ESG AND SUSTAINABLE FINANCE IN ASIA: THE FINTECH AND DATA CHALLENGE

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International Response to Climate Change
Driving the need for the integration of Environmental and Social Data into decisions making and fueling Green Tech

Climate Emergency

Response

Data and Innovation

The size of the circle represents the number of climate laws and policies. The larger the circle, the higher the number of climate laws and policies.

- 31 countries and over 1,813 local governments.
- There are over 1,800 climate laws and policies globally.

- New climate and biodiversity related policies and regulations
- Increased focus on ESG data
- Drive for more comparable, consistent and decision ready data
- Governmental policy and Action plans being announced
- Digital Financing of the SDGs
- Collaboration and Alliances
- Task Force of Climate Related Financial Disclosures
- Task Force of Nature Related Financial Disclosures
- Taxonomies
- Net Zero Pledges
Global ESG Standards: Notable initiatives

Climate Change or Corporate Change?

US SEC committee’s recommend updating reporting requirements to incorporate material, decision-useful ESG Considerations.

Five Standard setters pledged to collaborate on corporate reporting.

IFRS launched a consultation on the future of corporate reporting.

CFA Institute launched a consultation on ESG disclosure standards for investment products.

WEF IBC / Big 4 release a whitepaper on converging ESG Reporting standards. 21 core and 34 expanded metrics that map to the SDG’s are proposed.

June 2020: CFA Institute launched a consultation on ESG disclosure standards for investment products.

Aug. 2020: Five Standard setters pledged to collaborate on corporate reporting.

Sep. 2020: IFRS launched a consultation on the future of corporate reporting.

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Oct. 2020: US SEC committee’s recommend updating reporting requirements to incorporate material, decision-useful ESG Considerations.

October

- French Development Authority launched a new SDG Bond Framework
- MAS outlines next steps in Green Finance Action Plan and the Green Finance Centre
- BCBS TCFR Outlines plans on climate risk initiatives
- International Platform on Sustainable Finance launched annual report
- G30 calls for FI’s to conduct climate change stress tests.
- TNFD IWG launches
The role of data in sustainable investment, policy and regulation

- Climate Risk is a Financial Risk – clear mandate for central banks to manage.
- Climate change and mitigation policies have a very profound impact on economies, with implications for macroeconomic and financial stability.
- Climate issues highlight technical gaps in the practical usage of non-financial data.
- New data demands due to Covid-19; regulatory and industry emphasis has rebalanced away from principally environmental issues to a more holistic focus across the three ESG pillars.
- Stakeholders are unanimous in the belief that clear and consistent ESG data will be critical to realign the financial markets towards sustainable development and help achieve the SDGs.
- Regulators are developing taxonomies aligned with sustainability objectives.
- Central banks, supervisors and private firms are engaging in deeper levels of collaboration to develop common disclosure standards.
- Data on biodiversity loss and nature-based solutions are set to become a new frontier for regulators and investors.
UN Task Force of Digital Financing of the SDG’s

Harnessing digitalization in advancing a citizen-centric financial system is the core of the Task Force’s call to action to accelerate financing for the SDGs.

The Call to Action is underpinned by an Action Agenda comprising three, linked sets of recommendations for actioning by market players, policy and regulatory authorities, international organizations and other stakeholders.