

14 August 2026

Policy Address Team,
Chief Executive's Policy Unit,
26/F, West Wing, Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong
Email: policyaddress@cepu.gov.hk

Submission on the Chief Executive's 2026 Policy Address
Views from Business Environment Council Limited
商界環保協會有限公司

Over the last 34 years, Business Environment Council Limited 商界環保協會有限公司 ("BEC") has played a leading role in advocating the business case for environmental excellence, given the importance of sustainable development to Hong Kong. Our members are committed to actively engage with the HKSAR Government ("the Government") to help develop a supporting policy framework as well as impactful implementation in respect of environmental protection and sustainability.

Views expressed in this submission are those of BEC, in line with BEC's Mission and Vision as well as policy position on relevant issues, but may not necessarily be the same as the views of each individual member. BEC is an independent charitable membership organisation comprising over 300 member companies from Hong Kong's major holding companies to small and medium-sized enterprises.

Views are structured based on BEC's work with the four environmental focus areas on climate change, energy transition, circular economy, nature and biodiversity, and several emerging topics.

The 2026 CAP2050 Review, National 15 Five-year Plan Alignment and Hong Kong's First Five-Year Plan

This Policy Address falls at a decisive moment for Hong Kong's climate policy. The Government has committed to reviewing Hong Kong's Climate Action Plan 2050 ("CAP2050"), and the outcome of the current review is expected within 2026. The national context has also fundamentally changed: China submitted its 2035 Nationally Determined Contribution ("NDC") to the UNFCCC on 3 November 2025, expanding coverage to all economic sectors and all greenhouse gases for the first time.

On 27 July 2026, the Ministry of Ecology and Environment ("MEE") published the National Climate Change Response Plan for the 15th Five-Year Plan period ("the National Climate Plan"), which operationalises the NDC for 2026–2030. This comprehensive national blueprint mandates a 17% reduction in CO₂ emissions per unit of GDP by 2030 (compared to 2025), the comprehensive management of non-CO₂ greenhouse gases (targeting 30 million tons of CO₂ equivalent reduction capacity), and the establishment of a robust product carbon footprint management system. It sets the overarching goal of fully implementing the 2035 NDC to lay a solid foundation for carbon neutrality.

With the 2025 Policy Address already aligning Hong Kong with national strategies during the planning year of the country's 15th Five-Year Plan, the updated CAP2050 should be explicitly positioned as Hong Kong's delivery vehicle for the national NDC, the value of Hong Kong's review lies in demonstrating how the city will help deliver it: presenting the review as an implementation contribution would embed Hong Kong's actions within the national delivery effort, provide granular data capable of feeding China's future transparency and progress reporting to the UNFCCC, strengthen the credibility of Hong Kong's own reporting, and strengthen the city's role as a key partner in the national climate strategy.

Hong Kong's First Five-Year Plan for Economic and Social Development (2026–2030) presents a timely opportunity to embed climate action and green transition priorities into the city's long-term development agenda. By aligning with the National 15th Five-Year Plan and leveraging Hong Kong's role as an international financial centre and gateway to the Greater Bay Area, the city can advance decarbonisation, climate resilience, biodiversity conservation, resource efficiency, and green innovation while enhancing long-term competitiveness. As a strategic blueprint for Hong Kong's development over the next five years, the Plan should establish clear climate and sustainability objectives, targets, and milestones. Future Policy Addresses should serve as the annual implementation and accountability mechanism by reporting progress against these targets, identifying gaps and emerging challenges, and introducing measures to accelerate delivery. This would strengthen policy coherence, continuity, and accountability while advancing Hong Kong's long-term climate and green transition objectives.

To support implementation of Hong Kong's First Five-Year Plan and the updated CAP2050, the Government should establish a formalised public-private sustainable development collaboration mechanism to strengthen cross-bureau coordination, facilitate regular stakeholder engagement, identify implementation barriers, align policies and investments, and monitor progress on key sustainability priorities. Bringing together government, business, financial institutions, academia and civil society would help mobilise investment, accelerate innovation adoption, and better integrate sustainability objectives into Hong Kong's long-term economic and social development agenda.

1. Addressing Climate Change

Addressing climate change requires an integrated, cross-sectoral approach. While specific sectoral strategies (e.g., energy generation, aviation, maritime) are detailed in Part 2, this section sets out the overarching, economy-wide policy levers, digital infrastructure, and financing mechanisms necessary to drive systemic decarbonisation. These foundational actions are designed to hold all sectors accountable and align Hong Kong with the MEE's latest directives on non-CO₂ gas management and carbon market expansion.

Economy-wide Sectoral Roadmaps and Innovations

- 1.1. The Government should use the 2026 update to extend CAP2050's decarbonisation measures to emission sources currently receiving lighter treatment, such as Industrial Processes and Product Use (IPPU) and non-road fuel use. The Government should use the 2026 update to extend CAP2050's decarbonisation measures to the emission sources that currently receive lighter treatment, roughly 13% is spread across non-road fuel use in commercial, industrial and domestic premises (around 7.2%), Industrial Processes and Product Use ("IPPU") (around 5.0%), and Agriculture, Forestry and Other Land Use ("AFOLU", around 0.1%). Directly aligning with the MEE's "15th Five-Year Plan," the Government should introduce a roadmap for non-

CO₂ gases and a hydrofluorocarbon phase-down, keeping reporting aligned with international standards and consistent with the all-gas scope of China's NDC.

- 1.2. The Government should commission and publish a Marginal Abatement Cost Curve ("MACC") for high-emitting and hard-to-abate sectors (e.g., concrete/construction materials, heavy-duty transport, and waste management). The MACC must be framed as an enabling roadmap to identify where targeted subsidies and R&D support are most needed. This would direct policy, public expenditure and private investment towards the most cost-effective mitigation pathways within the sector and give industry, investors and the public a transparent basis on which to track progress against milestones.

Supporting Climate Innovations

- 1.3. The Government should enhance the Environment and Ecology Bureau (EEB)'s Green Tech Fund by expanding support for emerging climate technologies, including Carbon Capture, Utilisation and Storage ("CCUS"), Battery Energy Storage Systems ("BESS"), climate adaptation and resilience solutions, and sustainable materials. Funding for pilot and demonstration projects should also be expanded beyond existing schemes such as the New Energy Transport Fund ("NET Fund"), supported by city-level testbeds and regulatory sandboxes that allow promising technologies to be trialled at scale in real urban conditions, thereby de-risking private capital.
- 1.4. The Government should expand targeted incentive and subsidy schemes to accelerate the adoption of proven green and climate technologies. Existing initiatives, such as the New Energy Transport Fund Electric Bus Subsidy and the EV Fast Charging Incentive Scheme, have demonstrated the effectiveness of financial support in driving market uptake and should be further strengthened. Similar incentive schemes should also be introduced for other priority areas, including building retrofitting, circular economy technologies, energy storage systems, low-carbon construction materials, and new energy commercial vehicles and NRMM (Non-Road Mobil Machinery), where high upfront costs continue to hinder wider adoption. Such measures would help accelerate decarbonisation, stimulate private-sector investment, and support Hong Kong's transition to a low-carbon and climate-resilient economy.
- 1.5. The Government should leverage public procurement, government facilities, infrastructure projects and major developments, including the Northern Metropolis, as lead-market opportunities for innovative green and climate technologies. By acting as an early adopter, the Government can help validate emerging solutions, accelerate commercialisation, attract private investment and strengthen Hong Kong's innovation ecosystem. The Government should also update its procurement scoring criteria to give preferential weighting to companies that not only disclose climate data but can demonstrate a year-on-year reduction in emissions intensity (without transferring emissions to scope 3 or internationally) and maintain a credible, science-aligned net-zero plan. In doing so, it could draw on recognised market frameworks, such as BEC's Net-zero Carbon Charter, whose signatories align with tiered net-zero commitments subject to annual review and disclosure, to support public tendering.

Climate Adaptation and Resilience

- 1.6. The Government should require all major public and private infrastructure projects including those in the Northern Metropolis to conduct and publish forward-looking climate impact assessments. These should model risks against internationally recognised climate projections (for example, sea-level rise, extreme heat and typhoon intensity) over near-, mid- and long-term horizons, and demonstrate that project designs incorporate adaptation and resilience measures sufficient to ensure long-term operational viability.
- 1.7. The Government should launch a single, publicly accessible digital platform, led by the Climate Change Working Group on Infrastructure (“CCWGI”), consolidating all decision-useful government climate data. It should integrate IPCC AR6-aligned projections with datasets such as infrastructure and flood-exposure maps, demographic data, climate-risk models and district-level adaptation plans and set out the Government’s own physical-risk action plans and infrastructure adaptation progress enabling more effective stress-testing and adaptation planning by businesses and financial institutions.
- 1.8. To better safeguard Hong Kong against intensifying extreme weather (such as super typhoons and torrential rain) and other systemic shocks, the Government should formalise Emergency Preparedness Frameworks for city resilience. By promoting structured, public–private joint crisis management protocols, this could strengthen swift responses during extreme weather events, public health crises, or broader supply shocks.
- 1.9. The Government should incorporate within the proposed new University Town the idea of multi-disciplinary ‘School of Climate Repair’, integrated with GBA and internationally, to accelerate development and upscaling of technologies, business models and societal mechanisms to contribute to climate repair to help to reverse the geo-engineering to improve the climate for future generations.

Green Finance

- 1.10. The Government should actively facilitate the operational integration of HKEX’s Core Climate platform with the Chinese Mainland’s Certified Emission Reduction (“CCER”) market, establishing a direct channel for Hong Kong and international investors to purchase voluntary carbon credits. The National Climate Plan commits to building a high-quality, internationally aligned national voluntary market and to promoting the use of CCERs in international compliance and product carbon neutrality, an ambition for which Hong Kong is the natural international gateway. Linking Core Climate directly to the national CCER framework will seamlessly connect Hong Kong’s financial ecosystem with the mainland’s voluntary carbon market. This linkage can act as a two-way conduit, allowing international capital to purchase high-integrity voluntary carbon credits, while also empowering Mainland entities to access international voluntary carbon markets through Hong Kong’s financial ecosystem.
- 1.11. The Government should fast-track the development, public consultation, and implementation of the Hong Kong Taxonomy for Sustainable Finance (Phase 2B) to broaden sectoral coverage and incorporate dedicated transition finance activities. By broadening future iterations of the Taxonomy to explicitly include the underlying physical activities essential for generating climate benefits (such as CCUS, engineered

carbon removals, and NbS), ensuring these critical mitigation projects are eligible for mainstream green financing. In addition, the Government should consider providing incentives and supportive mechanisms to encourage financial institutions and investors to support eligible green and transition projects, particularly emerging technologies and infrastructure that may face higher upfront costs or financing barriers.

Climate Data Accessibility

- 1.12. The Government should take a proactive approach to enhancing climate data transparency by expanding public disclosure beyond the city-wide GHG inventory and establish a centralised climate data repository to include sector-specific and sub-sector (e.g. construction, I&T, aviation and maritime) emissions data, emission factors, and the methodologies underpinning emissions calculations. While the Government's update of the "[Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings \(2026\)](#)" is a welcome step towards aligning Hong Kong's emissions accounting framework with evolving international standards and market practices, further efforts are needed to improve the availability, granularity, and forward-looking nature of climate data, particularly as international carbon accounting standards continue to evolve, including the ongoing revision of the [GHG Protocol's Scope 2 Guidance](#). To empower businesses, the Government must not only modernise this foundational guidance but also provide forward-looking forecasts. This will enable organisations to set credible science-based targets considering Scope 1, 2, and 3 emissions, make informed green investment, and align with CAP2050 targets, thereby enhancing the integrity and international comparability of Hong Kong's climate data.

Support for SMEs

- 1.13. The Government should establish dedicated support programmes, for example, the "Green Loan Express" platform established by the Huzhou government in Zhejiang, to enable local SMEs with actionable decarbonisation and resilience strategies by facilitating the matching of investment and financing needs between SMEs and banks, while also providing government interest subsidies and services. Many SMEs have the willingness to act but lack the technical expertise and resources to do so effectively. Green financing, targeted training, technical support, and capacity-building initiatives would help bridge this gap and strengthen the effectiveness of Hong Kong's overall climate transition efforts. This could include funding advisory services that connect SMEs, particularly those within the supply chains of large-listed companies, with climate scientists, engineers, and sustainability experts to provide guidance on carbon audits, climate-risk assessments, decarbonisation roadmaps, and transition plans.

2. Energy Transition

Regional Cooperation for Net-zero Electricity Generation

- 2.1. Direct electrification, supported by a progressively decarbonised power system, is the most efficient pathway for most end-use sectors. To meet Hong Kong's medium-term decarbonisation targets, the Government should increase imports of traceable nuclear power and renewable energy from Guangdong to provide a stable, long-term and transparent clean energy supply. It should also accelerate strategic power infrastructure, including area TKO132, to strengthen Hong Kong's capacity to import clean energy through regional cooperation, while continuing to expand support for local solar and wind initiatives.

Sustainable Aviation Fuel and Aviation Decarbonisation

- 2.2. BEC welcomes the Government's announcement of Hong Kong's SAF usage target and long-term SAF development plan. The next priority should focus on translating the strategy into implementation measures that create both demand certainty and supply-chain readiness. The Government should publish a SAF implementation roadmap setting out the adoption pathway towards the announced target, including demand-side measures, infrastructure requirements, market participation mechanisms and consideration of appropriate incentives to support early market adoption. To facilitate early market development, the Government should work with airport stakeholders, fuel suppliers and corporate buyers to establish a recognised SAF book-and-claim framework that is interoperable with international and regional registries, and explore measures to stimulate voluntary SAF demand from business travel and cargo sectors. Hong Kong should also strengthen collaboration with Mainland authorities, GBA partners and other regional suppliers to secure diversified long-term SAF supply and attract related investment opportunities. BEC, via its Hong Kong Sustainable Aviation Fuel Coalition Programme, is publishing an updated Policy Whitepaper on our detailed recommendations on SAF Strategies for Hong Kong. For details, please visit: <https://bec.org.hk/en/HKSAFC>

Maritime Decarbonisation and Green Marine Fuels

- 2.3. Following the release of the Action Plan on Green Maritime Fuel Bunkering and the introduction of the Green Maritime Fuel Bunkering Incentive Scheme, the next stage should focus on accelerating infrastructure deployment and market development. The Government should identify priority green shipping corridors, facilitate pilot bunkering projects for green methanol, sustainable marine biofuels and other low-carbon marine fuels, and establish a policy support for Onshore Power Supply ("OPS") with competitive OPS charging mechanism either by targeted subsidy and/or including OPS infrastructure investment as part of the power grid. The Government should also work with industry to develop practical guidance regarding IMO net-zero requirements and associated fuel transition pathways.
- 2.4. The Government should publish a dedicated decarbonisation roadmap for local vessels operating within Hong Kong waters. For vessel categories where electrification is technically feasible, pilot programmes should be expanded to demonstrate operational performance and infrastructure requirements. For existing vessels facing replacement or retrofit challenges, the Government should evaluate transitional low-carbon fuel options and drop-in biofuel blends while preparing charging infrastructure

at suitable piers and marine facilities. The Government should further enhance the use of low emission marine-based public transport as ‘ribs’ to the backbone of the MTR system to further negate the need for private road transport.

Road Transport and Commercial Vehicle Decarbonisation

- 2.5. The Government should establish clear near-term targets for vehicle segments where electric alternatives are already commercially available. Priority should be given to expanding depot and public charging infrastructure, facilitating land allocation for charging hubs, addressing power supply constraints, and introducing targeted financial support mechanisms to improve adoption rate of electric heavy commercial vehicle. Consideration should also be given to payload concessions and other regulatory measures to remove operational barriers for medium and heavy commercial electric vehicles.
- 2.6. The Government should also support the assessment and adoption of other low carbon and transitional solutions for heavy-duty applications and vehicle fleets that face challenges such as heavy capex for electric vehicles replacement, disruption of operation due to charging / refuelling constraints, existing fleet with long service lives and yet to retire.
- 2.7. The Government should also review existing regulatory barriers to the use of sustainable drop-in biofuels such as Hydrotreated Vegetable Oil (“HVO”), particularly for heavy-duty vehicles, non-road mobile machinery and fleet operators facing near-term electrification constraints. Clear technical standards and sustainability criteria should be established to facilitate responsible deployment. A notable barrier to the use of high-blend HVO on Hong Kong’s roads arises from existing fuel density regulations. The Government should consider providing legal recognition for sustainable drop-in biofuels by adopting international standards such as EN15940 and publishing a clear implementation roadmap to provide certainty for fuel suppliers and fleet operators.

New Energy Development and Low-carbon Fuel Ecosystem

- 2.8. Hong Kong’s energy transition for hard-to-abate sectors should adopt a technology-neutral strategy supported by a diversified portfolio of low-carbon energy solutions, including renewable electricity, green and low-carbon hydrogen, sustainable biofuels, SAF, green marine fuels and other emerging fuels. Such an approach can enhance energy security, system resilience and affordability while providing flexibility for different sectors to pursue the most practical decarbonisation pathways. Following publication of the Strategy of Hydrogen Development in Hong Kong, priority should now shift towards implementation and market confidence. The Government should publish technical standards and certification requirements for green and low-carbon hydrogen, support demonstration projects, and strengthen collaboration with Mainland authorities on standards alignment and supply arrangements. Hong Kong should also explore its role as a regional hub for fuel certification, trading, financing and related professional services.
- 2.9. To accelerate decarbonisation of non-road mobile machinery and construction equipment, the Government should introduce targeted support programmes for equipment categories where electric alternatives are already available. The Government should also streamline approval processes relating to temporary power supply, battery storage systems and charging infrastructure within construction sites.

Public works projects should continue to serve as demonstration platforms for zero-emission construction technologies, including the pilot deployment of alternative power solutions such as battery storage, green and low-carbon hydrogen and other low-carbon energy systems to reduce reliance on diesel generators at construction sites.

- 2.10. The Government should also explore phased low-carbon fuel blending frameworks for hard-to-abate and suitable applications, such as heavy-duty vehicles, non-road mobile machinery and local vessels, to provide long-term demand certainty and support investment in fuel supply infrastructure.
- 2.11. Hong Kong should also strengthen talent development for emerging low-carbon fuel industries through collaboration between government, academia and industry on skills development, professional training and applied research.

Building Energy Efficiency and Digital Decarbonisation

- 2.12. The recent amendments to the Buildings Energy Efficiency Ordinance represent an important step towards strengthening building energy management. The Government should commence consultation on the next phase of BEEO reform, focusing on improved implementation of identified Energy Management Opportunities (“EMOs”), energy performance tracking and stronger incentives for retro-commissioning and deep retrofits. Priority should also be given to expanding the use of smart technologies and AI-enabled energy management systems.
- 2.13. Transparency is essential to unlocking building-sector decarbonisation. The Government should develop a roadmap towards mandatory disclosure of Energy Use Intensity (“EUI”), beginning with Government buildings and progressively extending to large commercial and institutional buildings. A centralised benchmarking platform should also be established to facilitate performance comparison and inform retrofit investment decisions. Given Hong Kong’s growing digital infrastructure sector, the Government should develop sector-specific benchmarking frameworks for data centres, including reporting of Power Usage Effectiveness (“PUE”) and adoption of recognised energy-efficiency standards. The Government should also encourage adoption of energy-efficient cloud and shared digital infrastructure solutions where appropriate, recognising that shared platforms can deliver higher utilisation rates and lower carbon intensity than fragmented on-premises computing infrastructure. Beyond energy efficiency benchmarking, the Government should explore approaches that encourage improvements in whole-system carbon performance, allowing building owners and operators to adopt the most effective combination of efficiency measures, district cooling, renewable energy and other low-carbon solutions according to operational needs and emissions outcomes.

Embodied Carbon and Green Buildings

- 2.14. As operational emissions decrease, embodied carbon will become increasingly significant. The Government should establish a phased embodied carbon framework for Hong Kong, beginning with standardised assessment methodologies, reporting requirements and industry capacity-building, and progressing towards embodied carbon benchmarks and disclosure requirements for major developments. Priority should be given to developing a minimum decision-grade dataset, promoting verified EPDs, harmonising carbon assessment approaches, and leveraging public procurement and land development projects to stimulate market demand for low-

carbon materials and progressively introducing embodied carbon benchmarks for major developments and public projects with consideration of future integration into planning, land development and building approval processes, drawing on international best practices such as embodied carbon benchmarking frameworks already adopted in leading markets. Similar system can be referenced, such as the Dutch MPG system.

- 2.15. Split incentives continue to be a major barrier to building decarbonisation. The Government should work with industry stakeholders to promote wider adoption of green leasing frameworks that facilitate landlord-tenant collaboration on energy, water, waste and carbon management through structured data-sharing, performance benchmarking, smart metering and jointly agreed sustainability targets. Industry-developed templates and tenant engagement programmes can help overcome split-incentive and data-transparency barriers.

Accelerating Low-carbon Technology Deployment

- 2.16. The Government should expand and enhance existing funding, such as New Energy Transport Fund, Green Tech Fund, and Construction Innovation and Technology Fund, and facilitate pilot and demonstration schemes, to accelerate deployment of proven and internationally recognised decarbonisation technologies in buildings, transport, IT and industrial operations. Priority technologies may include AI-enabled energy management systems, smart building solutions, digital twins, advanced cooling technologies, cloud computing, AI-driven optimisation platforms and battery energy storage systems. As many innovative technologies face lengthy approval and permitting processes, the Government should establish an inter-departmental fast-track approval mechanism for low-carbon technologies. Government buildings, public facilities, transport infrastructure and public works projects should act as early-adopter platforms that help de-risk investment and accelerate wider market adoption.
- 2.17. The Government should provide clear regulation, code of practice and incentive to encourage installation of battery energy storage system which utilise off-peak power for peak hour consumption. These installations could maximise the power infrastructure utilisation and reduce the pressure on the power grid.

3. Circular Economy

Circular Economy Roadmap

- 3.1 To provide greater policy certainty and guide the circular transition, the Government is expected to upgrade the 2021 Waste Blueprint into a comprehensive Circular Economy Roadmap. Rather than focusing solely on end-of-life stage, this updated roadmap should address the entire product lifecycle, encompassing how materials are extracted, how products are produced, consumed, and managed. Drawing inspiration from the Chinese Mainland's "Zero-Waste City" initiatives, the roadmap should establish measurable targets for waste prevention, material recovery, recycled content, green procurement, and circular business models.

Producer Responsibility Scheme

- 3.2 It is encouraging to see the Government's commitment to regulating plastic beverage containers, beverage cartons, electric vehicle batteries, vehicle tyres, and lead-acid

batteries under the PRS. We hope the Government could accelerate the implementation timeline while ensuring robust stakeholder engagement to draft feasible subsidiary legislation. To gather comprehensive feedback efficiently, the Government might consider connecting with trade associations. Furthermore, it would be highly beneficial to identify and engage all stakeholders who might be affected or could indirectly contribute to the scheme's success, such as property management companies in the context of beverage packaging. Regarding beverage containers, BEC has already formed a dedicated taskforce and organised industry events to consolidate business feedback into a formal [policy submission](#)¹ with detailed recommendations. Looking ahead, BEC remains eager to facilitate ongoing dialogue between the business sector and the Government to ensure a smooth policy rollout. After the current five product categories' successful implementation, the Government should explore expanding the PRS to cover other high-impact waste streams, such as textiles and general packaging, drawing reference from international precedents.

Food Waste Management

- 3.3 Food waste accounts for approximately 30% of Hong Kong's MSW and remains a significant environmental challenge. The Government should adopt a comprehensive approach that prioritises prevention, reduction, and recycling. Developing a strategic framework, similar to Australia's National Food Waste Strategy, would provide a structured roadmap for implementation. We recommend incorporating the following actions into this overarching framework: (1) introducing phased mandates and incentives for food waste collection, starting with the F&B sector (drawing reference from Singapore's Resource Sustainability Act); (2) subsidising decentralised food waste treatment facilities for commercial properties and large estates to process waste on-site; (3) progressively expanding collection points, such as the EPD's Smart Food Waste Bins, near residential areas and high-density zones like restaurant clusters and supermarkets; (4) fast-tracking the construction of centralised treatment facilities to handle the increasing volume of collected food waste; (5) providing policy support to stimulate local market demand for compost and other useful end-products generated from food waste recycling facilities (such as government creating standards to allow use materials like soil amendment in public projects); and (6) fostering private sector partnerships to increase product outlets, drive upstream prevention through AI inventory management to predict exactly how much food or stock a business needs to order, portion size adjustments, food reuse and redistribution, and improved packaging.

Packaging Waste Management

- 3.4 It is encouraging to see the Government's efforts to reduce packaging waste through sector-specific tips and the voluntary Packaging Reduction Charter. To align with global regulatory trends, particularly as the EU's [Packaging and Packaging Waste Regulation](#) ("PPWR") comes into force in August 2026, the Government should build on the Charter's foundation by transitioning to mandatory policies. These new requirements should include: take-back models for packaging in logistics and e-commerce sector, design-for-recyclability standards, minimum thresholds for recycled content, and minimisation of primary, secondary, and tertiary packaging.

¹ https://www.bec.org.hk/sites/default/files/policy_submissions/BEC%20PRS%20Submission%20-%20final_signed.pdf

Upstream Waste Prevention

- 3.5 The Government should support adoption of voluntary eco-design guidelines for businesses in need. These guidelines will provide a foundation for manufacturers to decrease material use, increase product durability and repairability, and enhance overall recyclability before a product even enters the market. This aligns with global trends in upstream circular economy policies and addresses feedback from local recyclers regarding problematic materials that contaminate the recycling stream, such as PVC labels on PET bottles. As industry acceptance of eco-design for higher repairability and recyclability grows, the Government should introduce targeted policies that mandate longer product lifespans while financially rewarding sustainable design. Following approaches could be considered: (1) establishing “right-to-repair” frameworks for high-value and common product sectors to ensure consumers have the ability to maintain and fix their goods, thereby extending the product’s useful life; and (2) linking Producer Responsibility Scheme (“PRS”) fees to a product’s repairability and recyclability to financially reward manufacturers who successfully adopt eco-design principles.
- 3.6 To drive a viable market for recycled materials and sustainably designed goods, the Government could consider (1) establishing market-wide minimum recycled content standards for specific high-volume products, such as packaging, to ensure consistent demand for recycled materials across the entire consumer market; (2) leverage the Government’s purchasing power by mandating a minimum proportion of recycled secondary materials to be used in all public works and government purchasing, while encouraging private sector projects to adopt similar procurement targets.

Waste Reduction and Recycling

- 3.7 Following the pause of the MSW charging scheme, the Government should consider adopting following approaches to release predictable policy signals for business to justify green investments aimed at promoting circular economy: (1) outlining the alternative policies or measures being considered to bridge the gap and maintain public and corporate momentum; (2) publishing a clear reassessment timeline for the MSW charging scheme; (3) implementing a phased MSW charging rollout, starting with commercial/industrial sectors or targeting specific high-emission waste streams through business license conditions, before extending to the residential sector; and (4) accelerating the legislative timeline for mandating recyclables collection points in residential buildings.
- 3.8 With the increasing number of mega events hosted in Hong Kong, the Government is suggested to promote green mega events by incentivising compliance with the existing [Green Event Guidebook](#). Specifically, the Government could offer priority venue booking and preferential funding to organisers who commit to fulfilling key environmental targets, such as eliminating single-use plastics, implementing deposit-return schemes for tableware, and conducting post-event waste audits.
- 3.9 In light of the ongoing development of the Northern Metropolis, the Government is encouraged to integrate robust waste management policies into the planning of these New Development Areas. Specifically, the Government could consider introducing planning incentives, such as higher Gross Floor Area (“GFA”) concessions for projects that incorporate on-site sorting and recycling infrastructure.

- 3.10 To complement recyclable collection efforts, the Government should consider developing large-scale, advanced sorting facilities, such as material recovery facilities (“MRFs”), in newly developed areas (like the Northern Metropolis) and restored landfill sites. There should be sufficient MRFs to support the collection and sorting of recyclables throughout the territory, particularly in older areas where retrofitting of source separation is challenging. This approach would help address the high costs and inefficiencies associated with manual sorting while maximising resource utilisation. Moreover, a centralised data platform consolidating metrics from Green@Community network and alternative recycling points should be established to facilitate data-driven decision-making.
- 3.11 The Government should support the local recycling industry and explore regional synergies for waste recycling management to overcome high labour and transportation costs, as well as land constraints. Detailed suggestions include: (1) providing land support on minimum 5 to 10 year tenures for decentralised treatment and recycling; (2) supporting decentralised treatment facilities with enabling policies such as GFA concessions and reviewing building design guidelines (including refuse room sizing) to accommodate source separation and on-site treatment; (3) establishing a government-led digital platform mapping all collection points, capacities, and routes across PRS operators, property managers, and NGOs to address current fragmentation; (4) enhancing collaboration with Chinese Mainland for waste recycling, particularly for high-value materials or waste streams where Hong Kong currently lacks local recycling capacity and infrastructure. By leveraging the Cooperation Arrangement on Control of Waste Movements, the Government could improve efficiency and expand treatment options for Hong Kong through GBA partnerships.

Waste Recovery / End-of-Life

- 3.12 As I-PARK1 commences operations in 2026, it is recommended that the Government undertake the following measures: (1) enhance public education to emphasise that while waste-to-energy recovery is preferable to landfilling, source reduction and recycling remain the top priorities; (2) publish real-time emissions and energy generation data for I-PARK1 to build public trust; and (3) develop a tiered pricing structure across all waste streams, charging higher fees for non-recyclable or non-biodegradable materials in longer run.
- 3.13 It is noted that the Government is exploring a new waste-to-energy plant in the Northern Metropolis. Recent figures indicate that Hong Kong disposes of around 10,510 tonnes of MSW daily. With I-PARK1 and I-PARK2 projected to handle a combined 9,000 tonnes per day upon completion, the gap between waste generation and treatment capacity is narrowing. The Government is suggested to monitor the projected future waste volumes with the ongoing waste reduction and recycling measures, and reassess the necessity of building I-PARK3 with substantial capital investment.
- 3.14 The Government should recognise the ongoing need for landfills for non-combustible or certain hazardous materials. Before the exhaustion of WENTX and NENTX, the Government should treat each land area as a valuable resource and minimise the volume of incoming waste directed to landfill, including Construction and Demolition (C&D) waste and Special Waste, as well as MSW mentioned above. This includes providing dedicated treatment facilities for C&D waste, and developing standards for, and providing space for, Incinerator Bottom Ash (IBA) recycling.

4. Nature and Biodiversity

Alignment in high-level policy signalling

- 4.1. Hong Kong's high-level biodiversity must align with national policy. The Government must reflect commitments made in Chinese Mainland's 15th Five-Year Plan, which now sets explicit targets for ecosystem restoration, afforestation and biodiversity protection by 2030/2035. It should also be aligned with international objectives, such as the Kunming-Montreal Global Biodiversity Framework.
- 4.2. Explicitly reference the updated BSAP (2025-2035) and embed its four strategic areas (conservation, mainstreaming, capacity building and partnerships) into the Policy Address to emphasise coherence and priority level assigned to nature and aligning Hong Kong's commitments locally, nationally and globally. BEC also advocates for nature to be designated a separate pillar under the updated CAP2050 to explicitly acknowledge the interlinkages between climate and nature and nature's role in supporting climate resilience and adaptation.
- 4.3. Consider establishing a central coordination office for nature conservation and NbS, led by EEB, to align cross-Governmental department collaboration and implementation, with the Northern Metropolis Coordination Office serving as a pilot for testing integrated governance. Reference can be taken from the existing Tree Management Office which was set up for similar purposes.

Integrating Biodiversity into Development and Leveraging Nature-based Solutions for Climate Resilience

- 4.4. Hong Kong should explicitly recognise its ecological assets (including forests, wetlands, and marine habitats) as invaluable natural infrastructure central to its climate resilience. Impact from biodiversity loss must be systematically embedded and evaluated in project planning and approvals, referencing BSAP 2035's mainstreaming pillar and relevant legislation such as the EIA Ordinance for mega projects (under EIAO Schedule 3), Planning Standards, APP 152, and the Town Planning Ordinance. The Hong Kong Nature based Solutions Design Guidelines (HKNbSDG) should be explicitly referenced across such guidance and the guidelines' principles should be mandated in the Northern Metropolis as a pilot, with the Government leading by example through adoption in all public developments. Strategically deployed NbS and green infrastructure can mitigate climate impacts, enhance resilience, and reduce financial losses from extreme weather events, particularly in vulnerable low lying and coastal regions. To fully mainstream NbS, the Government should commit to scaling implementation across Hong Kong and transition the HKNbSDG from voluntary commitments to mandatory application under the EIA Ordinance (Schedule 3) for mega projects, ensuring NbS is embedded as a core component of Hong Kong's development framework.
- 4.5. Study the relevance of implementing Biodiversity Net Gain ("BNG") principles and feasibility of application with the local context across mega projects under Schedule 3 of EIAO to ensure biodiversity can be measurably from pre-development conditions. This would require developers to quantify ecological baselines (inclusive of biodiversity baseline and associated ecosystem service) and deliver restoration and/or compensation measures (like habitat creation, planting native species, improving ecological connectivity) to create a net gain. BNG principles or similar could be piloted

across public projects, such as upcoming projects in the Northern Metropolis megadevelopment, as a testing ground before committing to broader implementation across the jurisdiction. For smaller development projects, (those located at less sensitive ecological zones or those that have already existing environmental assessments conducted) biodiversity assessments should be included in the EIAO designated Project Schedule, to ensure that baseline biodiversity is accounted for pre-development.

- 4.6. The Government should invest in mitigation and adaptation measures that also support biodiversity, for example (but not limited to) artificial coral reefs, oyster reefs, and mangroves as breakwaters to mitigate energy of large waves.

Nature-related disclosure and corporate uptake

- 4.7. Continue to encourage corporate adoption of nature-related disclosures through frameworks including the Taskforce on Nature-related Financial Disclosures (“TNFD”) to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. With the ISSB’s decision to issue an IFRS Practice Statement on nature-related disclosures in October 2026, Hong Kong should anticipate this and integrate it into local disclosure expectations. Signalling clear expectations for disclosure in priority and material sectors can support Hong Kong’s journey in leading nature-related disclosure and risk transparency and drive coherence with meeting BSAP 2035 Priority Action 2.3.

Sustainable consumption and procurement

- 4.8. Leading by example, the Government should introduce internal procurement standards that prioritise sustainable sourcing and products which reduce harmful impacts to nature and biodiversity where possible. Explore policies such as a no-deforestation policy, or requirements to use FSC-certified paper. The Government could apply its standard in its own projects first, then encourage private sector uptake through incentives and disclosure. From a development perspective, the Government should consider enhancing green public procurement responsibilities in both public and private works and this should be prioritised in upcoming mega-development works such as the Northern Metropolis.
- 4.9. To drive more responsible sourcing and procurement from the private sector, Government procurement policy should consider addressing embodied nature impacts in supply chains, acknowledging the significant biodiversity impacts from resource consumption. Incentives could include preferential treatment in Government tenders, access to green finance instruments and tax benefits towards businesses that make procurement choices that are the least impactful on nature in their supply chains.

Enabling nature financing for conservation

- 4.10. Hong Kong remains well-positioned to leverage opportunities in green and sustainable finance in the region. This strengthens the credibility of biodiversity-linked instruments for investors by ensuring they are consistent with global frameworks such as ISSB and TNFD, and integrated with local policy priorities (CAP2035 and BSAP 2035). Develop robust mechanisms for nature and biodiversity financing, including innovative models and blended finance, and green bond extensions into “blue finance.” Facilitate local biodiversity financing mechanisms to channel capital into conservation efforts, supporting CAP2050 and BSAP 2035 targets. Following the release of the HKNbSDG,

publish practical guidance on biodiversity and nature finance opportunities, defining eligible NbS and biodiversity activities that are aligned with the NbSDG to support the financing of NbS. Carefully explore high-quality, highly scrutinised, credible frameworks for nature-based carbon sequestration, removal or avoidance mechanisms to create a mechanism for financial institutions and corporates to finance conservation efforts directly while boosting climate mitigation and resilience.

Increasing protection for Hong Kong's marine habitats

- 4.11. To support local marine biodiversity and habitats, the total area of waters under our jurisdiction under protected measures must be increased. This will not only bring us closer to alignment with international commitments but offer more ecological connectivity between different marine habitats to further strengthen marine biodiversity, improve overall resilience and the blue carbon sequestration potential of Hong Kong's waters. Aside from marine protected areas ("MPAs"), other mechanisms such as Other Effective Area-based Conservation Measures ("OECMs") should be explored. For reference, countries like Australia, Colombia, Japan and the UK demonstrate that expanding MPAs or adopting OECMs is not just about marine conservation but a strategic move for resilience, economic growth, and global credibility.

Advancing native species and forest carbon management for climate action

- 4.12. The Government must align and establish local targets around forest management and tree species with the national 15th Five-Year Plan (native species conservation, ecological restoration, afforestation, forest carbon sequestration). Additionally, shift to proactive, science-backed management of country parks, moving beyond passive conservation, with practices including preserving old growth and large native trees, prioritising the planting of climate-resilient native species and improving soil fertility. Mobilise native species restoration and strengthen forest carbon management to enhance local carbon sinks.

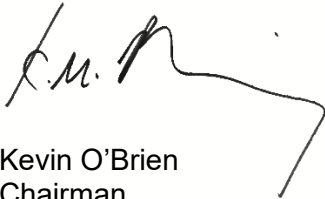
Data, research and funding

- 4.13. Hong Kong still lacks a standardised framework to measure and quantify ecosystem services (both terrestrial and marine). The UN's System of Environmental-Economic Accounting Ecosystem Accounting ("SEEA EA"), Chinese Mainland's Gross Ecosystem Products ("GEP") and similar economic modelling can be used as references and the Government should drive forward efforts to implement an appropriate mechanism in Hong Kong, collaborating with expert stakeholders and academia. Data surrounding this should be made publicly available and accessible to stakeholders and businesses in their assessment and reporting on nature-related dependencies, impacts, risks and opportunities under TNFD.

Enquiries

For queries related to this submission, please contact our Chief Executive Officer, Mr Simon Ng at simonng@bec.org.hk.

Yours sincerely,



Kevin O'Brien
Chairman

Business Environment Council Limited