

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

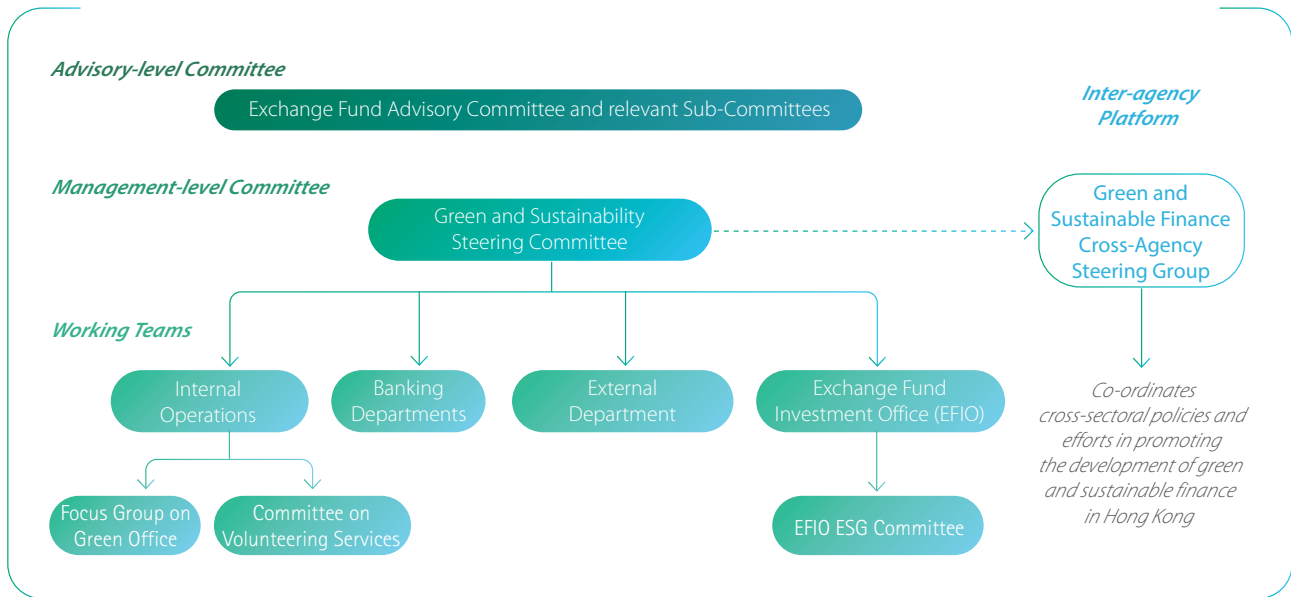
The HKMA's sustainability governance structure comprises:

- 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.

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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.

