



Case study: Meeting Hong Kong SFC climate-related risk requirements and ESG portfolio integration

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The team at Sustainable Investment Consulting advised an Asia-based large hedge fund manager, primarily investing in debt and equity.

Client challenge

The client wanted to respond to climate-related risk regulation, design and build its portfolio integration and risk management approach, capture its portfolio carbon footprint and conduct on-going monitoring of its ESG risks for investor and regulatory reporting.

How we helped

Ogier developed a distinct process to meet the Hong Kong Securities and Futures Commission's (SFC) Fund Manager Code of Conduct (FMCC) climate-related risk requirements, firstly identifying if climate risks were relevant and material to the client's portfolio.

We developed the client's internal methodology to assess, monitor and manage climate risks, identified relevant metrics for monitoring in order to track risk across the client's investment verticals.

We developed governance structures to ensure management has oversight of such risks and established ESG committees. We also trained senior management in climate-related risks and opportunities and provided insight on best market practice relevant to the client's investment strategy.

Ogier continues to support the client with ongoing portfolio monitoring of climate-related risks and quarterly risk committee briefings.

Result

The Asia-based hedge fund manager has a clear internal process and roadmap for monitoring and managing material climate-related risks, and they are guided by our team with quarterly reviews of climate-related portfolio performance.

The client is also staying ahead of the market by getting access to Sustainable Investment Consulting regulatory horizon scanning insights.

The board and senior management team have completed training on climate-related risks applicable to their investment strategy and continue to be educated on the matter through quarterly committee meetings.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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