

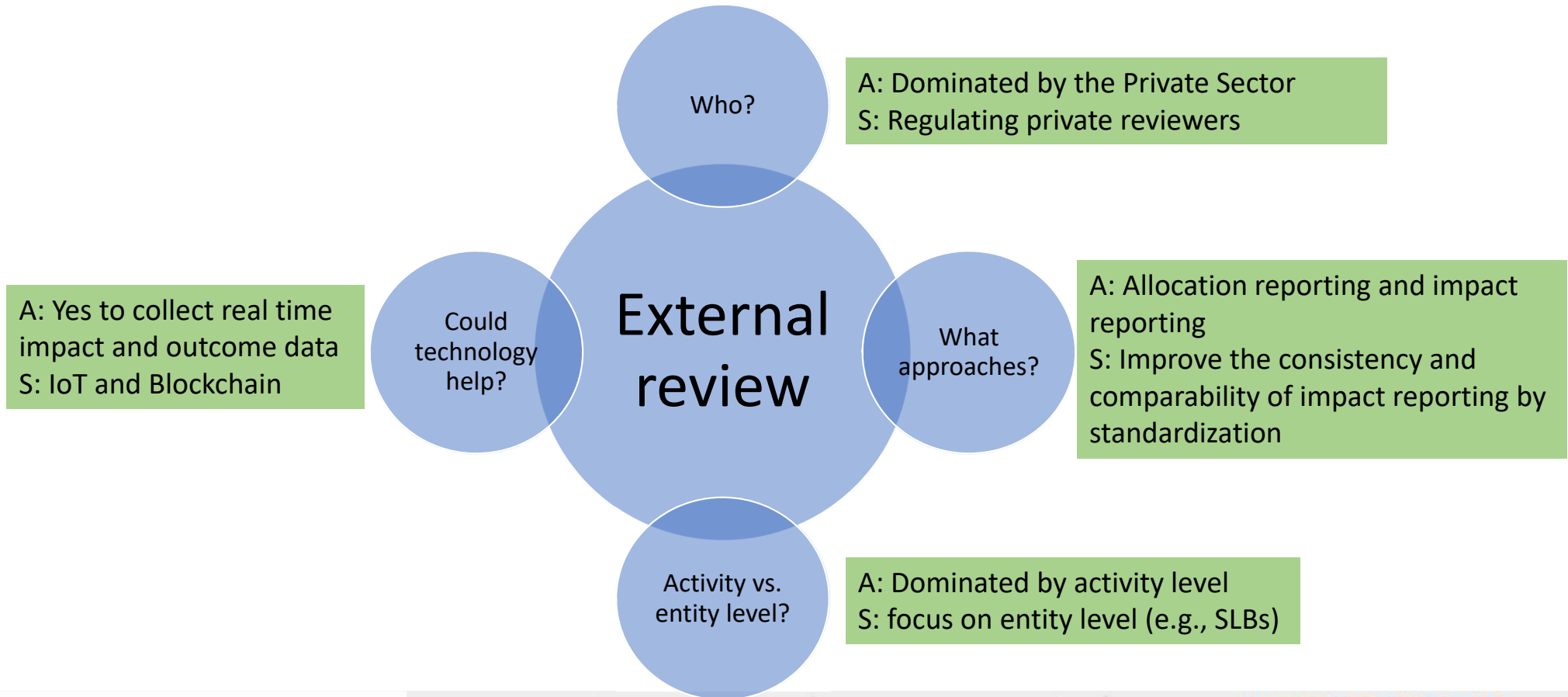
# Green External Review and Assessment

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# Main Questions and Answers



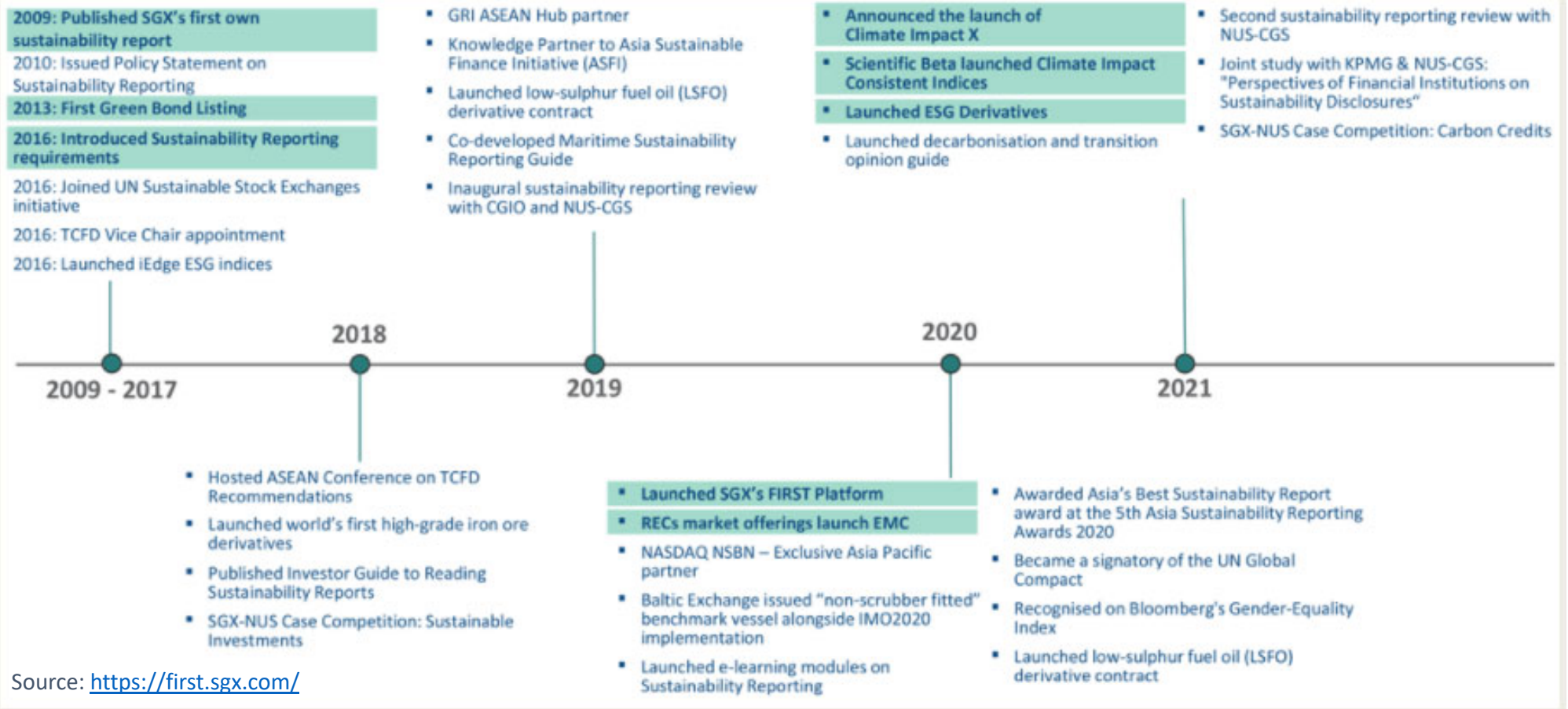
# Main Comments

- **Who:** Private sector solutions currently dominate the green external review market, and offer a range of different approaches, such as second-party opinions, third-party certifications, ESG ratings, assurance, and audit.  
-> **Comment #1: Who can the regulators focus first?**
- **What approach:** Clear and meaningful reporting underpins any effective external review or assessment of green bonds.  
-> **Comment #2: how to incentivize SMEs for high-quality disclosure?**
- **New green finance instruments, and most particularly sustainability-linked debt (such as sustainability-linked bonds, or SLBs), have built-in quantitative targets against performance indicators.**  
-> **Comment #3: How can financial market facilitate the information dissemination?**
- **Lastly, greater availability of data is needed to broaden the scope for verifying outcomes related to environmental objectives.**  
-> **Comment #4: Who else can help to increase the data availability?**

# Comment #1: Who can regulators focus on first?

	What	How	Who
SPO	Issuer framework	ICMA GBP/GLP	Sustainalytics CECERO
Certification	Issue framework, proceeds	CBI, taxonomies	CBI
Assurance	Compliance	Accounting principles	Audit firms
ESG ratings	Sustainability credentials	ESG scorecard	MSCI Vigeo Riris

# SGX's Sustainability Reporting Milestones



Pillars	Topic	Metric	Unit
E	Greenhouse Gas Emissions (“GHG”)	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO2e
		Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO2e/organisation specific metrics
	Energy Consumption	Total energy consumption	MWhs or GJ
		Energy consumption intensity	MWhs or GJ/organisation specific metrics
	Water Consumption	Total water consumption	ML or m <sup>3</sup>
		Water consumption intensity	ML or m <sup>3</sup> /organisation specific metrics
Waste Generation	Total waste generated	t	
S	Gender Diversity	Current employees by gender	%
		New hires and turnover by gender	%
	Age-Based Diversity	Current employees by age groups	%
		New hires and turnover by age groups	%
	Employment	Total turnover	Number and %
		Total number of employees	Number
	Development & Training	Average training hours per employee	Hours/No of Employees
		Average training hours per employee by gender	Hours/No of Employees
	Occupational Health & Safety	Fatalities	Number of cases
		High-consequence injuries	Number of cases
Recordable injuries		Number of cases	
Recordable work-related ill health cases		Number of cases	
G	Board Composition	Board independence	%
		Women on the board	%
	Management Diversity	Women in the management team	%
	Ethical Behaviour	Anti-corruption disclosures	Discussion and Number of Standards
		Anti-corruption training for employees	Number and %
	Certifications	List of relevant certifications	List
	Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/TCFD/SASB/SDGs/Others
Assurance	Assurance of sustainability report	Internal/External/None	

## Comment #2: How to incentivize SMEs?

- For the public-listed firms, standardization and regulations can be enforced. (Singapore, Taiwan, Hong Kong SAR and China)
- How about private firms (SMEs)?
  - Training and empowerment
  - Cost and benefits analysis
  - Standardization of the metrics can be potentially enforced through development banks, commercial banks and microfinance institutions.
  - In Singapore, Singapore Enterprise Association can play a more important role in empowering SMEs in tracking, measuring and reporting the impact metrics.

# Comment #3: Bond Market Information Disclosure

- Government bonds and corporate bonds are still lacking in the information disclosures in pricing and volume.
  - In the U.S., FINRA took many years to enforce the establishment of TRACE
  - In China, WIND is catching up in providing more pricing information of bond instruments.
  - In other Asian countries, there is still a lack of pricing and trading information of the green securities. Bloomberg and Cbond are still increasing in their coverage of the green bonds etc.
  - Globally, there is a lack of free bond pricing databases like TRACE in the U.S.
  - World Bank, ADB, CBI have limited data disclosures in GB's impact.



# Comment #4: FinTech Applications

- Implementation of IoT in reliable data collection:
  - Indonesia – AIDF and SGFIN track the carbon activity of the farmers.
  - Myanmar – SGFIN is engaging the local capacity builder to track the carbon emission from the farmers.
- Carbon Trading platforms would help to facilitate the further adoption by public and private listed companies as it provide right monetary incentives for trading the carbon credits.

# In Summary

- Regulate the listed companies in standardized impact measurement and reporting
- Incentivize the private firms with financing benefits such as lower cost of capital and revenues from carbon trading
- Empower investors and consumers to hold the firms accountable for their disclosures.
- Further development of financial market instruments in terms of transparency, depth and breath of the green securities.