

# MPF Symposium 2021

## Sustainable Investing for MPF Funds

# How ESG Risks are Affecting MPF Investments?



# Transition to Sustainable Economy : Carbon Neutrality



China 2060

Hong Kong  
2050



# Policy to Drive Sustainable Investing for MPF Funds



Protecting MPF scheme members' interests



Aligning with global and local regulatory developments

# MPFA's Implementation Approach

Collaborating  
with MPF  
Trustees



Aligning with Local and  
Global Regulatory  
Developments



Promoting Public Awareness

# Collaborating with MPF Trustees

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Nov  
2018

Issued circular to encourage ESG integration

Mar  
2021

Formed Industry Working Group to discuss integration and disclosure approach

Nov  
2021

Issued guiding principles for adopting sustainable investing

Aug  
2021

to

Mar  
2022

Invited industry experts to hold eight briefing sessions

# Aligning with Local and Global Regulatory Developments

2Oct  
2019

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

May  
2020

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

# Promoting Public Awareness

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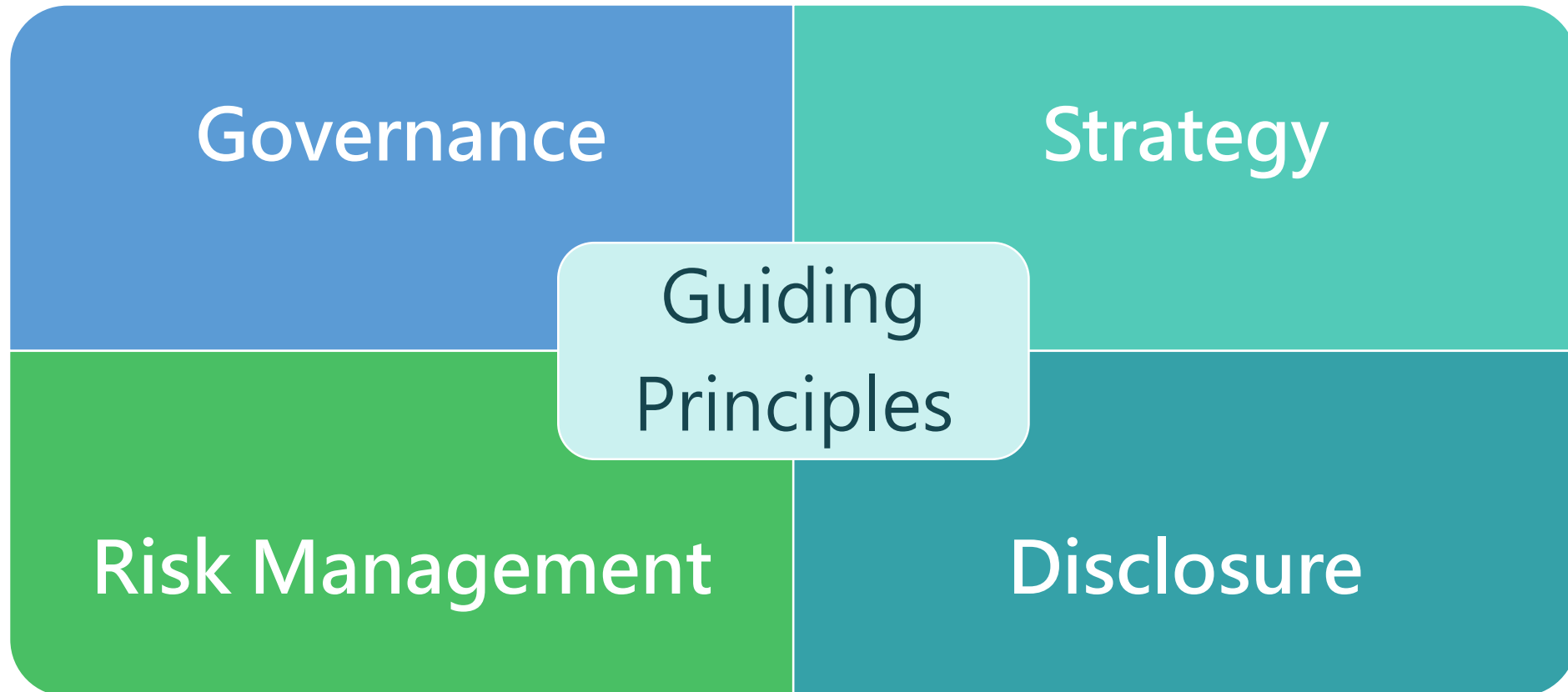


To partner with MPF trustees to raise public awareness





# Principles for Adopting Sustainable Investing in Investment and Risk Management Processes of MPF Funds (Guiding Principles)



## Guiding Principles

### Governance

Set a governance framework to monitor management of ESG risks by investment managers

### Strategy

Formulate an ESG integration strategy at the MPF scheme level

### Risk Management

Ensure consideration of ESG factors in investment and risk management processes of MPF funds

### Disclosure

Disclose ESG integration strategies and report implementation progress regularly

# What does MPFA Expect from MPF Trustees?

Work Plan

Gap analysis on adherence to the Guiding Principles

Submit to MPFA by Feb 2022

Integration Strategy

Board of Directors to formulate integration strategy

i.e., consideration of ESG factors in the investment and risk management processes

Governance Framework

Management's role in oversight and reporting progress

Risk Management

Set expectation on investment managers and understand how they identify, assess, and manage relevant ESG factors

i.e. How does their level of integration affect appointment?

Reporting

Determine reporting means, content and frequency

Disclosure in MPF schemes' annual report for year ended on 30 Nov 2022 and after