



# BEC E-NEWSLETTER

Connecting · Nurturing · Creating for a Sustainable Environment

## BUSINESS LEADERSHIP FOR LONG-TERM SUSTAINABLE GROWTH

***BEC Chairman Mr Richard Lancaster shares his view on building business leadership for long-term success in the post-pandemic era.***



COVID-19 has brought unprecedented challenges to businesses around the world. However, a break in the clouds amid the gloom is that as the pandemic exposes the fragility of our economy, companies are starting to put the need to be prepared for long-term sustainability issues such as climate change and resource scarcity at the top of their minds.

Recognising that resilience is crucial for the long-term success of any business, many companies are re-assessing their priorities and strategies. At the BEC EnviroSeries Conference, we engaged member companies and the wider business community in evaluating and redefining business leadership to see how we can achieve green growth in the post-pandemic era. As I listened to my fellow industry colleagues share their insights and experiences, a few common themes emerged.

### **Stakeholder expectations are changing, business must keep up**

Be it consumers, governments, communities or investors, sustainability is an increasingly topical issue among stakeholders and companies need to take note of that. According to the most recent Edelman Trust Barometer survey, 65% of respondents agreed that CEOs should hold themselves accountable to the public alongside their board and stockholders, while 68% of consumers and 62% of employees believed they have the power to force corporations to change. To ensure success, business leaders must keep up with, and respond to, these shifting expectations by carefully observing emerging trends and proactively addressing risks and challenges.

### **Where there are risks, there are opportunities**

In 2018, the Global Commission on the Economy and Climate found that bold climate actions could deliver at least US\$26 trillion in economic benefits by 2030 if decisive leadership, collaboration and capital were to align on this common vision. Progressive business leaders already understand that addressing the climate crisis, adopting circularity, and shifting to regenerative business models lead to innovative approaches that generate sustainable value from new jobs, restored ecosystems and stronger communities. Value creation is no longer predicated on the extraction or consumption of resources. Innovative circular business models now draw value from waste and favour a shared economy paradigm popular with consumers. A nature positive approach also delivers opportunities that benefit the community and the environment beyond economic value through, for example, improved air and water quality.

### **Sustainability is core to business strategy**

Reconsidering the relevance of sustainability to core business strategy is long overdue. Sustainability risks and challenges cut across all aspects of a business. To adequately address these issues and embrace emerging opportunities, business leaders must adopt a strategic and cross-functional understanding of sustainability that combines both financial and non-financial risks. This approach provides a long-term solution for companies that incorporate environmental, social and governance (ESG) elements in their strategies in an ever-changing world. Factoring in and aligning sustainability with the enterprise risk management process clarifies the link between ESG risks and traditional enterprise risks. Introducing ESG factors into the responsibilities of business units across the organisation also encourages a deeper involvement of all functions in the identification of such risks and the development of mitigation plans. This serves to enhance ownership over these issues and internalise a culture of sustainability.

## Partnership is key

Collaboration and partnerships are key drivers for green growth. Sustainability challenges are beyond the scope of a single company and require a rethinking of current business models, policies and regulatory regimes. **The systemic change necessary to achieve a zero-carbon economy depends on having the right infrastructure, building the knowledge base of the future and developing policies and regulations that enable and support sustainable behaviour. BEC has been at the forefront of these partnerships for almost 30 years, working with member companies to actively shape and drive environmental sustainability through research, policy recommendations and building communities of practice.**

Last November, Hong Kong committed to achieve carbon neutrality by 2050. We expect to see an updated decarbonisation roadmap to reach this target soon. Meanwhile, financial regulators have announced steps for more robust climate stress testing and climate-related disclosures by 2025. The pressure faced by financial institutions, investors, banks and insurance companies is bound to trickle into board rooms and C-suites in the real economy. These clear signals of upcoming regulatory and policy shifts, combined with market forces, will help drive a zero-carbon transition. The business community continues to embrace these changes and it is concrete and proactive responses from the business sector that will deliver on ambitious carbon pledges.



Complementing all the initiatives and activities to date, BEC established the Low Carbon Charter in 2019 to further support the business community's decarbonisation efforts. At the Charter's 2nd anniversary, BEC launched the Power Up Coalition to encourage the electrification of non-public works construction sites in Hong Kong in line with the government's Technical Circular on the temporary application of electricity and water supply in public works projects. With 99 and 20 members respectively, the Low Carbon Charter and the Power Up Coalition are prime examples of how BEC engages the business sector in positive, proactive and practical initiatives to support the zero-carbon transition.

The way business views its role is constantly changing. Going into the pandemic era, the business community was already

engaged in a mindset shift towards more holistic and inclusive models. The ripple effects of the pandemic have accelerated this shift. While profits for shareholders remain central, resilient companies also adopt a broader perspective taking into account the needs of, and impacts on, other stakeholders, the environment and the wider community. Business leaders must recognise that ESG issues are as important as financial performance to a company's value. Now is the time for business leaders to take the lead in implementing bold, holistic and strategic approaches to sustainability. This requires a mindset shift and system transformation. BEC will continue to engage and mobilise member companies, the wider business community and the Hong Kong government to accelerate this transformation.

## BEC EnviroSeries Conference 2021: Redefining Business Leadership for Green Growth

BEC was delighted to welcome 500+ business leaders, entrepreneurs, industry experts and academics to our virtual EnviroSeries Conference on 4 June. Thank you all speakers, panellists and moderators for bringing us insightful and compelling discussions. We hope this Conference has galvanised business actions to take on challenges under the “new normal” through mindset shift, system transformation and shared value creation. The themes we discussed set the tone for our upcoming events including the next EnviroSeries Conference in December 2021 and our 30th anniversary celebration next year.



Key takeaways:

### Session 1: Setting New Priorities for Businesses

- Businesses can enhance climate resilience through regenerative thinking, for example building a sustainable working environment not just for staff but also for the wider community.
- Government policies are the key to establish a clear roadmap for businesses to set and align climate objectives.



### Session 2: Are you Thinking Circular?

- There is a need to redefine value creation for businesses to align with a circular economy, this could mean developing new technologies to extract value from waste, or moving to rental or resale models for the consumer and retail industry.
- To move to a circular economy, we need to have infrastructure, knowledge management, and engage the right talent and stakeholders to join the conversation.

### Session 3: Connecting Nature with Business

- When considering the materiality of biodiversity, businesses need to take account of their dependencies on ecosystem rather than just the operational impacts on nature and biodiversity.
- Projects such as mangrove restoration may bring multiple benefits including carbon sequestration, fishery regeneration, shoreline and fresh water protection, and livelihood improvement. It is important to quantify the economic value of these benefits for businesses to fully appreciate the opportunities in nature conservation.





#### Session 4: Embracing Innovation in a Changing Landscape

- Collaborating with startups can drive innovative solutions to address organisational pain-points, meet customer needs and tackle sustainability challenges.
- Customers play an active role in shaping and accelerating smart sustainable improvements. With the increased awareness of sustainability, businesses need to communicate a shared vision and demonstrate how innovative solutions can benefit customers.



#### Session 5: Pursuing Climate Readiness and Transparency

- Strong climate leadership is built through ambition, action, advocacy and accountability.
- Science-based target setting is the main driver to mobilise SMEs to disclose their climate-related performances, as part of the Scope 3 indirect emission accounting of the value chain. To get more buy-in, simple and jargon-free language would favour SMEs to relate sustainability to their businesses. Property managers should also take responsibility to assist their value chain partners, including SMEs, to drive decarbonisation and behavioural change.
- Climate transparency requires alignment of enterprise risk management with local and international practices, including the TCFD recommendations. Metrics and targets should be defined through supply chain engagement to understand lifecycle emissions.



## Race-to-Zero: Hong Kong's Climate Actions Towards a Net Zero Future



BEC, Civic Exchange and HKUST Institute for the Environment were pleased to welcome 270+ participants on 17 June joining our "Race to Zero" online event ahead of COP26 taking place in Glasgow this November. A special thanks to all experts and industry players for sharing their insights.

#### Key takeaways:

- 4 clear goals are set out for COP26: (i) secure global net zero and keep the 1.5 degrees target within reach; (ii) adapt to protect communities and natural habitats; (iii) mobilise funding; and (iv) work together to deliver
- Collaboration between countries and regions and across sectors is important to translate ambition into action
- Various sectors in Hong Kong are using innovative solutions to decarbonise such as power, construction, property development, textiles and garments; the panellists called for stronger partnerships and training to support the business community's climate action



## BEC Industry Visit - Smarter Office, Greener Future

BEC arranged two small group visits to the Canon Business Experience Center on 18 June. Corporate Member Canon HK offered participants insights on office sustainability including e-booking systems, administrative measures and digital solutions. In view of the overwhelming response, we will **rerun** this Industry Visit on **23 July**. Join us to learn about green and intelligent working environments, and how to create a smarter office to enhance operational efficiency and business sustainability!

[Click HERE to register](#)



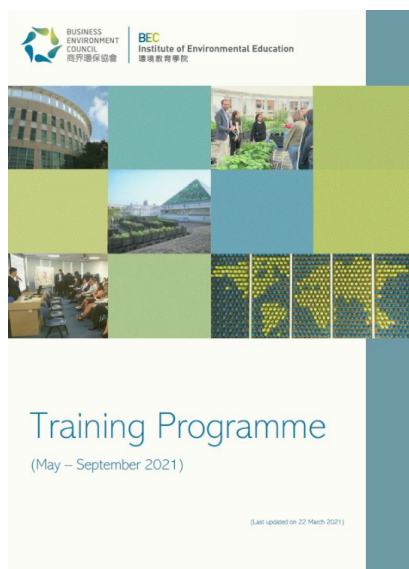
## UPCOMING EVENTS

### BEC Industry Visit - Visit to Tai O 18 & 24 August

Join BEC and Tai O Heritage Hotel for a visit to Tai O in August where we will enjoy a guided cultural tour of Tai O Village and learn about the history and architectural merits of the UNESCO-awarded Tai O Heritage Hotel revitalised from the Old Tai O Police Station. Stay tuned for more details!

## UPCOMING COURSES: BEC IEE TRAINING

The **BEC Institute of Environmental Education ("BEC IEE")** offers a variety of courses for business professionals, including senior executives and managers, to advance their knowledge and skill sets. Click on the course titles below for more details:



### The Fundamentals of Corporate Sustainability

 29 July

### How to Tackle the Challenges of the New Requirements of HKEx ESG Reporting Guide?

 30 July

### Carbon Audit Step by Step

 6 August

### Organizational-level Greenhouse Gas Accounting and Verification - ISO 14064 Introductory and Implementation Course

 9-11 August

## RETHINK HK 2021 CORNER



Co-organised with BEC, **ReThink HK 2021** is one of Hong Kong's most ambitious events for sustainable development! 5 theatres, 6 themes, 200+ speakers, together with the latest green products, services and solutions - apply for your pass before 13 August for early-bird rates. BEC members can enter promo code **BEC21** to enjoy an exclusive discount!

[Click HERE to apply now](#)

**RETHINK**  
SUSTAINABLE BUSINESS  
FORUM & SOLUTIONS EXPO

05 & 06 OCTOBER 2021  
HKCEC, HONG KONG

## MEMBERS CORNER

### Council Members

In June, **Airport Authority Hong Kong (“AAHK”)** received Gold recognition in the “Over 25 million passengers per annum” category of the Airports Council International Asia-Pacific Green Airports Recognition 2021, for its efforts in improving Hong Kong International Airport’s air quality. AAHK’s Ground Services Equipment (“GSE”) Pooling Scheme centralised the provision and management of shared-use GSE for ramp handling operators’ rental, helping to enhance operational efficiency and reduce air and carbon emissions at the airport. During Phase 1, over 250 critical GSE were procured, of which 95% are electric powered. Commencing in April 2022, Phase 2 of the Scheme will increase the size of GSE fleet to 580.

[Click HERE to learn more](#)



**Shell Hong Kong Limited** launched two new carbon neutral lubricants in May to make strides toward the Group’s net-zero emissions goal. Produced in Hong Kong, the lubricants’ lifecycle emissions have been offset with verified nature-based carbon credits through protection or redevelopment of natural ecosystems. Along with the products, Shell also introduced Ecobox as an alternative to traditional plastic packaging to exclusive local partners. The 20-litre Ecobox reduces plastic usage by more than 80% and carbon emissions by more than 60%, and eases transportation and recycling of containers.

[Click HERE to learn more](#)



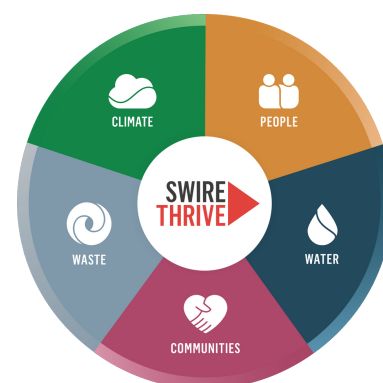
In June, **Sino Land Company Limited** became one of the first five real estate developers in Asia that pledged to support Business Ambition for 1.5°C, a United Nations-led campaign calling on businesses to set science-based targets to limit global temperature rise to 1.5°C above pre-industrial levels. The pledge entails a partnership with BEC Affiliate Member the Hong Kong University of Science and Technology to develop a holistic approach to achieve net zero carbon by 2050. The collaboration will evaluate how Sino Land can further increase responsible energy use in its portfolio and make a long-term difference in decarbonising the built environment.

[Click HERE to learn more](#)



**Swire Pacific** reinforced its longstanding commitment to sustainable development with an update of its sustainable development strategy SwireTHRIVE. Building on its previous environmental strategy launched in 2016, SwireTHRIVE has been extended to cover people and communities. Underpinning the strategy are ambitious short-term targets for reducing carbon, water and waste, and strengthening diversity and inclusion and safety. The group also announced its long-term commitment to achieving net zero carbon emissions, water neutrality and zero waste to landfill by 2050.

[Click HERE to learn more](#)



## MEMBERS CORNER

In May, **Swire Properties** was named as one of the top 10 organisations globally in the “Post-Issuance Reporting in the Green Bond Market 2021” study conducted by the Climate Bonds Initiative (“CBI”) which reviewed close to 700 green bonds from more than 400 issuers around the world. Swire Properties achieved the maximum score and was cited as a best-practice case study for the clarity, comprehensiveness and transparency of its reporting. CBI praised the company for disclosing qualitative and quantitative indicators, such as estimated carbon emissions avoided and energy and water savings, to complement the green building certifications in projects supported by green financing.

[Click HERE to learn more](#)



**The Hong Kong and China Gas Company Limited (“Towngas”)** has been collaborating with the School of Energy and Environment, City University of Hong Kong on a year-long investigation of thermal comfort, energy consumption and life cycle costs of desiccant dehumidifiers. In May, the resulting research paper “*The effect of humidity on Indoor Air Quality (IAQ) – Comparisons of HVAC systems using condensation dehumidification and desiccant dehumidification in Hong Kong*” was honoured with the Environmental Paper Award – Certificate of Merit by the Hong Kong Institution of Engineers (Environmental Division). The paper explores the environmental benefits of desiccant dehumidifiers in improving IAQ with a lower carbon footprint.

[Click HERE to learn more](#)



**HK Electric** has been supporting the United Nations’ World Environment Day for over 10 years through various initiatives. This year, the company launched a campaign to raise environmental awareness among its employees through a low-carbon lifestyle quiz, and a book and gadget recycling programme. Echoing this year’s theme of ecosystem restoration, the campaign also featured an urban organic planting course for staff.

[Click HERE to learn more](#)



### Corporate Members

In May, **CLPe Solutions** announced its partnership with a local retail company to build a large-scale solar panel system at a fresh food centre in Tseung Kwan O. Based on the estimated generation capacity, the solar panel system will be the largest in Hong Kong’s retail sector under CLP Power’s Renewable Energy Feed-in Tariff scheme upon completion in Q2 2022. Comprising around 2,000 solar panels, the system will generate over 1 million kWh of renewable energy each year, enough to meet the annual electricity needs of nearly 250 households, equivalent to 370 tonnes of avoided carbon emissions.

[Click HERE to learn more](#)



**Hong Kong Air Cargo Terminals Limited (“Hactl”)** released a new video in June showcasing and celebrating its environmental achievements in recent years. The 4-minute programme featured sharing from Hactl’s senior management and key sustainability partners including BEC’s Director – Policy & Research Mr Simon Ng, recognising all staff for their commitment to inspire others in the industry. Hactl’s sustainability activities and measures are now encapsulated in its “Green Terminal” agenda, which informs all major business decisions and aims to position the company as the world’s most eco-friendly air cargo handling operation.

[Click HERE to learn more](#)



## MEMBERS CORNER

**MTR** announced the launch of “Carbon Wallet” in its latest Sustainability Report published in April, taking an active role in encouraging the public to adopt a low-carbon lifestyle through social innovation. Serving as a one-stop app to go green, Carbon Wallet empowers the public to record their green actions, track their carbon emissions reductions and enjoy rewards for their low-carbon lifestyle. Users can also use the app to find recycling points, vegetarian restaurants and water filling stations in Hong Kong. MTR is committed to co-creating and connecting a carbon-conscious ecosystem with the public in collaboration with green groups, social enterprises and sustainable companies. To date, Carbon Wallet has 2,500+ users. Download it now and make green lifestyle count!

[Click HERE to learn more](#)

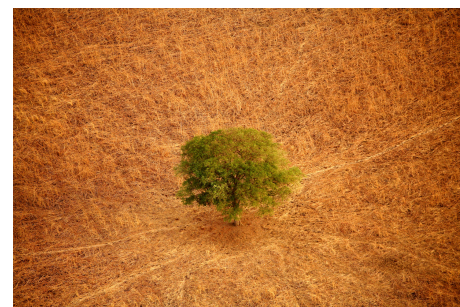


In May, **Arup** launched the “Urban Resilience Whitepaper” which details the company’s unique approach to city resilience and some of the tools it has developed with partners across the globe. The report offers the latest thoughts and practices on how to provide comprehensive resilient solutions in response to China’s urbanisation challenges. It also brings together a collection of global case studies that highlight how Arup helps cities build resilience from different perspectives including urban design and planning, security and risks, healthcare, socio-economics, transport infrastructure, ecosystems, water, buildings and organisations.

[Click HERE to learn more](#)

# ARUP

**PwC** is supporting the Shanghai Roots & Shoots Million Tree Project by donating one plant for every colleague in mainland China and Hong Kong. To date, 22,000 shrubs have been planted with support from PwC, covering an area of 7.33 hectares in Baijitan Nature Reserve, Ningxia to control desertification and revive local ecosystems. The number of planted trees will be doubled later this year. In addition to the environmental benefits of reforestation, this programme also helps build capacity among local farmers by engaging them in planting, maintaining and monitoring the plants. PwC will continue exploring natural solutions that help fight climate change and restore our earth.



To enable Hong Kong listed companies to better prepare for climate-related financial disclosures and tackle climate and environmental risks, **SGS Hong Kong** organised a live webinar in April covering an overview of internationally recognised sustainability disclosure frameworks, a deep-dive on the Task Force on Climate-related Financial Disclosures (“TCFD”) framework, challenges in implementing the TCFD recommendations and correlations between HKEx ESG Reporting Guide and the TCFD recommendations.

[Click HERE to learn more](#)

# SGS



## MEMBERS CORNER

### General Members

In June, **ALBA Integrated Waste Solutions (Hong Kong) Limited ("ALBA IWS")** presented awards to outstanding performers among the 400 residential and 70 commercial buildings participating in the WEEE Recycling Campaign 2020. By enabling centralised collection and storage of old waste electrical and electronic equipment ("WEEE") items on site, ALBA IWS was able to reduce the collection frequency and maximise the utilisation of collection vehicles, thus reducing carbon emissions associated with WEEE collection.



To accelerate the adoption of emission free vehicles in Hong Kong, **Cornerstone Technologies** announced a collaboration with Hong Kong's second largest electric vehicle ("EV") dealer (in terms of EV private cars sales in 2020) in June, to offer free installation of Cornerstone EV Chargers to buyers of a selected EV model, providing extra incentives for local car owners to go electric.

[Click HERE to learn more](#)



**Energys Spectrum** is now running the "Total LED Circadian Rhythm On Bluetooth Mesh" project by implementing circadian lighting on the HKUST campus. Since the human circadian rhythm is driven by colour temperature and sunlight intensity throughout the day, circadian lighting helps campus users boost focus and improve health and wellness. The project includes tunable white smart control LED installation which reduces energy consumption by as much as 95%. Carbon emissions can also be reduced by reducing indoor light intensity.

[Click HERE to learn more](#)



In May, **GlobeScan** released a new white paper on its latest research "Building Corporate Leadership In Addressing Inequality". While inequality has become a critical issue for the post COVID-19 world, current addressing approaches are perceived to be highly insufficient. This report highlights key aspects including the complexity of inequality and its interconnectedness with other themes, what is at stake for business and how to build leadership, and the four steps to an effective, integrated approach to tackle inequality.

[Click HERE to learn more](#)



**GreenCo ESG Advisory Limited ("GreenCo")** publishes research reports regularly to assist businesses in developing an ESG mindset and robustness in handling potential sustainability risks. In June, GreenCo released an executive summary of key takeaways from HKEx's "Making inroads into good Corporate Governance and ESG management" guidebook, which gathered perspectives from industry practitioners on how to enhance governance and ESG standards.

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# MEMBERS CORNER

## Recently Published Sustainability Reports

### Hang Seng Bank



### Kerry Properties



### Swire Pacific



### WSP



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Want to share your company's latest green news with over 6,000 BEC newsletter subscribers from various industries? BEC Council, Corporate and General Members are welcomed to submit their exciting news/ technology/ activities related to sustainability and environmental excellence to us. Please contact **Ms Jaz Chan** (T. 2784 3912 | E. [jazchan@bec.org.hk](mailto:jazchan@bec.org.hk)) for submissions and enquiries.

## WELCOME NEW BEC MEMBERS

### Corporate Member

- CLPe Solutions Limited



## BEC SUPPORTED EVENTS

- **COP26: Race to Zero Webinar series - IFRS Foundation's International Sustainability Standards Board** | Hong Kong Institute of Certified Public Accountants | 5 July
- **Sustainable Financing in China 2021 - Webinar Series** | Euromoney Conferences | July & September
- **"Advancing Net Zero" Ideas Competition** | Hong Kong Green Building Council | ongoing until 31 December

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