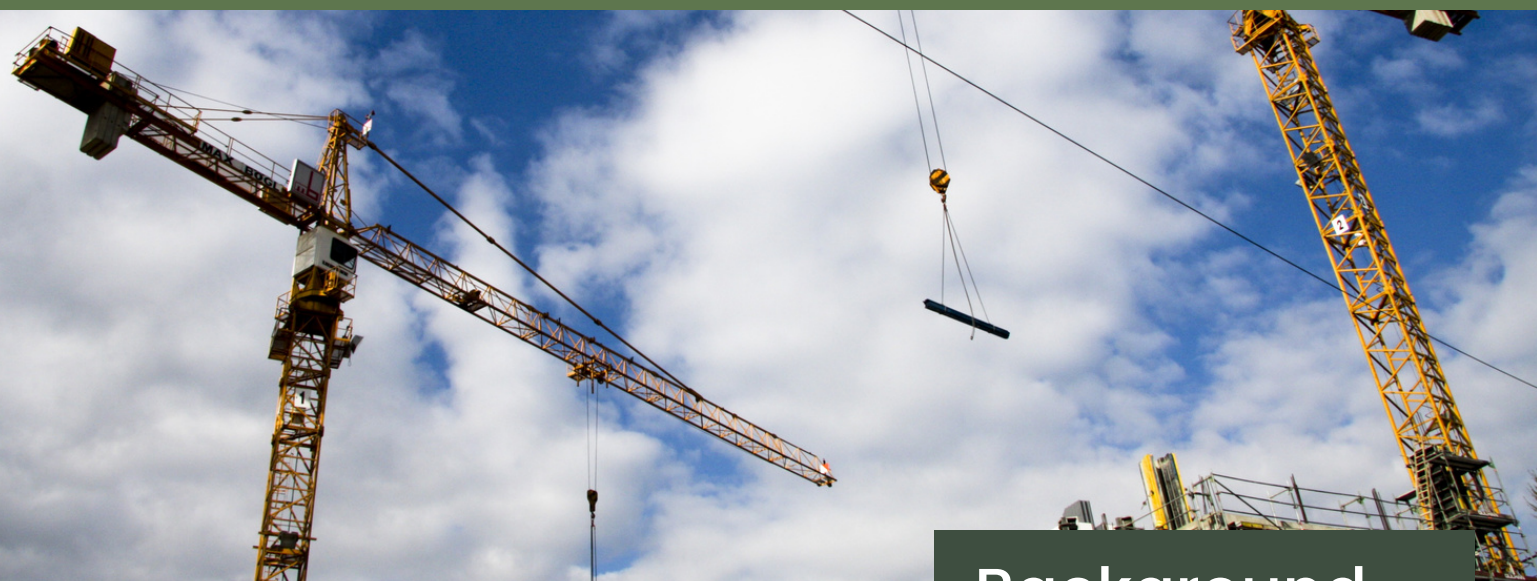


# Construction

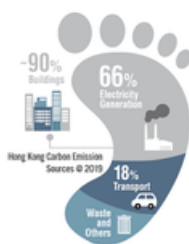


## Climate Readiness

The construction sector is a critical industry that plays a vital role in the city's climate resilience efforts. Evidence showed that there are sector guidelines and incentives in place. It is essential to further promote the collaborative efforts of statutory bodies and industry practitioners in creating a sustainable construction ecosystem, meeting the sector-wide targets. By fostering knowledge sharing, capacity building, and promoting best practices, these key players can ensure the adoption of sustainable construction standards across the sector. This collaborative approach also opens up opportunities for research and development, encouraging the creation of innovative solutions that address the unique challenges posed by Hong Kong's urban environment.

## Current State

Hong Kong's construction sector is a significant contributor to the city's economy, accounting for around 5% of its gross domestic product (GDP). The sector is responsible for building and maintaining the city's infrastructure and buildings, including schools, hospitals, residential buildings, and commercial properties. Buildings-related activities in Hong Kong account for 90% of the total electricity consumption while contributing over 60% of carbon emissions attributed to generating electricity for our buildings, making industry decarbonisation critical.



## Policies and Regulations

- Hong Kong's Climate Action Plan 2050
- Energy Saving Plan
- BEAM Plus New Buildings 2.0
- Construction Industry Council Carbon Assessment Tool
- Climate Change Framework for Built Environment



## Background

Business Environment Council (BEC) is supported by NWS Holdings Limited in conducting a study over the group's climate readiness for four selected sectors, namely construction, insurance, logistics, and facilities management. The study aimed to understand businesses' understanding of net-zero, their efforts towards achieving net-zero goals, and the good practices followed in various sectors. It also aimed to recognise awareness of the global trend towards net-zero, identify priorities and measures for achieving net-zero targets, and provide recommendations for a sustainable future. The study used a comprehensive approach, including research, stakeholder engagement, focus group discussions, and an online survey. This Sector Briefing focuses on the construction sector's climate readiness, providing insights and recommendations to support its transition to a low-carbon economy.

## Challenges

Despite these efforts made in promoting sustainability and green practices, the construction sector in Hong Kong still faces several challenges that impede its climate readiness. These challenges stem from a variety of factors.



### Top-down approach

- The statutory body plays an active role in promoting decarbonisation
- Role of contractor for decarbonisation is greatly influenced by developers



### Methodology and Data Management

- Lack of a standardised methodology in calculating whole life cycle carbon
- Lack of a standardised data platform hinders the industry from tracking and reporting sustainability performance



### Limited Knowledge & Awareness

- [Design Phase] – Working level stakeholders do not consider decarbonisation as their top priority while designing new buildings
- [Construction Phase] – Some stakeholders view decarbonisation as an additional cost and do not have immediate financial benefits



### High Cost

- The high upfront cost of green construction discourages developers to adopt sustainability
- Contractors are passive to allocate financial resources towards decarbonisation



### Incomprehensive Coverage of Certification

- Limited certifications cover responsible sourcing of materials

## Recommendations

Looking ahead, Hong Kong's construction sector is poised to play a vital role in the city's climate change mitigation and adaptation efforts. As the urgency to address climate change intensifies, the industry has witnessed a surge in innovation and the emergence of new markets. This transformation encompasses a broad spectrum of key players within the sector, including statutory bodies and industry practitioners, spanning the design, construction, and operation phases. To effectively combat climate change, it is essential for all stakeholders in the construction sector to collaborate and align their efforts.



### Statutory Body

#### Policy

- Put BEAM Plus certification as a mandatory requirement for all new buildings
- Specify the use of certified green materials in projects
- Mandate to conduct a whole life cycle assessment in statutory body's tenders

#### Education

- Strengthen education to improve the industry's awareness

#### Innovative Technology

- Wider use of innovation



### Industry Practitioners (Design Phase)

#### Promote Integrated Design

- Organise a design charrette with the developer, architect and engineer at the beginning of a project

#### Strengthen Partnership & Promote Green Finance

- Facilitate collaboration between industry stakeholders and the statutory body to nurture a culture of change and promote green finance

#### Enhance Digital Transformation

- Gather real time data with emerging digital technologies into a single platform



### Industry Practitioners (Construction and Operation Phase)

#### Capacity Building and Behavioural Change

- Equip the workforce and induce a cultural shift through offer training programmes to understand the long-term benefits of decarbonisation

#### ESG & Green Finance

- Adopt more sustainable practices to meet the ESG regulations to enhance the role of green finance in the construction sector

#### Strengthen Landlord-Tenant Partnership

- Initiate educational workshops and certification support to involve tenants in reducing emissions can consider emissions as a whole life cycle approach

To Download Full Report  
of Sector Briefing:



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