Powering GREEN FINANCE

The University of Hong Kong LITELAB
Law | Innovation | Technology | Entrepreneurship

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FINTECH ASSOCIATION OF HONG KONG

Climate Contracting and Green FinTech to Power Asia's Green Finance Ambitions

February 28, 2024 | Wednesday 6PM

Academic Conference Room 11/F Cheng Yu Tung Tower
Centennial Campus, The University of Hong Kong

ASIA-PACIFIC LEGAL INNOVATION AND TECHNOLOGY ASSOCIATION

asifma Growing Asia's Markets

Cyberport 數碼港

FINTECH ACADEMY

FTEA FinTech & ESG Alliance 金融科技與永續發展聯盟

GAIL Global Alliance of Impact Lawyers

HKIB The Hong Kong Institute of Bankers

HKGFA 香港綠色金融協會 Hong Kong Green Finance Association

FINTECH HKU hkufintech.com

InvestHK The Government of the Hong Kong Special Administrative Region of the People's Republic of China

The Chancery Lane Project

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Green Fintech Panel

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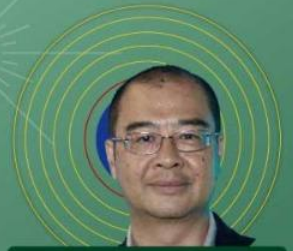
How can Green FinTech power Asia's Green Finance?

www.hkufintech.com/greenfinance



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Cogo

Michael Yuen
BlueOnion

Mark Blick
Diginex

Prerna Asrani Divecha
S&P Global Market Intelligence

Dave Sandor
Allinfra

Sandeep Sethi
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Allinfra's Green Finance Impact Reporting Tool

Winner of HKMA Green Fintech Competition's Green and Sustainable Finance Category

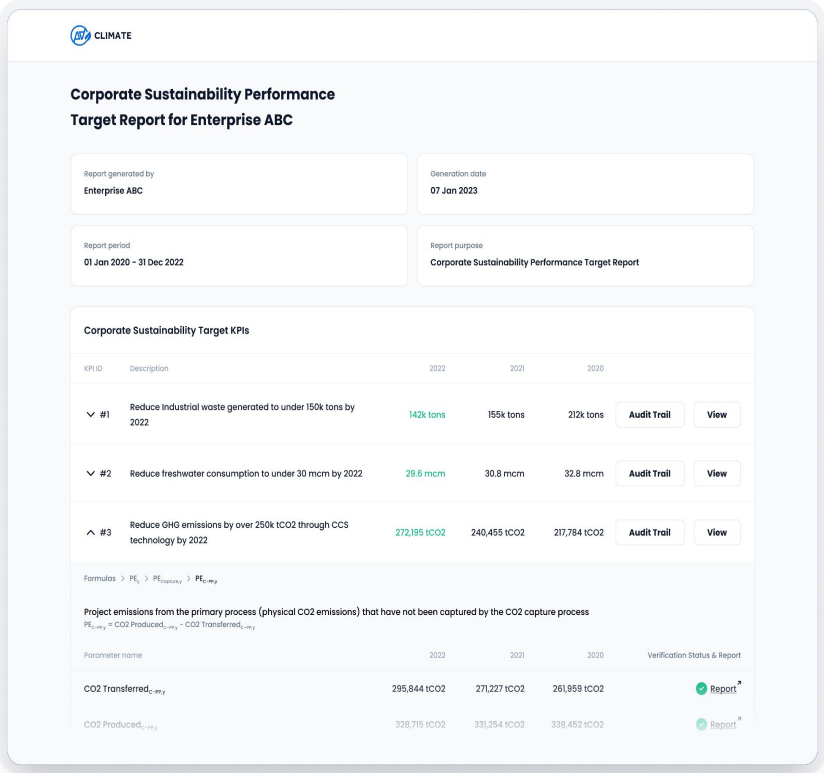
Problem Statement: How can technology make it easier for banks to ensure compliance with different standards, regulations and taxonomies?

Solution:

- Flexible blockchain-based reporting system with third party verification.
- Ability to build formulas for specific KPI tracking needs and generate on-demand reports.
- Collection and visualisation of climate-relevant data at the device, asset or portfolio level.

Key Benefits

- Reduce cost of data collection.
- Improve reliability of data collected.
- Seamlessly integrate into reporting and financial products.
- Deliver maximum transparency while maintaining privacy.



Problem Statement:

How can technology be leveraged to facilitate the collection of information about clients' emissions or transition plans and the analysis on clients' transition progress in relation to the bank's own target?

Cogo's Net Zero Transition solutions for banks and their customers:

1. Carbon Data Report - Financed Emissions Baselines Understanding
2. Personal Carbon Manager - for individuals' green lifestyle development
3. Business Carbon Manager - for SMEs to report and decarbonize

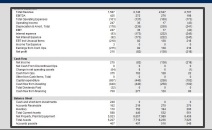
cogo

Introducing Climate Credit Analytics

A climate scenario analysis solution that captures transition and physical risk in a rigorous and transparent manner

Output

Financial statements



Financial metrics *(e.g., credit score)*

Our approach

- **Climate Credit Analytics** combines **S&P Global's** best-in-class data and credit analytics with **Oliver Wyman's** industry-leading climate scenario and stress testing expertise
- Our solution is designed for banks, insurers, asset owners and managers, and corporates that want to assess impacts of climate scenarios on the financial performance of public and private companies
- The offering uses climate scenarios, sector specific data and company specific financial and asset data on corporates and portfolios to produce impact on a company's creditworthiness

Use cases

- **Risk management**:
  - Regulatory climate scenario exercises & stress tests
  - Disclosures & TCFD implementation
  - Climate risk appetite
  - ICAAP
- **Business strategy and opportunities**:
  - Portfolio steering and alignment
  - Client engagement
  - Capital solutions and opportunity identification
  - Corporate development (M&A & divestures)

Differentiators

Industry-leading methodology	**Tailored to sector nuances**
Automation	**Full coverage**
User-specific adjustments	**Granular Output**
Reliability in disclosures	**Successful regulatory submissions**
Documentation	**Ease in Implementation**
Validated model suite	**Ongoing Updates and Services**

S&P Global
Market Intelligence

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blueonion®
Invest Responsibly

Problem Statement:

Standards and regulations relating to green and sustainable finance are varied and evolving. Different jurisdictions have different regulations about the green labelling of investment products and different taxonomies for green or transition activities. It is difficult for banks to monitor compliance, and there could be greenwashing risks if banks offer products that are not aligned with the latest regulations or taxonomies.

How can technology make it easier for banks to ensure compliance with different standards, regulations and taxonomies?

- 100 Stock Exchanges
- 42k+ Companies 22 sectors 130 industries
- 300k+ Funds & 130k ETFs
- SFDR aligned PAI analytics and ratings
- BlueOnion adapts to changing regulations & standards

Other Awards Won

Hong Kong ICT Awards 2023 香港資訊及通訊科技獎
Fintech - Applied Solutions

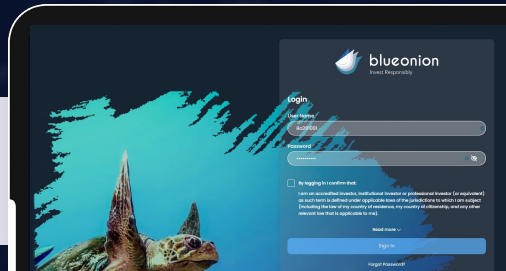
IFTA FINTECH & INNOVATION AWARDS 2022/2023
Diamond Award
ESG Initiative of the Year

HKMA Green Fintech Competition 2023

Green and Sustainable Finance category runner up

Aligned Frameworks

GRI · Sustainable Development Goals · TCFD Task Force on Climate-Related Financial Disclosures · UN Global Compact · United Nations Global Compact · SFDR



diginex

ESG data collection can be used for:

INVESTMENT STRATEGY	• Investment vs Engagement/stewardship vs Disinvestment decisions • Disclosure and understanding of ESG themes for sectors and activities
ASSET ALLOCATION	• Entity and security selection, peer comparison
PORTFOLIO CONSTRUCTION	• Overall ESG rating (or sub-components of it) for negative/positive screening, ESG-optimization at entity, instrument level
BENCHMARKING AND INDEX CONSTRUCTION	• Use of ESG Ratings for weighting or inclusion/exclusion
RISK MANAGEMENT	• Exposure to ESG risk factors, stress testing
"TRANSITION" IDENTIFICATION	• Identification of levers, sector and assets concentration • Definition of target portfolios
DISCLOSURE AND REPORTING	• For regulators and stakeholders, report on alignment, portfolio quality and breakdown

Bank goals

- ESG data collection
- Risk assessment / regulatory disclosure
- Green finance / sustainability linked loans
- Transition finance opportunities
- Market leader in climate initiatives

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Asia-Pacific Climate-Conscious Law Students and Young Lawyers Network

- To buid a community of climate-conscious law students and young lawyers across the Asia-Pacifc region
- To upskill and contribute towards impactful projects that promote climate-conscious lawyering (such as LITE Lab's collaboration with The Chancery Lane Project on Climate Contracting with current working groups on Green Loans, Green Capital Markets, Green Investment Funds and Green Building & Construction across Hong Kong, Singapore and Malaysia)