ASF SDG-RELATED INITIATIVES:
Follow-up for the Bali Declaration and ASF SDGs/ESG Survey
The Asia Securities Forum (ASF)’s Initiatives for Promotion of SDGs

- Adopted the Bali Declaration on Commitment to SDGs
- Launched the Working Group on Promotion of SDGs
- Conducted the SDGs/ESG Survey for the Asia-Pacific region
Background

- Importance of the region as the world’s growth center
- Ability to contribute to global sustainability (SDGs)
- Rapid development of the market
- Lack of comprehensive data of the region

Survey collected data of 14 ASF member jurisdictions
SDGs/ESG Survey
Overview

Structure of the Survey

1. **ESG/SDGs-RELATED FINANCE**

   A. Government regulation or standards/guidelines
   B. Private (or public-private) initiatives
   C. Market size and performance by asset classes
      - Equity / Bonds / ESG Funds / Others
   D. Investors
   E. Measures to ensure sustainable finance
   F. Case studies

2. **RELATED TO OTHER ASPECTS OF THE SDGs**
Of the 18 ASF member jurisdictions (regional associations not included; non-response indicated as N/A in the graphs), 14 responded to the survey.

**GOVERNMENT POLICIES/INITIATIVES**

- **Standards/Guidelines**
  - 9 jurisdictions implementing standards/guidelines

- **Regulation**
  - 8 jurisdictions implementing regulation

For government policies/initiatives, standards and/or guidelines were more popular than regulations.

Various **Standards & Guidelines** were introduced:
- Green Bonds/other financial products
- Corporate Governance
- Stewardship/Investment Governance
- SRI Sukuk framework
Exchanges actively committed to sustainability

- Exchanges of ALL 14 jurisdictions participate in the Sustainable Stock Exchanges Initiative

Industry Associations are also active

- This was not only limited to ASF members, but also involved
  - Bankers Associations
  - Investment/Fund Associations
  - Corporate Governance Associations
  - Responsible Investment Associations etc.
Various initiatives to enhance ESG disclosure

- SGX regulation require ESG reporting by all listed companies (Singapore)
- Top 500 listed companies apply integrated disclosure (India)
- Still on a voluntary basis in many jurisdictions
- Alignment with global initiatives

A number of ESG-related indexes issued in the region

- Exchanges (JPX, TWSE, Borsa Istanbul, etc.)
- Global rating agencies with a regional focus (MSCI, FTSE 4Good, DJ, S&P, etc.)
- ESG focus area (Carbon efficiency, fossil fuel free, new energy, corporate governance, etc.)
- ETFs refer to ESG indexes exist in some jurisdictions
The green bond market is rapidly growing, but with different development stages

- China - the world’s biggest GB issuer (144 issues 267bn Yuan in 2018)
- ICMA issues the Principles/Guidelines as well as Global Database of Green, Social, and Sustainability Bonds

Various ESG-themed funds in the region with a diversity of themes
- PE funds
- Investment trust funds
- Pension funds
- ESG investment company

ESG-themed funds in 12 jurisdictions
Other

**Sustainable Investors**

- Superannuation/pension funds/retirement savings are significant as sustainable investors
- Retail investor’s presence seems relatively limited across the region

**Participation in Global Initiatives**

- UN Global Compact

**Shared the results with relevant organizations**

→ Possible cooperation/contribution?

- OICV-IOSCO
  - Growth and Emerging Market Committee
  - Sustainable Finance Network
Future Activities of ASF SDGs Working Group

1) Information gathering & dissemination

- Launched the SDGs designated area on the ASF Website (Sep. 2019)
- Post links to the related works/initiatives by other organizations
- Annual/periodical follow-up survey

2) Deliberate common issues and focus areas for ASF members

Suggestions from ASF members are welcome!

http://www.asiasecuritiesforum.org/sdgs.php