



BUSINESS
ENVIRONMENT
COUNCIL
商界環保協會

SUSTAINABILITY REPORT 2014/2015



Connecting • Nurturing • Creating



for a Sustainable Environment

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Message from the Chairman & CEO

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Message from our Chairman



Professor John Chai
Chairman

I am delighted to take this opportunity to share with you BEC's first Sustainability Report, highlighting our vision and mission, strategic direction, as well as some of the highlights from our activities over the last 12 months. This report represents an important milestone in our journey to manage our own social, environmental and corporate governance performance, as well as to enhance our communication with our stakeholders.

BEC began over 23 years ago, consisting of a few corporate members who envisioned a different, more sustainable way for companies to operate. While being seen as idealistic at the time, today, looking through the lens of increasing resource scarcity and the rising threat of climate change, our vision has become a necessary reality. Increasingly, corporations, regulators and investors are building sustainability into their strategies. This progress comes none too soon. By working together, companies, investors and policymakers are accelerating in action toward this goal.

Within this rapidly changing environment for business, BEC has occupied a prime position, fulfilling a unique niche and working as a catalyst for change. Today, BEC is a 200+ member-led organisation that assembles perspectives from different business sectors and leaders across Hong Kong. Acting as a platform for engagement, we bring together forward-thinking companies to share ideas, perspectives and solutions on sustainability issues. It is through such engagement and business opportunity that we aim to make a difference.

Working directly with the businesses is only one such means of how we achieve results. Good governance and an enlightened policy are essential if we are to find a sustainable development path. Policy advocacy remains a pillar of our work as we engage with Government

as a trusted advisor on policies affecting the environment. As both Chairman and a member of BEC, I am always proud when I hear that our work has influenced Government policy, even more so when I hear that directly from Government representatives.

In the following pages, you will find illustrations of how we are responding to these challenges and the encouraging results that our approach—founded on partnerships—is having. You will read about our collaborations, and learn about BEC's work, with results organised around our core attributes. These attributes represent the fruits of one of last year's most important activities: updating our strategic plan to better leverage BEC's unique strengths, and assets, allowing us to more effectively deliver programmes of value to our members that address the sustainability challenges facing Hong Kong.

At BEC we are blessed to have many excellent partners. On behalf of the Board, I would like to extend my sincere gratitude to our staff, members, partners and the Government for their continued support to our mission in promoting and advocating for environmental excellence.

As we move into the future, I am confident that BEC is in a good position to continue to lead the move forward, and to build further on our strong track record. Our achievements in 2014/15, coupled with our ever-increasing membership base and closer collaboration with members and other partners should make it possible for us to explore mechanisms for delivering more services to our members in 2015/16. I fully expect to be able to report considerable progress in this direction the next time I write for the Sustainability Report!

Message from our Chief Executive Officer



Agnes Li
Chief Executive Officer

Sustainability lies at the heart of BEC's mission. As BEC's Chief Executive Officer, I am proud of what we have accomplished thus far and for our continued work in creating a positive impact in society.

As we advocate for Hong Kong's journey toward a low carbon economy, we are driven by a clear vision. A vision where sustainability is firmly embedded into our culture and processes.

The efforts of our members and employees have driven us towards innovation and efficiency, both in our internal management and in the implementation of programmes and projects which have allowed us to increase our impact year on year. In our 2014/15 fiscal year, we have continued to go from strength to strength. This Sustainability Report has highlighted some of our achievements through the year. However, three stand out as contributing particularly strongly to BEC's mission.

1. We were proud to work on the Climate Resilience Roadmap for Business, a report that recognises the importance of creating climate resilience in preparation for the impacts of climate change amongst business sectors.
2. Our programmes, which helped to raise an appreciation of environmental issues amongst businesses and the community.
3. Our policy submissions brought together the collective views of our members on various environmental and sustainability issues. Our submission process attests our ability to represent diverse voices and opinions amongst our membership.

The launch of the 5th BEC Advisory Group, namely the BEC Transport and Logistics Advisory Group, together with the events and projects that the BEC Advisory Groups have carried out during the year, have laid the groundwork for us to continue to develop our activities in the future in accordance with major environmental issues affecting Hong Kong.

As part of the development of our organisational strategy, and our commitment to sustainability and our stakeholders, we have taken a step forward in producing this, our first Sustainability Report. We have prepared it in accordance with the GRI G4 and NGO Sector Supplement guidelines and in doing so; we are one of the few NGO's in Hong Kong to have committed to such levels of disclosure.

This report represents a milestone in the way we publicise our performance and will allow us to continue to further our vision and mission. This report will be a critical tool for us to achieve continuous improvement and we look forward to maintaining this open dialogue with our stakeholders.

About this Report



Section

Scope of Report

This sustainability report (“Sustainability Report”) of Business Environment Council Limited 商界環保協會有限公司 (“BEC”) contains a detailed account of our programmes and activities. It does so with reference to BEC’s vision of promoting environmental sustainability to support the transition to a low carbon society.

This is BEC’s first Sustainability Report and we plan to continue reporting on our sustainability performance on a biennial basis. It covers the financial year from 1 October 2014 to 30 September 2015 (“2014/2015 FY”). Through the full and open disclosure of our activities and achievements, we aim to inspire other organisations of a similar size and nature to do the same. In setting the reporting boundary for this report, we will focus on our initiatives, the direct and indirect environmental contributions from our operations including the work of the Harbour Business Forum as well as the environmental footprint of the BEC headquarters building in Kowloon Tong.

How We Report

The Global Reporting Initiative (“GRI”) G4 framework has been followed and applied in accordance with the “core” option and with the GRI principles of accuracy, balance, comparability, completeness, materiality, reliability and timeliness. We have also used the Environmental, Social and Governance (“ESG”) Reporting Guide of Hong Kong Exchanges and Clearing Limited (“HKEx”) and the GRI NGO Sector Supplement as references. The report focuses on our most material impacts and opportunities – those that are of most importance to our company and our stakeholders.

In order to aid the reader’s navigation of this report, a full list of the indicators covered has been included at the back of this report.

Stakeholder Engagement and Material Issues

As a membership organisation, we place a significant emphasis on maintaining a strong ongoing and open dialogue with our stakeholders. The stakeholder engagement process allows us to understand the views, needs and concerns of our stakeholders, ultimately guiding the development of our organisational strategy.

Over the years, we have gone to great effort to cultivate strong and constructive relationships with our members, the Hong Kong Government and the wider business community through surveys, meetings, interviews, focus group discussions (“FGD’s”), among many other channels on which we rely on to reflect to the views of our members, such as our policy submission process.

In preparation for this Sustainability Report, we sought the views of a wide range of stakeholders on our current sustainability performance, as well as the issues and challenges they believe we need to address. The selection of stakeholders was based on their relationship, relevance to and understanding of our organisation and mission. These stakeholders include our Board of Directors, members and employees.

Format of Stakeholder engagements and number of individuals engaged:

| Stakeholder | Engagement Format | Number of Individuals Engaged |
|---------------------------------------|--------------------|-------------------------------|
| BEC Chairman | Interview | 1 |
| Executive Committee | Interviews & FGD’s | 8 |
| Communications & Membership Committee | Interviews & FGD’s | 4 |
| Advisory Group Chairs | FGD | 2 |
| CEO | Interview | 1 |
| Senior Management | FGD | 8 |
| Green Office Team | FGD | 12 |

We commissioned an online survey, in order to collect additional views on reporting priorities from a diverse set of stakeholders. The survey presented the 20 Aspects (results of the preliminary materiality assessment) along with their respective definitions and possible applicability to both the NGO sector broadly and more specifically to BEC.

Below, we encapsulate the process we have gone through to determine the 16 Aspects which the report covers, and the content featured in this report.

Step 3 Validation

- To determine the importance of individual Aspects, summary rankings from the stakeholder engagement were compiled.
- The results were then translated into a materiality matrix, which was then prepared and used to identify the most material Aspects.
- This resulted in the identification of 16 material Aspects for inclusion in our Report.

Step 2 Prioritisation

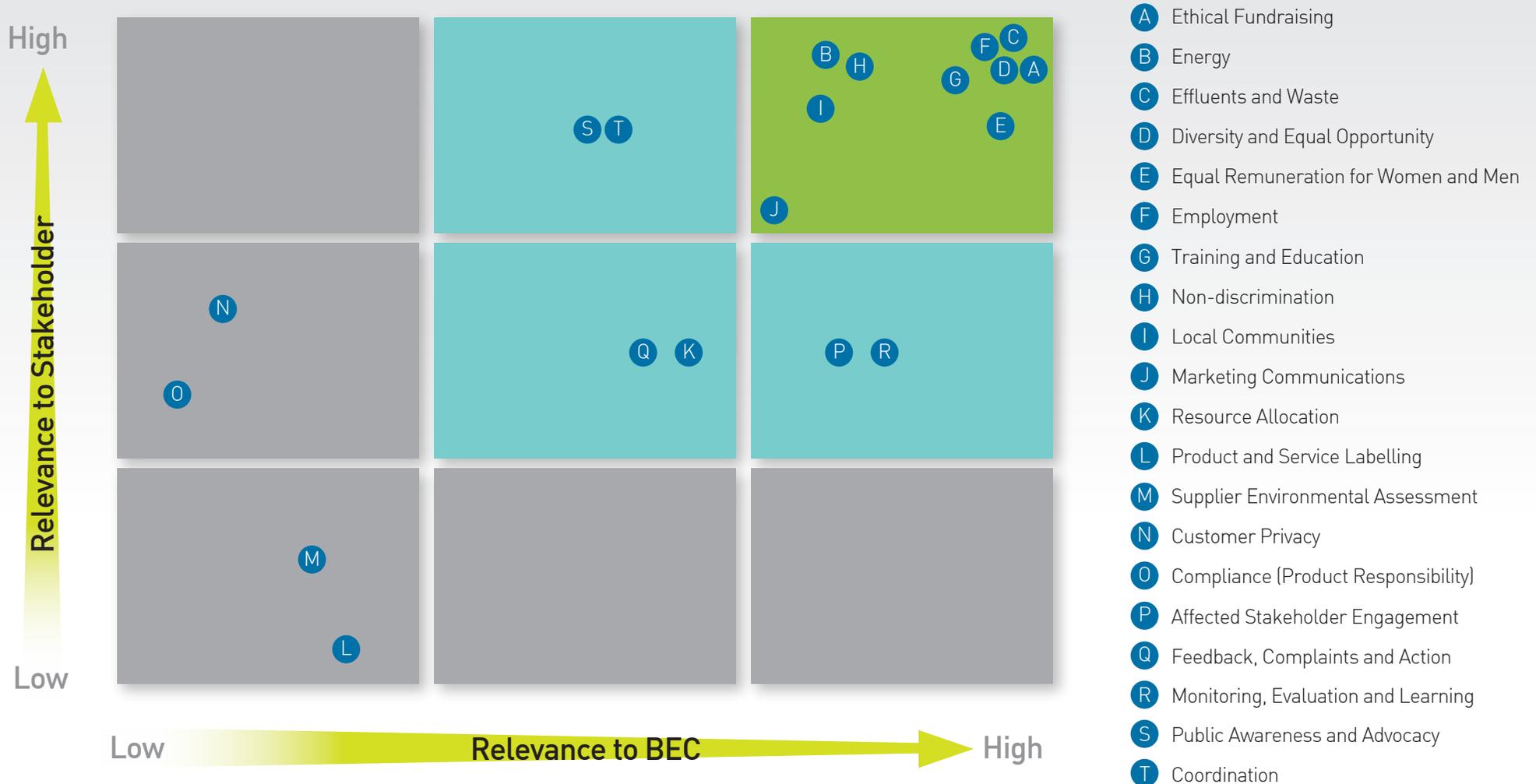
- The BEC ESG Advisory team assessed each of the 52 GRI Aspects in conjunction with the data from the peer analysis and identified a shortlist of 20 Aspects for possible inclusion in the Report.
- Key stakeholders were then asked to evaluate BEC's sustainability performance and to rank these 20 GRI Aspects. These Aspects were ranked according to their importance to BEC and our stakeholders, as well as their potential impact on BEC's operations and activities.

Step 1 Identification

- To identify standard aspects for disclosure of the NGO sector in general we analysed the Sustainability Reports of four International NGO's reporting in line with the GRI G4 Guidelines. A determination of whether an Aspect was material was made on the frequency of disclosure among these NGO's.

This materiality assessment exercise conducted in-line with the GRI principles of Sustainability Context, Stakeholder Inclusiveness and Materiality, resulted in a list of priority issues that reflect the most significant impacts of BEC and highlighted the expectations and concerns of our key stakeholders. The Materiality Matrix below provides a list of current sustainability priorities within our business.

Materiality Matrix



Within this report, we provide performance metrics for these material issues, aligned with the GRI G4 Sustainability Reporting Guidelines, covering Disclosures on Management Approach and Specific Standard Disclosures. In addition to information on the material Aspects identified overleaf, we have reported on the General Standard Disclosures that are required for all reporting organisations under the GRI Guidelines.

The table below outlines the identified material issues of relevance to BEC and their impact either inside or outside the organisation. Material issues are represented by their corresponding GRI Material Aspects and Specific Standard Disclosures.

| | | Impact Location (Inside/ Outside BEC) | |
|---|--------------------------------------|--|---------|
| | | Inside | Outside |
| Environmental (EN) | | | |
| 1 | Energy | EN3 & EN6 | ✓ |
| 2 | Effluents and Waste | EN23 | ✓ |
| Labour Practices and Decent Working (LA) | | | |
| 3 | Employment | LA1 | ✓ |
| 4 | Training and Education | LA9 & LA11 | ✓ |
| 5 | Diversity and Equal Opportunity | LA12 | ✓ |
| 6 | Equal Remuneration for Women and Men | LA13 | ✓ |
| Human Rights (HR) | | | |
| 7 | Non-discrimination | HR3 | ✓ |
| Society (SO) | | | |
| 8 | Local Communities | SO1 & SO2 | ✓ |
| Sector Disclosures: NGO (NGO) | | | |
| 9 | Ethical Fundraising | NGO8 | ✓ |
| 10 | Marketing Communications | NGO10 | ✓ |
| 11 | Resource Allocation | G4- DMA (NGO) | ✓ |
| 12 | Affected Stakeholder Engagement | G4-DMA (NGO) | ✓ |
| 13 | Feedback, Complaints and Action | G4-DMA (NGO) | ✓ |
| 14 | Monitoring, Evaluation and Learning | G4-DMA (NGO) | ✓ |
| 15 | Public Awareness and Advocacy | G4-DMA (NGO) | ✓ |
| 16 | Coordination | G4-DMA (NGO) | ✓ |

Highlights of Stakeholder Feedback and Our Responses

A number of broad themes arose during the course of our stakeholder engagement exercise. This feedback related to our performance, ways which we can improve our service offerings to our members, our contribution to the sustainable development of Hong Kong, and our overall sustainability performance. These views, summarised below, have served as a guide as we plan our organisational strategy and continue to ensure that we 'Walk the Talk'.

To demonstrate the importance we attach to open and transparent dialogue with our stakeholders we have outlined below our responses on how we aim to overcome the key challenges raised and how we propose to work collaboratively with our members to make improvements. We have presented the feedback under titles best capturing the content discussed.



Environmental Performance

"BEC should be commended for its Transformation Project, however the value and return on investment of this endeavour has not been communicated particularly well to target audiences".

Response:

- As the first existing commercial building to receive a BEAM Plus Provisional Platinum rating, BEC continues to utilise existing communication channels to convey the value of its Transformation Project. This includes communication channels such as tours of the facilities to visitors including the Hong Kong Management Association ("HKMA") and new members, potential members, Government officials, students and industry practitioners. We also have promoted the transformation project through other channels such as television, radio, public exhibition and newspapers.
- BEC has also created a document; [Commemorative Case Sharing on the Transformation Project](#) to elaborate on the benefit brought from a variety of technologies and processes.

Human Capital

“While there has been an improvement in the staff turnover rate, given the nature of BEC’s operations, its potential rests within its human capital. A high turnover rate runs the risk of BEC being unable to maintain both the consistency and quality of its services”.

Response:

- Organisations within the NGO Sector typically have a higher turnover rate. BEC however hopes to address this issue by providing staff with opportunities for professional training and development as well as continued career progression.
- Prioritising its staff, employees are also offered flexible working hours and an Annual leave of twenty days.
- BEC also regularly engages members of staff in order to address any concerns or issues. Suggestion boxes are placed within the office while a happiness and team spirit index keeps track of employee and team morale at the office.

Communication

“The general public remains somewhat unaware of BEC and its efforts. This group could be further engaged going forward, with social media employed as one such means of outreach.”

Response:

- We continue to expand our efforts in communicating with the public using social media platforms such as LinkedIn, Facebook and Twitter.
- We publish different types of collateral such as a Topical Digest, e-newsletter and press release regularly to communicate BEC’s efforts.
- Our Leadership Networking Series also provides a platform between environmental leaders and small to medium sized enterprises from the public to disseminate environmental best practice.
- We also employ traditional media platforms to expand our reach with an aim to produce four Op-eds on environmental issues each year.

Policy and Advocacy

“BEC is seen as being both a pragmatic and legitimate voice within its Policy Advocacy efforts. Going forward the organisation may attempt to be more proactive in its approach while also working to collect a broader range of opinions and not solely that of the most vocal”.

Response:

- Through BEC’s Advisory Groups (“AG’s”) we aim to consider topical issues in a proactive way through the development of work-plans identifying the most significant issues.
- We proactively seek feedback from members, and then circulate policy documents amongst members for further comment and to balance views.
- From the efforts mentioned above, BEC aims to be both proactive and democratic in its approach to presenting a consolidated view or opinion.

Collaboration

“Collaborating with other NGO’s or academics may work to emphasise BEC’s voice and message. BEC could be better at leveraging its position as a centre of academic discourse on a number of environmental issues”.

Response:

- BEC is one of the four founding members of Hong Kong Green Building Council Limited (“HKGBC”), which strives to promote the standards and developments of sustainable buildings in Hong Kong.
- BEC continues to expand its role as a hub for environmental excellence; we are a regional partner of World Business Council for Sustainable Development (“WBCSD”) and collaborate with international partners such as the Global Reporting Initiative (“GRI”).
- BEC actively engages academics and other NGO’s inviting them to discussions at events such as its EnviroSeries Conference or Leadership Networking Series. Academics are also engaged in thought leadership pieces or publications such as with the Climate Resilience Roadmap. In fact, BEC established the Affiliate Membership level specifically for NGO’s and academics.
- Collaboration with NGO’s local and global as well as with Consulates has also helped to disseminate environmental messages amongst the business community, connecting local capacity with international expertise.

3

Section

Who We Are



BEC is an independent, charitable membership organisation based in Hong Kong. We are a registered charity in Hong Kong under section 88 of the Inland Revenue Ordinance.

Since our establishment in 1992, we have been at the forefront of promoting Hong Kong's sustainable development, striving to build capacity and facilitate action by developing partnerships with business, Government and community groups. Set up by business, we advocate for the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution, reduce carbon emissions, and promote good practice in terms of corporate environmental and social responsibility.

We offer sustainable solutions and professional services covering advisory, research, assessment, training and award programmes for Government, business and the community. This enables action by business towards environmental protection and contributes to the transition towards a low carbon economy.

Our Vision of Sustainability

Our commitments, vision and mission form the framework that inspires and guides our work, and actions. This framework informs our strategic direction as well as the principles and values of the organisation.

"As a founding member, Swire Pacific is proud of its long association with BEC. Through the advisory groups, BEC provides an opportunity to share best practice with other leading Hong Kong companies, and develop solutions to the sustainability challenges that we all face. BEC continues to provide a valuable link between businesses and government through policy dialogues as well as raising awareness of key sustainability issues that affect business. We would like to congratulate BEC for creating such an effective platform to form partnerships between the private sector, government, and the Hong Kong community, and encourage them to play a continued role to advance the sustainability agenda in Hong Kong."

Dr Mark Watson, Head of Sustainable Development, Swire Pacific

"With growing populations globally, environmental issues, such as climate change, waste management and air quality are becoming increasingly challenging. Collaboration among Government, business and environmental organisations is essential to catalyse and accelerate solutions to the environmental challenges that we face. As a platform to engage Hong Kong's business community in environmental sustainability and an important stakeholder in environmental advocacy, BEC has played a vital role in communicating key business perspectives in the formulation of environmental policies. We look forward to continue working with BEC in promoting a greener future for Hong Kong."

Mr Wong Kam-sing, JP, Secretary for the Environment, HKSAR Government



Our Vision

That Hong Kong's businesses will be recognised as leaders in practising and enabling environmental protection, and in contributing to the transition to a low carbon economy.



Our Mission

To advocate environmental protection amongst our members and the broader community, the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution, and improve the environment.



Stakeholder Connection

Connection to like-minded organisations in the industry for collaboration, benchmarking, and idea exchange through formal and social events, as well as member-driven committees.



Knowledge Transfer

Access to best practices and emerging trends in ESG from business leaders and visionaries via our networking conferences and events.



Environmental Advocacy

To be associated with like-minded companies with core values that promote excellence in environmental, social, and governance issues.



Policy Contribution

Opportunities to participate actively in consultations and focus group discussions that shape the Government policy agenda for sustainability and competitiveness of Hong Kong.



☆ Our Commitments

1. To identify practical means to address environmental concerns and focus business sentiment on matters related to protecting and sustaining the environment.
2. To harness the commitment of Hong Kong's business leaders in influencing change and at the same time feeding back to maximise the value of their efforts, and improve overall environmental performance and competitiveness of Hong Kong.
3. To partner with the Government, business and community organisations to address environmental concerns, with the overall objective of improving performance, and moving Hong Kong towards a more sustainable society.

BEC Core Attributes

Our key focus areas for 2014/2015 FY going into 2015/2016 FY are centred on some of the most pressing environmental concerns facing business and Hong Kong more generally, namely:

- Climate Change: mitigation and resilience
- Energy Efficiency
- Resource efficiency/ Waste Management
- Air Pollution
- Environmental Impact of Transport and Logistics

We will discuss our work under these focus areas in the later sections of this report (see Section 4).

"BEC creates platforms and channels for corporations like us to contribute our views and experience in enabling Hong Kong to be smart, sustainable and resilient. Through various BEC initiatives, we can achieve our overarching goals in communicating our brand values to the right audience and establishing new business networks within the sustainability community."

Mr Eric Chong, President and CEO, Siemens Limited

🎯 Our Strategic Direction

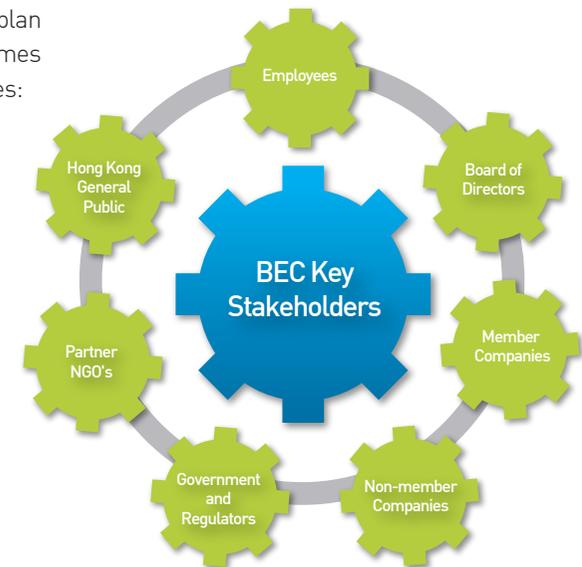
Our strategic plan frames our work over the short and medium term, and is based on three main overarching strategic goals:

1. Become a pre-eminent centre of excellence on sustainability in Hong Kong
2. Be a showcase centre for the business case on sustainability solutions
3. As an NGO, uphold sustainable development as our own business model

We strive to accomplish our strategic plan through the delivery of a range of programmes and activities built around our core attributes:

↔ Our Stakeholders

Through our calendar of events, membership forums, advisory groups, policy submissions and community engagement activities, BEC engages regularly with a broad spectrum of stakeholders from across Hong Kong society.



"It is encouraging to see how BEC has kept up with the changing times, particularly in the last few years - developing Advisory Groups for relevant topical focus areas, establishing the Institute of Environmental Education, expanding its relationships with international organisations and becoming one of the most significant voices representing business on environmental issues in Hong Kong."

Dr Jeanne Ng, Director – Group Environmental Affairs, CLP Holdings Limited

BEC's Core Focus Areas



Section

Section 4 BEC's Core Focus Areas

At BEC, we aim to influence change by harnessing the commitment of Hong Kong's business leaders to maximise the value from their efforts. It is through such change that we hope to improve Hong Kong's environmental performance and ultimately its competitiveness.

We also provide a platform for discussion and communication of ideas, the dissemination of best practices, and a means to voice the collective business perspective on policy issues. To ensure that we are able to realise this mission we focus our efforts and resources on our four core attributes, addressing each of these areas through a range of activities and efforts. This chapter expands on each of these core areas, highlighting our activities and accomplishments in the reporting year that go toward supporting our vision.

"BEC serves two important functions for Hong Kong's business community. First, its events and advisory groups provide an invaluable platform for member companies to share experience and insights, which help to address their particular environmental issues. Second, BEC's policy submissions and engagement with Government enable the business community to make a collective contribution to addressing the city's wider environmental issues."

*Mr Mike Kilburn, Senior Manager – Environment,
Airport Authority of Hong Kong*



Section 4 BEC's Core Focus Areas

The timeline below highlights key events and activities held through the reporting year on our core focus areas:

2014

Oct

29



Dialogue with the Secretary for the Environment at Eco Expo Asia 2014

30

BEC Leadership Networking Series "Can Heavy Duty Road Transport Be Sustainable?"

Nov

04

Industry Visit to District Cooling System Plant at Kai Tak

11

Participation at HKMA Annual Conference and Exhibition

13

WTO Regional Workshop on Intellectual Property and its Role in the Generation and Diffusion of Green Technologies

14

Industry Visit to Chemical Waste Treatment Facilities at Tsing Yi

21



BEC EnviroSeries Conference "Connectivity and Sustainable Urban Transportation: Strategies and Solutions"

27

BEC Leadership Networking Series "Update on the Glass Bottle Recycling in Hong Kong"

Dec

11



BEC Seasonal Cocktail and Unveiling Ceremony for BEC Headquarters Transformation Project and Building Tour

12

Industry Visit to Ngau Tam Mei Animal Waste Composting Plant

2015

Jan

08

Industry Visit to Shatin Sewage Treatment Works

22

BEC Policy Dialogue Series: 2015 Policy Address Part I – Dialogue with the Under Secretary for the Environment

23



BEC Policy Dialogue Series: 2015 Policy Address Part II – Dialogue with the Secretary for Development

26

Post-COP20 Forum: From Lima to Paris (co-organised with Civic Exchange)

29

BEC Leadership Networking Series "Turning Diesel into a Greener Fuel"

Section 4 BEC's Core Focus Areas

2015

Feb

- 04 ● ● BEC Policy Dialogue Series: BSAP Briefing
- 06 ● ● Industry Visit to Site of Happy Valley Underground Stormwater Storage
- 26 ● BEC Leadership Networking Series (Spring Dinner)

Mar

- 03 ● ●  Industry Visit to Daya Bay Nuclear Power Plant
- 16 ● "Green Deck" Project Exhibition by The Hong Kong Polytechnic University (until 16th April)
- 25 ● Participation to Caring Company Partnership Expo
- 26 ● BEC Leadership Networking Series "Construction and Demolition Waste: Eco-Friendly Construction Materials"

Apr

- 01 ● Eco-tour to Agarwood Plantation and Kam On Garden
- 20 ● ● BEC Policy Dialogue Series: The UK Experience in Regulating the Electricity Sector
- 30 ● ●  BEC Policy Dialogue Series: Future Development of Hong Kong's Electricity
- 30 ● BEC Leadership Networking Series "Investing in Lives and Livelihoods - Addressing the Global Water Crisis through Partnerships and Engagement"

May

- 08 ● ●  Industry Visit to Hong Kong Electric's Lamma Power Station
- 18 ● BEAM Plus Roving Exhibition by Hong Kong Green Building Council (until 29th May)
- 21 ● BEC EnviroSeries Conference "Embracing Natural Capital in a Densely Built Metropolis: Challenges and Solutions for Achieving Environmental Sustainability"
- 24 ● ● Overseas Visit to Japan (4 days)
- 28 ● BEC Leadership Networking Series "Achieving Energy Saving Target through Smart Design and Use of Green Air-conditioning Technology"

Section 4 BEC's Core Focus Areas

2015

Jun

11 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution
Smart City • Smart Hong Kong (co-organised with Hong Kong General Chamber of Commerce and Hong Kong Science and Technology Parks)

11 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution



Industry Visit to Hong Kong Sludge Treatment Facility

25 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution
BEC Leadership Networking Series "EcoPark: Creating Benefits for the Businesses and the Recycling Industry on Managing Waste"

Jul

24 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution
Industry Visit to CMA Testing and Certification Laboratories

30 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution



BEC Leadership Networking Series "Quantifying Your Green Success - Enhance the Visibility of Businesses' Green Governance Process"

Aug

14 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution ● Environmental Advocacy
Summer Meet-up with the Secretary for the Environment

27 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution ● Environmental Advocacy
BEC Leadership Networking Series "Optimising Building Energy Performance through Managing PICV in HVAC System"

Sep

04 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution ● Environmental Advocacy
Industry Visit to Hong Kong International Airport

17 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution ● Environmental Advocacy



BEC Anniversary Dinner 2015

18 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution ● Environmental Advocacy
Dialogue with BEC CEO

18 ● Stakeholder Connection ● Knowledge Transfer ● Policy Contribution ● Environmental Advocacy
Industry Visit to Green Management Facilities in Olympic City

Policy Contribution

Through BEC's submission to the Chief Executive ("CE") and via the work of its AG's, we provide the business community the opportunity to stay informed on contemporary environmental issues and collectively submit views on environmental matters to the Hong Kong Government.

Policy Submission in response to the Government's Public Consultation on the Future Development of the Electricity Market

In the last reporting year, BEC put forward recommendations in support of refining the Scheme of Control Agreements between the Government and the two electricity companies so that they supported improvement in environmental performance. These recommendations included a 3-pronged approach to increasing Renewable Energy ("RE") which supports investment in RE by the large companies, development of clean distributed energy through provision of reasonable prices and grid access, and consideration of expansion of nuclear power generation. Bearing in mind the cost implications of RE generation, BEC also asked for measures to support energy efficiency initiatives, and a smart grid and smart meters as a way to manage demand.

BEC's Policy Submission on the Chief Executive's Policy Address

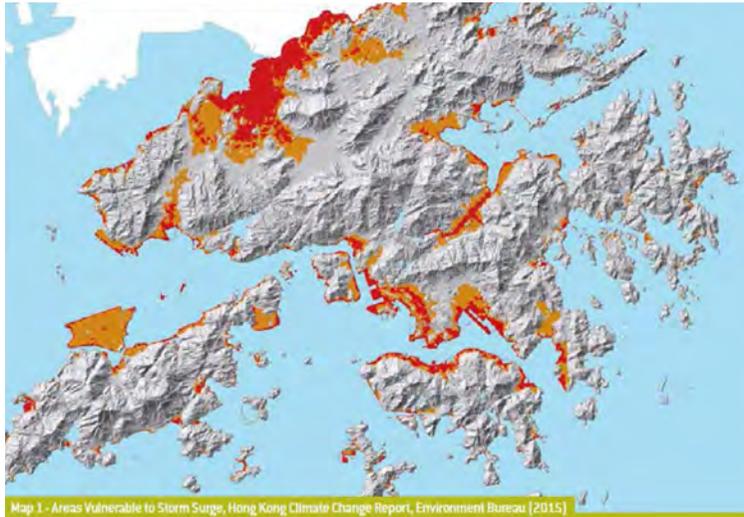
Each year BEC collects views from its members on environmental topics of importance and prepares its policy submission to inform the Chief Executive's policy address. Topics addressed in the 2014 policy submission included a request for a comprehensive climate change strategy including carbon reduction targets, a strategy for the future fuel mix of Hong Kong's power generation, and welcomed closer collaboration across the Pearl River Delta.

In regard to energy efficiency, we made it clear that we were looking forward to seeing a comprehensive series of concrete proposals – with clear and ambitious energy saving targets and timelines – in the energy efficiency paper to be published by the Environment Bureau in mid-2015. We also reiterated our recommendations on energy efficiency in buildings.

Our submission also encouraged a balanced approach to decision making on controversial issues such as the Integrated Waste Management Facility ("IWMF") and landfill extensions, taking into account environmental as well as social and economic factors. It also encouraged swift movement by Government towards introducing Municipal Solid Waste Charging and other measures to reduce waste creation and further efforts by Government to enhance recycling practices and the handling of recyclables.

BEC also maintains close ties with the HKEx, whom it has closely worked with in promoting ESG reporting in Hong Kong. Prior to the formal launch of the Consultation Paper – Review of the Environmental, Social and Governance Report in July 2015, the HKEx invited BEC to discuss the proposed changes that would be set out in the consultation paper. BEC extended this invitation to the Members of the Environmental, Social and Governance AG who actively contributed their views on the proposal.

The Climate Resilience Roadmap



In 2014/2015 FY, BEC developed the [Climate Resilience Roadmap for Business](#) (the "Roadmap"), in recognition of the importance of Hong Kong's business sector in understanding and preparing for the impacts of climate change.

The Roadmap aims to outline key risks posed for the business sector drawing on the IPCC's report (Assessment Report 5) and the work of the Hong Kong Observatory. The Roadmap makes recommendations for business as well as recommendations for Government that support action by business. It draws out the actions needed by different sectors, integral to Hong Kong's economy; namely construction, energy, finance, manufacturing, property and transport.

To prepare this document, BEC formed a working group composed of the BEC Climate Change Business Form Advisory Group's ("BEC CCBF AG") steering committee and other AG members and carried out desk study research to understand the current level of risk in relation to these sectors and to understand the nature of adaptation and resilience activity in other countries. To develop recommendations it hosted a workshop in June with business leaders from six key sectors, this enabled an informed dialogue making use of earlier research. Meetings were held with key Government and business leaders to shape the content of the Roadmap.

The final report, published in December 2015, is a facilitating document that creates a solid foundation for addressing risk on the part of business and Government.



Environmental Advocacy

Burgeoning environmental issues continue to affect Hong Kong, with the impacts from climate change felt across the territory as we experienced the hottest summer temperature in Hong Kong's history this year. Hong Kong faces the need to act promptly to reduce pollution, generate cleaner electricity, and develop waste management solutions to ease the burden on Hong Kong's landfills, which are rapidly reaching their maximum capacity.

At BEC, we remain committed to advocating for greater environmental stewardship while providing a platform for engagement and discussion on these environmental issues. Our Advisory Groups ("AG's") focus on addressing each of the following areas of: Climate Change, Energy, Transport and Logistics, Waste, and Environmental Social Governance ("ESG"). AG's meet once every three months to discuss policies and regulations with the aim of engaging Government and sharing best practices with the business community.

Each of these AG's contribute toward BEC's core attributes through their activities, research and engagements.

"HK Electric is one of the key players of the power industry in Hong Kong. It is our top priority to provide a safe, reliable, environmentally friendly and affordable electricity supply while addressing global concerns for climate change. A CSR Policy that encompasses the environment, our customers, our employees and the community at large guides our operations. As part of our stakeholder engagement efforts, we actively participate in environmental associations such as BEC. As a Council Member, HK Electric makes use of this exceptional platform to advocate sustainability excellence and facilitate communication and exchange of best practices among industry players. HK Electric will continue to collaborate with BEC and various business sectors to make Hong Kong a low carbon and sustainable city."

Ir T C Yee, General Manager - Corporate Development, The Hongkong Electric Co., Ltd

(i) BEC Climate Change Business Forum Advisory Group (“BEC CCBF AG”)

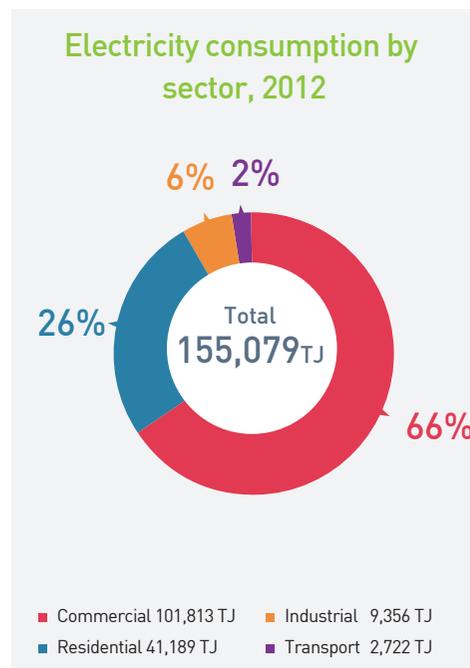
For the reporting year, the focus of the BEC CCBF AG has been on exploring the risks posed to Hong Kong by climate change and the resilience of Hong Kong’s business to these impacts. Risks raised in the study include an increased likelihood of flooding from storm surge and rainfall, heat stress on infrastructure, water scarcity, health impacts and a compromised supply chain.

Based on this study and dialogue the BEC CCBF AG developed the *Climate Resilience Roadmap for Business*, which makes recommendations to business, explained in further detail in the policy submission section in the previous [chapter](#).

(ii) BEC Energy Advisory Group (“BEC Energy AG”)

BEC seeks to advocate to the business community the value of practical energy efficient solutions and the benefits of a lower carbon fuel mix. This is primarily undertaken through the BEC Energy AG.

As a platform for dialogue and change, and recognising the importance of energy efficiency in the built environment, the Energy AG established a Taskforce in September 2015 on Energy Efficient Technologies (the “Taskforce”). The aim of the Taskforce is to increase the use and adoption of energy efficient technologies and services and help develop recommendations to support the implementation of the Government’s Energy Saving Plan. With the commercial and industrial sectors consuming over 72% of Hong Kong’s electricity, through using high performing technologies and practices it can make substantial reductions in energy use in Hong Kong.



[Source: Hong Kong Energy End-use Data, EMSD]

(iii) BEC Waste Management Advisory Group (“BEC WM AG”)

BEC advocates in favour of waste reduction strategies and conveys the importance of waste mitigation efforts to the business community through the BEC WM AG. The BEC WM AG is a member driven platform, which consists of business leaders from our member companies who are interested in promoting and furthering waste management practices, policies and solutions, from a business perspective.

The BEC WM AG also shares and promotes the adoption of local and international best practice on waste management among both BEC members and the wider community. The BEC WM AG engages with Government and regulatory bodies on waste related matters and aims to forge collaborative links between local and global expertise.

(iv) BEC Transport and Logistics Advisory Group (“BEC T&L AG”)

BEC T&L AG, formed in August 2015, promotes environmental sustainability in transportation and logistics amongst the BEC membership and broader business community in Hong Kong. It provides a platform for BEC and its members to share best practice and engage with Government on the development of policies and practices conducive to a clean, low carbon transport and logistics system within Hong Kong and the surrounding area.

Its initial priority will be roadside emissions, including better walking and cycling facilities, to build upon progress made by the Government through its Clean Air Plan. A Roadside Emissions Taskforce will be put in place to take this work forward. Activities are also planned in relation to maritime emissions from ships and smaller vessels and exploratory work on how improvements can be made in the aviation sector.

(v) BEC ESG Advisory Group ("BEC ESG AG")

To better address growing interest in transparency and reporting by business, the BEC ESG AG was formed. It provides a platform for BEC's members to work toward improving ESG performance and to submit their collective views on any consultations or regulations.

Through the BEC ESG AG, BEC promotes best practice in ESG performance and disclosure amongst BEC Members and the business community in Hong Kong.

(vi) Harbour Business Forum ("HBF")

Primarily a research-driven think tank, HBF works with multi-stakeholders such as the Government in pursuit of creating an overarching, dedicated agency for the harbour – the Harbourfront Authority. The HBF also works to promote the integrated, holistic planning and coordination of projects related to the long-term sustainability interests of the harbour.

In his 2015 Policy Address, the Chief Executive of HKSAR Government promoted his vision of a "water-friendly culture", signifying the development of the Hong Kong harbour as being central to this aim. In line with this view, HBF will continue to work with its patrons and other members to contribute positively in this area and in the development of the harbour by fostering dialogue with different harbour-related tasks groups at a Government level and through undertaking research studies.



Knowledge Transfer

As a knowledge hub, BEC collaborates with other NGO's and institutions both locally in Hong Kong and at an international level on topics related to the environment. This is to ensure that Hong Kong's business sector is well-informed of international events, trends, and best practice, which may have a bearing on business operations locally.

Our EnviroSeries events, held twice a year, invite industry experts, business leaders, academics and Government officials to share their knowledge and perspectives on a particular theme or topic. On 21st November 2014, BEC held its EnviroSeries event entitled "Connectivity and Sustainable Urban Transportation: Strategies and Solutions". At the conference, distinguished speakers discussed challenges and strategies on connectivity for sustainable urban development, low carbon transportation, the development of renewable fuels, as well as strategies and technologies that will lead to a sustainable city.

In the upcoming financial year, the BEC T&L AG will continue knowledge transfer initiatives on this topic by organising several workshops related to Roadside Emissions, Maritime Transport Emissions, Walking and Cycling and Aviation.

Providing an Understanding on the Value of Energy Efficiency

In order to promote an understanding of improvements to the fuel mix in Hong Kong's electricity generation and the value of energy efficiency, BEC has hosted a number of events and industry visits. These have covered energy generation, building design, technologies and materials that support energy efficiency.

Energy Generation

In March 2015, BEC organised an industry visit to the Daya Bay Nuclear Power Plant for more than 40 participants. The power plant was the first nuclear power station of commercial scale in the Mainland from which 70% of the electricity generated is supplied to Hong Kong. The visit provided participants with a better understanding of electricity generation and the operations of a nuclear power plant.

Energy Efficiency Technologies and Practices

BEC's Leadership Networking Series ("LNS") is held on the last Thursday of each month, and features a prominent guest speaker to speak on a topic of environmental importance. In August 2015, Mr Alvin Chan of BELIMO Actuators Limited shared ways of improving the performance of heating, ventilating, and air-conditioning systems ("HVAC") as a means of enhancing energy efficiency. With space conditioning constituting 30% of electricity end use in Hong Kong, energy efficient HVAC systems can play a vital role in reducing energy consumption.

BEC's staff regularly hosted courses on lessons learned from its own *Transformation Project* (Please see the [Environmental Section](#) of this report for further details), highlighting practical solutions to energy efficiency and the importance of sound energy efficient practices in reducing electricity consumption and saving costs.

Exposure to International Best Practice

In May 2015, 17 BEC members along with three BEC staff members participated in a four-day trip to Japan in order to learn from international best practice. To provide members with an understanding of state of the art waste management practices, one of the sites the group visited was the Shin-Koto Incineration Plant, a waste to energy incineration



Shin-Koto Incineration Plant and Yumenoshima Tropical Greenhouse Dome (Landfill Recovery)

centre with cutting edge pollution prevention technology, and the Morigasaki Water Reclamation Centre – Japan's largest sewage treatment centre which produces treated water and sludge.

Another highlight of the trip was the N-Expo (New Environment Exposition) which featured exhibitions on organic waste and waste paper processing, sludge treatment, and other environmental technology.

Raising Standards of ESG practice

BEC's ESG Advisory Services have successfully helped a number of clients in the previous reporting year, building their reporting capacity and driving improvements in their ESG performance. Through the delivery of these advisory services, BEC obtains first-hand knowledge on the practical implementation of sustainability policies and processes within a Hong Kong context. This provides us with direct hands-on experience that we may bring to our members as they take steps to improve their sustainability performance.

Through our advisory services, we also assist clients in establishing and implementing ISO 14001 Environmental Management Systems ("EMS"). These systems can help to provide a systematic approach to ensure environmentally friendly operations and identify areas of environmental risk or anomalies so that timely and corrective action maybe taken to address any concerns before they arise.

BEC also remains a resource in providing an understanding of the value in tracking and reporting on sustainability performance. Ultimately, this contributes to furthering ESG performance among the local business community in Hong Kong. In September 2015, BEC presented to members of the Hong Kong Management Association on the value inherent in ESG reporting, citing popular ESG frameworks, trends and performance across Asia.

In July 2015, BEC invited a local sustainability expert from the British Standards Institute ("BSI") to conduct an introductory training course on the ISO 26000:2010 Social Responsibility guidelines, sharing with the audience how to operate businesses and organisations in a socially responsible manner.

Stakeholder Connection

Achieving our vision of promoting environmental excellence involves collaborating with diverse stakeholder groups. At BEC, we regularly engage with our members, the Hong Kong Government, international networks, the local business sector and the broader Hong Kong community on environmental topics and themes.

"It has been a rewarding experience working with BEC colleagues who contributed their time and energy in addressing environmental concerns, from Hong Kong's air and water quality to energy saving aspects in the region. I am sure BEC will continue to play a significant role to improve key environment concerns in Hong Kong based on many best practices established over past 20 years."

Ms Debby Chan, Director, Marketing, Fuji Xerox (Hong Kong) Limited

As part of our advisory services, we assist our clients in connecting with their key stakeholders, hosting engagement sessions with suppliers, investors, NGO partners, industry associations and employees via group discussions, face to face and phone interviews. Through such engagements, BEC fosters fair and open dialogue amongst the business community in Hong Kong on both sustainability challenges and opportunities in the long and short term. Feedback raised from these engagements are conveyed back to clients in order to impact positively in their sustainability direction and performance.

We also actively seek opportunities for collaboration with external partners such as the Hong Kong Exchange ("HKEx"), World Business Council of Sustainable Development ("WBCSD"), Carbon Disclosure Project ("CDP"), and GRI to push for higher ESG standards in performance, governance and reporting, bringing international best practice to the local business community and our members.

BEC is the regional network partner of the WBCSD. On 5 May 2015, the Chairs and Steering Committee Members from different BEC Advisory Groups met with the Future Leaders of WBCSD. This presented an excellent opportunity for BEC Members to network and exchange ideas with sustainability professionals from around the world.



Experts from the UK share with BEC Members on regulating the electricity sector

Engaging Members on the Hong Kong Electricity Market

Preparing a policy submission requires informing our members on international practice, and collecting opinions from many stakeholders. The BEC Energy AG and BEC CCBF AG established a working group in 2015 to develop a response to the Government's Public Consultation on the Future Development of the Electricity Market. This was comprised of general BEC members and members from the electricity supply sector. It built on the policy position generated in response to the Government's Future Fuel Mix for Electricity Generation public consultation in 2014. An informed deliberative forum approach was adopted in line with our policy of developing robust and balanced policy submissions supportive of BEC's overall mission.

As part of this collaboration, discussions and seminars were held to enlighten members on international practice and standards. *"The UK Experience in Regulating the Electricity Sector"* featured prominent speakers such as Mr Alistair Buchanan, a former leading energy regulator in the UK, to provide insights on the development of the electricity market in the UK and challenges it now faces.

These discussions helped develop our members understanding of the potential issues and complications for competition and reducing the environmental impact of generation in Hong Kong.

Cultivating an Appreciation of the Environment Among Hong Kong Residents



BEC collaborates with the Hong Kong Housing Authority to Launch GDE Campaign

BEC regularly engages with the local community to raise levels of environmental awareness. Since 2005, the Hong Kong Housing Authority has been collaborating with BEC and other green groups to launch a long-term community environmental programme, namely the "Green Delight in Estates" ("GDE"), to carry out estate-wide environmental awareness campaign and in-depth education programme for its residents and tenants.

BEC has been working with the Housing Authority on this long-term community environmental programme to promote an understanding of waste reduction and recycling in public housing estates, since mid-2012.

In 2014-2015, BEC organised more than 144 activities (including Green Living Carnivals, Green Days, educational talks, training sessions for Green Estate Ambassadors, eco-workshops, organic farming days and eco-tours) for the 10 participating housing estates to participate in in-depth educational and promotional programmes with the main theme of reduction of municipal solid waste.



BEC organises eco-tours for public housing estates

Collaborations with the Hong Kong Government

Promoting Glass Bottle Recycling Amongst the Local Community

To promote glass bottle recycling to the general public, the Government appointed BEC to assist in operating and managing a number of glass bottle recycling programmes covering all the 18 districts in Hong Kong.

BEC was commissioned to provide services for recruiting housing estates to join the recycling programmes and render support for managing the logistics arrangement for glass bottle collection with a view to assisting the Government in expediting the expansion of glass bottle collection network. The programmes have drawn notable success. As at Dec 2015, about 850 estates were recruited or/ and managed by BEC contributing to about 65% of the total of about 1,300 residential collection points established territory-wide under various voluntary glass bottle recycling programmes supported by the Government. Glass bottles collected from the participating estates are eventually recycled into glass sand, replacing natural river sand for production of paving blocks or other suitable construction materials for us in Public Works Projects.

Section

Overview of BEC Annual Activities





Key Performance Figures

| | 2014/15 Actual |
|---|-------------------------------|
| Policy Submissions to Government and Regulators | 5 |
| AG Meetings (hours) | 28.75 |
| Industry Visits | 13 |
| Training Courses | 18 ¹ (49 Sessions) |
| No. of participants in training courses - Adults | 1,132 |
| No. of participants in training courses - Students | 9,040 |
| Community Engagement Activities | 88 ² |
| Communication Activities | 91 ³ |
| Approximate visitors attended BEC organised events | 1,672 |
| Environmental best practice sharing events organised by BEC | 29 |

Partner Organisations

BEC is proud to be actively involved and affiliated with a range of organisations, which share our passion in promoting and advocating environmental sustainability, and corporate and social responsibility.

Examples of our involvement in other NGOs, trade associations or business associations are shown below.

| Partner Organisations | Relationship |
|--|--------------------------|
| Hong Kong Green Building Council Limited ("HKGBC") | Founding Member |
| BEAM Society Limited | Strategic Partner |
| World Business Council for Sustainable Development ("WBCSD") | Regional Network Partner |

¹ Three courses related to 33 training sessions for students.

² 66 Green Delight in Estates Events, three Low Carbon School Events, six School Outreach Programme by Sustainable Development Division of Environment Bureau, 13 Upcycling the Tai Po Community events.

Membership

| Organisations/ Associations | Membership |
|--|------------------|
| Hong Kong Institute of Human Resource Management | Corporate Member |
| Hong Kong General Chamber of Commerce | Corporate Member |
| Hong Kong Indoor Air Quality Association | Member |

Awards/ Achievements

| Issuing/ Evaluation Organisations | Awards/ Honours |
|--|---|
| The Hong Kong Council of Social Service | Caring Organisation |
| Family Council with the Support of Home Affairs Department | Family – Friendly Employers Award |
| The Hong Kong General Chamber of Small and Medium Business | Partner Employer Award |
| Environmental Campaign Committee ("ECC") - Hong Kong Awards for Environment Excellence | Wastewi\$e Label - Class of EXCELLENCE |
| CLP GREEN ^{PLUS} Award 2015 | Gold Award in Bank and Office Category |
| International Organization for Standardisation ("ISO") | Quality Management System - ISO9001: 2008 Certificate |
| International Organization for Standardisation ("ISO") | Property and Facilities Management of BEC Headquarters Building - ISO 14001: 2004 Certificate |
| Environmental Protection Department ("EPD"), HKSAR Government | IAQ Good Class Certificate for entire BEC Headquarters Building |

³ Wrote nine Topical Digests on key topical sustainability issues, produced 12 e-newsletters, issued eight press releases, 44 pieces of media coverage, eight individual meetings with Communications and Membership Committee members and corporate communications representatives of BEC members, two meetings with reporters, eight building tours to showcase BEC Headquarters Transformation.

Board and Governance Structures

Section





BEC Organisational Architecture

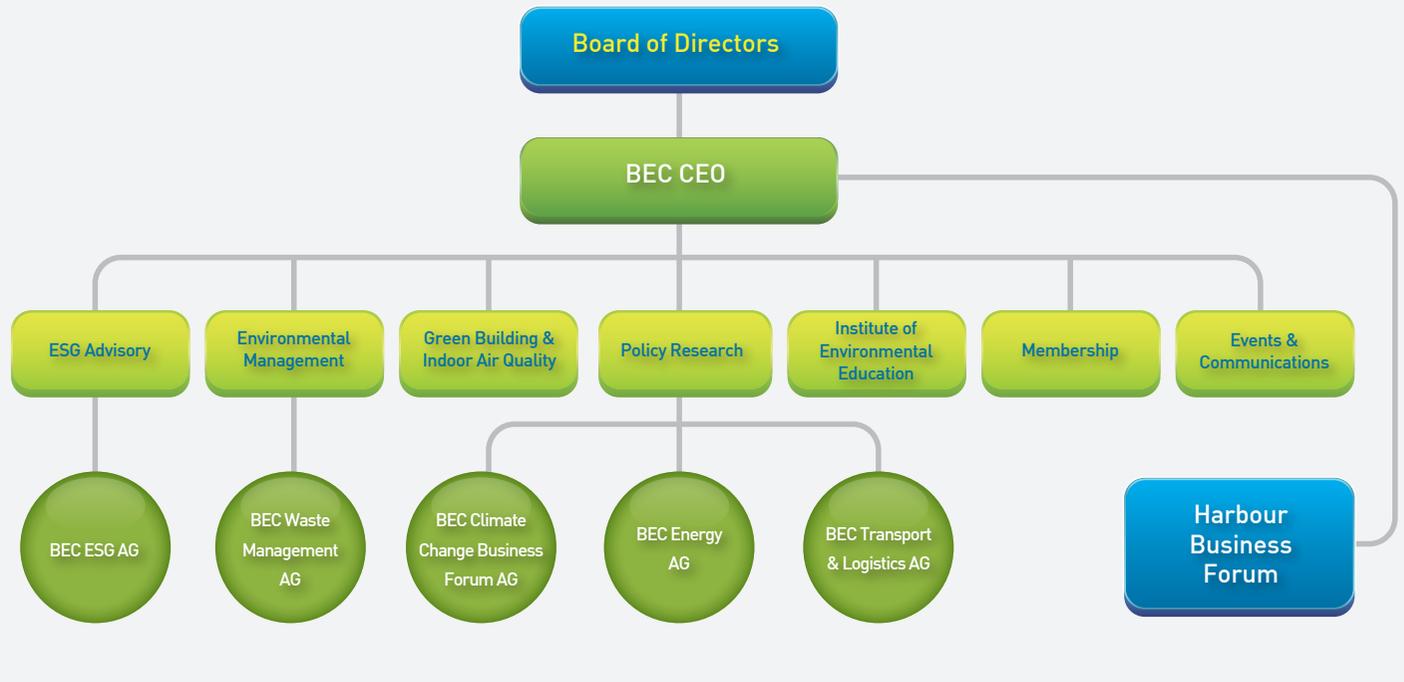
Since our establishment in 1992, through our events, membership activities and the work of the BEC Institute of Environmental Education (“BEC IEE”), we have made significant progress in raising awareness of sustainability issues among the Hong Kong business community.

The BEC Advisory Groups (“AG’s”) promote best practice in sustainability amongst the BEC membership and generally amongst the business community in Hong Kong. BEC has five different Advisory Groups to structurally address major environmental related issues in Hong Kong and create the appropriate conditions to accelerate and scale up business solutions for a more sustainable world. You can find further details on each Advisory Group in Section 4 of this Sustainability Report.

Through our advisory services teams (Green Building & Indoor Air Quality; Environmental Management and ESG Advisory) our members and non-members can access our network of sustainability experts to help them identify and address the sustainability issues most relevant to their company. These advisory services teams help contribute to our mission whilst also forming a major part of our funding stream.

BEC has also launched the Harbour Business Forum (“HBF”), a cross-business sector alliance established in 2005 to see Hong Kong’s harbour and harbour-front areas become a genuinely vibrant, accessible and sustainable world-class asset.

The structure of BEC and the BEC Advisory Groups in 2014/2015 FY was as set out below:



Corporate Governance

Our strategic direction is governed by a Board of Directors (the “Board”) drawn from leading companies and organisations. Their commitment and expertise has supported our strong leadership, our public mission and our best practice governance. The Board takes overall responsibility for delivery of our strategy – setting policy, defining targets, agreeing the financial plan, evaluating performance and ensuring the maintenance of strong relationships with directors and senior management team.

The Board comprises 20 members, including a Chairman, elected from among our members and who bring an appropriate mix of

skills, experience, expertise and diversity to the Board decision-making process. We pride ourselves on our Board’s experience and diversity. Currently our Board represents five different nationalities, with women representing 10.0% of Board seats, which is above the average for Hong Kong.

The posts of Chairman and Chief Executive Officer are separated in-line with governance recommended best practice, to ensure clear distinction of their roles and responsibilities.

BEC Board members as of 30 September 2015



Chairman - Professor John Chai
Fook Tin Technologies Ltd



Mr Richard Lancaster
CLP Power Hong Kong Ltd



Mr Chris Chan
Dow Chemical Pacific Ltd



Prof Daniel M Cheng
Dunwell Enviro-Tech
(Holdings) Ltd



Mr Anthony Small
Gammon Construction Ltd



Mr Victor Kwong
The Hong Kong & China
Gas Company Ltd



Ms Malini Thadani
The Hongkong and Shanghai
Banking Corporation Ltd



Ir TC Yee
The Hongkong
Electric Company Ltd



Dr Eric Su
Hongkong International
Terminals Ltd



Mr Andy Yeung
Hongkong Land Ltd



Mr Wilson Kwong
Jardine Matheson Group



Mr Roger Lee
The Kowloon Motor
Bus Company (1933) Ltd



Mrs Margaret Brooke
Professional Property
Services Ltd



Mr Daniel Ng
Shell Hong Kong Ltd



Mr Eric Chong
Siemens Ltd, Hong Kong



Mr Terence Ng
Sino Land Company Ltd



Mr Tony Miller
Sun Hung Kai Properties Ltd



Dr Mark Watson
Swire Pacific Ltd



Ir Cary Chan
Swire Properties Ltd



Mr Frankie Yick
Wheelock & Company, Ltd

The Board meets regularly (five times a year) to review BEC's performance and to provide strategic direction, effective governance and leadership on behalf of our members. Matters reserved for the Board are clearly set out in our [Memorandum and Articles of Association](#). The Board acts on advice and information from our Chief Executive Officer and directors, and delegates the day-to-day management of BEC to the Chief Executive Officer.

To support the work of the BEC Board, there are two standing committees:

1. BEC Executive Committee ("EXCO")

EXCO (nine persons): Established to help the BEC Board in providing strategic direction to BEC. Led by the Chairman of BEC, its members come from the Board and are elected by the Board of Directors.

2. BEC Communications and Membership Committee ("CMC")

CMC: Provide advice and guidance on matters relating to BEC's public communications and membership. It also provides strategic guidance to BEC to attract and retain members, as well as to enhance BEC's membership services. The objectives of this Committee are:

- A. To advise BEC management on maintaining a solid membership base and membership revenue stream, understanding members' needs and expectations to ensure effective servicing and retention of members, attracting new members, communicating BEC core values and initiatives to existing and potential members;
- B. To provide advice and guidance on matters relating to BEC's public communication; and
- C. To provide advice and support to broaden BEC's communication channels and media exposure in order to strengthen BEC's corporate image in the business community.

The Board and these standing committees together form the backbone of our governance structure, driving BEC to continuously improve, deliver high quality services to our members and the wider Hong Kong community and pursue best practices in corporate governance.



Risk Management

The precautionary principle refers to the approach taken to address potential environmental impacts. We apply the precautionary principle through our environmental programmes. BEC identifies, evaluates and mitigates risks regularly through our approach to decision making and through our annual strategic planning process. Furthermore, the development of our Sustainability Report helps to identify risks and any impacts of our operations as well as opportunities for improvement. These activities demonstrate our use of the precautionary approach.



Our Anti-corruption & Whistleblowing Policies

Across BEC, we have zero tolerance for any form of corruption. The "Code of Conduct" presents our approach to upholding this commitment to professionalism and is part of the induction training provided to all new staff members. Our policy states clearly that no staff (including Directors) shall solicit or accept any advantage from any individual or organisation having business dealings or potential business dealings with BEC. Our anti-corruption policy is communicated to our suppliers and contractors through tender documents and supplier contracts.

We are committed to high standards of transparency, integrity and accountability. A "Code of Conduct" and "Whistleblowing Policy" were instigated, in-line with this commitment and in order to maintain high standards of business ethics. These policies stipulate BEC's principles, expectations of employee conduct and a reporting channel for any suspected misconduct.

Our "Whistleblowing Policy" covers concerns that involve malpractice or impropriety. According to this policy, any misconduct is reported to the respective Department Head, to the Chief Executive Officer or to the BEC Chairman and will be treated in a confidential and sensitive manner. An investigation officer is then nominated and a report will be submitted to the Chief Executive Officer or BEC Chairman as appropriate who will then decide what action to take.

There were no reported cases of whistleblowing and corruption during the reporting period.

Financial Performance

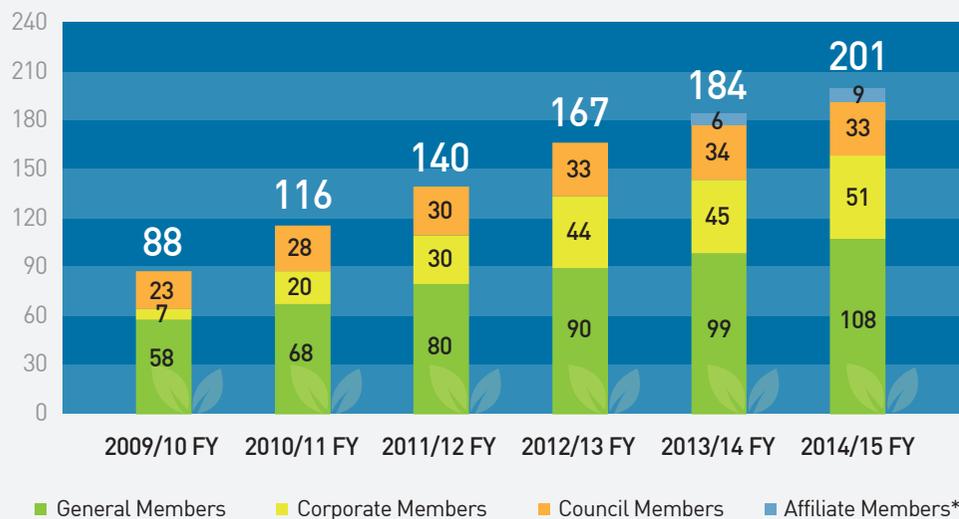


Section 7 Financial Performance

The following section provides an analysis of BEC's financial statements. Despite challenging economic times, BEC has continued to grow its revenue steadily recording total revenue of HK\$31.8 million, a 14.0% increase over 2013/2014 FY.

Achieving our mission and vision requires long-term dedicated and ongoing commitment. At BEC, financial sustainability focuses on the long-term continuity of our organisation and enables us to continue with activities that further our goals, vision and mission. Continually building and strengthening our membership base enables us to provide the resources to cover our operating costs, assist with any urgent needs and new opportunities, as well as continue to provide mission focused services to our members. Our members understand this, and show their support by continually providing the funding needed to support our activities and bring about sustained change.

Number of Members by Category



*Fee-paying Affiliate Members

"We've been a member of BEC for years now. It provides us with the opportunity to collaborate with peers to move the sustainability agenda forward in Hong Kong."

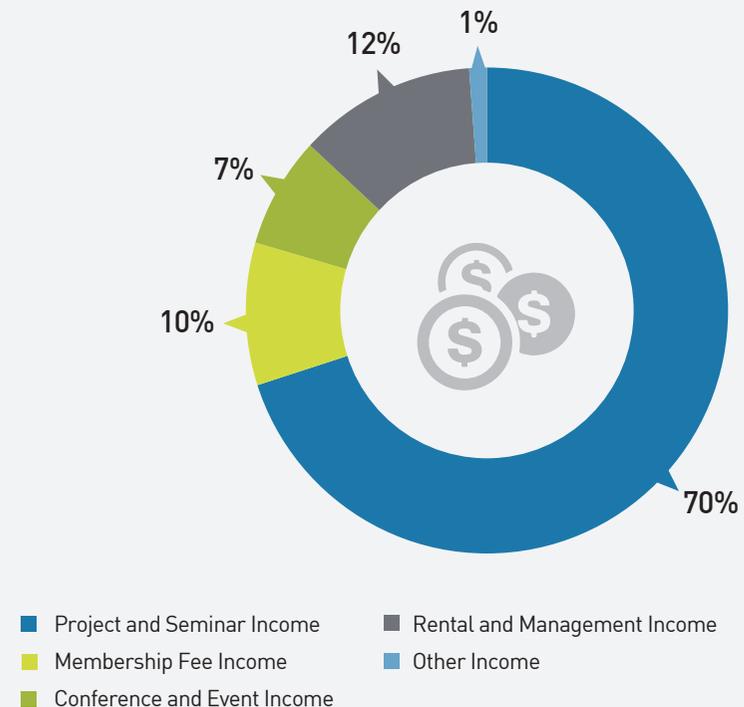
Ms Janice Lao, Sustainability Manager, MTR Corporation Limited

BEC's funding sources come from the following revenue generating areas:

- Membership fees;
- Sponsorship programmes;
- Revenue from organising seminars and contracted projects;
- Ticket sales from conferences, events, industry visits, and networking events;
- Revenue from rental and property management; and
- Other.

During the reporting period, our ratio of funding from different sources has remained broadly consistent with previous years, with Project and Seminar Income being the major source of income, representing 70.0% of the total.

Breakdown of Funding Sources



Our diverse funding stream protects our independence by helping prevent an unhealthy reliance on any single source of income, which could leave us exposed to an undue level of influence by that donor's policies and strategy and helps to minimise risk.

BEC's operating philosophy is one of financial prudence. Operating costs are kept within the limit of our annual revenue. Total spending for the 2014/2015 FY was HK\$31.6 million with staff-cost accounting for 61.5% of the total expenditure.

Well-established internal financial control systems are in place to enable tracking of resource use and to ensure that they are used for their intended purpose. Unique project codes are assigned to each project for identification and traceability purposes, controls are established for monitoring and recording. This includes the preparation of annual audited accounts and annual business review in compliance with Hong Kong Companies Ordinance (CAP 622), approved by the Board and the Council Members.

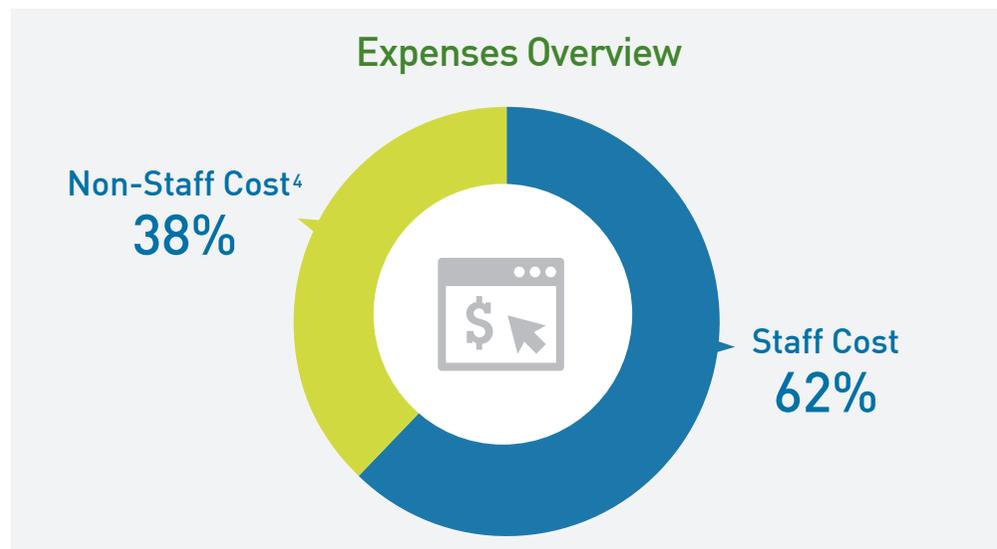
The Board and the Executive Committee of BEC each reviews our prevailing financial results at each respective meeting. There were no complaints against BEC in relation to its fundraising and marketing practices from stakeholders, sponsors and donors during 2014/2015 FY.



Reserve Policy

The Board has established a policy requiring the set aside of a minimum level of unrestricted free reserves sufficient to cover the organisation's operating costs for a set period. In addition to the General Surplus, a Building Reserve has been set up effective from 30 September 2013, for setting aside a pool of funds for meeting the capital requirements of any major building related projects.

An Investment Policy is in place to ensure that a proper selection of investments in financial instruments is duly exercised for the reserves and surplus cash flows. The policy covers guiding principles on risk control, the level of funds available for investment, the investment period and the types of financial instruments permitted for investment.



⁴ Non-Staff Cost corresponds to Project Expenses and Overheads

Environmental Performance



Section

Businesses are increasingly operating in an environment of water scarcity and declining biodiversity, with each of these challenges exacerbated by climate change. In Hong Kong it is already apparent that we are experiencing the impacts of climate change with the highest summer temperature on record in 2015. We are also seeing hotter days, frequent and intense rain, and rising sea levels.

Our commitment to the environment is not only embodied by the work we do through our specific activities and programmes, we also reinforce our commitment towards the promotion of environmentally conscious and sustainable growth by constantly improving the environmental management of our own organisation.

As a leading advocate of corporate environmental excellence, we have long recognised our obligation to reduce the impact of our operations and seek to lead the way in terms of environmental performance by “walking the talk.” Through the proactive monitoring, managing and reduction of our environmental impact, we take pride in managing our carbon footprint and resource consumption. As a cost-conscious charitable organisation, we recognise that the steps we take to reduce our environmental impact also benefit our bottom line and therefore the quality of services we provide to our members.

BEC and its facility manager operate an environmental management system at the BEC Headquarters, certified to ISO 14001:2004 standards.

2016 Goal: We plan to conduct a carbon audit at our BEC offices.

Reducing our Energy Consumption and Greenhouse Gas Footprint:



The Transformation Project: A Model for Emulation

As part of our mission of advocating in favour of environmental excellence and sustainability among Hong Kong businesses, BEC embarked upon an initiative to promote the practice of low carbon living. Focusing on energy efficiency in buildings, BEC transformed its headquarters building into an iconic showcase. The energy savings as a result are set out below, a testament to the benefits of greening existing commercial buildings. The building serves as a centre for education and a resource on what is possible to make existing commercial buildings more sustainable and resource efficient within a feasible payback period on the initial investment.

Upgrades to the building involved the installation of green features including:

- Replacing the old air-cooled chiller with oil-free variable speed air-cooled chiller
- LED panels with sensors and automatic dimmers to adjust the amount of ambient light in BEC offices and all common areas as required
- Power meters to track the consumption of and improve energy efficiency in specific facilities
- A weather station to enhance efficient control of the chiller through the building management system in the future
- A 6,000-litres rainwater collection tank with a sterilization and water pump system
- Installing low flow water taps in the washrooms and dual-flush systems

Because of these efforts, our building achieved a BEAM Plus Provisional Platinum rating under the BEAM Plus Existing Buildings (version 1.2), awarded by the HKGBC. BEC Headquarters was the first existing commercial building in Hong Kong to have achieved the highest level of recognition under this assessment.

BEC Headquarters was the first existing commercial building in Hong Kong to have achieved a provisional Platinum rating, the highest level of recognition under the BEAM Plus Assessment for existing buildings.

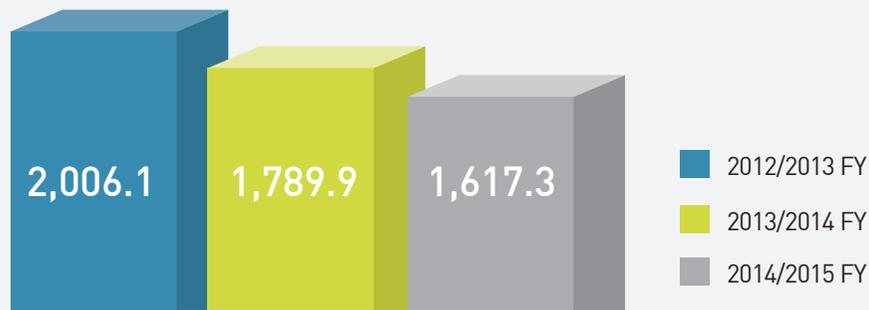




Reducing our Energy Use

Our primary source of energy consumption stems from our electricity use. Made possible through the upgrades involved in the Transformation Project and dedicated reduction initiatives by our staff, we achieved a reduction of 107,994.0 kWh or 19.4% of total electricity consumption (in comparison to 2012/2013 FY)⁵.

Electricity Consumption of the BEC Building (GJ)



The Business Case for Sustainability

The Transformation Project highlights the value to the business from investing in sustainability, dispelling the notion that sustainability is solely an exercise associate with costs. Over the course of the 2014/2015 FY, BEC has reported savings due to reduced electricity consumption of over HK\$68,675 compared to 2013/2014 FY and of over HK\$113,119 compared to 2012/2013 FY (before the installations). The payback periods of the new oil free chiller and the LED lighting panels are estimated to be 16 years and 5 years respectively, our building serves as model to other existing commercial buildings that sustainability has environmental, social and financial value.

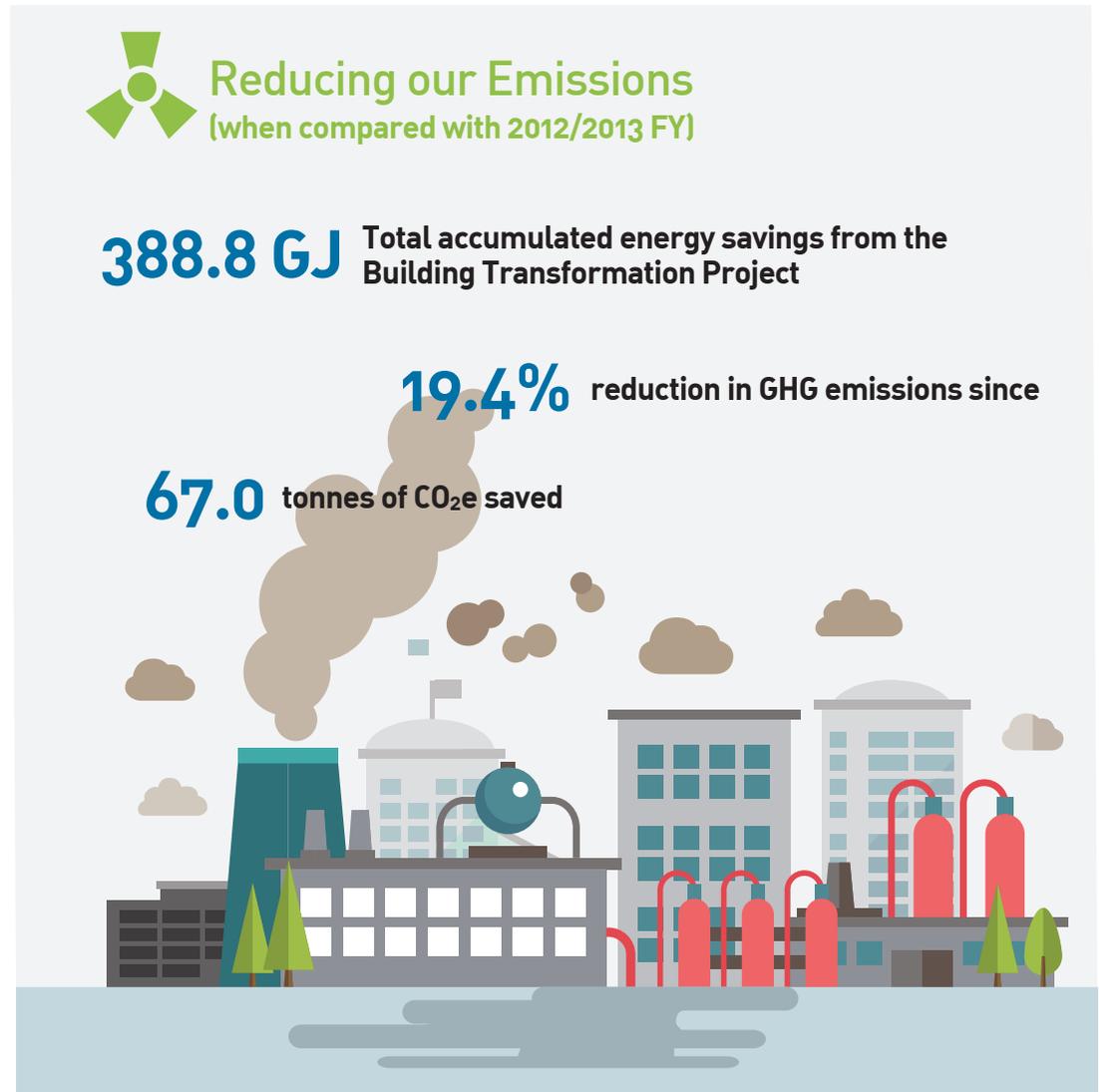
⁵ 2012/2013 FY chosen as baseline as this was the year preceding the Transformation Project.



Reducing our Emissions (when compared with 2012/2013 FY)

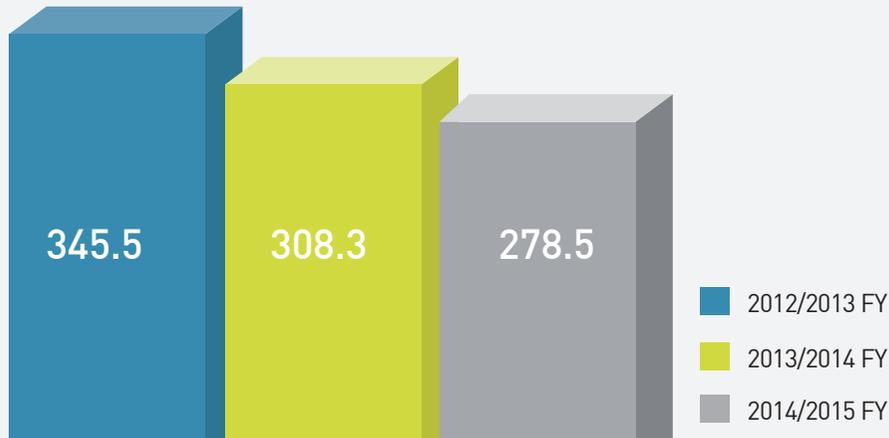
388.8 GJ Total accumulated energy savings from the Building Transformation Project

19.4% reduction in GHG emissions since
67.0 tonnes of CO₂e saved



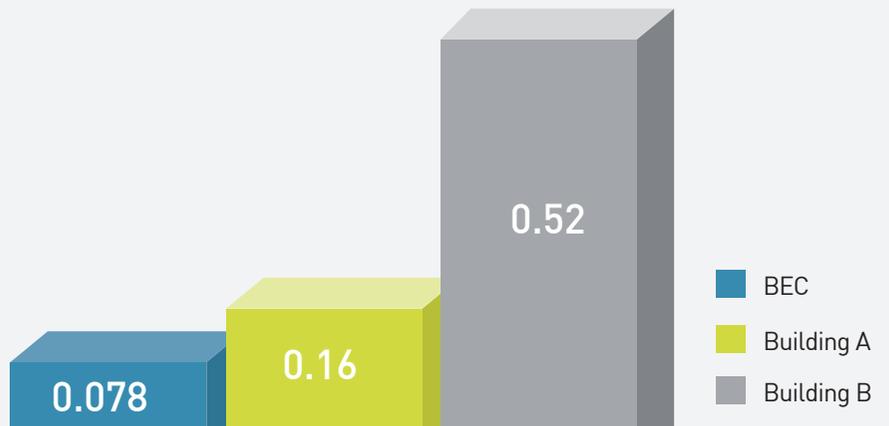
As we do not possess a corporate fleet and encourage the use of public transport, our greenhouse gas ("GHG") footprint is primarily from the electricity that we consume at our building. Due to savings in electricity consumption from upgrades to our hardware and processes, as mentioned above, our GHG footprint has reduced from 345.5 tonnes of CO₂e in 2012/2013 FY to 278.5 tonnes in 2014/2015 FY, a reduction of 67.0 tonnes.

Total GHG Emissions (in tonnes of CO₂e)



In comparison to other existing commercial office based enterprises, BEC's Headquarters building has lower emission intensity per square metre in terms of internal floor area ("IFA"). The graph below compares BEC's performance against other buildings in Hong Kong. Building B is a traditional commercial building, while Building A is a LEED Gold Certified Building. (NOTE: The IFA of BEC HQ is 3,550.8m²).

GHG emissions per m² (tonnes CO₂e/m²)



Effluents and Waste

With Hong Kong's landfills rapidly approaching their maximum capacity, BEC does our part to manage and mitigate the waste that we generate. We have installed waste and recycling bins at central points within our office, at other locations inside our building, and at the central atrium. This enables employees and members of the local community to dispose of paper, aluminium cans, electrical appliances, plastic items and glass bottles properly. Waste audit and management systems are also in place to record the quantity of waste sent to landfills and recyclables sent to processing centres.

We recycled

24.6% of the total waste generated in 2014/2015 FY.⁶
2,987.5 Kilogrammes of waste diverted from landfills



⁶ General waste data for BEC Offices was only available in detail from February 2015 onwards. Previously, an estimation was made from the average weight of waste per day (in kilogrammes) multiplied by the number of working days in the month.

Our Waste Footprint
(weight of waste in tonnes)



BEC is also proud to have been awarded Wastewi\$e Label – Class of Excellence by the Environmental Campaign Committee (“ECC”). As part of our commitments to this programme we aimed in 2014/2015 FY to reduce paper consumption by 5%, increase the amount of paper recycled by 5% and use at least 15% of recycled paper in our day to day operations. The table below demonstrates our performance in achieving these goals. More information on the Wastewi\$e initiative can be found [here](#).

Wastewi\$e Achievements

| Target | Performance |
|---|--|
| Reduce paper consumption by 5% | BEC reduced paper consumption by 6.7% |
| Increase the amount of paper recycled by 5% | The amount of paper being recycled decreased by 14.8% largely due to reduced paper consumption |
| Use at least 15% of recycled paper | BEC used 15.38% of recycled paper |



Green Procurement

15% of the paper we use is from recycled sources while our hardware is from leading I.T. providers who adhere to strict environmental standards⁷. The use of environmentally friendly stationery and the use of refillable pens are also encouraged.

At our events, BEC has a set of Green Guidelines that discourage the use of plastic bottles or any disposable cutlery while banquets or dinners provide sustainably sourced seafood or vegetarian meal options. Members of staff are also encouraged to use utensils available in the pantry, and are discouraged from using disposable meal boxes and cutlery.

BEC is currently exploring the feasibility of the development of a Green Procurement Policy and ISO green events accreditation.



“BEC has had, from its inception in 1988, the single minded goal of bringing businesses in Hong Kong together for the common purpose of following sustainable development practices. BEC continues to serve the Hong Kong business community as the engagement platform to raise awareness and advocate solutions to the sustainability challenges we face today.”

Ms Malini Thadani, Head of Corporate Sustainability, Asia Pacific, The Hongkong and Shanghai Banking Corporation Limited

⁷ According to their sustainability reports.

Green Office Team

A Green Office Team champions our own environmental actions and motivates concerted effort to meet environmental objectives and targets in BEC's own day-to-day operations. The team comprises 12 members, with representatives from each department at BEC.

In 2014/2015 FY, to promote the integration of environmentally conscious activities into day-to-day practice, the Green Office Team developed a set of ten green initiatives which staff are requested to follow.

BEC truly advocates environmental sustainability with a business focus. What sets BEC apart from other green groups is their capability of bringing industry forces together to make positive changes to our community. Our company benefits from the networking opportunities and experience sharing from a wide range of BEC's events.

*Ms Sharon Pang, Brand Consultant,
Neonlite Electronic & Lighting (HK) Ltd.*

The 10 initiatives



Stair day on every Monday & Friday (except for the injured or the differently abled).



Switch off your monitor when leaving your seat for more than 10 minutes.



For colleagues sitting at their desk switch off lights in their zoned area when leaving the room for more than 10 minutes.



Switch off your light zone if you are the last one to leave.



Set the air conditioner's temperature above 25 degrees Celsius.



Do not produce any food waste and drink all water in your mug.



Refuse to take disposable cutlery when buying lunch from restaurants.



Wash your disposable plastic lunch box and dispose of it in the recycling bin.



Reuse paper printed on a single-side.



Donate clothing and goods to the Salvation Army Recycling Programme.

Section

Social Performance





Our People

The ability to achieve our vision and mission lies with the capability and initiative of our people. We are committed to the continual development of our organisation's skills and competencies while providing employees with a nurturing environment for professional growth and career progression. By creating this conducive workspace, we are able to further our capacity and professional skill to realise our organisational goals and agenda. Recognising our strong commitment to the training, development and happiness of our employees, BEC has received the Caring Organisation Logo by the Hong Kong Council of Social Service for four consecutive years.

BEC aims to offer competitive remuneration and benefits commensurate with other not-for-profit organisations across Hong Kong. Policies governing recruitment, benefits, and promotion are communicated to staff upon their induction. These policies are also included within the staff manual and accessible on the local intranet.



Our Dedication to Equal Opportunity

We value diversity in our staff, volunteers and our Board, and strive to be a fair employer. We conduct all our employee relations based on fairness, equity and respect. All decisions on hiring, promotion, pay and other aspects of the employment relationship are based on job-related qualifications and performance, regardless of gender or any other individual characteristics.

Dedicated policies also protect our employees against discrimination and harassment. Policies on promotion, remuneration and recruitment among other operational functions also ensure equal opportunity in the workplace. These policies are in our Code of Conduct and staff manual, provided to all employees on joining BEC.

As an example of our efforts, the basic salary paid across gender remains roughly equitable amongst senior managers with men paid only marginally more than women. However, remuneration is directly tied to job function; this perceived imbalance is due in part to the fact that during the reporting year there were more senior male managers than female. At a general staff level, the number of female staff members in relatively more senior positions tends to increase the ratio of basic salary paid to women as compared to men. This is also partly because the non-profit sector, historically, has attracted more women to its ranks.

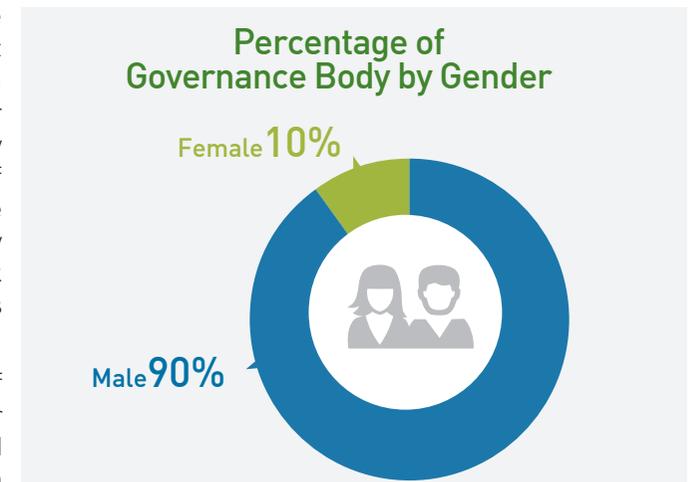
| Ratio of Basic Salary of Women to Men by Gender | | |
|---|------|--------|
| | Male | Female |
| Staff (based on average basic salary by gender) | 1 | 0.85 |
| Senior Management (based on average basic salary by gender) | 1 | 1.18 |

There were zero reported cases of discrimination during the reporting year.

We have a high level of diversity among our 64 employees (21 temporary and 43 permanent / 49 full-time and 15 part-time), broadly representative of Hong Kong society with four different nationalities being represented amongst our staff in 2014/2015 FY. Our cultural diversity impacts positively on our mission by bringing international best practice, diversity in thought, knowledge, views and opinions, which very much supports the delivery of our sustainability and membership programmes. Our vibrancy and innovation as a place to work is underpinned by our cultural diversity.

We recognise areas where the organisation is less diverse, most notably with gender diversity on our Board. Reflective of the wider Hong Kong business community the majority of our Board of Directors are male. We are conscious that these ratios may need consideration and will seek to implement positive changes where possible.

A detailed breakdown of employees by age group, gender and nationality can be found within the performance data tables at the end of this Report.



Addressing Challenges:

BEC has a group of passionate, committed and mission-driven employees. As our workforce has increased by over 28% in the last two years, managing this growth has been a challenge for the organisation. Over the course of its financial year, BEC's turnover rate, reported at 30.2% had the highest rates noted among female employees and with staff between 30 and 49.

Due to BEC's nature as a membership organisation, employees are often exposed to opportunities within the private sector and leave to join these corporations. While BEC acknowledges its contributions to the development of sustainability talent and capacity within the business community locally, this high turnover rate, whilst representative of the not-for-profit sector, remains an issue of concern that is a focus of our senior management team.

BEC holds a town hall meeting four times a year in a bid to remain transparent and accountable to employees. The town hall meeting also provides a forum for concerns and suggestions raised via the staff suggestion box to be addressed and discussed publically. BEC's happiness and team spirit index allows us to monitor employee satisfaction and morale at BEC and serves as a platform to voice any grievances anonymously, promptly addressing issues as they arise.

Learning and Development

A key part of our success is to ensure that our people have the right skills, knowledge and experience that enable them to address our stakeholder needs and help deliver our mission. As part of this understanding, BEC offers its employees a variety of training and development opportunities. The BEC Institute of Environmental Education ("BEC IEE") provides a platform for business managers and decision makers to advance their knowledge and develop the expertise necessary for environmental decision-making. BEC IEE also facilitates professional development by promoting quality environmental education through various environmental education programmes. All these courses are open to BEC staff.

Full time members of staff are also required to complete a set number of job relevant Continuing Professional Development ("CPD") hours with all senior managers, both male and female, requiring completion of 40 hours per year. General staff members are required to complete 24 CPD hours. Participation is also encouraged in subsidised external courses. The rate of CPD completion amongst all BEC employees was 100% for the 2014/2015 FY.

A Balance Score Card ("BSC") measures and monitors the performance and development of employees. The BSC communicates performance, determines rewards and identifies potential employees for promotion. One hundred percent of permanent employees received an annual

performance review in the previous financial year. These CPD requirements are reflected in the BSC's of all department heads and feed into their annual performance appraisals.

BEC also dedicates funds to the formal training and professional accreditation of employees. Employees may also utilise a number of informal learning platforms. As a centre for discourse and promulgation of ideas promoting environmental excellence, staff members are exposed to a wealth of learning opportunities via Leadership Networking Series events, BEC EnviroSeries Conferences, and industry visits among other discussions and seminars hosted on a frequent basis at BEC. All staff members are encouraged to attend, participate in and contribute toward the discussion of environmental concerns at these events.



A positive work life balance

At BEC, we strive to create a harmonious work environment that emphasises employee well-being and productivity. We understand that our employees may need to attend to personal or family commitments from time to time and account for this through a flexible work hour policy. Employees also enjoy total annual leave of 20 days upon joining BEC in comparison to the minimum requirement of 7 days in Hong Kong.

Promoting Health

BEC has long advocated for a healthy and active lifestyle, encouraging participation in sporting events such as the Vertical Run for Charity organised by Sun Hung Kai Properties Limited. In December 2014, eight members of staff took part in the run up the International Commerce Centre, while a further 21 sponsored their participation. Funds collected from the run were directed to support youth and child service programmes.

The BEC Staff Club was formalised in 2014/2015 FY to organise recreational and sporting events with a focus on building team spirit, and a healthy, active life. Events organised this year have included yoga and funky dance classes, with many more to be held in the coming year.



BEC staff participate in charity run

Our Community

Creating Cohesion through Contribution and Education

BEC Swap Day

Every two months, BEC hosts a Happy Friday event bringing together staff from all departments over food and games. Teams also share updates and host a joint birthday celebration for employees who have had their birthdays take place in the last two months.

As part of the Happy Friday event in June 2015, staff came together for a *Swap Day*. BEC staff along with other staff from our strategic partners in the building pooled together unwanted personal items and swapped them amongst one another. The event underscored the value in re-using and exchanging one's personal items to minimise waste.

The event was a notable success with many items swapped on the day, all leftover goods were donated to the Salvation Army.



Raising Awareness through Film

The film *Taste the Waste* draws attention to the topic of food wastage, an issue of growing importance here in Hong Kong. The film's creators highlighted that European countries alone discard a 100 billion Euros of food each year, with much of this waste being sent to landfills where it then decomposes and produces harmful greenhouse gases such as methane.

BEC hosted an event to show this film to staff in July 2015 while also inviting staff members from our partner organisations, namely the Hong Kong Green Building Council ("HKGBC"), and BEAM Society Limited to view this film. In total 50 persons joined the event, raising their awareness on the need to mitigate the production of waste and develop prompt waste management solutions in Hong Kong.

HSBC Water Programme

Members of staff took part in the "Citizen Science Leadership" programme ("CSL") this year, conducted by Earthwatch Institute, which forms part of the "HSBC Water Programme". This programme aims to inform and educate communities on need for proper protection and management of water source with a goal to improve the quality of drinking water across the globe.

Hosted in September 2015, the CSL involved classroom training on water sampling, followed by collecting water samples in designated areas across Hong Kong. Staff were educated on water management issues faced by both Hong Kong and the region, and trained on water quality sampling techniques as part of a local and International research project.

Performance Table



Section

Section 10 Performance Table

| GRI Reference | Indicator | Unit | 2014/2015 FY |
|---|--|---|----------------------|
| Environment | | | |
| G4-EN3 | Total Electricity Consumption at the Organisation | kWh GJ | 449,254.0 1,617.3 |
| | Total of Carbon Emissions ⁸ | tonnes of CO ₂ e | 278.5 |
| | Carbon Emission Intensity ⁹ | tonnes of CO ₂ e per m ² | 0.0784 |
| | G4-EN6 | Report on the amount of electricity reduction at the organisation | kWh GJ |
| G4-EN23 | Total weight of waste by type and disposal method | | |
| | Total weight of waste (all types) ¹⁰ | kilogrammes | 12,146.6 |
| | Waste Disposal to Landfill | | |
| | General Waste | kilogrammes | 9,159.1 |
| | Waste Recycling | | |
| | Paper | kilogrammes | 2,717.3 |
| | Metal | kilogrammes | 31.6 |
| | Plastic | kilogrammes | 66.5 |
| | Glass Bottle | kilogrammes | 172.2 |
| | Recycling Rate | % | 24.6 |
| Labour Practices and Decent Work | | | |
| G4-9 | Scale of the organisation | | |
| | Total number of employees | no. | 64 |
| | Gross revenue (by audited financial report) | \$ | 31,769,323.0 |
| | Surplus/ deficit for the year before tax (by audited financial report) | \$ | 225,021.0 |

⁸ The emission factor used was based on the latest available emission factor for Hong Kong disclosed by CLP in 2014: 0.62 kg CO₂e/kWh

⁹ The Carbon Emission Intensity was calculated by dividing the carbon emissions by the Gross Floor Area of BEC Office in m²(BEC Office Room 201, Room 203, Tenants Area, Common Area and Classrooms).

¹⁰ General Waste data for BEC Offices was only available in detail from February 2015 onwards. Previously, an estimation was made from the average weight of waste per day (in kilograms) multiplied by the number of working days in the month.

| GRI Reference | Indicator | Unit | 2014/2015 FY |
|---|--|---|----------------------|
| Labour Practices and Decent Work | | | |
| | No. of clients served in the financial year | no. | 86 |
| | Total square footage of IAQ certified projects | sq. ft | 10,114,011.1 |
| | Average score for QMS Project Client Feedback Form | Score (0 being the lowest and 5 the highest score) | 4.1 |
| | Total number of environmental projects | no. | 135 |
| | Total number of events organised/co-organised (excluding industry visits) | no. | 29 |
| | No. of companies attended | no. | 1,055 |
| | No. of individuals attended | no. | 1,672 |
| | Total number of industry visits organised | no. | 13 |
| | Total number of training courses (BEC IEE) | no. | 18 |
| | Total number of training sessions held | no. | 49 |
| | Total number of attendees (students+adults) | no. | 10,172 ¹¹ |
| | Average satisfaction score | Score (0 being the lowest and 5 the highest score) | 3.9 |
| | Total number of policy submissions | no. | 5 |
| | Total hours of AG meetings (workshop and policy dialogues not included) | hours | 28.75 |
| | Total hours of AG meeting (workshop not included, policy dialogues included) ¹² | hours | 34.75 |
| | Total number of Advisory Group companies ¹³ | no. | 71 |
| | No. of member representatives | no. | 105 |
| | No. of special projects | no. | 3 |
| | AG Meeting average attendance rate | % | 62.3 |

¹¹ 9,040 students and 1,132 adults

¹² 6 hours of Policy Dialogue during the financial year

¹³ Companies participating in different AGs were counted once

Section 10 Performance Table

| GRI Reference | Indicator | Unit | 2014/2015 FY | |
|---|---|---------------|--------------|--------|
| Labour Practices and Decent Work | | | | |
| G4-10 | Total workforce by employment contract and gender | | Male | Female |
| | Permanent contract | no. of people | 16 | 27 |
| | Temporary contract | no. of people | 13 | 8 |
| | Permanent employees by employment type and gender | | Male | Female |
| | Full-time | no. of people | 16 | 26 |
| | Part-time | no. of people | 0 | 1 |
| G4-LA1 | Total number of new hires by age group and gender¹⁴ | | Male | Female |
| | By gender | no. of people | 4 | 8 |
| | By age group | | | |
| | Under 30 | no. of people | 6 | |
| | 30-49 | no. of people | 5 | |
| | 50 or above | no. of people | 1 | |
| | Rate of new hires by gender and age group¹⁵ | | Male | Female |
| | By gender | % | 9.3 | 18.6 |
| | By age group | | | |
| | Under 30 | % | 14.0 | |
| | 30-49 | % | 11.6 | |
| | 50 or above | % | 2.3 | |
| | Total turnover number by age group and gender¹⁶ | | Male | Female |
| | By gender | no. of people | 5 | 8 |
| | By age group | | | |
| | Under 30 | no. of people | 4 | |
| | 30-49 | no. of people | 8 | |
| | 50 or above | no. of people | 1 | |
| Rate of turnover by gender and age group | | Male | Female | |
| By gender | % | 11.6 | 18.6 | |
| By age group | | | | |

| GRI Reference | Indicator | Unit | 2014/2015 FY |
|---|---|-------|--------------|
| Labour Practices and Decent Work | | | |
| | Under 30 | % | 9.3 |
| | 30-49 | % | 18.6 |
| | 50 or above | % | 2.3 |
| G4-LA9 | Average hours of training per year | | |
| | Per employee | Hours | 5.7 |
| | Average training hours by gender | | |
| | Male | Hours | 4.9 |
| | Female | Hours | 6.1 |
| | Average training hours by employee category | | |
| | Senior Management | Hours | 4.3 |
| Staff | Hours | 6.1 | |
| G4-LA11 | Employees receiving regular performance reviews by gender | | |
| | Male | % | 100.0 |
| | Female | % | 100.0 |
| | Employees receiving regular performance reviews by employee category | | |
| | Senior Management | % | 100.0 |
| Staff | % | 100.0 | |

¹⁴ The rate of new hires by gender and age group is stated for permanent full-time and permanent part-time contracts (Number of New Hires Permanent full-time and part-time for 2014/2015 FY/ Total Permanent full-time and part-time Workforce as of 30 Sep 2015)

¹⁵ The Rate of New Hires by gender and age group = Number of New Hires for 2014/2015 FY/ Total Permanent full-time and part-time Workforce as of 30 Sep 2015

¹⁶ Employee turnover= Number of permanent full time and part time employees leaving BEC during the year
The turnover rate is calculated by dividing the number of Permanent Contract Staff (full-time and part-time) leaving BEC during the 2014/2015 FY by the Total Permanent full-time and part-time Workforce as of 30 Sep 2015.

| GRI Reference | Indicator | Unit | 2014/2015 FY | | | | |
|--|--|---------|--------------|---------|-------------|------------|------|
| Labour Practices and Decent Work | | | | | | | |
| G4-LA12 | BEC Board of Directors composition by gender | | | | | | |
| | Male | % | | | | | 90.0 |
| | Female | % | | | | | 10.0 |
| | BEC Board of Directors composition by age | | | | | | |
| | Under 30 | % | | | | | 0.0 |
| | 30-49 | % | | | | | 30.0 |
| | 50 or above | % | | | | | 70.0 |
| | BEC Board of Directors composition by nationality | | | | | | |
| | Chinese | % | | | | | 55.0 |
| | Australian | % | | | | | 5.0 |
| | British | % | | | | | 30.0 |
| | Indian | % | | | | | 5.0 |
| | Singaporean | % | | | | | 5.0 |
| | Diversity disclosure by employee category and gender | | | Male | Female | | |
| | Senior Management | % | | | 55.6 | 44.4 | |
| | Staff | % | | | 32.4 | 67.6 | |
| | Diversity disclosure by employee category and age group | | Under 30 | 30-49 | 50 or above | | |
| | Senior Management | % | 11.1 | 66.7 | 22.2 | | |
| | Staff | % | 50.0 | 50.0 | 0.0 | | |
| Diversity disclosure by employee category and ethnicity | | Chinese | Australian | British | Canadian | Sri Lankan | |
| Senior Management | % | 66.7 | 11.1 | 22.2 | 0.0 | 0.0 | |
| Staff | % | 91.2 | 0.0 | 0.0 | 5.9 | 2.9 | |

| GRI Reference | Indicator | Unit | 2014/2015 FY | |
|---|--|--|--------------|-------------|
| Labour Practices and Decent Work | | | | |
| G4-LA13 | Equal remuneration of women to men, report the ratio of basic salary for each employee category | Male | Female | |
| | | Senior Management (based on average Basic Salary by gender) | 1 | 1.2 |
| | | Staff (based on average Basic Salary by gender) | 1 | 0.85 |
| Human Rights | | | | |
| G4-HR3 | Total no. of incidents of discrimination (official complaints via Whistle Blowing Policy) | no. of cases | 0 | |
| Ethical Fundraising | | | | |
| G4-NG08 | Sources of funding by category and five largest donors and monetary value of their contribution | Due to the nature of BEC funding model we did not receive any "donations" during the reporting period. | | |
| | | Details of Expenses | | Amount (\$) |
| | Staff Cost | 19,415,041.0 | | 61.5 |
| | Non-Staff cost | 12,143,577.0 | | 38.5 |
| | Reserves | | | |
| General Surplus | Amount (\$) | | 8,921,547.0 | |
| Building Reserves | Amount (\$) | | 2,633,717.0 | |

Section 10 Performance Table

| GRI Reference | Indicator | Unit | 2014/2015 FY | | |
|---------------------------------|--|-------------------|--|----------------------|--------------------------------|
| Ethical Fundraising | | | | | |
| G4-NG08 | Report aggregated monetary value of funding received by source: | | Amount (\$) | % | |
| | Project and Seminar Income | | 22,247,333.0 | 70.0 | |
| | Membership fee income | | 3,013,626.0 | 9.5 | |
| | Conference and event income | | 2,344,627.0 | 7.4 | |
| | Rental and management income | | 3,788,083.0 | 11.9 | |
| | Harbour Business Forum income | | 375,654.0 | 1.2 | |
| Society | | | | | |
| G4-S01 | List of community development programmes based on local communities' needs | | Event Date | No. of beneficiaries | No. of BEC Staff participating |
| | School-Company-Parent Programme organised by Young Entrepreneurs Development Council | | 4 Oct 14 25 Oct 14 8 Nov 14 13 Nov 14 15 Nov 14 22 Nov 14 | 21 | 4 |
| | Business-Schools Partnership Programme 2014-2015 organised by Hong Kong General Chamber of Commerce | | 15 Jun 15 | 50 | 6 |
| | Race to Hong Kong ICC - SHKP Vertical Run for Charity organised by Sun Hung Kai Property | | 7 Dec 14 | N/A | 8 |
| Marketing Communications | | | | | |
| G4-NG010 | Adherence to standards for fundraising and marketing communications | | | | |
| | Total no. of complaints against BEC in relation to its fundraising and marketing practices (from stakeholders, sponsors and/or donors) | no. of complaints | | 0 | |

Section

Index Table





BEC Sustainability Report GRI Content Index

| General Standard Disclosure | Detail | HKEx ESG Reporting Guide Reference | Page | Section/ Remarks |
|-------------------------------|---|------------------------------------|-------------|---|
| Strategy and Analysis | | | | |
| G4-1 | Chairman's Statement | -- | 3 | |
| Organisational Profile | | | | |
| G4-3 | Name of organisation | -- | 6 | |
| G4-4 | Primary brands, products, and services | -- | 12 | |
| G4-5 | Location of headquarters | -- | 12 | |
| G4-6 | Countries of operation | -- | 12 | |
| G4-7 | Nature of ownership and legal form | -- | 12 | |
| G4-8 | Markets served | -- | 12,16 | |
| G4-9 | Scale of the organisation | -- | 12,34,43,47 | |
| G4-10 | Employee statistics | A1.1 | 43,47 | |
| G4-11 | Percentage of employees covered by collective bargaining agreements | -- | -- | Not reported as in Hong Kong there is no statutory recognition of collective bargaining agreements. |
| G4-12 | Supply chain description | GD C1 C1.1 | 40 | |
| G4-13 | Significant changes during the reporting period | -- | -- | During the 2014/2015 FY, no significant changes were noted concerning BEC organisation. |
| G4-14 | Report how the precautionary approach is addressed | -- | 32 | |
| G4-15 | Charters | -- | 28 | |
| G4-16 | Memberships | -- | 28 | |

| General Standard Disclosure | Detail | HKEx ESG Reporting Guide Reference | Page | Section/ Remarks |
|---|--|------------------------------------|------------|---|
| Identified Material Aspects and Boundaries | | | | |
| G4-17 | List entities included in financial statements; mention those not covered by this report | Reporting guidance 15 | 6 | |
| G4-18 | Process for defining report content and aspect boundaries | General Approach 9, 10, 11 | 6-9 | |
| G4-19 | List material aspects | General Approach 9, 10, 11 | 9 | |
| G4-20 | Aspect boundaries within the organisation | -- | 9 | |
| G4-21 | Aspect boundaries outside the organisation | -- | 9 | |
| G4-22 | Effect of any restatements in previous reports | Reporting Guidance 18 | -- | This is the first report by BEC. |
| G4-23 | Significant changes in scope and aspect boundaries from previous reporting period | -- | -- | This is the first report by BEC. |
| Stakeholder Engagement | | | | |
| G4-24 | List of stakeholders engaged by the organisation | General Approach 12, 13 | 6,14 | |
| G4-25 | Report basis for identification and selection of stakeholders | General Approach 12, 13 | 6 | |
| G4-26 | Stakeholder engagement approach and frequency | General Approach 13, 14 | 6,14 | |
| G4-27 | Report any key topics and concerns raised by stakeholders | General Approach 13 | 9-10 | |
| Report Profile | | | | |
| G4-28 | Reporting period | Reporting Guidance 16 | 6 | |
| G4-29 | Date of most recent report | Reporting Guidance 16 | -- | This is the first report by BEC. |
| G4-30 | Reporting cycle | Reporting Guidance 16 | 6 | |
| G4-31 | Contact point for questions regarding the report and its contents | Reporting Guidance 14 | Back Cover | |
| G4-32 | GRI "in accordance" option chosen; GRI Content Index | -- | 6 | |
| G4-33 | External assurance | -- | -- | In -line with standard practice for first time reporters and NGOs, it was decided not to seek external verification of report data. However all data has been reviewed through via an internal audit. |
| Governance | | | | |
| G4-34 | Governance structure of the organisation | -- | 30-32 | |
| Ethics and Integrity | | | | |
| G4-56 | Describe the organisation's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics | -- | 32 | |



GRI Content Index

| GRI G4 Indicator | Detail | ESG Reporting Guide Reference | Page | Section/ Remarks |
|--------------------------|--------------------------------------|-------------------------------|--------------|------------------|
| DMA G4-EN3 G4-EN6 | Energy | GD B2 KPI B2.1 KPI B2.3 | 37-38, 47 | |
| DMA G4-EN23 | Waste | GD B1 KPI B1.4 | 39-40, 47 | |
| DMA G4-LA1 | Employment | GD A1 KPI A1.2 | 43,48 | |
| DMA G4-LA9 G4-LA11 | Training and education | GD A3 KPI A3.2 | 44,48 | |
| DMA G4-LA12 | Diversity and equal opportunity | GD A1 | 43,49 | |
| DMA G4-LA13 | Equal Remuneration for Women and Men | GD A1 | 43,49 | |
| DMA G4-HR3 | Non-discrimination | GD A1 | 43,49 | |
| DMA G4-S01 G4-S02 | Local communities | GD D1 KPI D1.1 KPI D1.2 | 17-19, 50 | |

| GRI G4 Indicator | Detail | ESG Reporting Guide Reference | Page | Section/ Remarks |
|------------------|--|-------------------------------|--------------|--|
| | Sector Specific Disclosure: NGO | | | |
| NG08 | Ethical fundraising | -- | 34,49-50 | |
| NGO 10 | Marketing Communications | GD C2* | 35, 50 | |
| G4-DMA (NGO) | Resource Allocation | -- | 34-35 | |
| G4-DMA (NGO) | Affected Stakeholder | GD D1* | 25-26 | |
| G4-DMA (NGO) | Feedback, Complaints and Action | GD C2* | 35 | |
| G4-DMA (NGO) | Monitoring, Evaluation and Learning | -- | -- | To maintain the high standard of quality that we provide in our services programmes, we collect feedback from our clients. |
| G4-DMA (NGO) | Public Awareness and Advocacy | -- | 16-26 | |
| G4-DMA (NGO) | Coordination | Reporting Guidance 13* | 10, 25-26 | |

* These ESG Reporting Guide Reference covers only partially the associated GRI G4 indicator.

Feedback & Contacts

Section



We value and welcome all feedback on our Sustainability Report. Feedback provides insight that helps us to better communicate what is important and of interest to our members, employees and other stakeholders. If you have any questions or comments please contact us at enquiry@bec.org.hk.



Feedback

1. Which of the following best describes you or your relationship to BEC? (Please select only one)

- BEC's Employee Government Department
- BEC's Member Private Company (non-member)
- General Public Non-Governmental Organisation
- Academic Other, please specify:

2. How would you rate the content of BEC's Sustainability Report, in terms of quality and quantity of information? (5= Excellent, 1= Poor)

- 5 4 3 2 1

3. Please rate the content and quality of BEC's Sustainability Report according to the following criteria: (5 = Excellent, 1= Poor)

- | | | | | | |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Balance | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Clarity | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Comparability | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Materiality/Relevance | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Completeness | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Sustainability Context | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Accuracy | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Transparency | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Structure | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |
| Design and layout | <input type="radio"/> 5 | <input type="radio"/> 4 | <input type="radio"/> 3 | <input type="radio"/> 2 | <input type="radio"/> 1 |

4. Which aspect(s) of the report would you like to have more information on?

5. Please write any other opinion, comment or request with regard to BEC's Sustainability Report:



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