

Press Release
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PolyU forum empowers HK SMEs on aligning ESG disclosure with international standards

(29 May 2024) The Policy Research Centre for Innovation and Technology (PReCIT) at The Hong Kong Polytechnic University (PolyU) hosted a **forum on “Charting the Path: ESG Policies and SMEs in Hong Kong’s Green Finance Journey”**, in collaboration with **The ESG Consortium** and with the support of **Sing Tao News Corporation Limited**, to address the policy support needed for small and medium enterprises (SMEs) in response to the phased alignment of local sustainability disclosures with the international standards promulgated by the HKSAR Government.

In his welcome remarks, **Prof. Christopher CHAO, PolyU Vice President (Research and Innovation) and PReCIT Director**, highlighted the significance of the Government's vision to make Hong Kong the first jurisdiction to comply with the international sustainability disclosure benchmarks in order to foster Hong Kong’s position as an international green finance hub. He urged policymakers to conduct more consultation with industry practitioners and incorporate their views into the road map being planned for a transparent and actionable sustainability reporting pathway for businesses in Hong Kong.

Prof. Chao said, “As the engine of economic development, SMEs have a critical role to play in Hong Kong's green finance journey, however, the unique challenges and constraints they face in integrating an environmental, social and governance (ESG) framework into corporate risk management and disclosure have not been well addressed. Discussion on best practices is essential to turn ESG obligations into opportunities for our local businesses.”

At the forum, **Mr Jonathan WONG, Chief of Innovation, Enterprise and Investment at the United Nations Economic and Social Commission for Asia and the Pacific; Mr Hugh CHOW, Executive Director of The ESG Consortium; Ms Clara CHAN, Executive Deputy Chairman and Chairman of the ESG Committee at the Federation of Hong Kong Industries; and Ms Serena MAK, Executive Director of Sustainable Finance at the Institutional Banking Group of DBS Bank (Hong Kong)** explored how Hong Kong can leverage green finance and ESG policies to support SMEs in the transition to a low-carbon economy, as well as how to comply with ESG reporting requirements.

Ms Clara Chan emphasised the urgency of adopting ESG principles for manufacturing SMEs. She highlighted, “As the EU will be implementing the CSDDD (Corporate Sustainability Due Diligence Directive) and CBAM (Carbon Border Adjustment Mechanism) within the next two to three years, enterprises, regardless of their sizes, that proactively embrace these regulations will gain a competitive edge in securing business partnerships with EU clients. SMEs should seize this opportunity to accelerate their ESG journey.”

Ms Serena Mak said, “Development of taxonomy and robust disclosure standards foster transparency for stakeholders will play a vital part in increased adoption of sustainable finance. SMEs face resource constraints in their ESG journeys. Funding, government support, digital tools

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and access to information would all be helpful to encourage SMEs to integrate sustainability in their businesses.”

Mr Jonathan Wong introduced some innovative laws, policies, strategies and initiatives that governments in Asia and the Pacific have implemented to achieve sustainability reporting. He urged policymakers to continue to innovate in policymaking on what is still a relatively new policy agenda.

Mr Hugh Chow advocated streamlining ESG Implementation for SME Competitiveness. He added, "As we witness the irreversible trend towards ESG implementation, it is imperative for SMEs to take action now and embrace sustainable practices. By advocating the streamlining of ESG implementation, we empower SMEs to enhance their competitiveness in the market. We understand the challenges they face, such as resource constraints and limited capacity. Therefore, we provide strategies to help SMEs overcome these obstacles and embark on their ESG journey."

Founded in 2022, PReCIT is a University-level interdisciplinary policy research centre. Led by **Prof. Christopher Chao, Vice President (Research and Innovation) of PolyU and Director of PReCIT**, and **Prof. Eric CHUI, Co-Director of PReCIT and Head of the Department of Applied Social Sciences of PolyU**, the Centre's primary areas of research include carbon-neutral cities, Greater Bay Area I&T development and Belt and Road Initiative development in Southeast Asia.

For more information about PReCIT, please visit www.polyu.edu.hk/precit/.

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Photo	Caption
 <p>Photo 1</p>	<p>PolyU's PReCIT hosted a forum on "Charting the Path: ESG Policies and SMEs in Hong Kong's Green Finance Journey", in collaboration with The ESG Consortium. Prof. Christopher Chao, PolyU Vice President (Research and Innovation) and PReCIT Director (middle) and Prof. Eric Chui, Co-Director of PReCIT and Head of the Department of Applied Social Sciences (2nd from the left) joined the guests and speakers including Dr Johnny Ng, Legislative Council Member (3rd from the left); Mr Jonathan Wong, Chief of Innovation, Enterprise and Investment at the United Nations Economic and Social Commission for Asia and the Pacific (1st from the left); Mr Hugh Chow, Executive Director of The ESG Consortium (3rd from the right); Ms Clara Chan, Executive Deputy Chairman and Chairman of the ESG Committee at the Federation of Hong Kong Industries (2nd from the right); and Ms Serena Mak, Executive Director of Sustainable Finance at the Institutional Banking Group of DBS Bank (Hong Kong) (1st from the right).</p>
 <p>Photo 2</p>	<p>Prof. Christopher Chao urged more address on the SMEs' unique challenges and constraints in integrating the ESG framework into corporate risk management and disclosure.</p>

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Photo	Caption
 <p>Photo 3</p>	<p>Mr Hugh Chow (middle) advocated streamlining ESG Implementation to enhance SME's market competitiveness.</p>
 <p>Photo 4</p>	<p>The forum on “Charting the Path: ESG Policies and SMEs in Hong Kong's Green Finance Journey” attracted over a hundred of participants from staff, students, alumni, leaders from I&T, finance, academia to exchanged views on how to empowers HK's SMEs on aligning ESG Disclosure with international standards.</p>