



Sustainable investment: regulatory priorities PRI China Conference: Investing for Net Zero and SDGs

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Sustainable finance is now at the top of the global regulatory agenda for central banks as well as regulators of securities markets. This is especially the case for climate finance, recognising both the considerable opportunities and the challenges in this complex area.

Two years ago, the International Organization of Securities Commissions (IOSCO)



IOSCO will pay close attention to some key tests when deciding whether to endorse the ISSB standards. The standards should also enable financial markets to more accurately price sustainability risks and opportunities.

IOSCO will not endorse competing standards, which is a sure-fire way for greenwashing to undermine the whole sustainable finance effort.

In this respect, the consolidation of existing standard-setters such as the Climate Disclosure Standards Board and Value Reporting Foundation into the ISSB sends a hugely important message that the ISSB standards should not be seen as just another set amongst many other global standards.

Next is market acceptance. It is imperative that the standards command sufficient acceptance to serve as a global baseline for consistent and comparable approaches across jurisdictions.

They also need to be interoperable with regional or jurisdiction-specific requirements and form the basis for the development of a sound audit and assurance framework. These two tests are fundamental.



The need for interoperability is especially crucial because international standards are not just concerned with investment in the US and the EU, and we are not solely concerned with how the standards could affect companies exporting into the EU or listed in New York.

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This is where the new ISSB promises to make such a difference, supporting the standards which individual jurisdictions may find it hard to develop on a domestic or regional basis.

With the ISSB set to establish the global baseline for sustainability reporting, the months ahead should represent an inflection point for climate finance.

Thank you.