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HKEX TO LAUNCH NEW SUSTAINABLE AND GREEN EXCHANGE

On 18 June 2020, Hong Kong Exchanges and Clearing Limited (**HKEx**) announced¹ plans to launch the HKEX Sustainable and Green Exchange - STAGE – to provide a database of sustainable and green investment products available in Hong Kong. STAGE will be Asia's first sustainable finance platform and HKEx expects it to come into operation this year. Further information on STAGE is available on HKEx's website at <https://www.hkex.com.hk/eng/stage/index.htm>.²

HKEX Sustainable and Green Exchange Objectives

A key aim of HKEx in launching STAGE is to promote the visibility, accessibility and transparency of sustainable and green finance investment products available in Hong Kong. It will also serve as an educational and advocacy platform.

STAGE is committed to achieving the following four objectives:

- promoting green finance and sustainability integration across asset classes and product types, as well as providing access to a comprehensive online database of information on sustainable and impact investing;
- helping issuers increase the visibility and awareness of their financial products that meet certain sustainable and green standards, across asset classes;

- providing investors and asset managers with easy access to information for investment due diligence, selection and monitoring of sustainable and green investments; and
- connecting stakeholders to innovative products, ideas and strategies worldwide.

Through STAGE, investors will have access to a comprehensive database of sustainable and green investment products that are available on Hong Kong's securities markets. STAGE will also act as an education and advocacy platform that facilitates knowledge sharing and stakeholder engagement in sustainable finance.

In the initial stage, STAGE will comprise an online information exchange on sustainability, green and social bonds and Environmental, Social and Governance-related exchange traded products listed on the HKEx.

Displaying Sustainable, Green and Social Investment Products on Stage

Issuers with products that meet international standards or principles and provide post-issuance reports annually are invited to join STAGE for free to display their products on the platform.

To display sustainability, green and social bonds on STAGE, the bonds must first be listed on the HKEx in accordance with Chapters 22 to 37 of the Hong Kong Listing Rules, and the bond issuers must:

¹ https://www.hkex.com.hk/News/News-Release/2020/200618news?sc_lang=en

² <https://www.hkex.com.hk/eng/stage/index.htm>

- designate the classification of the Bonds to be displayed (i.e. sustainability, green or social);
- state the international standard or principles which the Bonds comply with;
- submit a copy of the bond framework which usually includes use of proceeds, projects selection, management of proceeds and reporting;
- submit a copy of the external review of the Bonds; and
- submit an annual post-issuance report on allocation of proceeds and expected impacts, if any, during the tenor of the Bonds.

The HKEx proposes to develop the platform further and consider expanding its coverage to introduce more asset classes and product types, including derivative products linked to relevant sustainability or environmental, social, and governance indices, and other sustainable and green financial products.

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