Athens Journal of Law - Volume 11, Issue 4, October 2025 – Pages 481-506

The Evolving Path of Environmental, Social, and Governance (ESG) Regulations in Hong Kong in the Digital Era

By Helen Han Peng[*] & Nicole Cao Ying[♦]

This paper discusses the regulatory transformation of Environmental, Social, and Governance (ESG) regulations in Hong Kong from 2016 to 2025 in the digital era, with an emphasis on significant regulatory developments and their effects on financial services. The ESG Regulation framework, which is a precursor to required disclosures, was laid down in 2016 when the Hong Kong Exchanges and Clearing Limited released the ESG Reporting Guide. The year 2020 marked a stage where a breakthrough was achieved. The creation of the Green and Sustainable Finance Cross-Agency Steering Group indicated a seismic change. Moreover, the growing role of corporate governance in ESG reporting is reflected in the tightening of statutory requirements. For instance, companies are required to disclose climate-related information in line with the guidelines set by the Task Force on Climate-related Financial Disclosures (TCFD). Through analysis, this paper points out key developments related to the revision of listing rules, the implementation of climate risk management modules, the call for standardized sustainability reporting, regional comparisons with other Asian financial hubs, particularly Singapore, and noteworthy practices. The comparative analysis with one of the current financial centers of the Asian continent, Singapore, is based on main points, including recognition of international standards, leadership in the field of carbon pricing, and incorporation of ESG into financial institutions. The given comparison is a source of actionable insights available to Hong Kong to utilize Singapore's strengths in order to elevate its ESG system. Taken together, the findings show that Hong Kong strives to establish itself as a sustainable finance pacesetter in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) with increasingly stringent and more comprehensive regulatory frameworks. We foresee the anticipated development of ESG regulation and propose action for the future: the demand for cross-digitalized reporting approaches to enhance transparency and accountability in the financial sector. All in all, the findings of this paper underline that ESG regulation is vital for Hong Kong to promote sustainable economic development.

Keywords: *Environmental, Social, and Governance; ESG; Regulations*

Introduction

Background: Overview of ESG Principles and their Current Relevance

The ESG (Environmental, Social, and Governance) framework incorporates three interrelated factors, namely environmental (E), social (S), and governance (G),

[*]Associate Professor of Teaching, Department of Accountancy Lingnan University, Hong Kong. Email: helenhan@ln.edu.hk; **The corresponding author**.

[♦]Research Officer, Lingnan University, Hong Kong. Email: yingcao2@ln.edu.hk

https://doi.org/10.30958/ajl.11-4-6 doi=10.30958/ajl.11-4-6

forming a comprehensive system that measures business behaviour and financial performance. Specifically, ESG issues are defined as environmental, social, or governance factors that can positively or adversely affect the financial performance or reputation of an organization, state, or individual. Thus, ESG is a trinity of principles that stresses sustainable and collaborative growth and strikes a balance between economic, environmental, social, and governance advances. It is an investment concept aimed at creating long-term value through a sound and reasonable governance approach.

ESG integration, which is based on the concept of responsible investing, applies positive screening in identifying sustainable investment opportunities through assigning scores to these three variables.[1] Defined by the Principles for Responsible Investment (PRI), responsible investing is described as a practice that considers and integrates environmental, social, and governance (ESG) issues into investment decisions and shareholder ownership. This strategy aims to enhance company profitability while establishing sustainable business practices. Responsible investing uses environmental, social, and governance (ESG) factors in the investment decision-making process to achieve both societal benefits and financial returns. It encompasses a range of strategies, such as shareholder activism, impact investing, and ESG integration. In principle, ESG is more of a technique and criterion that investors incorporate to address a company's long-term sustainability and value creation.[2]

To comprehend the motivation behind sustainable investment before examining the development of ESG's regulatory framework in Hong Kong, several key advantages associated with incorporating ESG principles into business models and investment plans should be assessed. To begin with, brand awareness is a significant factor. The ability to align corporate practices with customers' ESG preferences enables companies to strengthen brand loyalty and attract new customers by addressing both their needs and values. Moreover, a well-integrated ESG framework helps risk managers identify and mitigate various risks, including regulatory non-compliance risks and reputational risks associated with environmental damage, human rights violations, or corruption. Additionally, companies with high ESG ratings tend to have lower capital costs in both equity and debt financing. According to McKinsey's research, reflecting lower regulatory, environmental, and litigation risks, companies with high ESG performance can reduce their cost of capital by approximately 10 percent.[3] ESG standards attract a wide range of investors seeking dependable, ethical, and transparent investment goals, helping to retain existing investors and expand the investor base. The ESG landscape spans various asset classes, offering diversified investment options, including green loans, sustainability-linked loans, green bonds, social bonds, ESG money market funds, and green mortgage-backed securities. Last but not least, businesses willing to implement prompt adjustments to changing environmental and social conditions are better positioned to seize strategic opportunities with higher returns, while building long-term competitive advantages. According to a joint study by the London Business School and Harvard Business School, companies that adopted sustainability strategies performed significantly better in market returns compared to those that did not over an 18-year period. These companies also demonstrated superior performance in return-on-equity and return-on-assets. The authors concluded that the excess returns may be attributed to companies' increased engagement, transparency, and responsibility in

[1]Gibson Brandon, Glossner, Krueger, Matos & Steffen (2022).

[2]PRI Association, *An introduction to responsible investment: listed equity* (2025).

[3]McKinsey & Company, *Why ESG is here to stay* (2020).

stakeholder interactions. Finally, 80 percent of global studies demonstrate that companies with strong sustainability policies outperform in the stock market.[4]

Purpose: Significance of Tracking ESG Regulations in Hong Kong

It is paramount to monitor the development of ESG regulations in Hong Kong as they demonstrate how the city aligns with current sustainable development trends and strives to maintain competitiveness in an ESG-sensitive world. These regulations not only promote transparency and accountability but also serve as catalysts for innovation, risk management, and economic growth. With a clear understanding of how these regulations have evolved over time, business practitioners, investors, and policymakers will be better positioned to capitalize on available opportunities and address sustainability challenges. This transformation plays a decisive role in securing Hong Kong's economic future, maintaining its relevance in the global economy, and developing a robust and sustainable economy.

The development of ESG regulations is driven by several key factors. A primary objective of these regulations is to enhance corporate transparency and accountability. Hong Kong's regulatory agencies, including the Hong Kong Exchanges and Clearing Limited (HKEX) and the Securities and Futures Commission (SFC), have implemented stringent disclosure requirements mandating companies to report their ESG-related practices.[5] This will make the information about the conduct of a company on ESG matters comprehensively available to the investors, customers, and other stakeholders who will then make informed decisions. Routine ESG reporting supports the responsibility of companies on their activities, especially in terms of carbon output, employee treatment, and company governance. Second, it is crucial to ensure that ESG regulation in Hong Kong corresponds to global sustainability practices. The more the city follows the suggestions and recommendations of such organizations as the International Sustainability Standards Board (ISSB) and the Task Force on Climate-related Financial Disclosures (TCFD), the more likely the city becomes a competitor on the international arena. It is not only effective in trade and investment, but by taking this alignment, Hong Kong-based firms will be able to enter the rapidly growing global ESG market to generate new opportunities of growth and influence in sustainable finance. Third, the companies that actively embrace the rules of ESG have a great competitive advantage. With the adoption of sustainable practices in their business practices, the companies will find themselves in a better position to attract socially minded investors, customers, and employees, as well as improve their brand image and, in turn, gain the loyalty of stakeholders.

Also, the regulations that apply to ESG promote innovation, motivating companies to create sustainable products, services, and processes, which is a factor that has helped them to be resilient and adapt to changes in the market environment and consumer demands. Moreover, the ESG rules play a core role in locating and addressing the risks triggered by environmental, social, and governance variables in firms. Organizations that disregard such hazards can be penalized by regulatory bodies, sued, and suffer reputational damage. On the other hand, high-ESG companies tend to enjoy reduced costs of financing capital and better health and profitability because of better operational performance and customer retention. Hong Kong is a leading source of sustainable investment thanks to its ESG rules, which are

[4]Eccles, Ioannou & Serafeim (2014).

[5]Hong Kong Exchanges and Clearing Limited, *Rules and Regulations* (2025), https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/Rules-and-Regulations?sc_lang=en (visited 10 June 2025). Securities & Futures Commission of Hong Kong, *Corporate sustainability disclosures* (2025), https://www.sfc.hk/en/Sustainable-finance/Corporate-Sustainability-Disclosures (visited 10 June 2025).

encouraging the development of green financing and sustainable development activities. The development of new and innovative financial instruments, including green bonds and sustainability-linked loans, may be a critical source of finance for critical environmental projects, which not only promote economic growth but also solve acute environmental problems. With the trend of ESG gathering momentum internationally, Hong Kong may capitalize on it by becoming one of the centers of ESG investments and sustainable development. Through the development of an entire ESG ecosystem, the city has a chance to directly compete with other relevant financial hubs, such as London or Singapore, and achieve a sustainable economy that will not only avoid overreaching in expansion but also take environmental and social concerns into consideration.

To sum up, it is not only a response to global trends with regard to sustainability alongside the responsibility of companies towards the environment but also the necessity to provide long-term prosperous economic progress for the city and its successful place in the global economy. With the monitoring of such developments, businesses are able to enhance their performance regarding ESG, investors can make better-informed decisions, and policymakers will encourage a more sustainable, transparent, and responsible economy. Continuing its rise in the world's financial markets, ESG can help cement Hong Kong as a major destination for sustainable investment and growth, guaranteeing its continued applicability and its ability to stand the test of time, as well as face the critics that might be lurking as the world undergoes an ESG revolution.

Current Scholarship and Research Gap

Over the last few years, the way investment decisions are made has significantly changed, as an increasing number of investors are focusing on non-financial information, particularly the environmental, social, and governance performance of firms, rather than solely on financial aspects.[6] Research has shown that firms highlighting ESG concerns are more likely to be profitable than those that do not address this issue. As an example, Garcia et al. (2017) note that companies operating in sensitive industries tend to perform better in terms of ESG in emerging economies, which supports the argument that successful implementation of ESG may lead to positive financial performance.[7] A shift in reporting rates has been witnessed from voluntary to mandatory non-financial disclosures, particularly in European countries where such disclosures are legally required. This evolution in legislation has led to the enactment of mandatory ESG disclosure regulations by other countries to promote sustainable growth.[8] The process of non-financial disclosure is being enhanced by numerous factors, including increased visibility of disclosures, consumer education, and the necessity to mitigate risks. This is particularly relevant in developing nations, where the ESG model remains in its early stage of development and needs immediate investment to be enhanced. Conversely, ESG reporting in advanced countries such as Sweden, Norway, and Germany has come a long way, especially with their strong voluntary disclosure regimes.[9] Since investor demand for ESG information has remained on an upward trend, regulatory institutions in different parts of the world are likely to stay on course with rulemaking. By taking a more holistic approach to ESG and moving away from traditional pigeonholed methods, companies will better prepare themselves for future regulatory requirements. In this

[6]Escrig-Olmedo, Rivera-Lirio, Muñoz-Torres & Fernández-Izquierdo (2017); Alda (2021).
[7]Garcia, Mendes-Da-Silva & Orsato (2017).
[8]Bell & Llewellyn (2022).
[9]Scanlon (2020).

way, corporate strategies are aligned with the growing demands of stakeholders.[10]

In the implementation of ESG reporting practices across the Association of Southeast Asian Nations (ASEAN), several challenges exist, such as economic inequality and varying legal systems. While advanced economies like Singapore have excelled in ESG integration, less developed member states face challenges including resource shortages and enforcement gaps. This diversity has resulted in a disjointed ESG landscape across the region, putting countries at legal and reputational risk.[11] CSR and ESG regulations have greater ramifications for Hong Kong and its neighbour, China, which is an economic powerhouse. Companies that choose to cross-list in markets with strong regulatory control and stakeholder demands are more likely to face increased pressure to improve their ESG ratings. This is referred to as reputational bonding,[12] which describes how businesses can leverage the strong regulatory framework in Hong Kong to enhance their environmental response and market image. Despite these advances, there remains a significant research gap regarding ESG regulation specifically in Hong Kong. Most literature tends to focus on general trends in other parts of the world or other countries, leaving the unique development of ESG practices in Hong Kong largely unexplored. This gap is particularly concerning because Hong Kong serves as both a financial center and a gateway to Mainland China—presenting both challenges and opportunities that warrant more detailed discussion. This paper aims to address this research gap by contributing new insights into ESG regulation in Hong Kong and examining sustainable finance and governance in the digital age.

The Evolving Path of ESG Regulations in Hong Kong

Initial Developments (2016)

The Exchange is an independent wholesale market operated by the Stock Exchange of Hong Kong Limited (the Exchange), which is a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX). In 2016, the Exchange launched an enhanced Environmental, Social, and Governance (ESG) webpage to provide updated guidance to listed firms on ESG reporting. This initiative aligns with the Exchange's announcement on December 21, 2015, where it committed to enhancing the ESG Reporting Guide in its Listing Rules. This decision followed an extensive consultation process that began in July 2015, seeking stakeholder opinions on the ESG reporting framework. The amendments to the ESG Guide are being implemented in two phases. The first phase, applicable to financial years beginning on or after January 1, 2016, introduced significant modifications to the amended Rule and enhanced general disclosure requirements. This upgrade transformed the approach from a recommendation-based model to a "comply or explain" requirement, whereby companies must either fully meet the guidelines or provide reasonable explanation for non-compliance. The second phase, effective from January 1, 2017, for subsequent financial years, elevates the status of Key Performance Indicators (KPIs) in the "Environmental" section of the Guide to the same "comply or explain" standard.[13]

To facilitate ESG reporting under the revised Guide, the new ESG webpage offers practical tools, resources, and ESG reporting guidelines to assist issuers.

---

[10]Pareek (2022).
[11]ASEAN (2025); Tan (2024).
[12]Siegel (2005).
[13]Hong Kong Exchanges and Clearing Limited, *附錄 C2 《環境、社會及管治報告守則》 | 規則手冊* (2015).

Following this launch, HKEX organized 12 training seminars beginning March 7, 2016, aimed at educating issuers on ESG reporting specificsthe transition to new reporting requirements and support issuers in implementing. In 2016, HKEX also began implementing ESG reporting requirements based on listing rules, as stipulated in the ESG Reporting Guide in Appendix 27 for the Main Board and Appendix 20 for the Growth Enterprise Market. This standard imposes a dual disclosure obligation on companies: they must make mandatory disclosures and adhere to the "comply or explain" principle. Under this principle, when a company fails to comply with certain ESG requirements, it must provide a clear justification for its non-compliance.[14]

Regarding reporting format, the guide recommends companies make primary concept disclosures electronically to ensure ready accessibility and effectiveness. However, companies must be prepared to provide shareholders with paper copies of the report upon request. Additionally, companies are required to inform shareholders about how to access the ESG report and must publish it simultaneously with their annual report to promote transparency. The HK Stock Exchange Corporate Governance Code encourages listed firms to pursue sound governance practices through the "comply or explain" principle. This approach allows businesses to tailor their compliance strategies according to their specific circumstances while maintaining adherence to fundamental principles of good governance. When a company chooses alternative methods to meet governance objectives, it may deviate from certain code provisions but must provide sufficient justification for this deviation and detail the alternative measures implemented. Failure to comply with the "comply or explain" requirement or provide adequate explanations may constitute a breach of listing rules and result in regulatory sanctions.[15]

Overall, the development of ESG regulations in Hong Kong represents a significant step toward more sustainable and responsible business practices. These regulations help align corporate practices with contemporary financial world requirements for sustainability and accountability, while improving reporting standards and promoting transparency.

Strengthening the Framework (2020-2022)

In May 2020, the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) established a cross-sectoral Steering Group on Green and Sustainable Finance.[16] The Inter-Agency Steering Group encompasses principal institutions within Hong Kong's financial and environmental regulatory framework, with the dual objectives of addressing climate change and promoting sustainable economic growth. The Accounting and Financial Reporting Bureau serves a crucial function in enhancing the authenticity and reliability of climate-related financial disclosures, thereby ensuring that companies provide substantive information regarding their environmental impact. The Environment and Ecology Bureau contributes specialized expertise in climate change trends, environmental risk assessment, and sustainable development policies, thus informing regulators on effective strategies for achieving environmental sustainability. Furthermore, the Financial Services and the Treasury Bureau coordinates the implementation of climate risk management policies, ensuring alignment with Hong Kong's financial stability and economic development objectives. Hong Kong Exchanges and Clearing Limited facilitates enhanced market transparency and accountability by encouraging

[14]*ibid.*

[15]*ibid.*

[16]Securities & Futures Commission of Hong Kong, *Green and Sustainable Finance Cross-Agency Steering Group* (2024

listed companies to disclose climate risk information. The Insurance Authority maintains surveillance of climate change effects on the insurance sector, while advocating for the integration of climate risks into risk management practices. Additionally, the Mandatory Provident Fund Schemes Authority addresses the implications of climate risks on pension investments, promoting the incorporation of these considerations into trustees' investment decisions. This initiative represents a significant advancement toward establishing green and sustainable finance in Hong Kong. Through the consolidation of representatives from these major organizations, the Steering Group implements a comprehensive approach to integrating sustainability into the financial sector, thereby demonstrating the collective commitment to addressing climate change and fostering a sustainable economy. Moreover, the Hong Kong Exchanges and Clearing Limited (HKEX) promotes climate-related disclosures among listed companies, contributing to enhanced market transparency and enabling investors to make more informed decisions based on sustainability principles. The Insurance Authority further examines the implications of climate change on the insurance sector, working toward the integration of climate risks into the risk management frameworks of insurance businesses to ensure their long-term viability. Furthermore, the Mandatory Provident Fund Schemes Authority examines the influence of climate risks on pension investments, providing incentives for trustees to incorporate these considerations into their investment strategies.[17]

In July 2020, the Stock Exchange of Hong Kongimplemented revised listing requirements on ESG reporting.[18] This comprehensive reform established formal accountability of corporate boards of directors for their respective companies' ESG strategies and reporting mechanisms. This transition emphasizes the critical nature of leadership responsibility in promoting organizational sustainability and demonstrates an increasing recognition that effective ESG governance serves as a fundamental indicator of business success. Subsequently, in December 2020, the cross-agency Steering Group announced Hong Kong's Green and Sustainable Finance Strategy.[19] This comprehensive initiative delineates a pathway toward mandatory information disclosure requirements across relevant industries, encompassing financial institutions including banks, asset management companies, insurance providers, and pension trusts, to be implemented by 2025. These requirements align with the Task Force on Climate-related Financial Disclosures (TCFD) mandates and utilize a standardized classification framework. The strategy further articulates six strategic focus areas complemented by five short-term action programs, designed to strengthen Hong Kong's financial ecosystem, foster collaborative development toward environmental sustainability, and achieve carbon neutrality by 2050.[20]

To strengthen Hong Kong's financial ecosystem, the strategy emphasizes enhanced management of climate-related financial risks, which is crucial for maintaining the resilience of the financial industry.[21]The strategy enhances the bidirectional flow of climate-related information, facilitating improved risk management, capital allocation, and investor protection. The development of sector-specific competencies and the promotion of awareness regarding green and sustainable finance are essential for cultivating a well-informed workforce and investor base. Furthermore, the strategic

[17]*ibid.*

[18]Hong Kong Exchanges and Clearing Limited, *Exchange Publishes ESG Guide Consultation Conclusions and its ESG Disclosure Review Findings* (2019).

[19]Hong Kong Monetary Authority, *Cross-Agency Steering Group Launches Its Strategic Plan to Strengthen Hong Kong's Financial Ecosystem to Support a Greener and More Sustainable Future* (2020).

[20]*ibid.*

[21]*ibid.*

plan advocates for product innovation and capital deployment in green initiatives. This approach simultaneously promotes economic development while addressing environmental challenges. The strategy aims to position Hong Kong as a green finance hub within the Guangdong-Hong Kong-Macao Greater Bay Area, enabling the exploration of collaborative opportunities in sustainable projects and investments. Additionally, it emphasizes the importance of strengthening regional and international cooperation, aligning Hong Kong's initiatives with global sustainability efforts.

The strategy is underpinned by five action programs designed for immediate implementation to ensure strategic objectives are met.[22] First, it mandates high-emission industries to disclose climate-related information in accordance with TCFD recommendations by 2025, aimed at enhancing climate-risk awareness. Second, Hong Kong-listed companies are required to incorporate climate-related information in their ESG reporting for financial years commencing on or after July 1, 2020, facilitating stakeholders' evidence-based decision-making. Third, the strategy emphasizes enhanced climate-related disclosures from financial institutions, encompassing their investments and financing activities regarding climate-related risks and opportunities. Fourth, it advocates for the establishment of a harmonized taxonomy to identify eligible green and sustainable economic activities for funding allocation. To support this initiative, the HKMA and SFC have established collaborations with international sustainable finance platforms. Fifth, the proposal includes the establishment of a Sustainable Reporting Standard Board to develop and maintain globally recognized standards for sustainable reporting, promoting consistency and transparency in disclosures. These initiatives are expected to advance Hong Kong's sustainable finance agenda while ensuring alignment with international standards. Through the implementation of a robust regulatory framework and enhanced transparency measures, Hong Kong is positioning itself as a leader in the transition toward a sustainable economy. In July 2021, the Steering Group on Green and Sustainable Finance announced its second phase of strategic focus areas, marking a significant milestone in Hong Kong's sustainability trajectory.[23] This phase prioritizes four key initiatives: enhancing climate-related disclosures, strengthening sustainable reporting practices, exploring carbon market opportunities, and developing Hong Kong's position as a premier green and sustainable finance hub. These focus areas aim to integrate sustainability principles into the financial system, thereby enhancing the city's contribution to addressing global environmental challenges and facilitating the transition to a low-carbon economy. The significance of effective climate-related disclosures is paramount in this context. Enhanced disclosure practices enable stakeholders and investors to better assess climate-related risks and opportunities. This transparency is fundamental to fostering investor confidence and ensuring capital allocation to sustainable projects that support long-term environmental objectives.

In August 2021, the Hong Kong Securities and Futures Commission (SFC) implemented a revised Code of Conduct for Fund Managers.[24] Fund managers, operating under the SFC Type 9 License, represent pivotal entities in this dynamic environment, comprising individuals or organizations authorized to conduct regulated asset management activities.[25]vFund managers execute asset allocation, investment management, and risk management strategies on behalf of their clients in accordance with established investment protocols. This regulatory framework applies comprehensively to all entities engaged in asset management operations within Hong Kong's jurisdiction,

[22]*ibid.*
[23]*ibid.*
[24]Securities and Futures Commission, *Monitor Implementation of Sustainable Finance Measures* (2020).
[25]Securities and Futures Commission, *Do You Need a Licence or Registration?* (2024)

encompassing both public and private fund managers, as well as organizations providing portfolio management services. The revised code mandates fund managers to integrate climate risk considerations into their investment decision-making processes and requires systematic reporting of these considerations to their clients. The regulations, scheduled for implementation in August 2022, incorporate differentiated transition periods of 12 and 15 months, with the duration contingent upon the assets under management of respective fund management firms.[26] The phased implementation approach affords smaller enterprises sufficient time to restructure their operational practices and systems to accommodate the new regulatory requirements effectively. The revised Code of Conduct represents a significant regulatory paradigm shift, reflecting heightened awareness of climate change's financial implications. The Code mandates the integration of climate risk assessment into investment strategies, requiring fund managers to maintain comprehensive understanding of how climate-related factors potentially impact asset valuations and portfolio performance. This regulatory requirement serves a dual purpose: ensuring fund managers are not only cognizant of climate-related risks but also implementing appropriate risk management measures to protect investor interests.

In October 2021, the Steering Group endorsed the Hong Kong Climate Action Blueprint 2050, a comprehensive strategic framework delineating the city's long-term approach to climate change mitigation and cross-sectoral sustainability enhancement.[27] The Blueprint establishes strategic guidelines for achieving carbon neutrality by 2050, incorporating detailed policy measures and implementation strategies designed to advance Hong Kong's sustainable development objectives.[28] The Blueprint's adoption demonstrates Hong Kong's commitment to aligning local policies with international climate objectives while proactively addressing climate change impacts. In November 2021, the Steering Group's dedication was further reinforced through their endorsement of the COP26 climate summit declarations, emphasizing their strategic vision to enhance Hong Kong's position as a resilient financial center.[29] This strategic endorsement underscores Hong Kong's commitment to international collaboration on climate change initiatives and reinforces its sustainability agenda. Through aligning local initiatives with COP26 frameworks, Hong Kong aims to establish itself as a premier sustainable finance hub while contributing meaningfully to global climate action efforts.[30] In December 2021, the Hong Kong Monetary Authority (HKMA) implemented a comprehensive climate risk management chapter within its Regulatory Policy Manual. This module provides authorized institutions with structured guidance for effective climate risk assessment and management integration into their operational frameworks. The introduction of this regulatory component demonstrates HKMA's recognition of the critical importance of incorporating climate risk considerations into institutional risk management protocols. Through the provision of specialized tools and strategic guidance, the HKMA aims to enhance the financial system's long-term resilience against climate-related challenges.[31]

In conclusion, there is a compelling mandate for all financial entities operating within Hong Kong's regulatory framework—including fund management institutions,

---

[26]Securities and Futures Commission, *E-Distribution* (2025).
[27]Hong Kong Monetary Authority, *Green and Sustainable Finance Cross-Agency Steering Group Supports Hong Kong's Climate Action Plan 2050* (2021).
[28]*ibid.*
[29]Hong Kong Monetary Authority, *Green and Sustainable Finance Cross-Agency Steering Group Reaffirms Commitment to Develop Hong Kong as a Green Finance Hub* (2021).
[30]*ibid.*
[31]Hong Kong Monetary Authority, *HKMA Banking Regulatory Document Repository* (2021).

legal entities, and individual asset managers—to integrate climate risk considerations into their operational, investment, and risk management strategies. These entities are required to maintain transparency in their climate risk management practices through comprehensive disclosure to investors. The comprehensive nature of Hong Kong's regulatory framework reflects its commitment to enhancing financial sector sustainability, positioning itself as Asia's leading green finance hub and establishing a benchmark for responsible investment practices in the region. Through the systematic codification of climate risk management, Hong Kong aims to attract sustainable investment while building resilience against climate-related vulnerabilities.

In June 2022, the Hong Kong Monetary Authority (HKMA) introduced a comprehensive two-year roadmap for integrating climate risk considerations into banking supervision.[32] This initiative aims to enhance the banking sector's resilience against escalating climate change impacts while equipping financial institutions with robust frameworks for managing climate-related risks. The HKMA's strategic plan emphasizes the critical integration of climate risk assessments into banks' enterprise-wide risk management frameworks, promoting proactive sustainability practices across the banking sector. Complementing this initiative, the Stock Exchange of Hong Kong (HKEX) has reinforced corporate governance requirements, emphasizing the board of directors' ultimate responsibility for organizational ESG strategy and reporting. This leadership-focused approach serves as a cornerstone for driving organizational sustainability transformation. Boards are now mandated to ensure ESG factors are systematically incorporated into corporate policy development, with clear metrics established to guide ESG-related decision-making processes. This comprehensive framework aims to foster a corporate culture characterized by accountability and transparency, encouraging organizations to align their operational strategies with broader sustainability objectives.[33] In August 2022, the Securities and Futures Commission (SFC) introduced its Green and Sustainable Finance Agenda, outlining a strategic blueprint for establishing Hong Kong as a leading regional green finance hub. The agenda's primary objective focuses on enhancing corporate sustainability disclosure standards through the implementation of internationally recognized frameworks, specifically the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the International Sustainability Standards Board (ISSB) climate standards.[34]

This regulatory initiative is fundamental in enhancing market transparency and enabling investors to make well-informed investment decisions based on comprehensive sustainability data. The regulatory bodies conducted a collaborative assessment to evaluate market readiness for implementing the International Sustainability Standards Board (ISSB) reporting standards among listed entities. This assessment encompassed a thorough analysis of existing reporting practices and identified gaps in current disclosure frameworks. Subsequently, the Corporate Governance Code (Appendix 14 of the Main Board Listing Rules) underwent significant amendments to strengthen the integration between corporate governance and ESG considerations. Under the revised framework, corporate directors are mandated to conduct comprehensive annual reviews of their organizations' internal control structures, operational procedures, and business processes to ensure effective incorporation of ESG factors into both strategic decision-making and routine business operations.[35]

In November 2022, the Hong Kong Exchanges and Clearing Limited (HKEX)

---

[32]Hong Kong Monetary Authority, *HKMA Banking Regulatory Document Repository* (2022).
[33]Securities and Futures Commission, *Agenda for Green and Sustainable Finance - Hong Kong* (2022).
[34]*ibid.*
[35]*ibid.*

published a comprehensive analysis evaluating issuers' ESG disclosure practices, specifically focusing on compliance with the 2020 regulatory amendments.[36] The findings revealed a significant compliance rate, with over 95% of issuers implementing board-level ESG oversight and management policies, demonstrating strong market adoption of the enhanced governance requirements. Furthermore, 85 companies demonstrated advanced compliance by acknowledging climate-related risks and providing detailed disclosures aligned with the new climate-related reporting requirements.[37] The Hong Kong Exchanges and Clearing Limited (HKEX) has issued strategic recommendations emphasizing that corporate boards should proactively evaluate the effectiveness of their Environmental, Social, and Governance (ESG) risk management measures while preparing for forthcoming climate reporting requirements. Such guidance underscores the significance of continuous enhancement in ESG practices whilst advocating for a progressive approach toward corporate sustainability initiatives. Moreover, HKEX has expanded its reporting recommendations to encompass comprehensive supply chain risk management and green procurement strategies within ESG reports. The regulatory requirement, which mandates the simultaneous publication of ESG and annual reports effective from January 1, 2022, further reinforces the critical importance of timely and transparent sustainability disclosure practices.[38]

In December 2022, the Financial Budget disclosed that the Government of the Hong Kong Special Administrative Region (HKSAR) introduced a three-year Green and Sustainable Finance Training Pilot Programme, allocating HKD 200 million to support training opportunities for eligible applicants.[39]The primary objective of this Programme is to expand the local talent pool in green and sustainable finance, addressing the growing demand for skilled professionals in this sector. The Programme provides subsidized training for practitioners and Hong Kong residents who aspire to pursue careers in green finance. Upon completion of eligible training or attainment of relevant qualifications, participants may receive subsidies of up to 80% of their training costs, while full-time students are eligible for complete cost coverage, subject to a maximum subsidy of HKD 10,000 per individual.[40] These initiatives represent significant advancements in strengthening Hong Kong's regulatory framework for Environmental, Social, and Governance (ESG) and sustainable finance. Through the integration of climate risk considerations into banking supervision, enhancement of corporate governance codes, and strategic investment in talent development, Hong Kong is establishing itself as a global leader in both climate change management and sustainable investment practices. The comprehensive approach demonstrates Hong Kong's commitment not only to fortifying its financial sector but also to aligning with global efforts in addressing climate change and fostering sustainable economic development.

Current Developments and Trends (2023-2025)

In April 2023, the Hong Kong Stock Exchange (HKEX) published a consultation paper proposing enhancements to climate-related disclosure requirements. The proposal aligns with the International Financial Reporting Sustainability Disclosure Standards, established by the International Sustainability Standards Board (ISSB),

[36]Hong Kong Exchanges and Clearing Limited, *Exchange Publishes Findings of Its Latest Review of Issuers' ESG Disclosures* (2022).
[37]*ibid.*
[38]*ibid.*
[39]Hong Kong Monetary Authority, *Government Launches Pilot Green and Sustainable Finance Capacity Building Support Scheme* (2022).
[40]*ibid.*

which provide comprehensive guidelines for improving the quality and consistency of sustainability reporting.[41] The consultation seeks stakeholder feedback to ensure the revised requirements effectively address the needs of both corporations and investors. Additionally, in the same month, the Hong Kong Government convened a joint meeting with representatives from the Guangdong-Hong Kong-Macao Greater Bay Area to discuss green finance cooperation initiatives.[42]This meeting was dedicated to legal efforts to support green finance cross-border, which is an indicator of the relevance of the area to establish collaboration in the matters of sustainability and environment.

The International Sustainability Standards Board (ISSB) published the International Financial Reporting Standards (IFRS) S1: General Requirements for Disclosure of Sustainability-related Financial Information in June 2023.[43] This framework establishes global standards for climate and sustainability-related disclosures, providing organizations with a standardized approach to simplify their reporting processes. The implementation of IFRS S1 is expected to significantly impact reporting practices across multiple jurisdictions, including Hong Kong. In July 2023, the Hong Kong Government announced its intention to align local Environmental, Social, and Governance (ESG) requirements with global standards, demonstrating its commitment to enhancing the city's competitiveness in the international financial sector. To facilitate this transition, the government established the Climate Change and Carbon Neutrality Control Committee,[44] a cross-departmental initiative tasked with developing a comprehensive strategy that encompasses various sectors and stakeholders, ensuring coordinated approaches to climate action and sustainability initiatives in Hong Kong.

In March 2024, the Financial Services and the Treasury Bureau (FSTB) of the Hong Kong Government designated the Hong Kong Institute of Certified Public Accountants (HKICPA) as the official standard-setting body for sustainability reporting in Hong Kong.[45] This strategic appointment aims to facilitate the development of local sustainability disclosure standards that align with international frameworks. While the HKICPA is mandated to advance these standards, with initial issuance planned for late 2022, the HKEX consultation summary serves as an interim foundation for developing a robust ESG reporting regulatory regime, ensuring the establishment of rigorous local standards.[46] On April 19, 2024, the Hong Kong Exchanges and Clearing Limited (HKEX) released a consultation summary regarding the optimization of climate-related disclosure requirements as part of its enhanced Environmental, Social, and Governance (ESG) framework.[47] Following a consultation process that concluded on July 14, 2023, the summary presents a staged process for making climate-related disclosures compulsory. The key proposals include providing new governance climate disclosures, establishing the roles of the board of directors, board committees and management, and defining the manner in which they oversee climate concerns. Listed companies will be required to report on the effects of climate risks and opportunities with respect to their business models, strategies and cash flows. They should describe their responses, such as adapting or mitigating their business models, any changes implemented to achieve climate-related objectives, and their

---

[41]Hong Kong Exchanges and Clearing Limited (2023).

[42]Hong Kong Green Finance Association, *HK Green Finance Association* (2023).

[43]International Sustainability Standards Board, *General Requirements for Disclosure of Sustainability-Related Financial Information IFRS S1 IFRS® Sustainability Disclosure Standard* (2023).

[44]HKSAR, *LCQ22: Formulating Environmental, Social and Governance Standards* (2023).

[45]Hong Kong Exchanges and Clearing Limited, *Consultation Conclusions Enhancement of Climate-Related Disclosures under the Environmental, Social and Governance Framework* (2024).

[46]*ibid.*

[47]Hong Kong Exchanges and Clearing Limited, *Exchange Publishes Conclusions on Climate Disclosure Requirements* (2024).

progress therein. The companies will also be required to report their climate-related goals, which should align with current international treaties on climate change, along with progress reports toward these goals. Moreover, listed companies will undergo climate-related scenario analysis, which will reveal the effects of changing climate on operations and the subsequent current, existing, and anticipated financial effects of climate-related risks and opportunities. Depending on a set of requirements, companies may receive exceptions regarding financial impacts, thus allowing more flexible adherence to these new requirements.[48]

The new climate information disclosure standards released by the Hong Kong Exchanges and Clearing Limited (HKEX) will be implemented from January 2025, requiring listed companies to provide quantifiable reports on climate-related risk factors, mitigation measures, and transition plans with enhanced specificity.[49] This significant regulatory modification requires companies to publicly disclose their carbon emission reduction statistics, representing a crucial step toward enhancing transparency and corporate responsibility within organizational sustainability strategies. The implementation framework includes a transitional period, allowing companies sufficient time to adapt their reporting processes and implement the necessary procedural changes.[50]

These developments from 2023 to 2025 demonstrate Hong Kong's continued commitment to enhancing its regulatory framework for Environmental, Social, and Governance (ESG) and sustainable finance. The harmonization of local standards with international benchmarks, coupled with the implementation of stringent disclosure requirements, positions Hong Kong to strengthen its leadership role in promoting green finance and sustainable investment across the Asia-Pacific region. This strategic direction not only advances transparency and accountability but also elevates the global consideration of environmental and climate issues within the broader context of sustainability preservation.

Comparative Analysis with Singapore

Overview of ESG Regulatory Path in Singapore

Singapore's trajectory toward establishing robust Environmental, Social, and Governance (ESG) practices can be traced to the 2010s, marking a significant transformation in corporate responsibility and disclosure frameworks. In 2011, the Singapore Exchange (SGX) pioneered the implementation of voluntary sustainability reporting guidelines, becoming the first exchange in the region to do so.[51] These guidelines stimulated listed companies to report their ESG practices and performance, which provided the foundation of a transparency and responsibility-based culture of corporate governance.[52] In 2016 another important step was made with the introduction of the so called comply or explain framework. This framework, which was announced May 2015 and officially published June 20, 2016, required SGX-listed firms to produce yearly sustainability reports.[53] This regulatory development was driven by growing

[48] *ibid.*
[49] *ibid.*
[50] *ibid.*
[51] Singapore Institute of Directors, *2016-01-18 BT. Relevance Lies at Heart of Proposed SGX Reporting Rules* (2016).
[52] *ibid.*
[53] SGX, *SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide Details Cross References Listing Rule 711A Listing Rule 711B* (2016).

investor and public awareness of ESG factors' significance, compelling firms to more proactively disclose their sustainability initiatives. The transition toward mandatory reporting was formalized in 2017, when SGX-listed companies became required to report their sustainability practices for financial periods ending on or after December 31, 2017.[54] This transition highlighted the increasing motivation on ESG factors by investors and the need of the companies to submit extensive disclosures. Concurrent to this regulatory shift, the Monetary Authority of Singapore introduced the Green Bond Grant Scheme, which would facilitate issuers of green bonds.[55]This initiative aimed to structure Singapore's green finance ecosystem, enabling investment in environmentally sustainable projects through subsidized green bond issuance costs.

Singapore pioneered another regional initiative by implementing a carbon tax through the Carbon Pricing Act 2019. In support of its net-zero target, the carbon tax was elevated to S$25/t$CO_2$e effective 2024, with planned increases to S$45/t$CO_2$e in 2026-2027, and a projected range of S$50-80/t$CO_2$e by 2030.[56] This progressive taxation framework strengthens price signals and incentivizes businesses and individuals to reduce their carbon footprint, aligning with national climate objectives of achieving net-zero emissions leadership. The carbon tax mechanism provides comprehensive incentives for emission reduction across all sectors, facilitating Singapore's transition toward a low-carbon economy. Building on this foundation, the Monetary Authority of Singapore (MAS) introduced the Green Finance Action Plan in 2019, establishing a comprehensive roadmap to position Singapore as Asia's premier green finance hub.[57] This comprehensive strategy encompassed initiatives to strengthen green bonds, sustainable banking practices, and climate risk management. The establishment of the Green Finance Industry Taskforce significantly facilitated public-private sector collaboration in developing industry standards and guidelines for sustainable finance. Furthermore, SGX achieved another milestone by mandating sustainability reporting for all listed companies. This mandatory requirement compels organizations to disclose material ESG factors, policies, and performance metrics, while promoting alignment with international frameworks such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD).[58] The aim of it was to enhance corporate responsibility and corporate transparency, whereby investors can now have a better measure to determine the long-term sustainability of businesses.

Another point in the calendar of the country is the debut of the Singapore Green Plan 2030 in 2021 that demonstrated the intention of the country to go sustainable.[59] A nation roadmap was discussed, and it sets up bold goals in 5 pillars: City in Nature, Sustainable Living, Energy Reset, Green Economy, and Resilient Future.[60] It emphasized the use of renewable energy, green structure and sustainable city solutions, which are targets to strengthen the sustainability agenda of Singapore. The International Organisation of Securities Commissions (IOSCO), published its Final Report in November 2021 on ESG ratings and data product providers.[61] The report outlined best practices focusing on governance, conflict of interest management, and transparency to address industry concerns regarding greenwashing. Subsequently, a comprehensive Code of Conduct was developed collaboratively between industry

---

[54]Singapore Exchange (SGX), *Sustainability Reporting - Singapore Exchange (SGX)* (2023).

[55]Monetary Authority of Singapore, *Sustainable Bond Grant Scheme* (2017).

[56]NCCS, *Carbon Tax* (2023).

[57]Monetary Authority of Singapore (MAS), *Greening the Financial System* (2020).

[58]Singapore Exchange (SGX), *Sustainability Reporting - Singapore Exchange (SGX)* (2023).

[59]Flo Energy Singapore, *SG Green Plan 2030 | Flo Energy* (2021).

[60]Singapore Economic Development Board, *Singapore's Climate Strategy Stands Firm amid Global Setbacks on Emissions* (2025).

[61]IOSCO, Environmental, *Social and Governance (ESG) Ratings and Data Products Providers Final Report* (2021).

stakeholders and the Monetary Authority of Singapore (MAS), incorporating IOSCO recommendations while adapting to Singapore's specific regulatory requirements. This Code implements a 'comply-or-explain' framework, requiring ESG rating and data product providers to either adhere to stated principles or provide explicit justification for non-compliance.[62]

By 2023, Singapore has significantly enhanced its ESG regulatory framework, emphasizing innovation and international collaboration. The government has intensified its support for green technologies, particularly hydrogen and carbon capture, to catalyse the transition toward a low-carbon economy. These initiatives have established Singapore as a regional leader in sustainable finance, with ESG considerations now firmly integrated into financial institutions' risk management and investment decision-making processes. Looking forward, Singapore plans to implement mandatory climate reporting requirements. While other key sustainability reporting elements will follow a 'comply-or-explain' approach, climate reporting will progressively align with IFRS Sustainability Disclosure Standards. Notably, by 2026, large issuers will be required to report Scope 3 greenhouse gas emissions in accordance with international standards.[63] Nevertheless, potential challenges in Singapore's green finance development are anticipated, particularly concerning equitable access to green financing for small and medium-sized enterprises (SMEs) and maintaining consistency across diverse industries. The government has demonstrated its commitment to advancing sustainability through planned initiatives, including carbon tax increases, expansion of carbon market credits, and promotion of green technologies and infrastructure development. These strategic measures are expected to further strengthen Singapore's position as Asia's premier hub for ESG expertise and green finance.

Comparative Overview of ESG Regulations in Singapore and Hong Kong

<u>Alignment with International Standards</u>

Singapore and Hong Kong have both developed proactive approaches to ensure the ESG regulations in both jurisdictions would be enjoyed by international standards like the Task Force on the Global Reporting Initiative (GRI) and Climate-related Financial Disclosures (TCFD).[64] These frameworks have been incorporated by Singapore in the regulatory environment of the country and in the process the country has requirement of comprehensive sustainability reporting. The alignment does not just increase the level of corporate transparency but also helps to develop the confidence of investors because the stakeholders are able to evaluate the ESG commitments of companies better. Monetary Authority of Singapore in Singapore has already put in place clear guidelines where companies are required to report on their sustainability practices in detail. These rules help pursue a systematic means of coverage whereby responsibility and the value of ESG are considered in the long-term vision of the industry. The Securities and Futures Commission in Hong Kong also urges listed companies and asset managers to be in line with international standards, facilitating disclosure of climate-related risks as discussed before. All these measures put in place by the SFC are meant to allow investors to access the information that they require to make informed decisions. Although both are international-oriented

[62] *ibid.*

[63] SGX, *SGX RegCo to Start Incorporating IFRS Sustainability Disclosure Standards into Climate Reporting Rules - SGX Group* (2022).

[64] Hong Kong Monetary Authority, *Cross-Agency Steering Group Launches Its Strategic Plan to Strengthen Hong Kong's Financial Ecosystem to Support a Greener and More Sustainable Future* (2020).

Singapore Exchange (SGX), *Sustainability Reporting - Singapore Exchange* (SGX) (2023).

areas, Singapore does far more in the way of national realization, in a number of areas and fields.

Leadership in Carbon Markets and Pricing Mechanisms

Singapore has established itself as a pioneer in carbon pricing within Southeast Asia, becoming the region's first nation to implement a carbon tax in 2019. The tax was initially set at SGD 5 per tonne of carbon emissions for facilities producing more than 25,000 tonnes of greenhouse gases annually. Following a progressive increase schedule, the tax is projected to reach SGD 50 per tonne by 2030.[65] This procedural plan has not only the potential to encourage businesses to switch to low-carbon activities but also implies the willingness of the Singapore authorities to respond to the climate change problem on the national level. Moreover, Singapore is facing the establishment of a voluntary market in carbon credits by launching such projects as Climate Impact X (CIX), a global carbon exchange that was launched in partnership with large financial institutions.[66] This will turn Singapore into a regional centre in carbon trading where local and international carbon market activities will trade. The creation of such systems enables companies to exchange carbon credits, which encourages green project investments. Hong Kong, on the other hand, is still exploring on similar lines concerning the development of carbon markets and has no formal carbon tax yet. Its carbon programs remain closely linked to the overall carbon neutrality objectives of China, it has done a good job of promoting the companies to cut emissions, but as it has no formulated pricing system, the incentives to businesses are severely restricted. The Hong Kong strategy is based on adherence with the national instructions instead of the creation of its own carbon pricing regime.

Integration of ESG into Financial Institutions

The regulatory system of Singapore highly values the incorporation of ESG aspects into the activities of financial organizations. The MAS requires that these institutions integrate climate risks into their risk management approaches. In a development in 2020, the Environmental Risk Management Guidelines demand that banks, asset managers, and insurers not only evaluate and report issues regarding environmental risks but also play stress tests about climate-associated vulnerabilities.[67] Such an extended effort can push financial institutions to match the global best practices, such as the TCFD, so that the aspect of ESG is considered during the process of investing.

By contrast, on asset manager requirements, Hong Kong has also introduced similar requirements by its SFC, but on climate-related risks, and not so much on integration of ESG principles itself.[68] Although the SFC promotes reporting against climate risks, this does not make similar risk management practices to be implemented in all the areas of finance.[69] The difference indicates a more specific course in Hong Kong that could restrain the extent of ESG implementation compared to the comprehensive structure of Singapore.

National Sustainability Goals and Innovation Focus

The main peculiarity of Singapore's ESG strategy is its innovation-focused orientation that makes the country one of the leaders in the production and export of green technologies. The national sustainability plan is also well-defined in the city-state

---

[65]NCCS, *Carbon Tax* (2023).
[66]Climate Impact X, *Home* (2021).
[67]Monetary Authority of Singapore, *Guidelines on Environmental Risk Management for Banks* (2020).
[68]SFC, *Consultation Conclusions on the Management and Disclosure of Climate-Related Risks by Fund Managers* (2021).
[69]*ibid.*

and includes ambitious intentions in various areas, such as energy, transportation, and urban development. With such a strategic orientation I will be facilitating a strategic move to make green practices as well as making Singapore a global player in green technology. The case of Hong Kong is quite different as its ESG strategy strongly follows the Chinese carbon neutrality goals.[70] Although Hong Kong has gained momentum in terms of regulatory compliance and ESG integration, its strategy is more likely to be influenced by the national agenda rather than its vision of sustainability. Such contextual difference is used to point to the role played by Hong Kong in facilitating international investment in Mainland China's green finance market by concentrating on the integration of global investors with Chinese sustainability projects.

Regional and Global Orientation

The direction of ESG regulation in Singapore is focused on the international dimension since the country aims to turn into a green finance and innovation center. The city-state is a very active participant in international organizations like the International Sustainability Standards Board (ISSB), and the Network of Greening the Financial System (NGFS). By joining these partnerships, Singapore hopes to have a say in the global ESG practices and standards and foster the cross-American-Singapore cross-border Green finance efforts in the ASEAN region.[71] On the other hand, ESG practices in Hong Kong are determined by the fact that the city is an entry point to mainland China and is interested in making international investments in the green finance market of China.[72] While Hong Kong continues to develop its ESG infrastructure, its policies are significantly aligned with China's national objectives, emphasizing regional cooperation and integration.

In conclusion, both Singapore and Hong Kong have demonstrated distinct approaches to ESG regulation, each progressing along their unique trajectories. Singapore has established a more comprehensive framework, particularly in carbon pricing and financial system integration. Meanwhile, Hong Kong leverages its strategic position by aligning its ESG initiatives with broader regional ambitions, capitalizing on its cross-border advantages. These divergent approaches reflect how each financial hub adapts its sustainable finance strategies to align with its specific circumstances and objectives, contributing uniquely to the global sustainable finance dialogue.

Challenges of ESG Development in Hong Kong

Compliance Complexity

A significant challenge in Hong Kong's ESG development is the complex compliance framework that enterprises must navigate. Companies operating in the region face multiple layers of ESG-related laws and regulations, particularly when their supply chains span multiple jurisdictions. This complexity is amplified for multinational corporations that must reconcile conflicting legal requirements across different regulatory environments. For instance, companies working with both local suppliers and international partners often encounter conflicting ESG regulations regarding emissions standards, waste management protocols, and labor practices. The burden of compliance is further complicated by diverse reporting requirements that

[70] InvestHK, *The City of Smart Green Buildings* (2023).
[71] Singapore Institute of International Affairs, *Collaborative Initiative for Green Finance in Singapore: Singapore as a Green Finance Hub for ASEAN and Asia* (2017).
[72] InvestHK, *The City of Smart Green Buildings* (2023).

vary not only by jurisdiction but also by industry sector. This multilayered compliance structure imposes significant administrative overhead and additional costs as businesses must allocate resources to understand and adhere to various regulatory frameworks. Moreover, the rapidly evolving nature of ESG regulations presents an ongoing challenge. As global attention to ESG matters intensifies, regulatory updates become more frequent and substantial. Companies must maintain robust compliance management systems and dedicated teams to monitor and implement these rapid regulatory changes effectively.

Inconsistent Definitions

The disparity in the definitions and standards among the various regulatory frameworks is another significant challenge that ESG development has to contend with in Hong Kong. Such discrepancyQ is especially noticeable in the sphere of emissions and disclosure standards. For example, the Hong Kong Environmental Protection Department (EPD) can prescribe various levels of discharge of pollutants as compared to the calculation and reporting of the GHG Protocol.[73] Specifically, the EPD may follow different approaches with respect to certain pollutants and it may depend on the local regulations to place certain restrictions on the quantity of a given pollutant e.g. sulfur dioxide emissions in the building industry whereas the GHG Protocol would concentrate on the carbon dioxide emission coming out of the burning of the fuel to produce the electricity using the method on a voluntary basis.[74] These regulatory misalignments create significant challenges for enterprises striving to meet both local and international standards. Organizations may find themselves in compliance with local regulations while falling short of global framework requirements, or vice versa. This lack of standardization necessitates additional coordination initiatives for reporting practices, potentially leading to increased compliance costs and operational inefficiencies. Furthermore, the variation in regulations and interpretations across different jurisdictions complicates the development of a comprehensive ESG strategy that satisfies all regional requirements. Companies face considerable difficulty in creating and implementing unified compliance approaches that address these diverse regulatory demands. The resulting compliance landscape creates complexity not only in ESG reporting but also in disclosure practices. Any inconsistencies or ambiguities in reporting can render a company's ESG performance difficult to evaluate, ultimately undermining stakeholder confidence and investor trust.

Risk of Greenwashing

Greenwashing danger provides a fundamental issue of concern to businesses involved in ESG programs in Hong Kong. Greenwashing is a practice that involves the exaggeration or fabrication of how businesses perform on ESG matters so that they develop a more positive reputation thus misleading investors and consumers.[75] The practice jeopardizes the transparency of the market, and it also breeds distrust towards the real sustainability movement. Although Hong Kong has already appointed climate disclosure regulations that require proper reporting on ESG-related information, the Environmental, Social, and Governance Reporting Code does not entail clear

---

[73]Environment and Ecology BurQeau, *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong* (2023). GHG Protocol, *Calculation Tools and Guidance | GHG Protocol*,

[74]*ibid.*

[75]Sneideriene & Legenzova (2025).

sanctions for giving misleading disclosures.[76] The limited enforcement mechanisms place significant self-regulatory responsibility on companies, requiring them to ensure both compliance and accuracy in their ESG disclosures. This regulatory environment risks fostering a culture of non-accountability, where companies might prioritize favorable narratives over genuine ESG implementation. The proliferation of greenwashing practices threatens to undermine the effectiveness of Hong Kong's broader ESG initiatives. This phenomenon can trigger a cascade of negative consequences: investors may become increasingly skeptical of corporate ESG claims, leading to broader market distrust. Such erosion of confidence could ultimately discourage investment in genuinely sustainable businesses, potentially impeding Hong Kong's progress toward a more sustainable economy.

In conclusion, Hong Kong's ESG development faces several critical challenges, including compliance complexity, definitional inconsistencies, and greenwashing risks, all of which underscore the pressing need for a more cohesive and robust regulatory framework. The implementation of such a framework would foster transparent, accurate, and accountable ESG practices, ultimately enhancing trust and engagement among investors and stakeholders. To maintain and strengthen its position as a global leader in sustainable finance and corporate responsibility, Hong Kong must address these fundamental challenges proactively and systematically.

Predicted Trends of Expectations for ESG regulations in Hong Kong

Hong Kong's Strategic Location Relative to Mainland China

Hong Kong's geographic proximity to Mainland China provides it with unparalleled access to one of the largest markets in the world. This advantage allows Hong Kong to serve as a vital conduit for international investors seeking to tap into China's rapidly growing green finance market. While Singapore also offers a strategic location in Southeast Asia, Hong Kong's direct connection to the Chinese market enables it to facilitate cross-border investments more effectively. The ease of doing business in Hong Kong, combined with its established financial systems, makes it an attractive hub for international firms looking to engage with Chinese enterprises on ESG initiatives. The development of the Greater Bay Area (GBA) initiative further enhances Hong Kong's advantages. This initiative aims to create an integrated economic and business hub across Guangdong, Hong Kong, and Macau, promoting collaboration in various sectors, including finance and technology. Hong Kong can leverage its financial expertise to support ESG projects in the GBA, making it a key player in driving sustainable development in collaboration with neighbouring cities. In contrast, while Singapore is also focusing on regional integration, the GBA initiative provides Hong Kong with a unique opportunity to align its ESG efforts with the specific goals of Mainland China. Hong Kong's financial infrastructure is specifically geared toward facilitating green finance. The Hong Kong Stock Exchange (HKEX) has been proactive in promoting green bonds and sustainable investment products, positioning the city as a leading market for green finance in Asia. The recent push for ESG disclosures aligns with the national objectives of China, allowing Hong Kong to serve as a bridge for international investors interested in financing sustainable projects within the Mainland. While Singapore has a strong financial sector, its focus is more on Southeast Asian markets as mentioned before, which may not provide the same level of direct access to China's expansive green finance opportunities. In comparison,

[76]Hong Kong Exchanges and Clearing Limited, *附錄 C2 《環境、社會及管治報告守則》* | *規則手冊* (2015).

Singapore, while also having a robust legal framework, may not offer the same level of direct alignment with the regulatory expectations of Mainland China, potentially making it less attractive for specific cross-border ESG initiatives.

Regulations for Small and Medium-Sized Enterprises (SMEs)

With Hong Kong inching towards strengthening its ESG regulatory framework, there are significant expectations regarding the formulation of ESG reporting requirements for small and medium-sized enterprises (SMEs). In a survey done by the Hong Kong General Chamber of Commerce in 2022, only 67 per cent of the SMEs said they rated ESG as a priority as compared to 83 per cent in the whole of Asia, so there is a sizeable disparity when it comes to preparedness and ability.[77] Although SMEs have historically struggled to implement extensive ESG policies, social conditions in the industry are changing and there is an increasing appreciation of the benefit of facilitating such enterprises in being sustainable.

Among the most important expectations, it is stated that regulatory agencies, including the Hong Kong Stock Exchange (HKEX) and the Securities and Futures Commission (SFC), will pay more attention to the inclusion of SMEs into the scope of ESG reporting. At present, much of the ESG regulations apply to the work of bigger organisations therefore creating a gap in compliance by the smaller organisations. Nevertheless, with stakeholders continuing to underline the paramountcy of sustainability in every sector, there will be a likelihood that regulators will consider introducing modified guidelines and requirements that are clearly aimed at SMEs. This may include the easy reporting system that would reflect the special needs of smaller businesses, so they could engage in ESG reporting but not be overburdened with the wide range of requirements. As an example, the establishment of a tiered reporting system may allow SMEs to report on the major ESG metrics which are relevant to their activities and step-by-step expand the range of disclosed information as these companies advance in their sustainability pathways. One more thing expected is that the structures of support to SMEs by government and industry organizations should be improved so that they transform on their way to sustainable practices. This might be in the form of financial incentives, SME training, and the ability of SMEs to access resources that can aid them in formulating and operationalising successful ESG strategies. This could be done by offering SMEs grants or subsidies on investment in sustainable technologies or practices e.g. the Hong Kong government could offer grants or subsidies to SMEs investing in sustainable practices or technologies to encourage adoption and compliance. Also, education programs that will lead to a greater awareness of the ESG problem and reporting standards will also play an essential role. Specific workshops, seminars, and web-based support and tools may provide SMEs with the knowledge and means to develop effective ESG policies. The mutual cooperation between SMEs and larger corporations might also promote knowledge exchange and mentorship, as the smaller organizations might feel lost in the modernities of ESG reporting.

Although it might not be the case in many SMEs, nowadays they might not have any resources, skills, or motivation to implement thorough ESG strategies, it is anticipated that awareness of the business outcomes of sustainability will rise. With consumers and investors putting more weight on ESG factors, organizations that lag in changing may lose a share of potential opportunities and suffer reputational losses. This changing market sentiment may push the SMEs to take the initiative so as not to be caught up. Besides, as the conventional sectors of Hong Kong shipbuilding, manufacturing, and shipping have begun to appreciate the relevance of sustainability,

[77]Hong Kong General Chamber of Commerce, *Hong Kong SMEs: Why ESG Matters* (2024).

it is possible that more pressure will be exerted on the SMEs in those industries to adjust to the guidelines of ESG. Industry associations can be critical in making this transition by encouraging sustainable practice and offering specific advice to suit the particular circumstances of SMEs. To sum up, it can be seen that the perspective of SME ESG regulatory reporting development in Hong Kong is mediated by the necessity of raising regulatory attention, the development of more supportive systems, and the gradual change in the industry approach to sustainability. By adopting an approach to the specific needs of SMEs and creating a business landscape that supports the idea of participating in ESG reporting, Hong Kong can also make sure that these SMEs contribute to the sustainable economy of the region. With the legal environment becoming more adept to the dynamics of the day, there is the need to empower the SMEs with the relevant tools and expertise required to embrace and report meaningful ESG strategies, which would ultimately set the overall objectives on sustainability and corporate responsibility in Hong Kong.

The Role of Technology in Enhancing ESG Disclosures

On the one hand, data analytics and artificial intelligence are transforming the accuracy on efficiency of ESG reporting. Using AI algorithms, companies are growingly utilizing large volumes of data linked to their ESG performance. As an example, companies can use software powered by AI to consolidate data coming from different sources and elevate their reporting processes. A major use is environmental sensors. IoT gadgets will have the ability to track real-time emissions, energy use and wastes within plants. Companies can follow their environmental impact better as this data is fed into AI systems round-the-clock. Also, the evaluation of the social perception is done through the social media and news feeds. By using sentiment analyses to scan social media and news, AI tools can respond to sentiment regarding the social initiatives of a company. This enables businesses to establish the sentiments of their stakeholders and find out the possible reputational hazards. According to a report published in Environmental Science & Policy in 2023, AI will be able to automate the data collection process, thereby saving much time spent to collect data.[78] Investment managers and other stakeholders, for example, may be able to read through long reports and use the information they contain to make decisions more quickly. This is especially useful in the case of companies that aim to be compliant with the fast-changing regulatory procedures since accurate and timely reporting can be provided by the means of this ability that helps to evaluate their current situation in terms of ESG performance.

Blockchain technology on the other hand is a revolutionary methodology that can offer transparency in ESG reporting. Blockchain allows companies to record their sustainability behaviours in a verifiable way by creating a secure and unchangeable document as a ledger.[79] Supply chain traceability is one of the major uses of blockchain. This technology is what every company can use to document each process in their supply chain such as the supply of raw materials to delivering their products. An example can be seen of a clothing manufacturer who can trace the source of cotton utilized in its supplies to make sure that it is supply is sustainable. This can be communicated to the consumers and they are guaranteed the ethical sourcing of the company. Smart contracts are another breakthrough characteristic of blockchain. They are contracts that automatically realize conditions as determined by some terms. An example is a company that would establish a smart contract that would release funds to suppliers only when they meet certain sustainability goals including carbon

[78]Francisco, M. & B.-Ola Linnér (2023).
[79]Friedman, N. & J. Ormiston (2022).

reduction and/or use of renewable materials. With the increasing demand for transparency, blockchain comes to the fore as an interesting tool that companies can use to improve their trustworthiness. Businesses can combat perceived greenwashing and gain the trust of their investors and consumers by offering an account that is verifiable and transparent in the way the company is undertaking the quest to be sustainable.

Supply chain traceability is one of the major uses of blockchain. This technology is what every company can use to document each process in their supply chain such as the supply of raw materials to delivering their products. An example can be seen of a clothing manufacturer who can trace the source of cotton utilized in its supplies to make sure that it is supply is sustainable. This can be communicated to the consumers and they are guaranteed the ethical sourcing of the company. Smart contracts are another breakthrough characteristic of blockchain. They are contracts that automatically realize conditions as determined by some terms. An example is a company that would establish a smart contract that would release funds to suppliers only when they meet certain sustainability goals including carbon reduction and/or use of renewable materials. With the increasing demand for transparency, blockchain comes to the fore as an interesting tool that companies can use to improve their trustworthiness. Businesses can combat perceived greenwashing and gain the trust of their investors and consumers by offering an account that is verifiable and transparent in the way the company is undertaking the quest to be sustainable.

In addition, ESG regulations may be difficult to comply with as the complexity that they present may run contrary to that of companies that have multinational corporations. Advanced reporting technologies may make it much easier to comply ensuring that the reporting process is automatized. The employment of integrated reporting software is one of the ideas available. Organizations have the opportunity to integrate financial and ESG data in one report using these platforms. To give an example, such a tool as Sustainability Performance Management of SAP semi-automatically fetches data across different departments, so every conceivable ESG metric should leave its trace in the reporting record.[80] Such incorporation reduces the chances of mistakes and disparities thereby giving a clearer picture of the performance of the whole company. Regulatory compliance tools are another important source. These customized software programs assist firms in keeping up to date with the changing regulations and reporting requirements. They raise regulatory changes and offer templates, which are aligned to local and international ESG reporting instruments. Such initiatives will help companies to better adjust their reporting lifestyles and approach regulations promptly, maintain continuous compliance, and minimize pressure on reporting departments.

Conclusion

The current development of Environmental, Social, and Governance (ESG) regulations in Hong Kong shows a radical change towards a sustainable approach to conducting business in the digital age. This paper has discussed the early advancements that have transpired since 2016 and outlined the reinforcement of the regulatory framework that was observed from 2020 to 2022, and explored current dynamics that define the ESG landscape by 2025. As we compared it with Singapore, we focused on such areas of alignment as international standards, particularly in the context of carbon markets and ESG principles integration within financial institutions. Nevertheless, there are some obstacles that could be possible. Compliance has remained a burden among companies, especially those that vary in jurisdiction. Varying definitions of ESG

[80]SAP, *SAP Help Portal* (2025).

metrics may make reporting problematic and cause misunderstandings among stakeholders. Moreover, there is still a threat of greenwashing that damages the credibility of sustainability statements and imposes the need to tighten regulation.

In terms of the future outlook, the projected trends indicate that Hong Kong will continue to play a primary role related to sustainable finance, judging by its geographical impact on Mainland China. It is essential to include small and medium-sized enterprises (SMEs) within the regulatory methodology of ESG, as such businesses constitute a significant percentage of the economy. We also mentioned that the role of ESG technology in disclosures is critical, as the further development of data analytics and blockchain will help to streamline the process of compliance and boost transparency. Therefore, it is imperative for all investors, corporate as well as policymakers, to monitor how ESG rules are changing in Hong Kong. Such continued observation will empower stakeholders to respond effectively to changes in regulations and help the region enjoy a more sustainable and resilient economic future. These are possible issues that should be addressed to ensure that Hong Kong will be able to achieve sustainability targets and retain its status as one of the best financial hubs.

References

Alda, M. (2021). 'The Environmental, Social, and Governance (ESG) Dimension of Firms in Which Socially Responsible Investment (SRI) and Conventional Pension Funds Invest: The Mainstream SRI and the ESG Inclusion' in *Journal of Cleaner Production*, Vol. 298, Art. 126812.

ASEAN, *About ASEAN* (2025). https://asean.org/about-asean/

Bell, D.A. & R.C. Llewellyn (2022). 'Best Practices for Establishing ESG Disclosure Controls and Oversight' in *Harvard Law School Forum on Corporate Governance,* https://corpgov.law.harvard.edu/2022/02/03/best-practices-for-establishing-esg-disclosure-controls-and-oversight/

Climate Impact X, *Home* (2021). www.climateimpactx.com/

Eccles, R.G., Ioannou, I. & G. Serafeim (2014). 'The Impact of Corporate Sustainability on Organizational Processes and Performance,' in *Management Science*, 60(11):2835-2857. https://ssrn.com/abstract=1964011

Escrig-Olmedo, E., Rivera-Lirio, J.M., Muñoz-Torres & Fernández-Izquierdo, M.Á. (2017). 'Integrating Multiple ESG Investors' Preferences into Sustainable Investment: A Fuzzy Multicriteria Methodological Approach' in *Journal of Cleaner Production* 162:1334-1345.

Flo Energy Singapore, *SG Green Plan 2030 | Flo Energy* (2021), floenergy.sg/business/guide/how-the-singapore-green-plan-2030-is-shaping-a-greener-future

Francisco, M. & L. Björn-Ola (2023). 'AI and the governance of sustainable development. An idea analysis of the European Union, the United Nations, and the World Economic Forum.' in *Environmental Science & Policy.* https://doi.org/10.1016/j.envsci.2023.103590.

Friedman, N. & J. Ormiston (2022). 'Blockchain as a sustainability-oriented innovation?: Opportunities for and resistance to Blockchain technology as a driver of sustainability in global food supply chains.' In *Technological Forecasting and Social Chang*

Garcia, A.S., Mendes-Da-Silva, W. & R.J. Orsato (2017). 'Sensitive Industries Produce Better ESG Performance: Evidence from Emerging Market' in *Journal of Cleaner Production* 150:135-147. https://doi.org/10.1016/j.jclepro.2017.02.180

Gibson Brandon, R., Glossner, S., Krueger, P., Matos, P. & T. Steffen (2022). 'Do Responsible Investors Invest Responsibly?' in *Review of Finance*, 26(6,):1389–1432. https://doi.org/10.1093/rof/rfac064

Hong Kong Exchanges and Clearing Limited, *Exchange Publishes ESG Guide Consultation Conclusions and its ESG Disclosure Review Findings* (2019). https://www.hkex.com.

hk/News/Regulatory-Announcements/2019/191218news?sc_lang=en

Hong Kong Monetary Authority, *Cross-Agency Steering Group Launches Its Strategic Plan to Strengthen Hong Kong's Financial Ecosystem to Support a Greener and More Sustainable Future* (2020). www.hkma.gov.hk/eng/news-and-media/press-releases/2020/12/20201217-4/

Hong Kong Monetary Authority, *Green and Sustainable Finance Cross-Agency Steering Group Supports Hong Kong's Climate Action Plan 2050* (2021, October 10). www.hkma.gov.hk/eng/news-and-media/press-releases/2021/10/20211011-5/

Hong Kong Monetary Authority, *Green and Sustainable Finance Cross-Agency Steering Group Reaffirms Commitment to Develop Hong Kong as a Green Finance Hub* (2021, November 4). www.hkma.gov.hk/eng/news-and-media/press-releases/2021/11/20211105-5/

Hong Kong Exchanges and Clearing Limited, *Exchange Publishes Findings of Its Latest Review of Issuers' ESG Disclosures* (2022). www.hkex.com.hk/News/Regulatory-Announcements/2022/221125news?sc_lang=en

Hong Kong Monetary Authority, *Government Launches Pilot Green and Sustainable Finance Capacity Building Support Scheme* (2022, December 13), www.hkma.gov.hk/eng/news-and-media/press-releases/2022/12/20221213-5/

Hong Kong Exchanges and Clearing Limited, *April 2023 - Consultation Paper on Enhancement of Climate-Related Disclosures under the Environmental, Social and Governance Framework* (2023). www.hkex.com.hk/news/market-consultations/2016-to-present/april-2023-climate-related-disclosures?sc_lang=en (

Hong Kong Green Finance Association, *HK Green Finance Association* (2023, April 24). www.hkgreenfinance.org/2023-gba-gfa-hkgfa-meeting-strengthening-gba-sustainable-HKSAR, *LCQ22: Formulating Environmental, Social and Governance Standards* (2023). www.info.gov.hk/gia/general/202307/12/P2023071200223.htm?fontSize=1

Hong Kong Exchanges and Clearing Limited, *Consultation Conclusions Enhancement of Climate-Related Disclosures under the Environmental, Social and Governance Framework* (Mar. 2024). https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2023-Climate-related-Disclosures/Conclusions-Apr-2024/cp202304cc.pdf

Hong Kong Exchanges and Clearing Limited, *Exchange Publishes Conclusions on Climate Disclosure Requirements* (Apr. 2024). www.hkex.com.hk/News/Regulatory-Announcements/ 2024/240419news?sc_lang=en

Hong Kong General Chamber of Commerce, *Hong Kong SMEs: Why ESG Matters* (2024). https://www.chamber.org.hk/en/information/the-bulletin_detail.aspx?id=1363

InvestHK, *The City of Smart Green Buildings* (2023). https://www.investhk.gov.hk/media/sgpl4icu/202303-discover-new-ideas-and-business-opportunities-in-hong-kong-the-city-of-smart-green-buildings.pdf

IOSCO, Environmental, *Social and Governance (ESG) Ratings and Data Products Providers Final Report* (2021). https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf

~~Monetary Authority of Singapore, *Sustainable Bond Grant Scheme* (2017). www.mas.gov.sg/schemes-and-initiatives/sustainable-bond-grant-scheme

Monetary Authority of Singapore (MAS), *Greening the Financial System* (2020). www.mas.gov.sg/publications/annual-report/2020/annual-report-2019-2020/greening-the-financial-system

NCCS, *Carbon Tax* (2023). www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/carbontax/

PRI Association, *An introduction to responsible investment: listed equity* (2025). https://www.unpri.org/introductory-guides-to-responsible-investment/an-introduction-to-responsible-investment-listed-equity/4932.article

McKinsey & Company, *Why ESG is here to stay* (2020). https://www.mckinsey.com/businessfunctions/strategy-and-corporate-finance/our-insights/why-esg-is-here-to-stay

Monetary Authority of Singapore (MAS), *Greening the Financial System* (2020). www.mas.gov.sg/publications/annual-report/2020/annual-report-2019-2020/greening-the-financial-system
Monetary Authority of Singapore, *Sustainable Bond Grant Scheme* (2017). www.mas.gov.sg/schemes-and-initiatives/sustainable-bond-grant-scheme
NCCS, *Carbon Tax* (2023). www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/carbontax/
Pareek, M. (2022). 'Making ESG Work: Examining the Changing ESG Regulations in India'. *Research Trends in Commerce & Management*, Volume-2 (2022). Edition: First Chapter: 4Publisher: Red'MAC International Press & Media Inc. DOI:10.25215/939545629910.25215/9395456299
PRI Association, *An introduction to responsible investment: listed equity* (2025). https://www.unpri.org/introductory-guides-to-responsible-investment/an-i.troduction-to-responsible-investment-listed-equity/4932.article
Scanlon, M.J. (2020). 'Nordics Are Pioneering the Future of ESG,' *ESG Investing* at https://www.esginvesting.co.uk/the-nordics-are-pioneering-the-future-of-esg/
Siegel, J.I. (2005). 'Can Foreign Firms Bond Themselves Effectively by Renting U.S. Securities Laws?' i*n Journal of Financial Economics* 75(2):319–359.
Sneideriene, A. & R. Legenzova (2025). 'Greenwashing Prevention in Environmental, Social, and Governance (ESG) Disclosures: A Bibliometric Analysis' in *Research in International Business and Finance*, Vol. 74, Article 102720, ISSN 0275-5319. https://doi.org/10.1016/j.ribaf.2024.102720.
Tan, A. (2024). 'The Integrated ESG Pathways Model: Advancing ESG Governance in Pluralistic Legal Systems.' https://ssrn.com/abstract=5170737

Laws and Regulations

Environment and Ecology Bureau, *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong* (2023). cnsd.gov.hk/en/green-business-and-industry/carbon-audit/guidelines-to-account-for-and-report-on-greenhouse-gas-emissions-and-removals-for-buildings-in-hong-kong/
GHG Protocol, *Calculation Tools and Guidance* ghgprotocol.org/calculation-tools-and-guidance
Hong Kong Exchanges and Clearing Limited, *Rules and Regulations* (2025). https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/Rules-and-Regulations?sc_lang=en
Hong Kong Exchanges and Clearing Limited, 附錄 C2 環境、社會及管治報告守則》規則手冊 [In English: *Appendix C2 - Environmental, Social and Governance Reporting Code - Rule Manual*] (2015). https://cnrules.hkex.com.hk/%E8%A6%8F%E5%8 9%87%E6%89%8B%E5%86%8A/%E9%99%84%E9%8C%84c2-%E3%80%8A%E7%92%B0%E5%A2%83%E3%80%81%E7%A4%BE%E6%9C%83%E5%8F%8A%E7%AE%A1%E6%B2%BB%E5%A0%B1%E5%91%8A%E5%AE%88%E5%89%87%E3%80%8B
Hong Kong Monetary Authority, *HKMA Banking Regulatory Document Repository* (2021), brdr.hkma.gov.hk/eng/doc-ldg/docId/20211230-1-EN
Hong Kong Monetary Authority, *HKMA Banking Regulatory Document Repository* (2022), brdr.hkma.gov.hk/eng/doc-ldg/docId/20220630-3-EN
International Sustainability Standards Board, *General Requirements for Disclosure of Sustainability-Related Financial Information IFRS S1 IFRS® Sustainability Disclosure Standard* (June 2023). https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf?bypass=on.
Monetary Authority of Singapore, *Guidelines on Environmental Risk Management for Banks* (2020). www.mas.gov.sg/regulation/guidelines/guidelines-on-environmental-risk-management

Section 384 Provision of false or misleading information, *Cap. 571 Securities and Futures Ordinance*

SGX, *SGX RegCo to Start Incorporating IFRS Sustainability Disclosure Standards into Climate Reporting Rules - SGX Group* (2022). www.sgxgroup.com/media-centre/20240923-sgx-regco-start-incorporating-ifrs-sus tainability-disclosure

Singapore Exchange (SGX), *Sustainability Reporting - Singapore Exchange* (SGX) (2023). www.sgx.com/sustainable-finance/sustainability-reporting

SGX, *SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide Details Cross References Listing Rule 711A Listing Rule 711B* (2016). https://rulebook.sgx.com/sites/default/files/net_file_store/SGX_Mainboard_Practice_Note_7.6_July_20_2016.pdf

Securities & Futures Commission of Hong Kong, *Corporate Sustainability Disclosures* (2025). https://www.sfc.hk/en/Sustainable-finance/Corporate-Sustainability-Disclosures