



Harnessing the Power of Fintech to Position Hong Kong as a Global Leader in Green Finance

(Hong Kong, 21 April 2023) In support of Earth Day and in celebration of the organisation’s 40th anniversary, **Friends of the Earth (HK)** join hands with the **Financial Services Development Council** to co-host the annual Earth Forum, this year on the theme of "Empowering Sustainable Finance: Leverage Fintech to Examine ESG and Combat Greenwashing". The forum was privileged to be blessed with **Mr Joseph Chan, JP, Under Secretary for the Financial Services and the Treasury**, as the keynote speaker, along with esteemed guests of honour, including **Mr Erik Solheim, Former Executive Director of UN Environment Programme and Chairman of Treelion International Advisory Committee**, and **Dr Jin Jian, Director of Institute of Industrial Internet and Internet of Things, China Academy of Information and Communications Technology (CAICT)**. Over 200 hundred participants attended physically to hear from regulatory bodies, financial institutions, legal experts, fintech companies, and ESG practitioners on how Hong Kong can embrace fintech to solidify its position as the leading international green finance centre.

In his officiating speech, **Mr Plato Yip, Chairperson of Friends of the Earth (HK)**, said, “As the demand for environmentally-friendly investments grows globally, Hong Kong has an opportunity to position itself as a hub for green and sustainable finance in the Asia-Pacific region. However, this growth in green finance has also led to the prevalence of greenwashing, whereby companies make false or misleading claims about their ESG credentials. To address this issue, Hong Kong should leverage fintech to improve the transparency and accountability of ESG reporting, ensuring that companies are held accountable for their sustainability and social responsibility practices.”

As the co-organiser of the forum, **Mr Daniel Fung, SBS, SC, KC, JP, FCIArb, Vice Chairman of the Financial Services Development Council (FSDC)**, said, “From the home of the world’s largest producer of electric vehicles as well as the world’s greatest proliferation of carbon markets over the past 15 years, China as our planet’s biggest net fossil fuel importing economy has demonstrated that necessity is the mother of invention and that our paradigm shift to net-zero will emerge from concrete, incremental steps taken by all stakeholders rather than through a big bang delivered by some deus ex machina.”

During his keynote speech, **Mr Joseph Chan, JP, Under Secretary for Financial Services and the Treasury, the Government of Hong Kong SAR**, stated that “While low-carbon and sustainable economies are being actively promoted around the world, the demand for green finance is growing exponentially. Both the Mainland and Hong Kong have targeted to achieve carbon neutrality before 2060 and 2050 respectively. As Asia's leading financial centre, Hong Kong is well positioned to become a regional hub for green and sustainable finance. The Government will continue to nurture professionals through skills upgrading and

transformation, and we are committed to promoting Hong Kong as the preferred investment and financing platform for green enterprises and projects in the Mainland and overseas, thereby leading the development of a green financial ecosystem. Total green and sustainable debt issued in Hong Kong increased by over 40% from 2021 to reach US\$80.5 billion in 2022, reflecting a continuous growth in Hong Kong's green financing activities.”

In his opening speech, **Ir Eric Chan, Chief Public Mission Officer of Hong Kong Cyberport**, said, “As Hong Kong's leading FinTech community, which hosts over 400 FinTech startups and companies, Cyberport is committed to leveraging technology for good and fully supports the development of green and sustainable finance. We are delighted to see that many of our startups have been instrumental in green finance, ESG reporting and investing, carbon credit trading, and digital marketplaces for responsible sourcing. We will remain committed to nurturing the growth of our startups, enhancing industry advantages and driving Hong Kong's transformation into an international GreenTech and GreenFi center.”

Mr Erik Solheim, Former Executive Director of United Nations Environment Programme, Chairman of Treelion International Advisory Committee and the guest of honour of the forum, said, “Hong Kong is a thriving hub of exceptional talent and a key player in the global financial landscape. The government has been an early adopter of Green Bonds, and Hong Kong's laws and regulations have set a precedent for the broader region, including the Greater Pearl River Delta area. The forum centers around the topic of transparency in ESG matters. I am optimistic that despite attempts at greenwashing and cheating, establishing transparency in ESG affairs through civil society groups, media, and open discussions is crucial for creating a credible system for the future. I am confident that we will reach this goal soon.”

As the featured speaker of the forum, **Dr Jin Jian, Director of Institute of Industrial Internet and Internet of Things, China Academy of Information and Communications Technology (CAICT)**, stated that, “Under the guidance and support of the Ministry of Industry and Information Technology, the CAICT has developed a national blockchain ‘Xinghuo BIF’ with a network identifier infrastructure. Many regions and corporates around the world have joined us to become super nodes and backbone nodes of this digital ecosystem. Hong Kong is an international financial center with a stable and mature financial system and abundant professional talents. We strive to establish a super node and green finance backbone node in Hong Kong, working with Treelion to improve digital infrastructure and green finance application system. We will prioritize on the development of an effective carbon chain ecosystem generating carbon emission data (to produce high-quality carbon credits), and deploy AI enabled and IoT captured data in ESG reporting under a distributed system, providing green finance with verifiable digital elements and operating ecosystem. By utilising fintech, we wish to assist Hong Kong to become an international green finance hub, a core green finance data center and a super node along the countries of ‘The Belt and Road Initiative’ and in the Greater Bay Area.”

During the first panel discussion, panel experts looked at how Hong Kong can leverage fintech to support ESG and promote green and sustainable finance. With increasing demand for accurate ESG data—from investors assessing long-term sustainability of companies to regulators requiring greater transparency and accountability from the financial industry—reliance on self-reporting from companies is posing a challenge of credibility to green and sustainable finance products and services. Panel experts believed that the government could do more to promote the use of fintech through strengthening ESG regulation and disclosure, establishing ESG standards and certification and rating systems, and providing incentives for start-ups and professional training.

The second panel discussed how fintech can be used to examine ESG data. Experts noted that the current ESG reporting environment suffers from a lack of a common ground taxonomy, and there is a need to demystify the difference between traditional fintech and ESG fintech. They agreed that blockchain, artificial intelligence, and other fintech innovations are key for investors and other stakeholders to evaluate ESG data more effectively and reduce the risk of data manipulation. Hong Kong needs to set up a best practice sharing platform with the support of the government to encourage the adoption of fintech in ESG reporting and stand out as the international green finance centre.

Announcement of Asia-Pacific Corporate Climate Index

At the forum, the **Centre for Business Sustainability at CUHK Business School**, partnering with **Friends of the Earth (HK)**, announced the ‘Asia-Pacific Corporate Climate Index’, a sub-index of the Business Sustainability Index. This first-ever initiative in the Asia-Pacific region will bring out corporate climate values and encourage greater transparency in corporate environmental communications with stakeholders. It will also provide an environmental sustainability benchmark for international and domestic reference, while giving recognition to well-performing companies and inspiring others to follow.

Announcement of the Hong Kong Personal ESG Score

In addition, **Friends of the Earth (HK)** and **Francxav Analytics** announced the joint project, ‘Hong Kong Personal ESG Score’. The application is a platform that encourages active participation in sustainable lifestyles and captures that data to build a personal ESG score. The score provides individuals with the ability to assess their ESG performance, receive guidance on ways to improve their lifestyle patterns, and make more sustainable decisions that benefit both society and the environment as a whole. We look forward to working together with local banks on this initiative.

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【Event photos】

Photo 1



Friends of the Earth (HK) join hands with the Financial Services Development Council to co-host the Earth Forum 2023 on the theme of "Empowering Sustainable Finance: Leverage Fintech to Examine ESG and Combat Greenwashing". Over 200 hundred participants attended physically to hear from regulatory bodies, financial institutions, legal experts, fintech companies, and ESG practitioners on how Hong Kong can embrace fintech to solidify its position as the leading international green finance centre.

Photo 2



From left to right: Mr Plato Yip, Chairperson of Friends of the Earth (HK); Mr Joseph Chan, JP, Under Secretary for Financial Services and the Treasury, the Government of Hong Kong SAR; Mr Daniel Fung, SBS, SC, KC, JP, FCI Arb, Vice Chairman of the Financial Services Development Council (FSDC); Ir Eric Chan, Chief Public Mission Officer of Hong Kong Cyberport

Photo 3



Mr Plato Yip, Chairperson of Friends of the Earth (HK)

Photo 4



Mr Daniel Fung, SBS, SC, KC, JP, FCI Arb, Vice Chairman of the Financial Services Development Council (FSDC)

Photo 5



Mr Joseph Chan, JP, Under Secretary for Financial Services and the Treasury, the Government of Hong Kong SAR

Photo 6



Ir Eric Chan, Chief Public Mission Officer of Hong Kong Cyberport

Photo 7



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Photo 8



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Photo 9



The Centre for Business Sustainability at CUHK Business School and Friends of the Earth (HK) announced the 'Asia-Pacific Corporate Climate Index', aiming to bring out corporate climate values and encourage greater transparency in corporate environmental communications with stakeholders.

Speaker: Prof. Carlos Lo, Board Governor, Friends of the Earth (HK); Director of Centre for Business Sustainability at CUHK Business School

Photo 10 & 11



Friends of the Earth (HK) and **Francxav Analytics** announced the joint project, ‘Hong Kong Personal ESG Score’ to provide individuals with the ability to assess their ESG performance, receive guidance on ways to improve their lifestyle patterns, and make more sustainable decisions that benefit both society and the environment as a whole.

Speakers:

Dr Jeffrey Hung, CEO of Friends of the Earth (HK)

Mr Albert Lo, Co-founder of FrancXav