MPF Symposium - "Sustainability for MPF"
24 February 2025

Opening Address by
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1. Good afternoon! Thank you for joining the MPF Symposium. Now, we know your time is valuable, so we will make sure that your next couple of hours are well spent on a crucial topic of our time: sustainability. And because we will be talking a topic so important to our future, I think it is great that we have representatives of the younger generation here. We have some students from our universities with us.

2. As we all know, climate change directly affects the environment. It also creates long-term complex problems. With severe weather becoming more and more common, we really cannot afford to ignore these threats. We must do our part.

3. So, what does sustainability mean for MPF? I think it means considering long-term impact on MPF investments.

4. Let me share with you what we are doing in this space. The MPFA has developed principles for sustainable investing, and the MPF industry has enhanced transparency with disclosure on ESG integration strategies of MPF schemes. And today, to coincide with this Symposium, the MPFA issued a new circular letter on the next step of disclosure.

5. What else are we doing? We are moving full steam ahead with our flagship sustainability project for the financial system: eMPF Platform. By making use of technology, the eMPF makes MPF administration more efficient and also more eco-friendly.

6. It is not just a technological leap - it is actually a catalyst for changing behaviour. Do you know that two-thirds of transactions were paper-based in the past? But with launch of eMPF in June last year and the onboarding of five trustees so far, this figure has already switched round. Now, two-thirds of transactions of onboarded schemes are digital. Our aim is to continue to move towards a greener operating environment, with the ultimate goal of going completely paperless.

7. The MPFA is also an active member of the Green and Sustainable Finance Cross-Agency Steering Group. This Group is responsible for the management of climate

and environmental risks to the financial sector and works on the growth of green and sustainable finance in Hong Kong.

8. In fact, green finance is already very much a mainstream investment. If you look at the latest figures, for example, green bonds issued in the past couple of years already constitute a major percentage of all the bonds issued during the year. In addition, our Government has successfully issued digital or tokenized green bonds in the past two years, a significant step for Hong Kong in combining green finance and fintech!

9. For MPF, sustainable investments such as ESG-themed funds, green bonds and social bonds have seen an exponential growth of almost 50 times in the past decade. And from June 2023, our Government has given priority allocation to MPF funds for subscribing to Government green bonds.

10. All in all, we have made good progress, but I believe we can and should do more.

11. Here are some suggestions. First, let us all keep up our knowledge on sustainable investing. For industry players, you can make good use of the Government's Pilot Green and Sustainable Finance Capacity Building Support Scheme. Basically, you can get subsidy to support your training, build capacity and gain more knowledge on sustainable investment. Then, please spread the word. Engage with your colleagues, clients and scheme members to raise awareness and promote best practices.

12. For MPF trustees, please raise the bar and set higher expectations for your investment managers to drive faster changes in the investment and risk management processes and launch more ESG funds. For Investment managers, use your influence to drive your invested companies to adopt more sustainable practices, and invest more in renewable energy and other environmentally friendly sectors.

13. Last but not least, everyone, please continue to support eMPF, our biggest reform to the MPF System since its inception and our flagship sustainability project for the financial system.

14. The mission of the MPF industry is to secure retirement protection for the working population of Hong Kong, but all of us also have a crucial role to play in securing the environment that our scheme members retire into. Together, let's prove that sustainability is not just a nice-to-have; it is an absolute must-have.

15. Thank you!