First launched in 2022, it was digitalised in 2024 and further enhanced in 2025. In September 2025, the Questionnaire was renamed from “Climate and Environmental Risk Questionnaire for Non-listed Companies” to “Non-listed Company Sustainability Questionnaire”.

² The greenhouse gas emissions calculator aims to assist corporates in assessing and reporting their Scope 1 and Scope 2 emissions using actual activity data. The calculator can be accessed at <https://www.sustainablefinance.org.hk/en/data-technology>.

| Enhancing the Green and Sustainable Finance Ecosystem

“Walk the talk” by committing to high-quality sustainability disclosures

The HKMA has also been leading by example by publishing high-quality sustainability disclosures in its *Sustainability Report*, aligning with the latest global standards. These include comprehensive assessments of climate-related risks within its corporate operations, as well as reporting on its strategic plans and progress towards achieving its climate targets. For more details on the sustainability disclosures related to the HKMA’s own operations, refer to the *Sustainable HKMA* chapter.

Close talent and knowledge gaps in sustainable finance

Recognising the evolving nature of sustainable finance, the HKMA has been enhancing capacity building efforts for the banking industry and facilitating knowledge sharing with fellow regulators and other international stakeholders.

Pilot Capacity-Building Support Scheme

In collaboration with other members of the Green and Sustainable Finance Cross-Agency Steering Group, the HKMA has continued to support the administration of the Government-funded Pilot Green and Sustainable Finance Capacity Building Support Scheme, providing subsidies for practitioners, graduates and students to pursue sustainable finance-related training. As of January 2026, 107 international and local training programmes had been registered as eligible for subsidies under the scheme, and more than 9,700 reimbursement applications had been approved.

Enhance regional and international collaboration

At the same time, the HKMA is committed to leveraging its experience, know-how and convening power to facilitate cross-border and cross-sector dialogues and collaboration on sustainable finance.

Hong Kong Green Week 2025

From 8 to 12 September, the HKMA co-ordinated the second edition of the Hong Kong Green Week, the city’s flagship sustainability event.

During the week, 65 partners from both the public and private sectors hosted over 40 events, attracting more than 14,500 participants from over 75 jurisdictions worldwide. The HKMA also co-hosted several key events during the week, most notably the cornerstone event – *Climate Business Forum: Asia Pacific* – in collaboration with the International Finance Corporation (IFC).

The success of the Green Week has positioned Hong Kong at the forefront of the global sustainability dialogue, fostering collaboration across sectors and regions. To keep the momentum, the HKMA is actively preparing for the 2026 edition of the Hong Kong Green Week, which will take place from 7 to 11 September 2026.



Enhancing the Green and Sustainable Finance Ecosystem |



Mr Eddie Yue (right), Chief Executive, tours the exhibition booths at the Green Fintech Symposium during the Hong Kong Green Week 2025



Mr Darryl Chan (right), Deputy Chief Executive, moderates a fireside chat at the Climate Business Forum: Asia Pacific 2025 during the Hong Kong Green Week 2025, joined by Mr John Gandolfo (centre), Vice President and Treasurer, Treasury & Mobilisation of IFC; and Mr Jon Moore (left), Chief Executive Officer of BloombergNEF



Scan the QR code for information about the Hong Kong Green Week 2026

Partnership with the Dubai Financial Services Authority

At the same time, the HKMA has continued to strengthen its strategic partnership with the Dubai Financial Services Authority (DFSA) to facilitate the flow of capital and knowledge across Asia and the Middle East, supporting sustainable development in both regions.

As the flagship initiative of this partnership, the second HKMA-DFSA Joint Climate Finance Conference was successfully held in Dubai on 26 November, bringing together around 250 stakeholders from across both regions. In the same month, the HKMA and the DFSA also released a joint research report, *Scaling Sustainable Debt in Emerging Markets*, which explores how to unlock the potential of sustainable debt to advance sustainable development in emerging markets.



Mr Darryl Chan (centre), Deputy Chief Executive, speaks at a fireside chat session at the second HKMA-DFSA Joint Climate Finance Conference, joined by Mr Mark Steward (right), Chief Executive of DFSA, and Ms Danielle Bistacchi (left), Sustainability Director of Middle East at Emperor



Scan the QR code to access the full report *Scaling Sustainable Debt in Emerging Markets*

Enhancing the Green and Sustainable Finance Ecosystem

The Alliance for Green Commercial Banks

The Alliance for Green Commercial Banks (Alliance), a global initiative convened and led by IFC with the HKMA serving as the Regional Anchor, has continued to gain momentum. In 2025, the Alliance conducted trainings for banking practitioners in Cambodia, Chinese Mainland, Hong Kong, Indonesia, Laos, Mongolia, the Philippines, Thailand and Vietnam, covering key topics such as green taxonomies and green banking principles, while introducing the latest green and sustainable developments in Hong Kong.



Scan the QR code for more information about the Alliance and its latest initiatives

In addition, the Alliance hosted four flagship events during the year in Hong Kong for board members and senior executives of banks, aimed at fostering a top-down transformation towards sustainable finance. These events brought together more than 100 participants from the Alliance's 20 member banks³ across eight Asian markets.



Representatives from the HKMA, IFC, five cornerstone banks, and 16 member bank leaders gather at the inauguration ceremony for the Alliance's first cohort of member banks



Representatives from the HKMA, IFC, member banks and knowledge partners gather at the Alliance's flagship event, Immersion Lab, where practical strategies, global best practices, and innovative financial tools are shared with banking participants to help them integrate sustainability into their banks' operations

³

In September, 20 commercial banks joined the Alliance as its inaugural cohort of member banks, committed to working together to enable green transition and close the climate finance gap in emerging markets across the Asia-Pacific region.

Responsible Investment



As a major global asset owner and manager, the HKMA is pioneering the development of green and sustainable finance. Grounded in our experience of aligning financial performance with positive impact, we uphold responsible investment practices in managing the Exchange Fund, prioritising sustainable assets and mandating active ownership by our external managers.

Responsible Investment

Overview

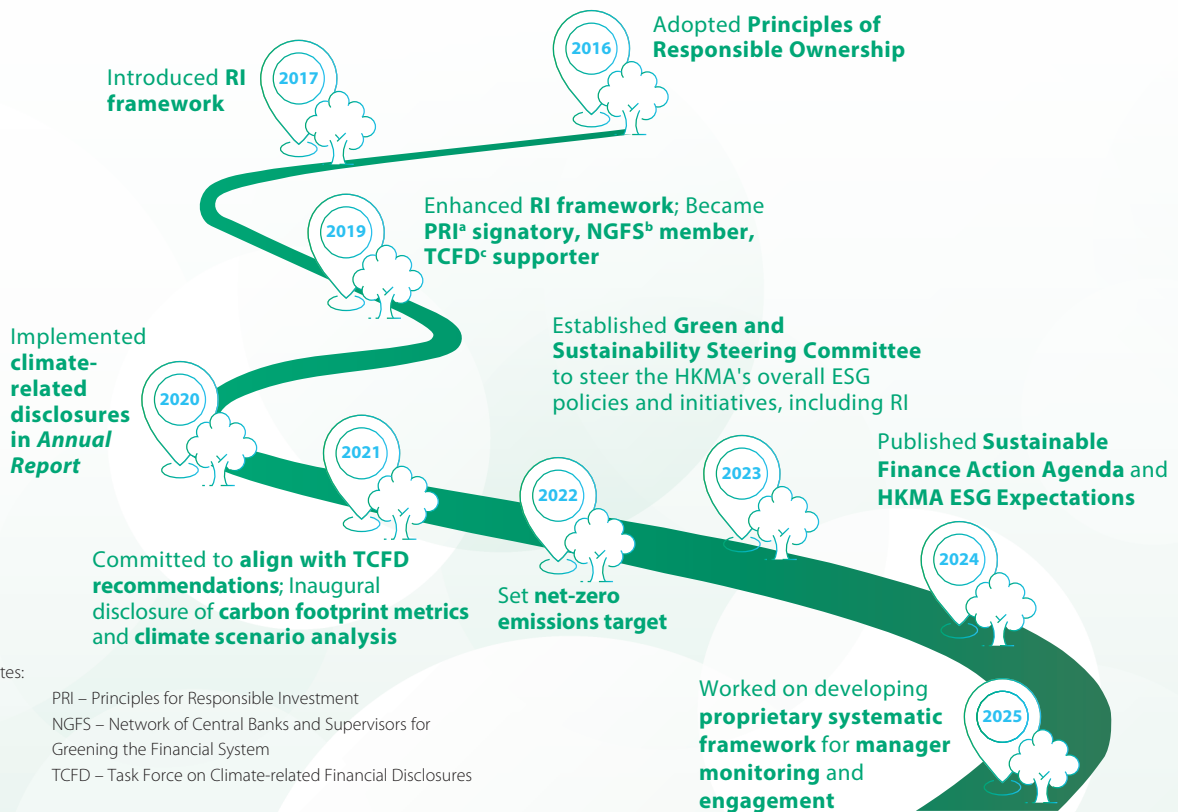
Investing prudently under the principle of “capital preservation first while maintaining long-term growth”¹, the HKMA believes that giving due attention to environmental, social and governance (ESG) factors can help mitigate associated risks and unlock the long-term sustainable value of investments.

As a steadfast signatory of the Principles for Responsible Investment (PRI), we are committed to advancing our responsible investment (RI) initiatives. We place a strong emphasis on sustainability, particularly regarding the effects of climate change, with the aim of bolstering the resilience and long-term risk-adjusted returns of the Exchange Fund. We adopt a pragmatic and disciplined approach to directing the Exchange Fund’s capital towards sustainable investments across different asset classes (Figure 1).

Leveraging our role as a major investor, the HKMA contributes to advancing the ecosystem for green and sustainable finance. We partner with like-minded investors, regulators and international organisations to develop industry-wide ESG standards and promote the adoption of RI across the financial and central banking sectors.

The HKMA published the Sustainable Finance Action Agenda (Action Agenda) in 2024, further underscoring our commitment to investing in a sustainable future. The Action Agenda sets a clear target for the Exchange Fund’s Investment Portfolio (IP) to achieve net-zero emissions by 2050², alongside a commitment to mobilise our counterparties in supporting Asia’s transition through investment. Based on the *HKMA ESG Expectations*, we are developing a proprietary systematic framework to deepen our engagements with external managers on the climate resilience and transition potential of our investment portfolios.

 **Figure 1** The Exchange Fund’s RI journey



¹ Refer to the *Reserves Management* chapter of our *Annual Report 2025* for more details.

² Carbon emissions according to the Greenhouse Gas Protocol (<https://ghgprotocol.org/>).

Responsible Investment |

Governance

The Exchange Fund Advisory Committee (EFAC), chaired by the Financial Secretary, has endorsed the RI framework and the associated guiding principle for implementation by the Exchange Fund Investment Office (EFIO) in managing the Exchange Fund. The overarching guiding principle has underpinned an RI approach that is fully aligned with the investment objectives of the Exchange Fund.



The Exchange Fund's guiding principle of RI:

Priority will generally be given to ESG investments if the long-term risk-adjusted return is comparable to other investments.




The oversight of ESG and climate-related risks associated with the Exchange Fund's investments is exercised by EFAC's Investment Sub-Committee (ISC), chaired by the Chief Executive of the HKMA. The ISC reviews the Exchange Fund's RI framework and risk management approach, and monitors their implementation progress through regular reports from EFIO's Sustainable Investing (SI) team at each meeting. As illustrated in Figure 2, effective January 2026, the EFIO ESG Committee, chaired by EFIO's Deputy Chief Executive Officer, co-ordinates and oversees all ESG-related efforts within EFIO. Initiatives and progress discussed at regular EFIO ESG Committee meetings are reported to the Chief Executive Officer (CEO) of EFIO. At the operational level, the SI team, led by the Chief Investment Officer (Asset Allocation), ensures the pragmatic implementation of RI principles across all asset classes in which the Exchange Fund invests.

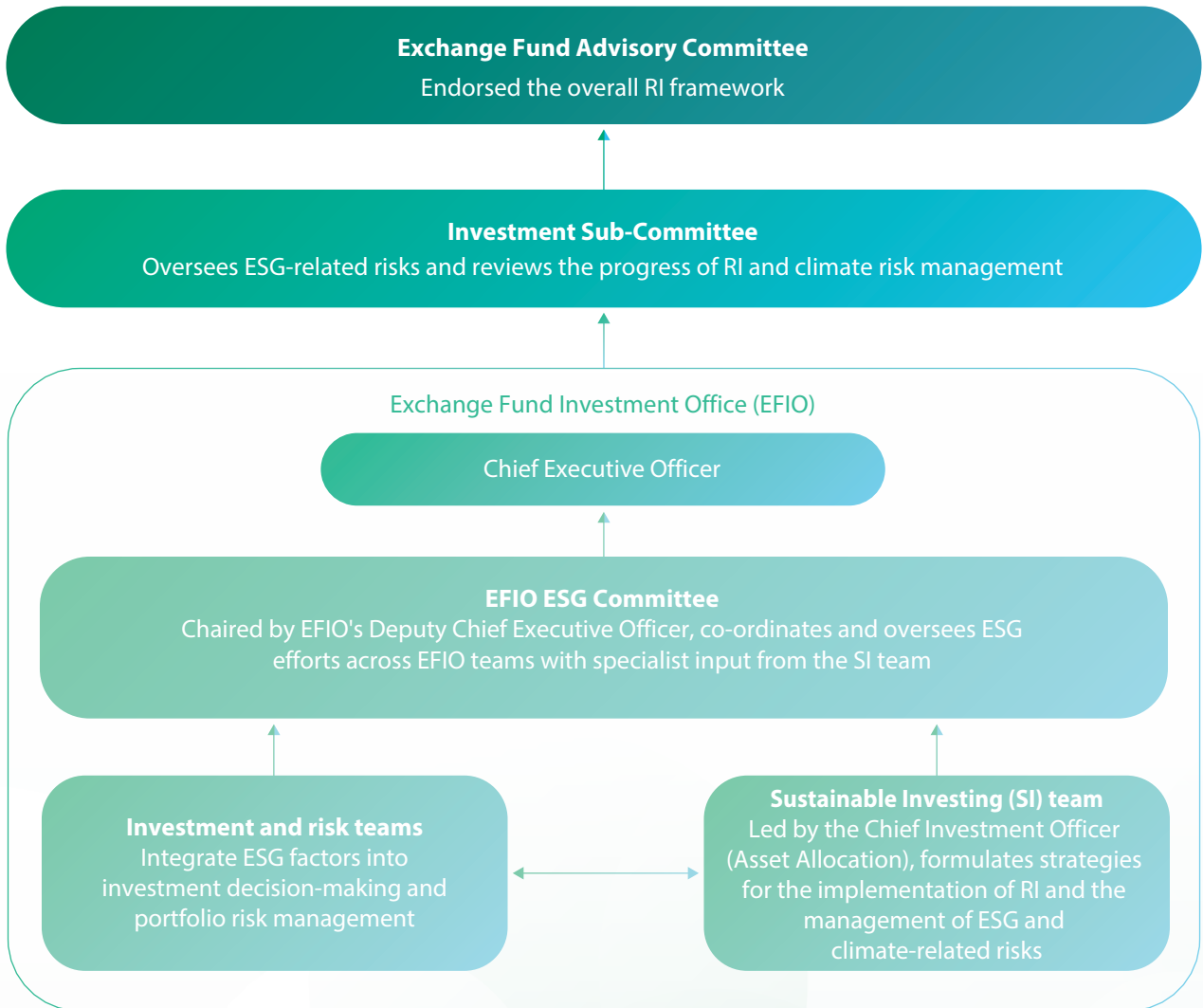
At the firm-wide level, the Green and Sustainability Steering Committee, chaired by the Chief Executive of the HKMA and attended by senior executives from EFIO, convenes regularly to steer the development and oversee the implementation of ESG policies and initiatives across the HKMA, including those of EFIO.




Scan the QR code for more details about the HKMA's RI framework

| Responsible Investment

 **Figure 2** The governance structure for RI in EFIO



The SI team works closely with different teams within EFIO on ESG integration and supports EFIO's senior executives in evaluating climate-related risks and opportunities across a broad range of investments:

 **Public investments** – The Credit, Rules and Compliance Committee, comprising senior executives from EFIO, evaluates the integration of ESG factors into the credit risk model with input from the SI team, and monitors the ESG profiles of the fixed income portfolios based on regular reporting by the Risk and Compliance Department. The SI team also participates in the selection, appointment and ongoing monitoring of external managers by bringing in an ESG perspective (see *Advocating active ownership* on page 36 for details).

 **Private investments** – The Investment Committee, chaired by the Chief Executive of the HKMA, evaluates the ESG assessments prepared by the private market investment team and the risk team for each prospective investment.

Responsible Investment |

Strategies

The HKMA recognises that physical and transition risks³ arising from climate change, along with the associated opportunities, can impact the long-term financial performance of the Exchange Fund’s investments⁴.

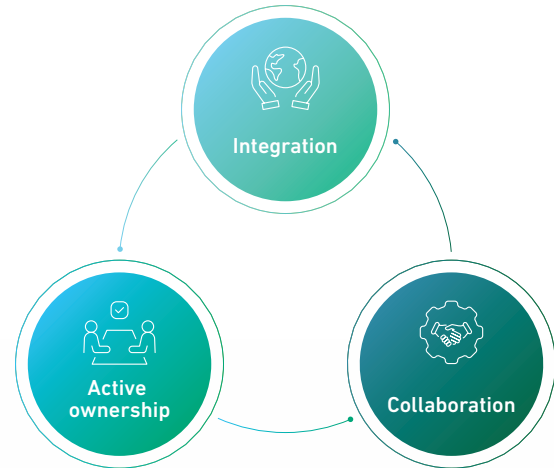
Emphasis on climate change for responsible investment

The HKMA has placed particular emphasis on climate-related risks and opportunities in our ESG integration efforts. We have set a target to achieve net-zero emissions for the Exchange Fund’s IP by 2050. We are advancing our progress towards achieving this target through a disciplined, three-pronged approach (see Figure 3).



Figure 3

The HKMA’s three-pronged approach to RI



The Action Agenda outlines two goals for investing in a sustainable future, further reinforcing the Exchange Fund’s commitments and efforts in supporting the climate transition (see Figure 4).



Figure 4 Sustainable Finance Action Agenda
Investing in a sustainable future



Goal 3

Achieve net-zero emissions for the IP of the Exchange Fund by 2050



Goal 4

Support transition in the region through investment



³ Climate risks are widely defined by two dimensions: (i) physical risks, including acute impacts from extreme weather events that cause business disruptions and physical damage to assets, as well as chronic changes in climate patterns that affect operations and productivity; and (ii) transition risks, involving the possible abrupt devaluation of assets due to the shift towards a low-carbon economy.

⁴ Current policies undertaken by nations are insufficient to combat climate change, and the uncertainty surrounding policy shifts, technological advancements and behavioural changes to mitigate temperature rise may exacerbate transition risk. Simultaneously, the growing frequency and severity of extreme weather events are intensifying physical risks. While asset valuations might be impacted by both transition and physical risks, the global shift towards sustainable solutions also presents investment opportunities in low-carbon technologies and sustainable infrastructure, which may offer compelling long-term returns.


| Responsible Investment

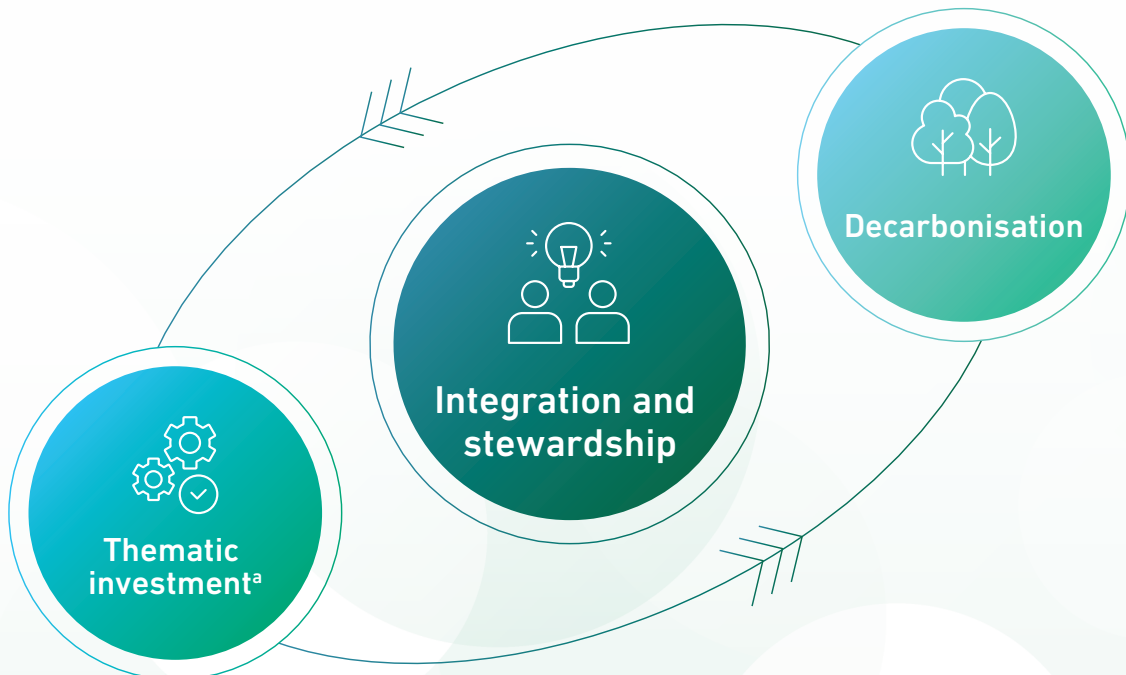
In support of the transition to a low-carbon economy, the HKMA prioritises proactive engagement over exclusion or divestment from our permissible investments on the basis of the following:

Outright exclusion of sectors or industries could narrow the investible universe, potentially undermining the Exchange Fund's ability to meet its investment objectives. In contrast, an inclusive approach enables us to capitalise on opportunities by investing in companies undergoing active transition, including those from heavy-emitting industries that demonstrate strong technological capabilities and robust governance to adapt to global climate trends.

Excluding and divesting from core "brown" industries alone would not resolve the issue of carbon emissions. Instead, we support these industries through strategic capital and active ownership to drive their low-carbon transitions, resulting in positive changes that benefit both the industries involved and the global community.

We support the Exchange Fund's and the broader global net-zero goals through a holistic and multifaceted approach to sustainable transition. We employ a combination of top-down and bottom-up tools, ranging from the fundamental integration of ESG factors and stewardship, to portfolio decarbonisation tilts and thematic investments aligned with net-zero pathways across asset classes (see Figure 5).

 **Figure 5** A holistic strategy for sustainable transition



^a Examples include ESG leaders, climate solution providers and transition-themed private investments

Responsible Investment |

Pursuing sustainable investments

By integrating ESG factors into investment decisions, the HKMA seeks opportunities that promote climate transition while enhancing the long-term resilience of the Exchange Fund's portfolio. As of the end of 2025, sustainable investments across different asset classes constituted over 10% of the Exchange Fund's IP, delivering financial performances on par with their respective portfolio benchmarks (Figure 6).

Investment highlights in 2025 (see Boxes 1 to 4):

🌀 **Public investments** – We extended the application of the decarbonisation overlay to an additional externally managed passive equity portfolio and were progressing towards the adoption of a transition-focused climate benchmark for a

passive ESG equity mandate. We also continued to seek attractive green, social and sustainability bonds that finance sustainable projects while offering competitive returns.

🌀 **Private investments** – We continued to strive to construct a resilient Long-Term Growth Portfolio (LTGP) by seizing opportunities aligned with climate and energy transition themes. Leveraging our extensive network and expertise, we also formed strategic partnerships with multinational organisations to proactively source and vet opportunities that could accelerate the energy transition across Asia.

 **Figure 6** Ongoing initiatives in pursuing ESG investments



- 🌀 Passive mandate using an ESG/transition-focused climate index as the benchmark
- 🌀 Decarbonisation overlay strategy using bespoke methodologies for non-ESG benchmarked passive and active quantitative mandates
- 🌀 Active governance-themed mandate
- 🌀 Active ESG mandate focusing on sustainability and climate transition themes



- 🌀 Projects with sustainable features, such as renewable energy infrastructure, and buildings and warehouses with green accreditations
- 🌀 Funds that focus on energy transition and decarbonisation globally, in Asia, or in the Global South
- 🌀 Venture capital funds that support the development of green and technology-enabled infrastructure in Emerging Asia



- 🌀 Green, social and sustainability bonds
- 🌀 Green bond funds managed by an international organisation
- 🌀 Managed Co-Lending Portfolio Program (MCP) run by the International Finance Corporation with a focus on sustainable projects in emerging markets
- 🌀 MCP One Planet focusing on climate-smart investments aligned with the Paris Agreement in emerging markets

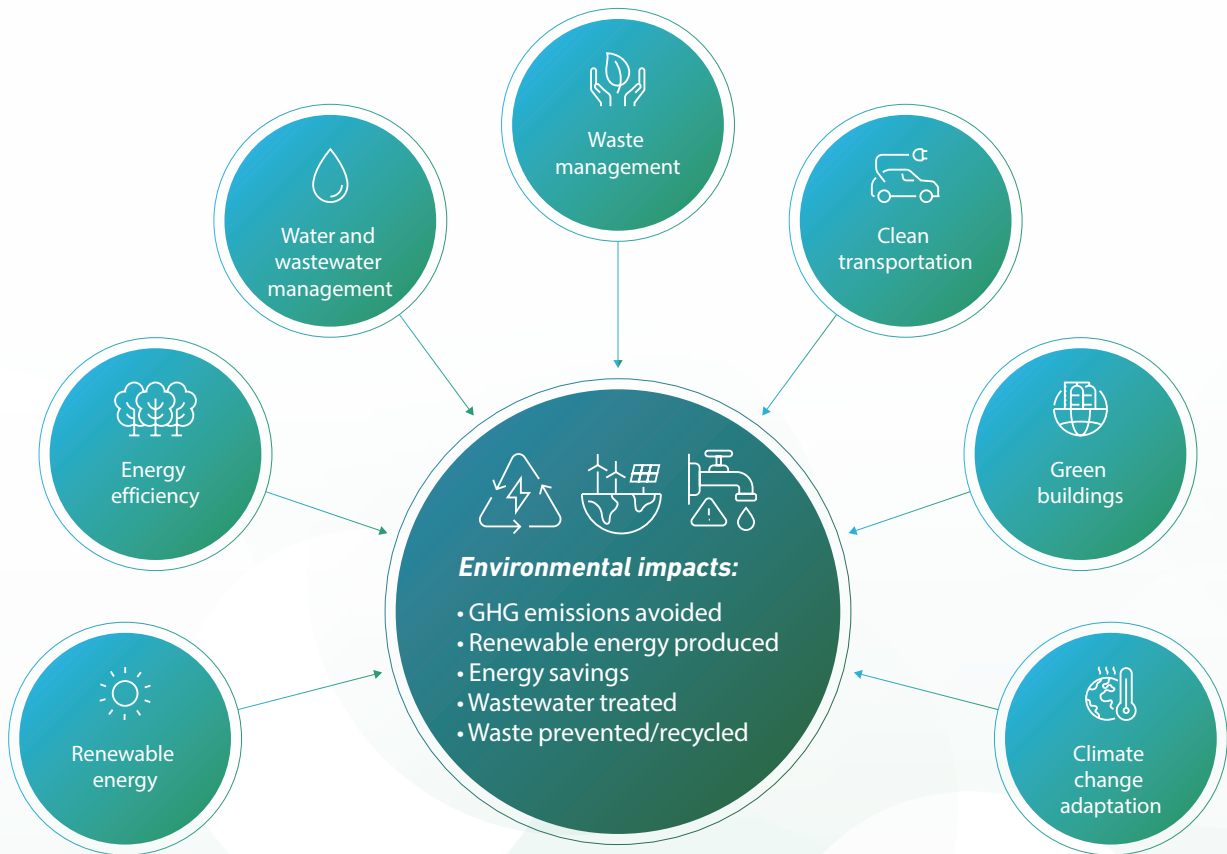
Responsible Investment

Box 1

Supporting energy transition through an Asia-Pacific green bond fund

To support the energy transition in Asia, the HKMA invested in a green bond fund managed by an international organisation. This fund allocated capital to green bonds offered by Asia-Pacific issuers, with the proceeds dedicated to financing green projects that deliver environmental or climate-related benefits. As of the fund's financial year-end in 2025, it reported various positive environmental impacts across multiple categories, including renewable energy, clean transportation, green buildings, energy efficiency and waste management. With greenhouse gas (GHG) emissions avoided as a commonly referenced impact metric, the fund reported a 13% increase in avoided GHG emissions compared to the prior year. Other positive environmental impacts achieved included energy savings, wastewater treated, and waste prevented or recycled.

Beyond its positive environmental impacts, the fund delivered a return comparable to our performance benchmark over the same period. This demonstrates that sustainable investing can achieve the dual objectives of generating good financial performance while delivering positive environmental impacts.

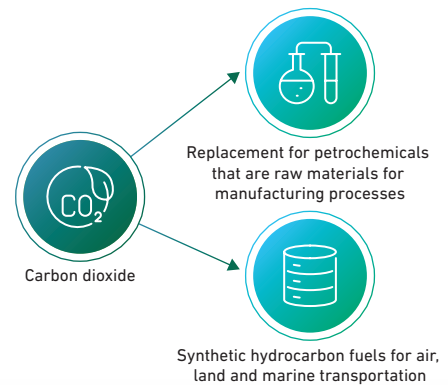


Responsible Investment |

Box 2

Pursuing sustainable investments in the private market

The HKMA invested in a company specialising in carbon transformation through a private market fund. Utilising advanced electrochemical processes powered by renewable energy, the company converted carbon dioxide into new hydrocarbons and chemicals that could serve as fuels or raw materials for manufacturing. This innovation enabled the creation of commercial value from a substance that was previously regarded as a pollutant. Notably, the sustainable aviation fuel (SAF) produced by the company could reduce carbon emissions by up to 90% compared to conventional jet fuel, making it one of the most effective options for lowering emissions among existing SAF types.



Box 3

Joining forces to advance innovative technologies for green and technology-enabled infrastructure in Emerging Asia

Recognising that innovation and technology are essential for energy transition and infrastructure development in Asia's emerging economies, the HKMA signed a partnership agreement with the Asian Infrastructure Investment Bank (AIIB) in June 2025 to invest in a portfolio of venture capital funds that prioritise investments in the region. This strategic partnership aims to create a demonstration effect, encouraging other investors to scale their venture investments in emerging Asia.

The collaboration also deepens the ties between the HKMA and the AIIB, and reinforces Hong Kong's status as a leading innovation and technology centre, as well as a green finance hub in Asia.

| Responsible Investment

Box 4 Building the ecosystem

The green and sustainable finance ecosystem is the cornerstone of future global sustainability. The HKMA proactively collaborates with like-minded investors and counterparties to promote RI and strengthen the industry's capacity.

HKMA ESG Workshop



In 2025, we successfully hosted the seventh annual ESG Workshop as part of the Hong Kong Green Week for the first time, bringing together around 90 investment professionals from EFIO and our counterparties. The event gathered asset managers from both public and private markets for fireside chats and panel discussions on current developments, challenges and opportunities in RI.



Mr Howard Lee, CEO of EFIO, delivers remarks at the HKMA ESG Workshop 2025

Collaboration with international organisations

Internationally, the HKMA maintained a leading role in 2025 in promoting industry-wide ESG investment standards and practices:

-  At the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), we co-chaired the subgroup on transition planning for central banks alongside the European Central Bank under the "Net Zero for Central Banks" workstream. Our chairmanship spans from 2024 to 2026.
-  We continued to participate actively in key industry forums and media interviews, sharing our experiences in RI and advocating for the adoption of sustainable investment practices.



Mr Leong Cheung, the then Chief Strategy Officer of EFIO, speaks at an international conference on sustainable investment

Responsible Investment |

Assessing portfolio climate resilience

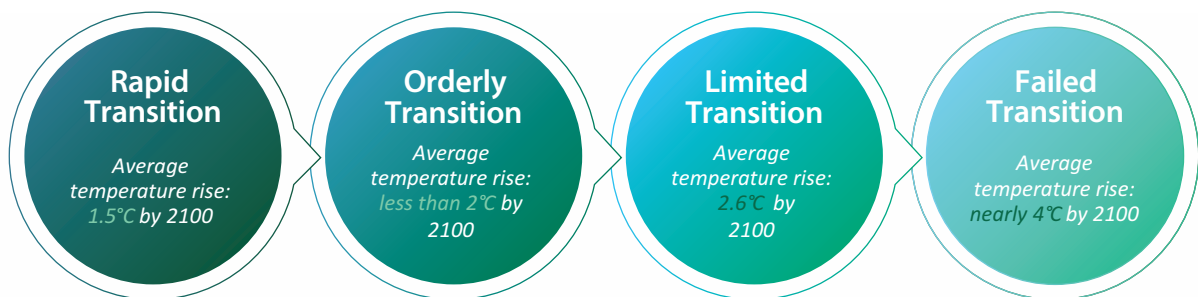
The HKMA utilises scenarios (see Figure 7) developed by an external consultant to assess the resilience of the Exchange Fund's IP against potential vulnerabilities and opportunities arising from different states of climate change. While the analysis presented in the *HKMA Sustainability Report 2024* remains relevant, we will continue to monitor evolving developments and enhance our assessment as appropriate.



Scan the QR code to access the Climate Scenario Analysis presented in our *Sustainability Report 2024*



Figure 7 Applying a range of scenarios for analysing climate risks



Strengthening internal capacity

Developing internal expertise is essential to further advancing RI. In addition to staff undertaking sustainability-related courses and acquiring relevant certifications, the HKMA actively participates in conferences and seminars organised by esteemed international organisations such as the PRI, the NGFS, fellow central banks and investment counterparties. The events provide opportunities for us to engage with industry-leading experts and international investors to keep abreast of ESG developments, and exchange insights and best practices on ESG implementation.

To facilitate internal knowledge sharing, every EFIO ESG Committee meeting includes a standing agenda item to discuss ESG news and the market landscape (see the *Governance* section on page 27 above). Furthermore, sustainability and green finance-related topics are frequently featured in the HKMA's internal training programmes, aiming to equip staff members with the necessary knowledge.

Responsible Investment

Risk management

Integrating ESG factors into credit analysis

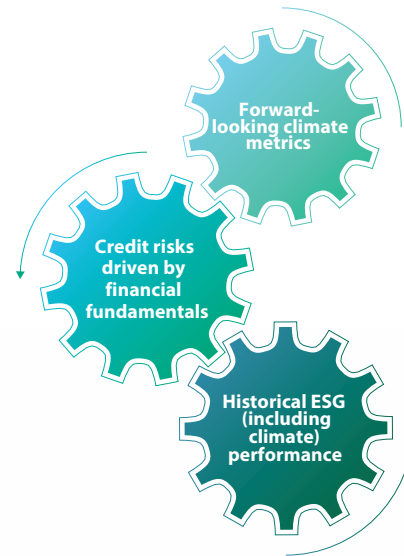
Climate risk management is an integral part of the HKMA's investment processes across all asset classes. Since 2017, ESG factors have been incorporated into the credit risk model for the Exchange Fund's fixed income portfolios, with ongoing assessment of the portfolios' ESG profiles. In 2023, we enhanced the model by incorporating forward-looking climate factors, placing additional emphasis on the climate-related commitments and transition plans of fixed income issuers (Figure 8).

Advocating active ownership

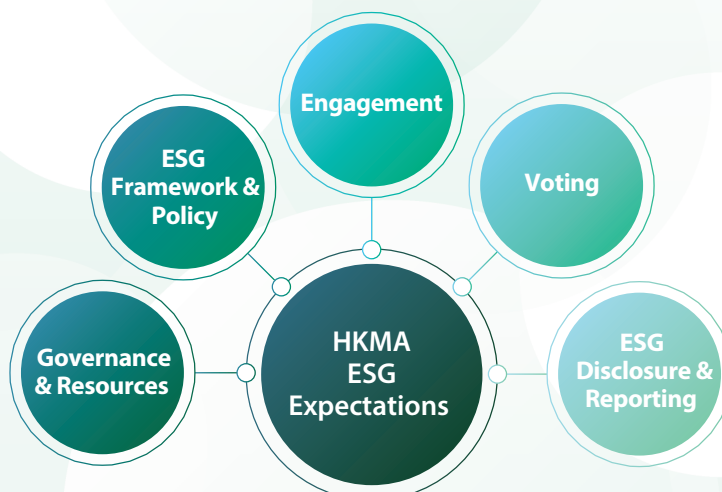
The HKMA believes in enhancing the long-term sustainable value of our investments through stewardship and continuous engagement. We place high importance on the ESG and stewardship practices of our external managers, who are entrusted with discharging active ownership responsibilities and exercising shareholder rights on behalf of us. ESG considerations are integrated into the processes of selecting, appointing and monitoring external managers to ensure alignment with the HKMA's net zero commitments.

In 2024, we launched the inaugural *HKMA ESG Expectations*, structured around five pillars that outline our preferred ESG practices for our counterparties and service providers to reference and follow (see Figure 9).

 **Figure 8** Factors in credit risk analysis



 **Figure 9** Five pillars of the HKMA ESG Expectations



Responsible Investment |

Meanwhile, we adopt a pragmatic approach in applying the *HKMA ESG Expectations* during our investment selection, appointment and monitoring processes, recognising that certain expectations may not be universally applicable to all investments and counterparties within our diversified portfolios. We will regularly review the *HKMA ESG Expectations* to incorporate the latest international standards and best practices, reinforcing our commitment to continuous advancement in ESG integration.

To support the real-economy transition, we are developing a proprietary systematic framework based on the principles outlined in the *HKMA ESG Expectations* to deepen our engagements with external managers regarding the climate resilience and transition potential of the investment portfolios they manage on our behalf.



Scan the QR code to access the *HKMA ESG Expectations*

Promoting transparency for private investments

We examine the ESG policies and practices of general partners (GPs) as a mandatory part of our due diligence work for every investment mandate of the LTGP. We conduct assessments using the HKMA's ESG due diligence questionnaire⁵. For real estate investments, we also review whether the properties have obtained the relevant green accreditations.

On an ongoing basis, we continue to incorporate ESG integration clauses into the legal documentation and require GPs to report ESG information, including climate risk assessments and key metrics such as carbon emissions of underlying investments, to facilitate our risk monitoring

and promote data transparency in the private market sector. To address the challenges of ESG data availability and standardisation, we have been encouraging our GPs to utilise industry templates, such as those developed by the ESG Data Convergence Initiative, for their ESG reporting to us⁶.

Target and metrics

Targeting net-zero emissions

The HKMA has set a target of net-zero emissions by 2050 for the Exchange Fund's IP. This target marks a significant milestone in the HKMA's RI journey.

To demonstrate accountability for this commitment, we announced as part of the Action Agenda that we will endeavour to reduce the weighted average carbon intensity (WACI)⁷ of the Exchange Fund's public equities by 67% from 2017 levels by 2030. The interim milestone is grounded in the latest science from the Intergovernmental Panel on Climate Change and has been reviewed by an external consultant.

However, challenges persist in establishing interim milestones for other asset classes due to limitations in data availability and a lack of well-founded net-zero pathways. We will actively monitor market practices to track the decarbonisation progress of those other asset classes.

Measuring carbon emissions

Measuring carbon emissions enables us to understand the climate risk profile of our portfolios, track progress in decarbonisation and identify carbon-intensive areas that require further action.

In alignment with industry practices, we continue to monitor the WACI, expressed as tCO₂e⁸/US\$ million revenue, for the Exchange Fund's portfolios. Scope 3 emissions⁹ are excluded due to limited data availability and the lack of a consistent calculation methodology at this stage.

⁵ This is based on the industry standard developed by the PRI and the Institutional Limited Partners Association (Limited Partners' Private Equity Responsible Investment Due Diligence Questionnaire), and also includes the HKMA's own proprietary questions.

⁶ The ESG Data Convergence Initiative is a collaborative initiative between GPs and limited partners to enhance the efficiency of ESG data collection and drive convergence on meaningful ESG metrics for the private markets.

⁷ WACI is a metric recommended by the Task Force on Climate-Related Financial Disclosures and the NGFS. It measures a portfolio's exposure based on Scope 1 and 2 emissions relative to the gross revenues of underlying investments, weighted by their relative sizes in the portfolio. Scope 1 emissions refer to direct emissions from sources owned or controlled by an organisation. Scope 2 emissions refer to indirect emissions generated from purchased electricity, steam, heating or cooling consumed by an organisation.

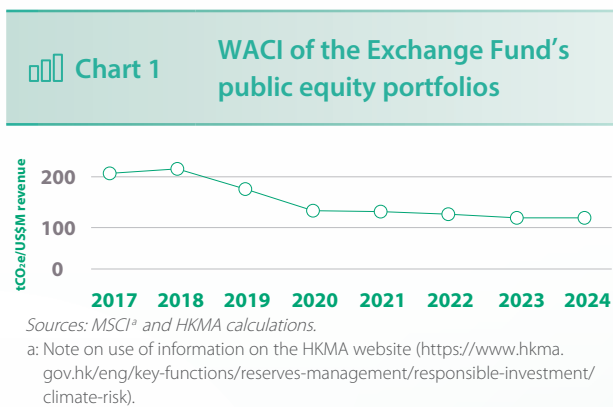
⁸ tCO₂e refers to tonnes of carbon dioxide equivalent.

⁹ Scope 3 emissions refer to all other indirect emissions resulting from the activities of an organisation.

| Responsible Investment

Monitoring emissions from public equity portfolios takes precedence due to the higher reliability of measurement and disclosure practices in this asset class. This focus also aligns with the results from the climate scenario analysis, which indicate that public equities are more susceptible to climate risks compared to other asset classes within the Exchange Fund.

Chart 1 presents the WACI of the Exchange Fund's public equity portfolios from 2017 to 2024, using methodologies and tools developed by an external data provider. In cases where reported data from underlying investee companies were unavailable, the data provider estimated the respective carbon emissions using its proprietary model. Together, the reported and estimated data covered more than 98% of the asset values of the assessed portfolios in 2024.



As of the end of 2024, the WACI of the public equity portfolios stood at 110 tCO₂e/US\$ million revenue, reflecting an overall 50% reduction compared to the 2017 level. This figure is lower than the market investment benchmark, indicating the Exchange Fund's lower exposure to carbon-intensive assets relative to the broader market.

The pathway to net zero is, however, non-linear. The decarbonisation of the Exchange Fund's portfolios is subject to short-term fluctuations influenced by various factors beyond emissions alone, such as shifts in the portfolio asset mix, strategies in response to market dynamics and fluctuations in underlying asset valuations.

Focusing on long-term transition

While the WACI is a key metric for assessing the carbon exposure of investment portfolios, it relies on disclosures from investee companies, which are inherently backward-looking and do not reflect the potential for future low-carbon transitions.

Importantly, the HKMA's net-zero strategy does not hinge on the exclusion of high-emission companies. Instead, we seek to support a whole-of-economy transition by engaging with companies and funding solutions that facilitate decarbonisation. Therefore, short-term increases in the WACI may occur before positive climate outcomes are realised in the longer run. Overreliance on this single indicator may encourage short-termism, potentially undermining the long-term objective of a comprehensive economic transition.

To complement our analyses, we have been tracking several forward-looking metrics. Through these metrics, we have observed that the majority of companies in which the Exchange Fund has invested have already established climate-related targets, with a growing number committing to align with a net-zero pathway.

As international disclosure standards and collaborative efforts continue to evolve, we will remain vigilant in monitoring these developments to identify suitable metrics for enhancing our climate exposure monitoring and reporting.

Sustainable HKMA



The HKMA is committed to being a responsible and sustainable organisation. A key highlight of this commitment is our target to achieve net-zero emissions for our corporate operations by 2030. In addition to promoting environmental sustainability, we also pledge to support staff development and well-being, as well as to advance financial inclusion and literacy within the community.

Sustainable HKMA

HKMA's approach to corporate sustainability

Governance

The Green and Sustainability Steering Committee (GSSC)¹, chaired by the Chief Executive of the HKMA, is the key decision-making body for all of the HKMA's sustainability initiatives.

At the departmental level, the Executive Director (Corporate Services) guides the implementation of sustainability initiatives and reports regularly to the GSSC. The Administration Section acts as a co-ordinator and central hub for the execution, communication and reporting of all corporate sustainability initiatives.

Two working groups, which comprise members from different operational units, add another layer of support. They are the Focus Group on Green Office, a forum to propose ideas to green the workplace, and the Committee on Volunteering Services, which aims to foster a culture of volunteerism among staff.

HKMA as a Caring Organisation

In recognition of the HKMA's efforts in caring for the environment, its employees and the community, the Hong Kong Council of Social Service (HKCSS) has awarded the "15 Years Plus Caring Organisation Logo" to the HKMA for 19 consecutive years from 2006 to 2025. In addition, the HKMA received the "Above-average Performance Recognition Logo" in the HKCSS Caring Company Scheme for 2024/25.



¹ See *Sustainability Governance* chapter.

Sustainable HKMA |

Strategy

The HKMA's sustainability strategy is organised across the three pillars of Environment, People and Social Responsibility.

The three pillars

Environment



- ❖ To focus on decarbonising and digitalising the HKMA's operations, targeting to achieve net-zero emissions by 2030
- ❖ To adopt green procurement requirements based on the Government's guidelines
- ❖ To advocate greener solutions for the financial industry and the wider community

People



- ❖ To build a motivated workforce and develop a skills pipeline capable of delivering the HKMA's strategic goals
- ❖ To foster a collaborative and caring workplace that embraces diversity and enhances staff engagement
- ❖ To provide a quality working environment and promote healthier lifestyles

Social Responsibility



- ❖ To encourage a culture of caring for the society
- ❖ To embed social considerations in the procurement process and supply chain management
- ❖ To support financial inclusion and raise financial literacy through consumer education

We are committed to achieving net-zero emissions in our corporate operations by 2030. To realise this goal, our priority is to manage the environmental impact of our operations responsibly, with a focus on implementing energy-saving solutions to reduce carbon emissions, building a digitally empowered workplace to enhance efficiency and fostering a culture of sustainability within the organisation.

In 2025, we carried out an internal impact materiality assessment to help prioritise our sustainability efforts. The assessment revealed that the four most significant areas critical to the HKMA's ability to achieve sustainability are governance structure, staff well-being and engagement, as well as energy and waste management. These findings supported our reporting approach and confirmed that our corporate strategy and sustainability goals are aligned.

Details of the HKMA's sustainability strategy are provided in the rest of this chapter.

Sustainable HKMA

Risk management

The HKMA's Risk Committee², chaired by the Chief Executive of the HKMA, oversees and reviews potential risks and threats, including those arising from climate change, to the HKMA's operations.

In this regard, we have identified various climate-related risks and assessed their actual and potential implications for our operations.

Physical risks		
Risks	Description and implications	Time horizon
Acute risk	Increase in severe weather events (e.g. typhoons, floods, rainstorms) and subsequent shortage of energy and water supplies may pose risks to the maintenance of the HKMA's premises, disrupt staff travel and affect the operational ability of the organisation, resulting in reputational damage and direct cost implications. Acute risk can also impact the companies that supply us with goods and services.	Short to medium term
Chronic risk	Gradual changes in climate (e.g. changes in mean temperatures and precipitation patterns, rising sea levels) have the potential to impact the HKMA's operational expenditure; for example, rising mean temperatures would drive up summer electricity use for cooling the office premises.	Long term

Transition risks		
Risks	Description and implications	Time horizon
Policy and legal risks	The potential introduction of regulations and policy measures by governments on environmental compliance can result in fluctuations in energy prices and emissions abatement costs. This can affect the HKMA's energy usage and staff duty visit plans. These risks can also impact our suppliers of goods and services.	Short to medium term

Short term: current and up to 5 years

Medium term: 5 to 10 years

Long term: beyond 10 years

To ensure business continuity and emergency preparedness, we have integrated various measures into our office design to mitigate potential physical hazards, fires, and other disruptive events that may arise from climate change. In addition, we regularly update our business contingency plans. Drills are conducted regularly to ensure that staff are ready and familiar with the business contingency measures.

Scenario analyses were conducted in 2025 to better understand how physical and transition risks could impact our climate strategy, premises and operations. Several scenarios were considered based on the varying nature of future physical climate parameters and relevant transitional conditions. The analyses reaffirmed our climate resilience and helped to inform our risk management plan.

² Terms and references of the Risk Committee can be found in the *Corporate Functions* chapter of our *Annual Report 2025*.

Sustainable HKMA |

Metrics and targets

The HKMA's net-zero climate target is developed with reference to the Science Based Targets initiative methodology.

We measure and report our corporate emissions using the Greenhouse Gas (GHG) Protocol³. Scope 1 emissions refer to direct emissions from our own petrol cars. Given the nature of our operations, our major GHG emissions are indirect Scope 2 emissions arising from electricity consumption derived from fossil fuels. We use a hybrid approach, combining the average data and spend-based methods with industry-average emissions data or supplier-specific data, where available, to estimate our material Scope 3 emissions from purchased goods (including capital goods) and services. Other relevant Scope 3 emissions cover waste to landfills, staff's official air travel and their commuting between home and work. In 2025, through supplier engagement, we were able to obtain actual emissions data from certain key suppliers for measuring our supply chain emissions. This results in a more accurate estimation and a moderate reduction in the corresponding emissions estimates. Details of the calculations for 2024 and 2025 are given in the *Performance summary* section on page 47.

The HKMA's disclosed performance data⁴ is independently validated by Hong Kong Quality Assurance Agency (HKQAA). The scope and basis of HKQAA's verification are set out in the *Verification Statement* enclosed at the end of this report.

³ The *GHG Protocol Corporate Accounting and Reporting Standard* issued by the World Resources Institute and the World Business Council for Sustainable Development.

⁴ Unless otherwise specified, the environmental data disclosed cover the HKMA's operations in Hong Kong only. The HKMA's operations at its New York office are excluded from this report due to that office's relatively small environmental footprint. Emissions of the two operationally independent companies owned by the Government through the Exchange Fund, namely the Hong Kong Mortgage Corporation Limited (100% owned) and Hong Kong Note Printing Limited (55% owned), are disclosed separately.

Sustainable HKMA

Environment

Keeping green in the workplace

We continue to take multi-pronged actions to manage the environmental impact of our operations.



Green mobility



Energy-saving opportunities



Digitalisation



Waste management and recycling



Green procurement



Culture of sustainability

First, we fully support the transition to electric vehicles and are replacing our own petrol cars with electric vehicles. To reduce emissions related to air travel, we encourage staff to carefully plan their travel. At the corporate level, since 2023, we have committed to purchasing sustainable aviation fuels to reduce around 10% of our annual emissions from official air travel. In addition, we have offset the residual air travel emissions through a Gold Standard-certified⁵ carbon offsetting programme aimed at cutting emissions and improving community health in rural areas.

Second, our office layout is designed to allow more natural light. We have adopted various energy-conserving features in our office, including motion and daylight sensor lighting, as well as LED light fittings. Through energy-efficient hardware, optimised airflow, proactive capacity planning, and real-time monitoring, we have also improved the Power Usage Effectiveness (PUE) across our BEAM Plus-certified data

centres. In 2025, upgrades to the air conditioning system, along with server and storage consolidation, reduced our data centre footprint by 8.4%. Additionally, during the year, we invited the two local power companies to conduct audits of our office energy consumption and identified further ways to enhance energy efficiency.

Third, we continue to promote a digital workplace to enhance virtual collaboration within the organisation, which, together with streamlined workflows, has effectively reduced paper consumption.

As part of our waste management strategy, we have participated in a number of the Government's charters, undertaking to reduce waste generated at our offices and events. We have been conducting waste audits to track our waste loads and enhancing our recycling facilities to improve recycling rates.



We pledge to improve glass container recycling, reduce food waste and eliminate the use of incandescent light bulbs

⁵ Gold Standard for the Global Goals is a comprehensive standard to accelerate global progress toward climate security and sustainable development.

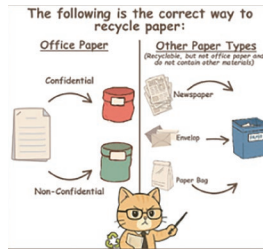
Sustainable HKMA |

During 2025, we also updated the procurement procedures and provided guidance to staff to prioritise procuring green goods and services, and to commission suppliers with sound environmental, social and governance (ESG) practices.

Furthermore, we aim to foster a culture of environmental awareness through wide-ranging initiatives and regular communication with staff. These include newsletters, green campaigns, upcycling workshops, as well as learning events such as talks and visits to recycling facilities.



S-Connect, the biannual newsletter, updates staff on the HKMA's evolving sustainability initiatives



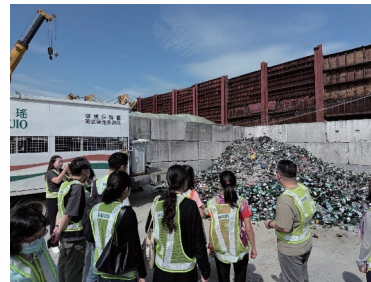
An e-reminder on paper recycling tips



A green building expert explains the certification criteria and benefits of these ratings for securing green financing



Learning how electronic waste is handled in Hong Kong



Understanding glass bottle recycling



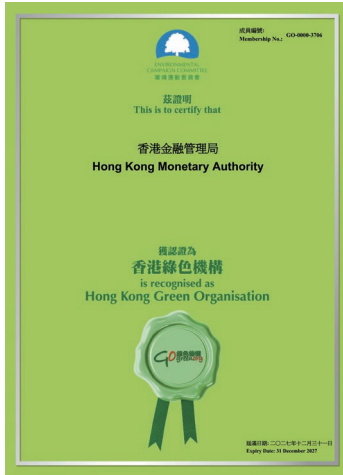
Upcycling orange peels into tasty treats



Supporting the Biz-Green Dress Day

Sustainable HKMA

By keeping up with our environmental commitments, we have been recognised as a Hong Kong Green Organisation in 2025, in addition to receiving the Wastewi\$e Certificate – Excellent Level, and the Energywi\$e Certificate – Good Level, under the Hong Kong Green Organisation Certification⁶.



Our environmental sustainability efforts are recognised under the Hong Kong Green Organisation Certification

⁶ The Hong Kong Green Organisation Certification is led by the Environmental Campaign Committee alongside the Environment and Ecology Bureau, in conjunction with nine organisations comprising industry associations and environmental advisory bodies.

Sustainable HKMA |

Performance summary

Indicators	Unit	2025	2024
Energy management			
Total energy consumption	MWh	5,940.67⁸	5,891.69
Energy intensity ⁷	MWh/head	2.90	2.93
Emissions⁹			
Direct GHG emissions (Scope 1) ¹⁰	tCO ₂ e	14.14	18.12
Indirect GHG emissions (Scope 2 – market based) ¹¹	tCO ₂ e	3,010.87	3,255.48
GHG emissions intensity (Scope 1 and 2)	tCO ₂ e/head	1.48	1.63
Indirect GHG emissions (Scope 3) ¹²			
Category 1 – Purchased goods and services ¹³	tCO ₂ e	3,964.48¹⁴	4,104.69 ¹⁴
Category 2 – Capital goods	tCO ₂ e	386.93¹⁵	2,172.16
Category 3 – Fuel- and energy-related activities ¹⁶	tCO ₂ e	104.04	115.98
Category 5 – Waste generated in operations ¹⁷	tCO ₂ e	49.56	53.90
Category 6 – Official air travel ¹⁸	tCO ₂ e	N/A	N/A
Category 7 – Employee commuting ¹⁹	tCO ₂ e	686.73	701.37
Total GHG emissions (Scope 1, 2 and 3)	tCO ₂ e	8,216.75	10,421.69
Total GHG emissions (Scope 1, 2, and 3) intensity	tCO ₂ e/head	4.01	5.19
Paper consumption			
Total office paper consumption	tonnes	24.76	24.87
Office paper consumption intensity	kg/head	12.10	12.39
Waste management			
Non-hazardous waste disposed to landfills	tonnes	81.08	88.01
Waste disposed to landfills intensity	kg/head	39.61	43.83
Waste collected for recycling			
Paper	tonnes	34.00	31.70
Food waste	tonnes	10.08	8.40
Plastics	kg	1,108.85	683.54
Metals	kg	255.28	176.23

⁷ The intensity calculations for all performance indicators are based on the number of employees and contractors on site.

⁸ Higher energy consumption in 2025 was mainly due to increased electricity use, as the HKMA expanded technology adoption in its operations, including the use of AI tools, and took up additional office space to meet its operational needs.

⁹ Calculations are based on the GHG Protocol methodology.

¹⁰ Scope 1 direct emissions cover carbon dioxide, methane and nitrous oxide. Hydrofluorocarbons are insignificant in the HKMA's operations while perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride are not applicable.

¹¹ Scope 2 indirect emissions are calculated using the market-based method. The emissions factor applied is for each respective year, with reference to the latest information published by the power companies in Hong Kong.

¹² Data relate to material Scope 3 emissions according to the 15 categories set out by the GHG Protocol. Information about the HKMA's financed emissions is given in the *Responsible Investment chapter*.

¹³ Material Scope 3 Category 1 GHG emissions are assessed using a hybrid approach, combining the average data and spend-based methods with industry-average emissions data or supplier-specific data where available. The evaluations mainly cover contracts subject to tenders under the procurement procedures. The threshold for tenders was raised for certain procured services in 2025. The revision is estimated to have an impact of reducing 1.3% to Scope 3 Category 1 GHG emissions.

¹⁴ The HKMA has adopted a more accurate methodology to collect supplier-specific emission data since 2025. For comparison purposes, if the same methodology is applied to 2024, the emissions would be 2,735.70 tCO₂e. The increase over the year was mainly due to increased spending on financial market infrastructure and technology.

¹⁵ Lower emissions in this category in 2025 were largely attributed to reduced expenditures from the prior year relating to office relocation and server hardware and software replacement.

¹⁶ Scope 3 Category 3 GHG emissions are calculated based on the electricity transmission and distribution losses (%) reported by the power companies in Hong Kong.

¹⁷ Scope 3 Category 5 GHG emissions relate to solid waste generated in the office premises using the waste-type-specific method.

¹⁸ From 2023 onwards, the HKMA has offset all Scope 3 Category 6 official air travel GHG emissions by purchasing sustainable aviation fuels and joining a carbon offsetting programme.

¹⁹ Scope 3 Category 7 GHG emissions are calculated based on the number of employees and contractors on site, using a distance-based method.

Sustainable HKMA

Catalysing the low-carbon transition

As Hong Kong's central banking institution, the HKMA sees itself as a change agent, taking the lead in fuelling the low-carbon transition and driving sustainability practices in the financial industry and the community.

Bolstering electronic submissions by banks

Following the successful launch of the Common Submission Platform in 2023 – an electronic platform that enables banks to submit regulatory reports to the HKMA digitally – we expanded its scope in 2025 to encompass broader regulatory reporting beyond banking returns and surveys. Additionally, an e-signature solution was introduced, further enhancing the efficiency of the regulatory submission process for banks by eliminating the need to print, scan, and courier physical documents.

Advocating electronic payments and lai-see

The HKMA supports increased adoption of electronic payments as an alternative to cash and paper cheques by promoting the use of the Faster Payment System (FPS) and stored value facilities (SVFs). More information about the FPS and SVFs can be found in the *International Financial Centre* chapter of our *Annual Report 2025*.

We have also been promoting electronic lai-see in recent years, aiming to reduce the public's use of physical red packets and banknotes. In the run-up to Chinese New Year 2026, we further promoted the adoption of electronic lai-see through various social media channels, alongside promotional campaigns by major banks and electronic payment operators.



The HKMA promotes electronic lai-see and good-as-new banknotes on social media

Promoting good-as-new banknotes

The HKMA has been encouraging the use of good-as-new banknotes (which are used banknotes in good condition) for lai-see. Using good-as-new banknotes can reduce the need to print new ones, thereby lowering the environmental footprint. Feedback from note-issuing banks indicates a growing public preference for good-as-new banknotes.

Collecting coins for recirculation

The Coin Collection Programme is a key plank in the HKMA's efforts in the recirculation of coins. Two Coin Carts visit all 18 districts of Hong Kong on a rotational basis. The free coin collection service gives the public the choice of exchanging their coins for banknotes, topping up their SVF accounts, such as Octopus cards or e-wallets, or donating to the Community Chest charity. The coins collected are recirculated to meet public demand, making circulation more efficient and reducing the need for minting new coins.

Served > **1.4 million** people
 Collected > **1 billion** coins with a total face value of over **HK\$1.7 billion**
84% of users in 2025 digitalised some or all of their coin values by topping up their SVF accounts



Sustainable HKMA |

People

As a responsible and caring employer, the HKMA continuously invests in the physical and mental wellness of its staff, fosters a diverse and inclusive culture, and enhances its people policies.

Maintaining a healthy workplace

Our office adopts an open layout that increases capacity and space efficiency. Measures to improve staff health and productivity, such as height-adjustable desks, ergonomic chairs and eye-safe monitors, are implemented. Office hygiene is always maintained at the highest standards.

There are plenty of collaboration areas to facilitate team discussions. Where possible, we adopt the agile office concept, where flexible seating arrangements and focus zones support a variety of working styles. We have also set up soundproof booths for virtual meetings.

Furthermore, in support of the breastfeeding-friendly workplace initiative, a mother’s care room is in place for post-natal staff.

Enhancing wellness and development

During 2025, the HKMA continued to enhance staff wellness through a range of initiatives, including introducing

childcare leave as a family-friendly measure. We also organised well-being and mindfulness workshops and sponsored professional and confidential counselling services for staff and their immediate family members.

On professional and career development, we continue to strengthen the talent pipeline across all levels, including through leadership and trainee programmes. A comprehensive learning curriculum, covering horizontal and vertical skills, is designed and offered to staff members having regard to their development needs. In 2025, staff across the organisation took part in various courses, completing 4.1 training days per staff member.

Embracing fairness and diversity

The HKMA strongly believes that everyone should be able to work in an environment free of discrimination, harassment, vilification or victimisation. The HKMA’s equal opportunities policy applies to job advertisements, recruitment, terms and conditions of employment, performance assessments, promotions, transfers, training opportunities, dismissals, grievance procedures and general conduct.

Our workforce has a balanced gender representation and covers a spectrum of different age groups (see Charts 1 and 2). Female representation at the rank of Executive Director or above was 19% as of January 2026.

Key human capital statistics as of 1 January 2026

Chart 1 Gender of Staff

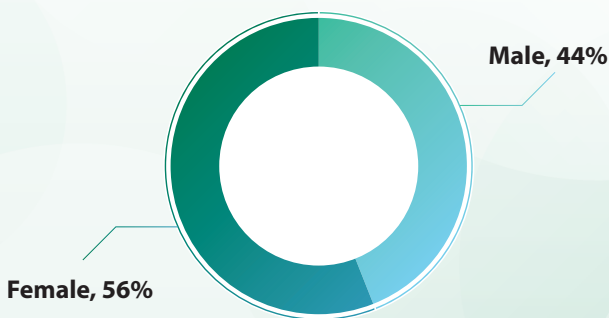
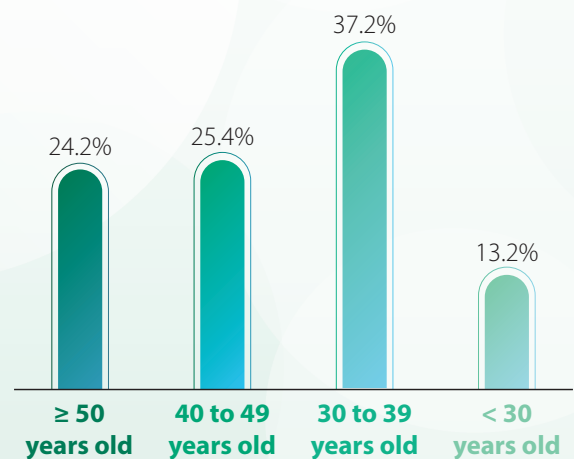


Chart 2 Age of Staff



Average: 41 years old

| Sustainable HKMA

Strengthening communication and dialogue

The HKMA emphasises effective communication within the organisation. Two staff consultative committees, with representatives from different departments and ranks, are in place to facilitate regular, open and productive dialogue between staff and the management. The HKMA Staff Consultative Committee consults staff on policy matters and subjects of common interest, while the Consultative Committee on Provident Fund Schemes for Staff of the HKMA focuses on retirement fund issues. There are regular all-staff communication at town hall meetings, where the Chief Executive and the three Deputy Chief Executives provide updates on strategic priorities as well as upcoming plans and initiatives.

In addition, a staff suggestion box is available for staff to share their views and ideas. Surveys are also conducted periodically to collect the views of individual staff members on their work and career development within the HKMA.



Basketball Supervisory Cup 2025

Staff also have many opportunities to mingle and network. They can join in-house engagement activities, such as Sharing Circles, the Friday Recreation Room and festive gatherings, and they can also participate in inter-organisational tournaments and races, which promote team bonding.



Dragon boat race



Supervisory Table Tennis Friendly Match 2025



Mindfulness-based cognitive therapy workshop



Singing bowl sound healing workshop

Sustainable HKMA |

Social responsibility

Deeply connected to the local community, the HKMA is committed to fulfilling its corporate social responsibility through employee volunteering, charitable donations and community partnerships. We also collaborate with the financial industry and other financial regulators to enhance financial literacy, promote financial inclusion, and strengthen customer protection.

Serving the community

We encourage our staff and their family members to take part in community services, support fundraising events and make donations to underprivileged groups. The cross-departmental working group – the Committee on Volunteering Services, together with the Administration Section – plan wide-ranging volunteer activities. In 2025, a total of 465 staff volunteers, alumni and their family members contributed 1,342 volunteering hours to community events for different causes.



The HKMA is awarded the Certificate of Appreciation in the Non-Commercial Organisation Category at the 2025 Hong Kong Volunteer Award, presented by the Home and Youth Affairs Bureau and the Agency for Volunteer Service

Activity highlights

Art for Everyone

Over 20 staff volunteered at art fairs in March. Their duties included collecting artists' paintings prior to the exhibitions, conducting docent tours at the venues and guiding workshop participants in creating artwork. This volunteer opportunity provided a meaningful way for our staff to connect with art and engage with the community.



Docent tours

A volunteer docent shares his thoughts

“ This volunteering opportunity heightened my appreciation of art and fostered a rich learning experience. Although I had to spend some time reading about art history and techniques to prepare myself for conducting docent tours, it was a truly enjoyable experience, allowing me to grow personally. ”

| Sustainable HKMA

Summer Together: Serve, Learn, Share

In summer 2025, we organised a series of family volunteering activities, engaging young volunteers aged 2 to 15 – children of our staff members – to participate in community work along with their parents. Moreover, volunteers could bring their dogs along to the fundraising event for abandoned animals.



*"Paw-some"
flag selling day*



*Celebrating birthdays
for autistic children*



Blindfolded cooking challenge



*Preparing food for
people in need*



Baking with the elderly



*Learning the art of botanical dyeing
to make bags for the elderly*

A participant shares her thoughts

“

I am a staunch supporter of kids volunteering. It exposes my children to different perspectives and life situations, helping them develop empathy and a deeper understanding of what life is like for the less privileged.

”

Sustainable HKMA |

The Giving Wardrobe

In September, we participated in the Salvation Army's donation drive for its Children's Hope Fund, which aims to help vulnerable children and their families. Over 20 boxes of quality pre-owned items, such as clothes, handbags and scarves, were collected for the charity sale.



Donations for a charity sale to improve vulnerable children's well-being



A donor showing her support for the good cause

Engaging social enterprises

The HKMA advocates social inclusion and includes social enterprises on its list of vendors. During 2025, we commissioned various social enterprises to provide goods and services, such as hosting upcycling workshops, running pop-up refreshment kiosks, and offering catering services.

Enhancing accessibility

The HKMA has been working proactively on initiatives to address the needs of specific groups.

Incorporating special features into Hong Kong banknotes

The HKMA is committed to helping the visually impaired differentiate between different denominations of Hong Kong banknotes. Accessibility features, including Braille, tactile lines and high-tactility numerals, are incorporated into the banknotes. In addition, we sponsored the Hong Kong Society for the Blind to develop a mobile note-scanning app and, together with the three note-issuing banks, sponsored the production of note-measuring templates to help the visually impaired identify the denominations of Hong Kong banknotes.

Free tools to help the visually impaired identify banknote denominations



Hong Kong Banknotes Reader application



Note-measuring template

Sustainable HKMA

Maintaining comprehensive online information

The HKMA website adopts a clear navigation structure, enabling the public to easily access up-to-date information on the HKMA's work and regulations. There is also a dedicated "Information in Other Languages" webpage under the "Smart Consumers" section, providing useful information about banking services in multiple languages commonly used in Hong Kong²⁰. Moreover, we are committed to ensuring that our website and online publications conform, to the maximum extent possible, to the World Wide Web Consortium's Web Content Accessibility Guidelines 2.0 Level AA standard, helping individuals with specific needs access our online information effectively.

Enhancing public vigilance against fraud and strengthening protection for bank customers

Combatting financial fraud remains a top priority for the HKMA. We launched new anti-fraud initiatives in 2025 aimed at raising public awareness of fraud and scams and enhancing protection for bank customers.

Cross-media publicity campaign - "Click the Links, Fall for Scams"

To raise public awareness about the risks of clicking on suspicious links, we launched an anti-scam campaign in 2025 featuring "Despicable Banana", a cartoon character that serves as a metaphor for fraudsters, appearing initially innocent and harmless but later revealing its true, greedy nature once its victims are ensnared. Apart from arranging multi-channel promotion spanning television, radio, cinemas, mobile apps, social media platforms, MTR trackside TV displays and green minibus advertisements, the HKMA also hosted a booth at the Hong Kong Book Fair, conducted a flash mob event during Halloween, and strategically placed the 3D banana sculptures atop postal boxes in high-traffic areas to engage the community, thereby enhancing the visibility of the campaign and warning the public about the risks of clicking on suspicious links.



An anti-scam campaign featuring a "Despicable Banana" cautions the public about the risks of clicking on suspicious links

²⁰

These languages include Bahasa Indonesia, Hindi, Nepali, Punjabi, Tagalog, Thai, Urdu and Vietnamese.

Sustainable HKMA |

Educational campaign – “Three Anti-Scam Tactics”

We also developed a promotional campaign centring on the “Three Anti-Scam Tactics – Keep Calm, Give Nothing, Verify and Seek Help”, aimed at educating the public on some simple and practical ways to fend off scams, and worked with banks and other partners, including the Hospital Authority and non-governmental organisations offering elderly services, to disseminate the educational materials and anti-scam messages through their networks.



Promotional videos “Vintage Cantonese Anti-Scam” featuring “Three Anti-Scam Tactics”

Social media campaigns

On the social media front, we launched a dedicated social media campaign in 2025 on mule accounts, urging the public not to lend or sell their bank accounts to others. We also proactively disseminated information on prevalent scam tactics – including phishing links, deepfakes, and bogus calls – alongside practical preventive measures via our social media platforms. We strengthened collaboration with key partners, including the Hong Kong Police Force (Police), by co-creating and co-sharing content across social media channels to maximise reach and impact.



A social media education campaign on mule accounts, urging the public not to lend or sell their bank accounts to others



Social media posts alerting the public about different financial scams

| Sustainable HKMA

Smart Seniors Anti-Scam Ambassador Programme

In June, we launched the Smart Seniors Anti-Scam Ambassador Programme with the Hong Kong Association of Banks (HKAB) to enhance the vigilance of elderly citizens against scams. The programme included 37 visits to elderly centres and educational seminars, where 3,200 seniors and other participants received practical scam prevention tips and were encouraged to become anti-scam ambassadors, sharing scam prevention messages with family and friends.



Mr Arthur Yuen (front row, fifth from right), Deputy Chief Executive; and Mr Alan Au (front row, fifth from left), Executive Director (Banking Conduct), at the launch ceremony of the Smart Seniors Anti-Scam Ambassador Programme

Sustainable HKMA |

Supporting initiatives by the Police and the banking industry

In addition to rolling out its own anti-fraud and anti-scam campaigns, the HKMA also strongly supported relevant campaigns led by the Police and the banking sector throughout the year.



(Left photo) Mr Arthur Yuen (left), Deputy Chief Executive, participates in banks' anti-fraud and anti-scam events



Mr Alan Au (second from left), Executive Director (Banking Conduct), participates in a bank-organised public education event aimed at raising awareness of fraud prevention



Senior representatives from the HKMA participate in a bank-organised public education event promoting messages on fraud and scam prevention



Representatives from the HKMA at the Anti-Crime Elite Games event organised by the Police

| Sustainable HKMA

Alongside the anti-fraud and anti-scam publicity and educational initiatives mentioned above, the HKMA also rolled out initiatives to enhance customer protection during 2025. These include, for example, the launch of the Anti-Scam Consumer Protection Charter 3.0, a collaborative framework among financial regulators, technology companies and telecommunications firms to combat financial fraud and scams; the full roll-out of Money Safe, a new scam prevention tool that allows individual customers to add an extra layer of protection to their bank deposits; and the “E-Banking Security ABCD”, a series of enhanced e-banking security measures designed to safeguard customers. More information about these initiatives, as well as the HKMA’s other anti-fraud and anti-scam efforts, can be found in the *Banking Stability* chapter of our *Annual Report 2025*.

Furthering financial literacy

As an advocate and champion of financial literacy, the HKMA develops a multitude of initiatives to deliver pertinent financial education content and nurture good financial management habits among the public.

We have co-organised the “Hong Kong Financial Literacy Championship” with the Education Bureau and other key stakeholders for the 11th consecutive year. This programme is a flagship financial education initiative for secondary school students in Hong Kong. In 2025, the Championship was honoured with the “Highest Student Participation Award” by the Education Bureau’s Business-School Partnership Programme, reflecting its growing influence and widespread participation in the education sector.

The Championship in 2025 achieved a record participation of 19,801 students.



The Hong Kong Financial Literacy Championship is a flagship financial education initiative for secondary school students

We have also been promoting financial literacy by developing a variety of educational games. In 2025, we partnered with the Consumer Council to launch four new virtual-reality (VR) simulation games aimed at raising awareness among students and senior citizens about the responsible use of credit cards and the importance of guarding against credit card scams. The games feature two key themes: “Be a Smart Credit Card User”, and “Beware of Credit Card Fraud”, offering an interactive experience with decision-making prompts, real-life role play, and entertaining mini-games.

Launch of VR simulation games

**Credit card ABC**

Introduces the proper use of credit cards, emphasises rational spending and the consequences of paying only the minimum amount due each month

**Responsible use of credit cards**

Highlights the importance of managing credit card settings based on individual needs, and reviewing credit card statements carefully

**Beware of phishing links**

Addresses the risks of phishing links and the need to protect personal information

**Beware of fraudulent calls**

Helps participants recognise fraudulent calls and respond appropriately



Participating students try out the VR simulation games



Promoting "Be a Smart Credit Card User" and "Beware of Credit Card Fraud" through the VR simulation games

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In addition, promotion of the award-winning educational board game “\$mart Money Management 321” continued throughout 2025. We reintroduced the game at the HKMA’s booth at the Hong Kong Book Fair 2025 and conducted trial workshops in community centres and primary schools. Additionally, we held a train-the-trainer session to equip secondary school teachers with the tools to integrate the game into the new “Citizenship, Economics and Society” curriculum for junior secondary students.



The “\$mart Money Management 321” board game workshops attracted over 3,000 participants in total in 2025



The green finance education board game receives local and international design awards



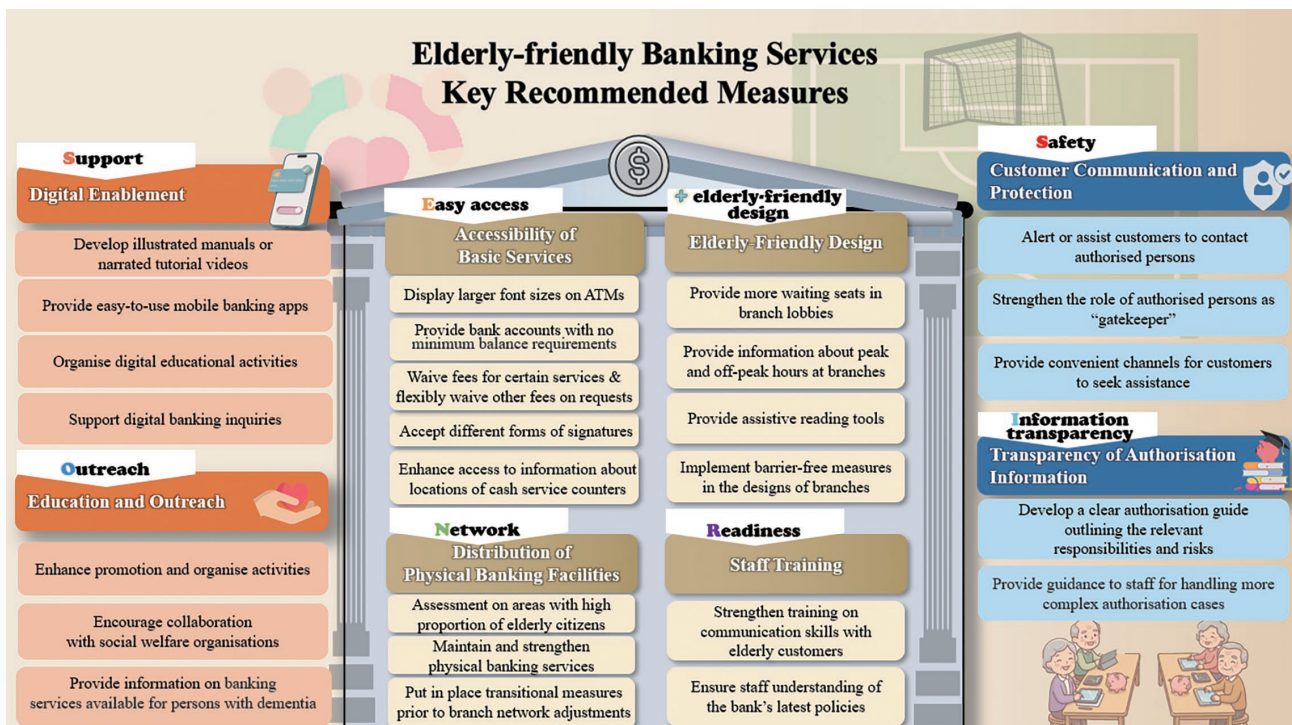
Using social media to explain technical sustainability topics

Promoting financial inclusion

The HKMA has been actively encouraging the banking industry to enhance access to banking services and to implement appropriate measures for customers in need, thereby providing a better customer experience.

Elderly-Friendly Banking Services

In 2025, the HKMA worked closely with HKAB to develop the *Guideline on Elderly-friendly Banking Services* (“Elderly Guideline”), with a view to promoting the adoption of elderly-friendly practices across the banking industry. The Elderly Guideline sets out eight key principles and recommended good practices that address the banking needs of elderly persons, covering digital enablement, accessibility, physical banking facilities, information transparency, consumer education, staff training, customer protection and communication, and elderly-friendly design.



Key recommended measures of the Elderly Guideline

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Supporting individuals affected by fire in Tai Po

The fire in Tai Po in November was a tragic event and necessitates a whole-community approach to provide immediate relief to the victims. The HKMA, together with the banking industry, are fully dedicated to providing the necessary support to address the banking needs of the victims, and has since been working closely with the Government and other relevant stakeholders to this effect. On 28 November, and subsequently on 4 December, the HKMA and HKAB jointly announced a total of 11 measures to provide immediate relief and ongoing support to the affected individuals. The HKMA and the banking industry will continue to evaluate the need for further support in a timely manner with empathy and flexibility.

Measures announced on 28 November

1. Establish dedicated 24-hour hotlines and enhance information dissemination
2. Provide a six-month pre-approved repayment grace period to affected residents
3. Extend branch service hours and increase manpower in Tai Po
4. Prioritise the handling of bank account matters and document replacements for affected residents
5. Facilitate affected residents' access to liquid funds with flexibility
6. Assist in submitting claims for insurance acquired through banks

Measures announced on 4 December

7. Expedite the handling of deceased's bank accounts and safe deposit boxes
8. Provide credit support to affected residents as well as construction workers, cleaners and security guards and their families
9. Help affected residents exchange damaged banknotes and coins flexibly
10. Waive all bank fees for fund transfers to and from the "Support Fund for Wang Fuk Court in Tai Po" account set up by the Government
11. Further extend branch service hours in Tai Po

Other measures

Offer safe deposit box services with rental fees waived for the first year

Provide free credit reports by consumer credit reference agencies in Hong Kong upon request

Furthermore, the HKMA also provided immediate support by soliciting donations of essential items from staff members and co-ordinating volunteer assistance to aid affected families in need.

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Broadening support for corporates

The HKMA and HKMC Insurance Limited (HKMCI)²¹ pay close attention to the operating environment and financing needs of corporates through ongoing engagement with the banking and commercial sectors, in particular small and medium-sized enterprises (SMEs), with the aim of providing them with appropriate financial assistance to cope with operating challenges.

Launching additional support measures for SMEs

In April 2025, the HKMA and the banking sector introduced sector-specific support measures to assist more SMEs in obtaining bank financing and in their upgrade and transformation. Among other measures, the 18 participating banks in the Taskforce on SME Lending (Taskforce) agreed to offer flexible extensions to trade facilities (e.g. 90 or 120 days) or alternative suitable credit arrangements for SMEs in the import and export and manufacturing sectors that were experiencing short-term cash flow pressure due to global trade frictions. The participating banks in the Taskforce have also set aside HK\$420 billion of dedicated funds to support SMEs' development, upgrade and transformation.

>78,000 SME cases had benefitted from various SME support measures announced since March 2024 up to the end of December 2025, involving an aggregate credit limit of over **HK\$184 billion**

Updating the SME Financing Guarantee Scheme

Operated by the HKMCI, the SME Financing Guarantee Scheme (SFGS) covers the 80% and 90% Guarantee Products, and the Special 100% Loan Guarantee which was introduced in response to the COVID-19 outbreak (the Special 100% Loan Guarantee application period ended in March 2024).

In September 2025, the Government announced new measures for the SFGS. First, the application period for the 80% Guarantee Product has been extended for two years to the end of March 2028. Second, the total loan guarantee commitment under the SFGS has been further increased by HK\$20 billion to HK\$310 billion. Third, the principal moratorium arrangement has been extended for one year.

>115,000 applications for the SFGS approved as at the end of 2025, totalling **HK\$302.2 billion**

Executing the Dedicated 100% Loan Guarantee Scheme

In 2023, the HKMCI introduced the Dedicated 100% Loan Guarantee Scheme (DLGS) for Battery Electric Taxis to provide an incentive for taxi owners to replace their liquefied petroleum gas, petrol or hybrid taxis with battery electric taxis. Promoting the use of battery electric taxis is one of the Government's measures to develop green transport, which helps achieve the carbon neutrality target of Hong Kong. The application period of the DLGS for Battery Electric Taxis lasts for five years till early September 2028.

>630 applications amounting to **HK\$209.1 million** approved for the DLGS for Battery Electric Taxis as at the end of 2025

²¹

The Hong Kong Mortgage Corporation Limited (HKMC) is wholly owned by the Government through the Exchange Fund. The HKMCI is a wholly owned subsidiary of the HKMC.

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Issuing social bonds

In November, the HKMC successfully issued multi-currency public benchmark bonds totalling HK\$25.3 billion under its US\$30 billion Medium Term Note Programme. The issuance included a 30-year HK\$2 billion social bond tranche – the largest-ever 30-year Hong Kong dollar bond issuance in Hong Kong – and also the first-ever social bond issuance in the Asia-Pacific with proceeds being used to support the HKMC's Reverse Mortgage Programme, providing sustainable financing for the elderly and advancing financial inclusion in Hong Kong.

Verification Statement



1. Introduction

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was engaged by the Hong Kong Monetary Authority (“HKMA”) to conduct an independent verification of the sustainability disclosures presented in its Sustainability Report 2025 (“the Report”) for the reporting period from 1 January 2025 to 31 December 2025 (“Reporting Period”) and issue this Verification Statement. The Report outlines the HKMA’s sustainability performance, including the environmental data (“Data”) such as the energy consumption, Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions, paper consumption, non-hazardous waste generated (covering general waste disposed to landfills and recyclable waste), Scope 3 emissions from fuel – and energy-related activities, waste generated in operations, official air travel and employee commuting for the year of 2025. In addition, the Data also included Scope 3 GHG emissions from purchased goods and services and capital goods, for the years of 2024 and 2025. The verification scope included six offices and warehouse assets, which are the five offices located respectively at 1) Two International Finance Centre, 2) Hopewell Centre, 3) One Pacific Place, 4) Kowloon Commerce Centre, 5) The International Commerce Centre, and the warehouse at 6) Roxy Industrial Centre, located at Kwai Chung. For the avoidance of doubt, our sustainability verification activities and this Verification Statement are subject at all times to the assumptions, dependencies, boundaries, limitations, exclusions, and roles, responsibilities as set out under the HKQAA’s Appendix A document on our website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

The objective of this sustainability verification service is to provide independent opinion, with a reasonable level of assurance, on whether the sustainability disclosures have been prepared in accordance with the following reporting criteria:

- The Greenhouse Gas Protocol (“GHG Protocol”) jointly issued by the World Resources Institute and the World Business Council for Sustainable Development

2. Assurance Methodology

HKQAA’s assurance procedure was conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”), issued by the International Auditing and Assurance Standards Board (“IAASB”).

The evidence gathering processes were designed to obtain a reasonable level of assurance, as set out in the ISAE 3000, using a risk-based approach. Our verification procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the HKMA, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and the HKMA personnel responsible for reporting and sustainability-related governance;

| Verification Statement

- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, HKQAA has obtained reasonable assurance and is of the opinion that:

- The Data are materially accurate and reliable; and
- The overall data collection mechanism of the HKMA is adequate.

This Verification Statement on reasonable assurance is made solely for the use of the HKMA and the users of its Sustainability Report 2025 for the purpose of use in accordance with the reporting criteria set out in the Introduction section of this report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Verification Statement is shown or into whose hands it may come. We confirm our independence from the HKMA in conducting this engagement.

The engagement leader on the verification engagement resulting in this Verification Statement is KT Ting.

Signed on behalf of Hong Kong Quality Assurance Agency



1 April 2026
Ref: 14995117



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