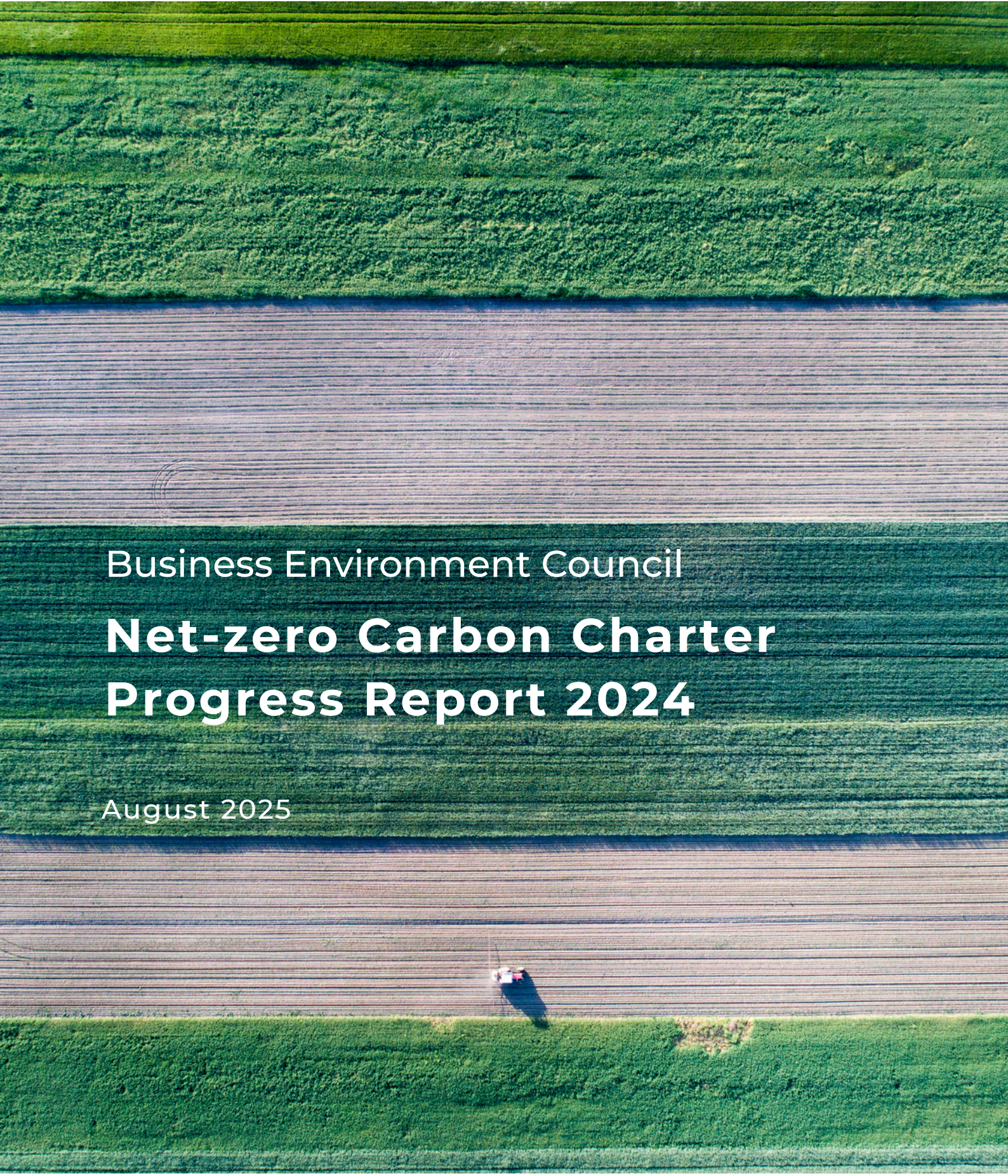


Business Environment Council

Net-zero Carbon Charter Progress Report 2024

August 2025

BUSINESS ENVIRONMENT COUNCIL 商界環保協會

BEC NET-ZERO CARBON CHARTER 零碳約章

ABOUT BEC

Business Environment Council Limited ("BEC") is an independent, non-profit membership organisation, established by the business sector in Hong Kong. Since its establishment in 1992, BEC has been at the forefront of promoting environmental excellence by advocating the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution and improve corporate environmental and social responsibility. BEC offers sustainable solutions and professional services covering advisory, research, assessment, training and award programmes for government, business and the community, thus enabling environmental protection and contributing to the transition to a net-zero economy.

HOW WE ENABLE SUSTAINABILTY

The sustainability challenges we face are complex and fluid, shared across industries and borders. We believe in a coordinated, collaborative and holistic approach to drive positive changes. BEC is committed to working with its members, the wider business community, the Hong Kong government, and others in Hong Kong society to realise a sustainable economy.

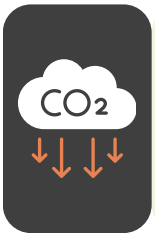
In this way, we are enablers within the sustainability ecosystem, working with different partners to build capacity and encourage the adoption of innovative practices and technologies through green collaboration, practical projects and advisory, using BEC as a green lab, and nurturing leadership.

CONTENT

EXECUTIVE SUMMARY

Climate change remains an urgent global challenge, posing significant risks to individuals, communities, and businesses. In response, BEC launched the Net-zero Carbon Charter to mobilise Hong Kong's companies and organisations, encouraging collective action through target-setting and strategic decarbonisation initiatives. This report, based on data from the Annual Impact Questionnaire submitted by Charter signatories, highlights key achievements, ongoing challenges, and strategic insights that are critical for advancing Hong Kong's climate ambition.

Key Achievements and Trends



Progress in Emissions Reduction

Scope 1 and 2 emissions clearly declined from 2023 to 2024, driven by increased renewable energy use, efficiency measures, and divestments.

Growing Sustainability Integration

Sustainability has been widely embedded into core business strategies, with an increase in transparency through recognised verification standards.

Value Chain Decarbonisation

A group of respondents with Scope 3 targets have implemented strategies to reduce emissions across their value chains. Initiatives include encouraging suppliers to set science-based targets, adopting responsible sourcing standards, and advancing upstream and downstream decarbonisation efforts.

Strategic Approaches and Challenges

Risk Management Integration

Larger firms employ sophisticated, internationally aligned tools, while small and medium enterprises ("SMEs") adopt resource-efficient, flexible strategies for managing climate risks.

Ongoing Systemic Barriers

Challenges such as high costs, supply chain complexities, space constraints, and regulatory hurdles hinder the full deployment of decarbonisation initiatives.

Focus Areas and Disparities

Main Emissions Focus

The primary target remains Scope 2 emissions from buildings and electricity, which are also the largest contributors to Hong Kong's carbon footprint.

Progress Disparities

Approximately half of large corporates have attained advanced stages in their decarbonisation efforts, particularly in mapping and managing their Scope 3 emissions and establishing long-term objectives. However, many SMEs remain in the initial phases, primarily concentrating on compiling their Scope 1 and 2 emissions inventory and setting corresponding reduction goals. This is largely due to limited resources and challenges in data collection.

Need for Support

Addressing resource constraints, improving data capabilities, and expanding regulatory exposure are critical to fostering an equitable transition.

Overall, the surveyed Hong Kong companies are progressively adopting a broad spectrum of decarbonisation measures, ranging from infrastructure upgrades to sustainable transportation and waste management initiatives. While routine reporting promotes transparency, addressing systemic barriers requires the development of tailored policies, financial support, and technological innovation. Bridging the gap between SMEs and larger firms remains critical to achieving the city's climate and sustainability ambitions.

Introduction

BEC NET-ZERO CARBON CHARTER

Overview of the Charter and Progress

With the support of business leaders and the Environment Bureau, Business Environment Council ("BEC") launched the BEC Low Carbon Charter in March 2019. It was rebranded as the Net-zero Carbon Charter ("the Charter") in March 2023 to foster collaboration among companies and organisations in support of Hong Kong's long-term decarbonisation objectives. By committing to establishing emissions reduction targets and implementing strategic actions towards a net-zero future, participants play a vital role in this collective endeavour.

As of August 2025, the Charter has garnered 94 signatories, comprising 26 Science-aligned Signatories and 68 Action Signatories, reflecting its expanding influence. To facilitate these efforts, BEC is dedicated to organising regular events that aid signatories and businesses in setting, implementing, and achieving their emissions reduction targets. This approach aims to promote a coordinated and impactful pathway to sustainability, encouraging organisations in Hong Kong to contribute actively to the city's decarbonisation journey through commitment and targeted actions towards a net-zero future.

Charter Signatories

The Charter categorises its signatories according to their commitment level and operational capacity to establish and realise emissions reduction targets. Signatories are encouraged to thoroughly evaluate their operational practices and targets before applying, ensuring alignment with one of two distinct categories: Action Signatory ("AS") or Science-aligned Signatory ("SAS"). The primary difference between these categories pertains to the ambition and specificity of the targets set by the organisation (refer to Table 1).

Table 1 Categories of BEC Net-zero Carbon Charter Signatories

	Action Signatory ("AS")	**Science-aligned Signatory ("SAS")**
Emissions Reduction Targets	• Currently with emissions reduction targets fulfilling SMART[1] criteria, or developing targets in one year upon signing the Charter; and	• Currently with near-term emissions reduction targets following 1.5°C aligned science-based pathway, or developing targets in two years upon signing the Charter; and

[1] SMART Targets stands for targets that are specific, measurable, attainable, relevant and time-bound, as also illustrated in HKEX's Practical Net-Zero Guide for Business (p.19).

	Action Signatory ("AS")	Science-aligned Signatory ("SAS")
Emissions Reduction Targets	• With the ambition to join the Science-aligned Signatory, preferably in three to five years	• With the ambition to further develop net-zero targets based on recognised standards
Target Timeframe	• Target date no later than 2030	• Target date in five to ten years, no later than 2035
Emissions Reduction Ambition	• Starting to reduce emissions in the value chain with a clear target	• Signatories should demonstrate significant emissions reduction in value chain by aligning their near-term targets with recognised standards, to support the international call for halving global emissions by 2030

OBJECTIVES OF THE REPORT

Building on the foundation of previous years, the 2024 Progress Report aims to further catalyse corporate climate action by showcasing ongoing progress, fostering shared learning, and reinforcing the Charter signatories' leadership in the transition towards net-zero emissions. Through comprehensive analysis and transparent reporting, this year's report seeks to achieve the following objectives:

(1) Tracking Progress and Analysing Emerging Trends in Corporate Decarbonisation

By systematically capturing and examining data on emissions reductions, target setting, and decarbonisation initiatives from signatories, the report aims to identify evolving patterns and innovations within the Hong Kong business community. This includes assessing changes in strategies, the maturity of decarbonisation efforts across sectors, and the effectiveness of different approaches in meeting climate goals. The insights gained will elucidate areas of success, common challenges, and opportunities for further acceleration.

(2) Promoting Knowledge Sharing and Peer Learning

One of the core aims is to facilitate a dynamic platform for signatories to exchange best practices, lessons learned, and innovative solutions. By highlighting success stories and actionable insights, the report seeks to inspire signatories to deepen and expand their climate actions. It will also serve as a tool to demystify the decarbonisation journey, encouraging more companies to participate actively and confidently in climate initiatives.

(3) Highlighting the Climate Ambition and Progress of Different Business Sizes

This report aims to showcase the commitment and achievements of both large corporations and SMEs, illustrating their respective roles and progress in advancing decarbonisation. By presenting comparative data and progress indicators, the report underscores the diverse scale of ambition across the business spectrum. It aims to reinforce the message that climate action is achievable across all business sizes, promoting a collective commitment to a net-zero future. This comparison serves to motivate signatories and inspire wider participation irrespective of company size, reaffirming that every organisation can contribute meaningfully to climate goals.

Overall, the Progress Report 2024 strives to harness the shared experiences, data, and commitments of signatories to foster a more informed, ambitious, and collaborative approach to climate action — emphasising the vital role of the business sector in shaping a sustainable future.

Progress and Achievements of the Signatories

This section evaluates the progress and milestones achieved by the signatories in 2024, based on insights garnered from the responses to our Charter Annual Impact Questionnaire (“the Questionnaire”).

BACKGROUND OF ANNUAL IMPACT QUESTIONNAIRE

The Questionnaire was open for responses from 11 February to 30 April 2025. Its primary objectives are:

- To understand how Hong Kong companies set targets and progress in decarbonisation efforts;
- To identify key climate-related challenges and opportunities faced by these companies; and
- To uncover areas where BEC can enhance support to help Charter signatories advance their sustainability journeys.

Overview of Responses:

- This year, 83% of signatories completed and submitted the questionnaire.
- The responses were predominantly from AS, representing 70% of participants, with the remaining 30% from SAS (see Figure 1).
- Participants ranged across various business sizes :
  - 25% were SMEs [2],
  - 75% were larger corporations employing over 100 staff members (see Figure 2).
- The responses demonstrated notable diversity across a wide range of industries, with the three largest sectors being (see Figure 3):
  - Properties and Construction: 38%
  - Industrial Engineering: 8%
  - Industrial Transportation: 7%
- In addition to these leading sectors, respondents came from a total of 17 different industries, including Financials, Information Technology, Support Services, Travel and Leisure, and others.

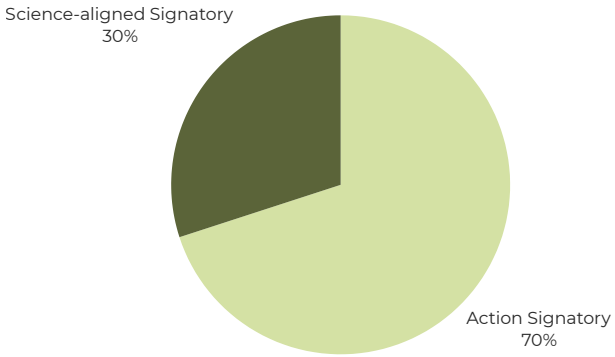


Figure 1 Signatory category of respondents

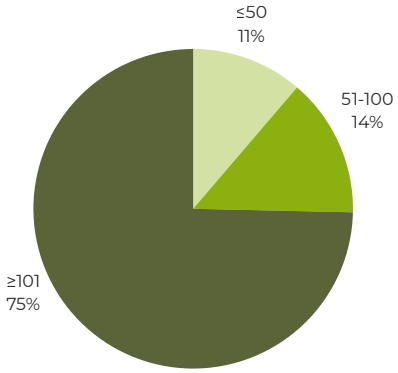


Figure 2 Company size of respondents

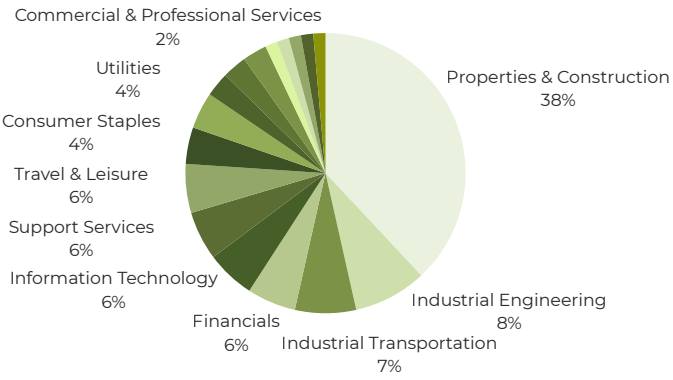


Figure 3 Major industry of respondents

[2] SMEs are (1) manufacturing enterprises which employ fewer than 100 persons or (2) non-manufacturing enterprises which employ fewer than 50 persons (Support and Consultation Centre for SMEs, 2024).

In 2024, signatories demonstrated broad engagement across a diverse range of industries and company sizes. Larger firms continue to spearhead decarbonisation efforts, with increasing participation from SMEs. The sectoral response includes signatories from 17 industries, with the "Properties and Construction" sector representing the largest share, followed by "Industrial Engineering" and "Industrial Transportation".

This overview demonstrates the extensive sectoral involvement of the signatories and reflects a holistic effort to advance decarbonisation across diverse industries. It provides a solid foundation for assessing the collective progress and identifying paths to strengthen climate action among the Charter signatories.

CORPORATE CLIMATE RISK IDENTIFICATION, ASSESSMENT, AND MANAGEMENT

Overview of Risk Management Initiatives

- 76% of respondents have initiated a process to identify, assess, and manage climate-related risks and opportunities; with 18% of that group being SMEs.
- Of these, 65% involve external partners or consultants, while the rest (35%) primarily rely on internal teams, with 28% of these being SMEs.
- 12% plan to start their risk management process within the next two years, and 12% currently have no plans in place (see Figure 4).

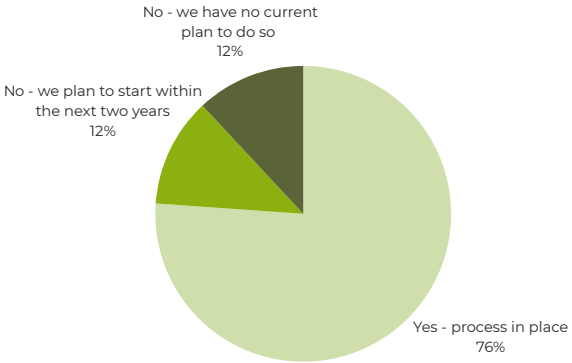


Figure 4 Respondents' status on climate risks and opportunities management process

Aspects Evaluated in Risk Management

Among the 76% of respondents that have climate-related risks and opportunities management process (see Figure 5):

- 88% of those evaluated both risks and opportunities; 13% of them are SMEs.
- A small subset (4%) identified opportunities only.
- About 8% identified risks only.

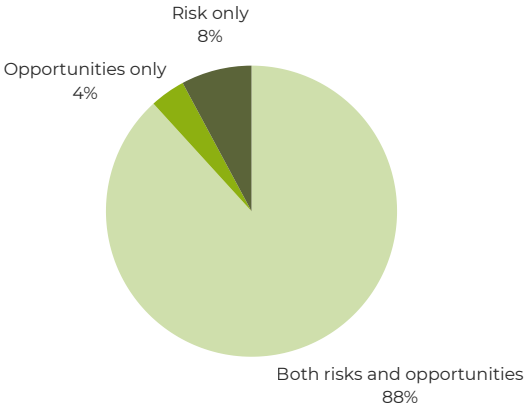


Figure 5 Aspects evaluated in climate risks and opportunities management

Operational and value chain risks are most frequently identified (see Figure 6):

- 76% identified risks in both operations and the broader value chain.
- 20% focused solely on risks within their internal operations.
- Some of them also include end-of-life management in considerations.

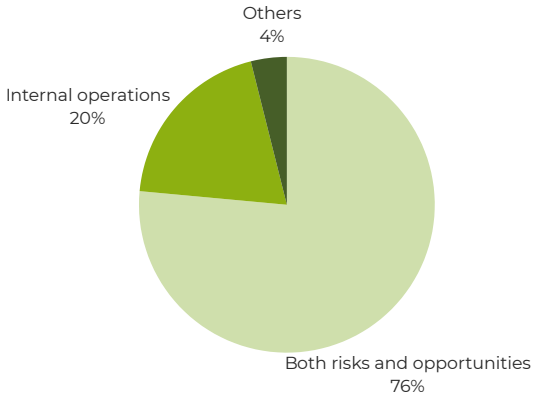


Figure 6 Sources of climate-related risks identification

Most respondents conduct risk assessments with varying frequency, primarily on an annual basis, while others assess at different intervals or as needed (see Figure 7). Specifically:

- 55% of organisations conduct risk assessments annually.
- 21% carry out risk assessments more than once per year.
- The remaining respondents assess every two years (6%), every three or more years (6%), or as significant issues arise (6%). Some do not specify their assessment frequency.

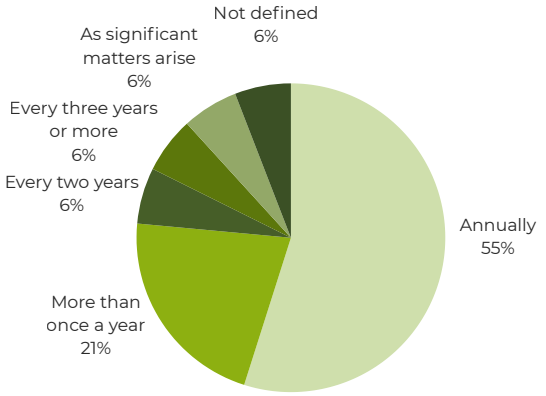


Figure 7 Respondents' frequency of conducting risk assessments

Tools, Frameworks, and Methodologies

Companies are actively implementing management practices to address climate-related risks and opportunities (see Figure 8). Notably:

- Only 3.9% of respondents have yet to commence managing climate risks.
- 76% map the impacts of their climate risks across short-, medium-, and long-term horizons.
- 75% integrate climate adaptation strategies into their core business operations.
- 72.5% have developed specific climate adaptation plans to mitigate identified risks.

These practices demonstrate a proactive approach to climate risk management, laying the foundation for the deployment of targeted tools and frameworks.

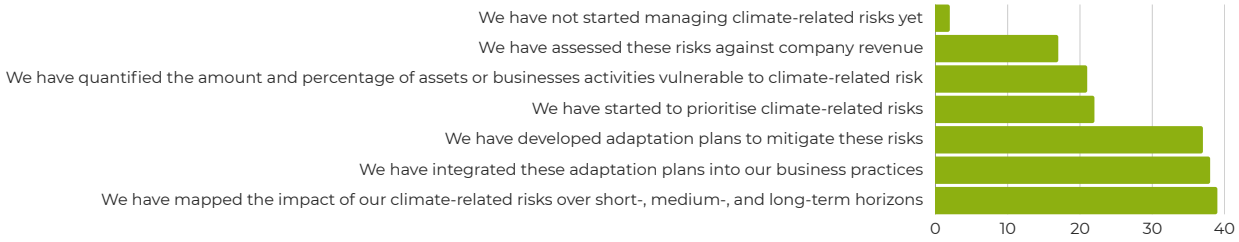


Figure 8 Methods used to manage climate-related risks

Building on these management practices, respondents employ a diverse array of internationally recognised tools and frameworks tailored to their operational contexts:

- **Risk Management Frameworks and Standards:** Most organisations adopt structured frameworks such as the COSO ERM to integrate climate risks into broader risk management. Many also align their processes with international standards like ISO 14001 (Environmental Management), ISO 14090:2019 (Climate Adaptation), and ISO 31000:2018 (Risk Management Guidelines).
- **Scenario Analysis and Modelling:** Companies employ climate scenario analyses based on IPCC (AR5, AR6, SSPs, RCPs), IEA, and NGFS datasets. These simulations evaluate potential physical threats and transition risks over multiple time horizons (e.g. 2030, 2050, 2100).
- **Asset and Operational Risk Tools:** Many develop or adopt specific risk assessment tools such as risk matrices, flood models, hydrodynamic simulations, especially for coastal assets, to evaluate physical and operational vulnerabilities.
- **Stakeholder and Data-driven Assessments:** Incorporating stakeholder consultations, materiality assessments, and benchmarking against international frameworks like TCFD, SASB, GRI, and TNFD helps organisations identify critical risks and opportunities.
- **Resilience and Action Plans:** Companies are developing Climate Adaptation and Resilience Plans ("CARPs") that include departmental action initiatives, which are monitored regularly and reported to senior management.
- **External and Proprietary Data:** Organisations leverage climate projections from IPCC, regional government databases, greenhouse gas ("GHG") accounting tools aligned with GHG Protocol and ISO standards, as well as detailed physical risk studies, to inform decision-making.
- **Disclosure and Compliance:** Organisations prepare and align reports with global frameworks such as Task Force on Climate-related Financial Disclosures ("TCFD"), IFRS Sustainability Standards (S1 and S2) by the International Sustainability Standards Board ("ISSB"), Hong Kong Stock Exchange ("HKEX") ESG Reporting Guide, and other sector-specific standards to ensure transparency and regulatory compliance.

Despite differences in scope and scale, these practices demonstrate a shared trend among companies of all sizes in Hong Kong towards integrating climate risk management into their core operations, with larger firms often employing more technical tools and globally aligned standards, while SMEs adopt flexible and resource-efficient methods.

Climate-Related Risks and Opportunities: A Consistently Evolving Landscape

This year's survey findings align closely with last year's results, underscoring the enduring relevance of climate-related risks and opportunities for Hong Kong companies under the TCFD framework. **Approximately 50% of respondents highlighted the overlap of financial, political, and governance risks as their key concerns.** These include:

MARKET RISK

Rising energy-related operational costs, which directly impact the bottom line, particularly for energy-intensive sectors.

POLICY AND LEGAL RISK

Challenges in responding swiftly to evolving policies and regulations, highlighting the need for agile compliance strategies to avoid penalties and capitalise on incentives.

REPUTATION RISK

The pressure to meet publicly stated climate commitments, with failure risking stakeholder trust and brand value.

Meanwhile, **around 40% of respondents view climate change as an opportunity for strategic growth, echoing last year's insights**. Key opportunities include:

RESOURCE EFFICIENCY OPPORTUNITIES

Cost savings through reduced energy consumption and lower carbon emissions, which can bolster sustainability credentials.

MARKET DIFFERENTIATION OPPORTUNITIES

Enhancing brand reputation by demonstrating leadership in sustainability, attracting environmentally conscious consumers and investors.

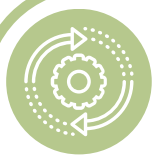
Emerging Risks and Opportunities in the Current Year

While the core concerns remain consistent, respondents have highlighted new challenges and prospects related to climate change.

Risks with Potential Negative Impact:

PHYSICAL RISK

The city's vulnerability to typhoons, heavy rainfall, and storm surges underscores the urgent need for improved preparedness to avoid operational disruptions and asset damage. Business disruptions along supply chains and increased physical asset risks are compounded if companies do not adapt quickly to climate and technological shifts. Limited access to high-quality climate data and monitoring systems further hampers effective risk assessment and early warning.



TRANSITION RISK

Rapid policy developments and stricter regulations present compliance challenges, requiring agile responses. Falling behind in adopting low-carbon technologies or aligning with market shifts could threaten long-term competitiveness and sustainability.

Opportunities with Potential Positive Impact:

RESOURCE EFFICIENCY AND ENERGY SOURCE

Developing innovative solutions that optimise energy and resource use can reduce operational costs and environmental footprint. Expanding into renewable energy and energy-efficient technologies offers growth prospects aligned with Hong Kong's decarbonisation objectives.

PRODUCTS AND SERVICES

Providing solutions that improve clients' climate resilience — such as energy savings, water management, and resilient infrastructure — can strengthen market positioning.

MARKETS AND RESILIENCE

Supporting clients' climate adaptation efforts and diversifying into emerging green sectors can enhance reputation and create new revenue streams. Building operational resilience through process innovation and diversification ensures business continuity amid climate-related physical risks.

Overall, the surveyed Hong Kong companies not only demonstrate strong awareness of climate risks, but also recognise substantial opportunities for innovation, cost reduction, and reputation building. Addressing physical risks like extreme weather and data gaps, while capitalising on emerging markets and technological advancements, will be crucial as the city advances its climate resilience and sustainability agenda.

TRANSITIONING TOWARDS SUSTAINABILITY: CORPORATE CLIMATE STRATEGY

A total of 73% of respondents have established a formal climate strategy (see Figure 9). Among these, 15% currently have no such plan but intend to develop one within the next two years, while 12% have no plans to do so at present. The latter group primarily cites lack of internal resources, capabilities, or expertise, coupled with the absence of a standardised procedure to guide their actions.

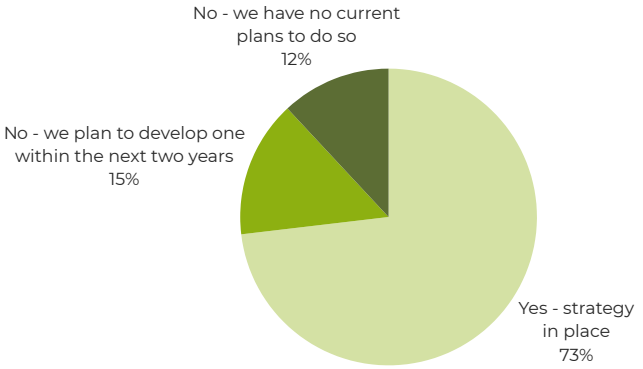


Figure 9 Respondents' status on climate strategy development

Within the 73% of respondents with a climate strategy, 94% report that their strategy's scope encompasses the organisation as a whole, whereas 4% limit their coverage to specific facilities, business units, or geographic areas. One respondent also noted that their strategy extends to encompass their suppliers, customers, and community. Regarding the value chain stages addressed by their climate strategies, the responses indicate that all primarily focus on core operations. A significant majority, 76%, also include upstream activities, while 67% extend their coverage to downstream processes (see Figure 10).

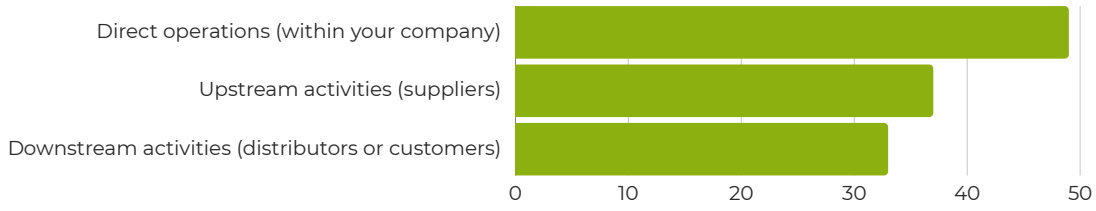


Figure 10 Distribution of value chain stages covered by climate strategy

Analysis of the responses reveals several recurring themes in content and scope:

01 Commitment to Science-Based Targets and Net-Zero Goals

- Many corporates explicitly state their alignment with the Science-Based Targets Initiative ("SBTi") and their commitment to reach net-zero emissions by dates such as 2030, 2040, or 2050.
- Common targets include reductions across Scope 1, 2, and 3 emissions, with some companies aiming for reductions exceeding 50% within specified periods.

02 Beyond Regulatory Compliance

- Almost all responses highlight adherence to existing regulations and mandatory standards.
- The majority of organisations emphasise proactive environmental actions beyond compliance, including stakeholder engagement, biodiversity conservation, and initiatives promoting a circular economy.

03 Focus on Renewable Energy and Energy Efficiency

- Increasing utilisation of renewable energy sources — such as solar panels and renewable electricity procurement — is frequently mentioned.
- Measures aimed at improving energy efficiency include the adoption of green building designs, retro-commissioning, and the deployment of advanced technology like LED lighting and energy management systems.

04 Addressing Scope 3 Emissions and Supply Chain Engagement

- Some organisations emphasise their efforts to incorporate Scope 3 emissions, often covering supply chain transportation, procurement, and product lifecycle stages.
- Engagement with suppliers to develop responsible sourcing or set science-based or responsible targets is a common theme.

05 Integration of Climate Resilience and Risk Management

- Some responses describe active assessments of climate-related risks and the development of resilient infrastructure.
- Systematic approaches, including scenario planning and risk management frameworks, are frequently referenced.

06 Stakeholder Engagement and Capacity Building

- Organisations aim to raise awareness and build capacity internally and externally, including among employees, suppliers, tenants, and the wider community.
- Initiatives encompass education programmes, collaborative projects, and sustainability training.

In addition to these recurring themes, certain notable approaches are evident:

- **Deployment of Innovative Technologies and Projects:** Examples include solar and energy storage systems, ground source heat pumps, and digital twin solutions. Some responses also mention adopting low-carbon procurement standards for construction materials.
- **Holistic and Integrated Strategies:** Several organisations combine emissions reduction efforts with biodiversity conservation, water management, and social elements such as gender equality, often linking their climate initiatives with broader Sustainable Development Goals ("SDGs").
- **Clear Short- and Long-term Roadmaps:** Some companies outline specific milestones for 2025, 2030, 2040, and 2050, setting targeted reductions and establishing internal KPIs.
- **Community and External Collaborations:** Responses highlight engagement with local communities and participation in industry standards and certifications such as International Organisation for Standardisation ("ISO"), Certified B Corporation and Good Manufacturing Practices ("GMP").
- **Specific Initiatives and Projects:** Examples range from banning single-use plastics to transitioning fleets to biodiesel or electric vehicles.

Overall, the surveyed Hong Kong corporates are increasingly implementing comprehensive climate strategies. Despite varying business natures, their approaches consistently emphasise reducing energy consumption and emissions, engaging supply chains, and implementing technological innovations. Many go further by embedding sustainability into core business strategies, addressing social aspects alongside environmental goals. External collaboration and certification efforts further underscore their commitment to genuine climate leadership. Collectively, these initiatives reflect a comprehensive, strategic effort to meet long-term sustainability commitments.

Transition Plan

Among the 73% of respondents with a climate strategy, 76% have incorporated a transition plan as part of their approach. Of these, 22% are in the process of developing their transition plans within the next two years, while 2% do not intend to establish a transition plan in that timeframe, primarily due to a lack of internal resources, capabilities, or expertise (see Figure 11).

Within the group that has a transition plan, 68% have aligned their targets with the 1.5°C pathway. Notably, 11% of respondents have adopted a customised approach, with some organisations setting long-term, company-specific objectives — such as achieving net zero by 2045 — indicating a gradual, phased commitment over time. Additionally, some responses indicate a more aggressive determination to reach the 1.5°C target by 2032, often emphasising a scope-specific strategy (see Figure 12).

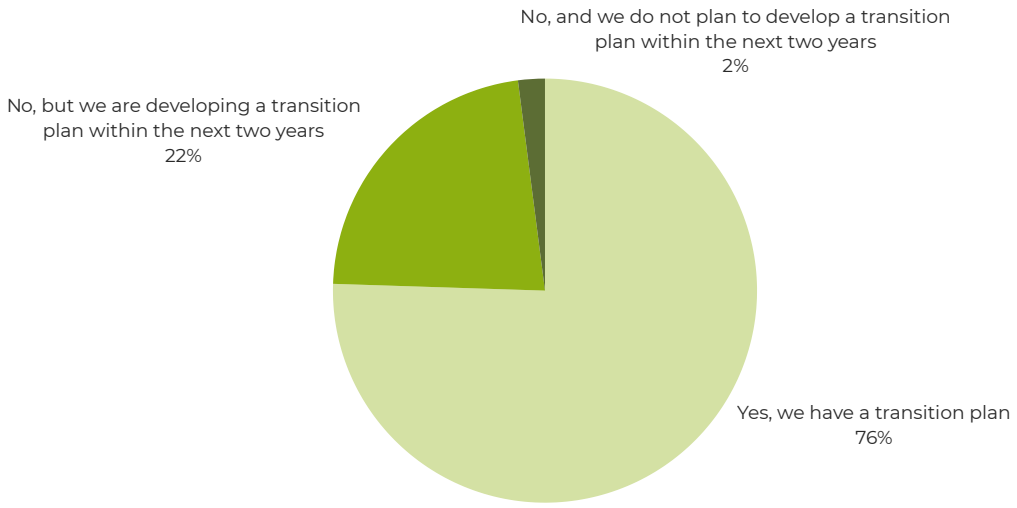


Figure 11 Companies incorporating a transition plan in their climate strategy

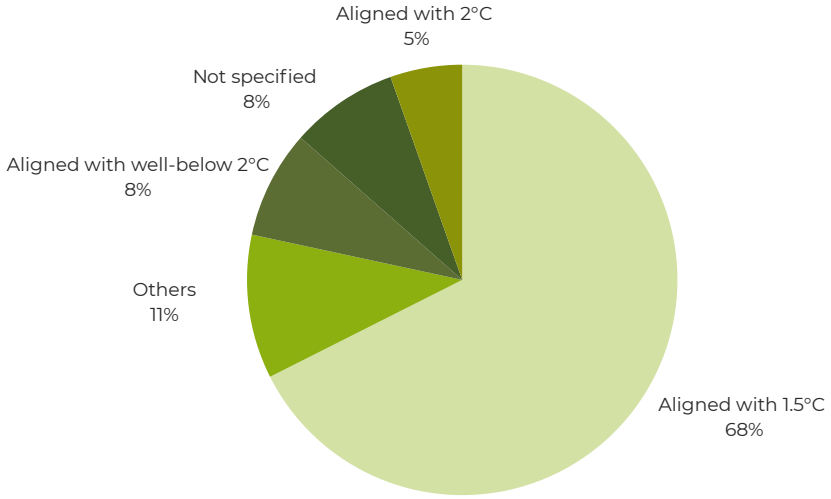


Figure 12 Company's transition plan aligning with global temperature targets

DECARBONISATION MILESTONES: CORPORATES EMISSIONS INVENTORIES AND TARGETS

How Signatories Consolidate and Calculate Greenhouse Gas Inventory

The majority of respondents (88%) have adopted the operational control approach to consolidate their GHG inventory, indicating that most companies focus on activities and facilities they control operationally. A smaller proportion (4%) use the equity share method, accounting for emissions based on their ownership stake in operations, while an even smaller segment (2%) relies on financial control, meaning they include emissions under entities where they hold the ability to direct financial and operational policies. (See Figure 13)

The data reflects a strong preference for operational control, which is consistent with common industry standards and GHG Protocol. This approach allows companies to directly manage and report emissions from their defined controlled operations, simplifying accounting and verification processes.

Table 2 Definition of greenhouse gas inventory approach (The Greenhouse Gas Protocol, 2015 [3])

Type of control(s)	Definition(s)
Financial Control	The company has financial control over the operation if the former has the ability to direct the financial and operating policies of the latter with a view to gaining economic benefits from its activities.
Operational Control	A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.
Equity Share	A company accounts for GHG emissions from operations according to its share of equity in the operation.

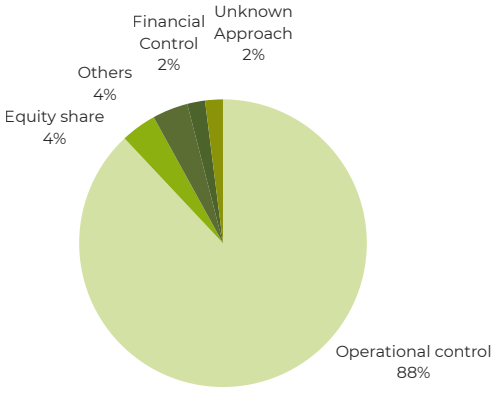


Figure 13 Approaches adopted by companies to consolidate their GHG inventory

[3] The definition of Greenhouse Gas Inventory Approach is achieved from The GHG Protocol Corporate Accounting and Reporting Standard (Corporate Standard | GHG Protocol, 2015).

Furthermore, most companies refer to established international standards and frameworks for their GHG inventory process, including (see Figure 14):

Figure 14 Top five standards, protocols or methodologies used by corporates for GHG data collection and emissions calculations

There is a notable shift towards rigorous and comprehensive emissions accounting, especially for Scope 3, with companies increasingly citing methodologies and standards for data collection.

Some companies have provided additional information, listing the standards and methodologies they utilise for their GHG data collection and emissions calculation. These include:

- **Industry and Regional Standards:** Airport Council International ("ACI"), Airport Carbon Accreditation ("ACA") Application Manual (Issue 14)
- **Government Regulations and National Guidelines:** Australia's National Greenhouse and Energy Reporting Act, China's Guidelines for GHG Emission Reporting for Enterprises (issued by the Ministry of Ecology and Environment), China's Notice on GHG Reporting Management for Power Industry Enterprises (2023 – 2025), US EPA's Centre for Corporate Climate Leadership: Indirect Emissions from Purchased Electricity, The Defra Environmental Reporting Guidelines (2019)
- **International Protocols and Standards:** the SBTi Methodology/ SBTi Corporate Net Zero Standard V1.2
- **Environmental Guidance Tools:** GHG Emissions Calculator developed by the Hong Kong University of Science and Technology ("HKUST") in partnership with the Green and Sustainable Finance Cross-Agency Steering Group ("CASG")

It is important to note that among SMEs, the most commonly referenced standards and methodologies are standards published by Hong Kong government, the GHG Protocol, and carbon calculation tools such as GHG Emissions Calculator developed by HKUST in partnership with CASG. These tools and standards underpin their approach to ensuring credible and consistent greenhouse gas accounting and reporting.

Current Carbon Emissions among Signatories

Emissions Calculation

Among the Charter signatories, there is a clear distinction in approaches to GHG emissions calculation between large corporations and SMEs. Larger companies tend to adopt customised solutions — either developing in-house tools or engaging third-party providers — to ensure accurate and reliable GHG accounting. This approach underscores a strong commitment to precision, often reflecting their greater resource availability and the sophistication of their sustainability frameworks, which align with international standards.

In contrast, SMEs predominantly rely on standardised, generic tools for estimating their emissions. While this may be primarily due to resource constraints, it also demonstrates an awareness among smaller firms of the importance of employing credible data collection methods, even within limited capacities.

Regarding Scope 3 emissions, 62% of respondents reported their Scope 3 data, providing insights into their major sources. The three primary categories identified as significant sources of Scope 3 emissions are Category 1: Purchased goods and services, Category 3: Fuel- and energy-related activities, and Category 13: Downstream leased assets (see Figure 15). This highlights an industry-wide recognition of key emission sources within their value chain, which is critical for setting targeted reduction strategies and aligning with global climate goals.

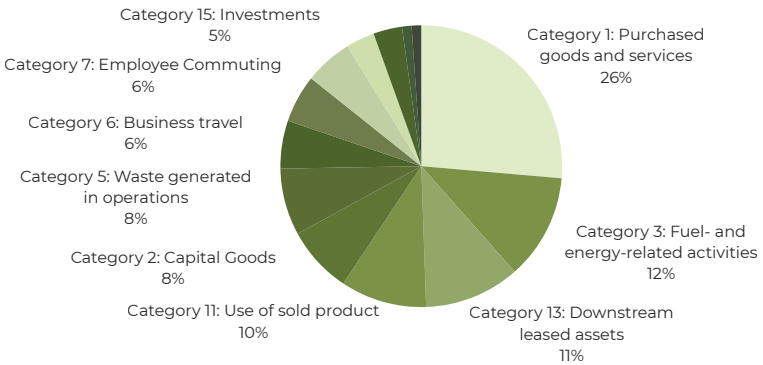


Figure 15 Respondents' major sources of Scope 3 emissions

Overall, the data reflects a more advanced level of emissions accounting among larger Hong Kong companies, with a focus on transparency and accuracy, while SMEs are still building awareness and capabilities. The emphasis on identifying major Scope 3 sources further demonstrates a comprehensive understanding of the importance of supply chain and downstream activities in achieving region-wide sustainability objectives.

Emissions Verification

Regarding verification practices, there is a clear indication of comprehensive external assurance within Hong Kong's corporate sector. Specifically, among companies reporting Scope 1 emissions, 77% have engaged third-party verification or assurance processes. Similarly, for Scope 2 emissions, 73% have obtained external verification, while 78% of respondents reporting Scope 3 emissions have adopted third-party assurance measures (see Figure 16). Although the proportion of respondents with verified emissions has slightly decreased this year — primarily due to the overall increase in response rate — this high level of external validation continues to reflect a strong corporate commitment to transparency, credibility, and adherence to both local and international reporting standards.

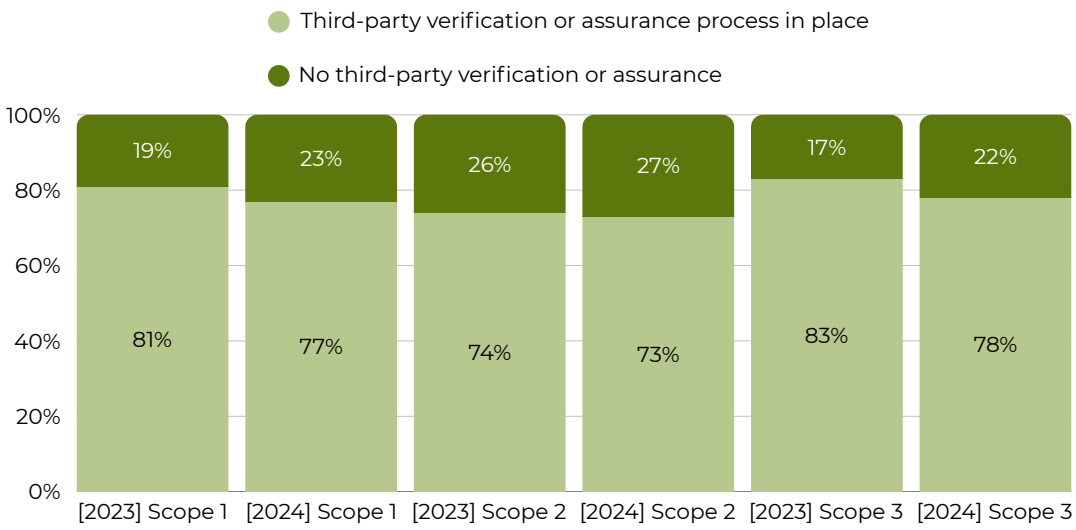


Figure 16 Percentage of respondents reporting verified emissions

Standards Referenced:

- **ISO Standards:** ISO 14064-1:2018 – Specification for GHG quantification and reporting, ISO 14064-3:2019 – Verification of GHG emissions and removals
- **International Assurance Frameworks and Standards:** ISAE 3000 (Revised) – Assurance engagements other than audits or reviews, ISAE 3410 – Assurance engagements on GHG statements, AA1000AS – Principles-based assurance standard (Type 1, moderate level), SGS ESG & SRA Assurance Protocols – Based on GRI Principles and AA1000 standards
- **Additional Protocols and Guidelines:** GHG Protocol – Recognised international standard for GHG accounting and reporting, SBTi Methodology/ SBTi Corporate Net Zero Standard V1.2 – Standards for science-based targets and net-zero commitments

Signatories employ multiple standards and frameworks to enhance the credibility and robustness of their verification processes. These assurance activities typically involve comprehensive evaluations of systems, procedures, and sampled data, all conducted in accordance with internationally recognised standards to ensure accuracy and transparency. Furthermore, several corporates clearly specify whether they aim for reasonable or limited assurance, which promotes greater comparability and accountability across disclosures.

Collectively, these practices reflect a discernible trend among Hong Kong companies, especially larger firms, towards adopting rigorous, standards-based emissions accounting combined with external verification. Such approaches not only bolster stakeholder confidence but also align with the region's growing emphasis on transparent, reliable, and credible sustainability reporting.

Changes in Carbon Emissions Among Signatories

A positive trend in carbon emissions reductions among signatories from 2023 to 2024 across all reporting scopes is illustrated in Figure 20. Specifically, in Scope 1, 78% of respondents reported a decrease in emissions, while only 20% observed no change, and just 2% experienced an increase. Similarly, in Scope 2, 68% of respondents noted reductions, with 30% reporting stable levels and 2% indicating increases. For Scope 3, the majority — 83% reported an increase in emissions, with only 17% experiencing decreases and none reporting unchanged levels.

The overall findings indicate a positive trend towards reduced carbon footprints, suggesting that many corporates have successfully implemented strategies leading to tangible emissions reductions year over year. However, the increase in Scope 3 emissions reported by 83% of companies may also be influenced by factors such as the expansion of measurement scope and an increased sample size. One respondent specifically mentioned that the rise in Scope 3 emissions was due to increased air travel, which could reflect changes in business activities or broader reporting practices.

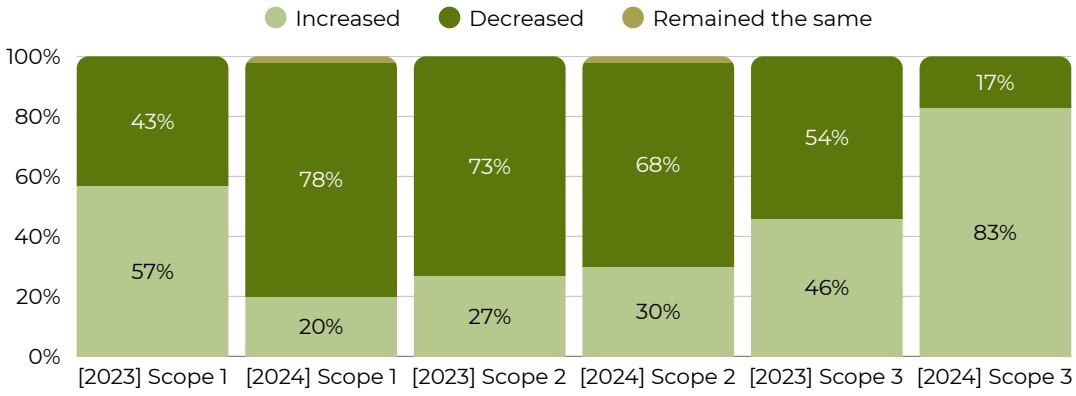


Figure 17 Summary of changes in carbon emissions among signatories

Factors Influencing Changes in Scope 1 and Scope 2 Emissions

Analysis of the underlying drivers reveals that several key factors contributed to both increases and decreases in emissions (see Figure 18):

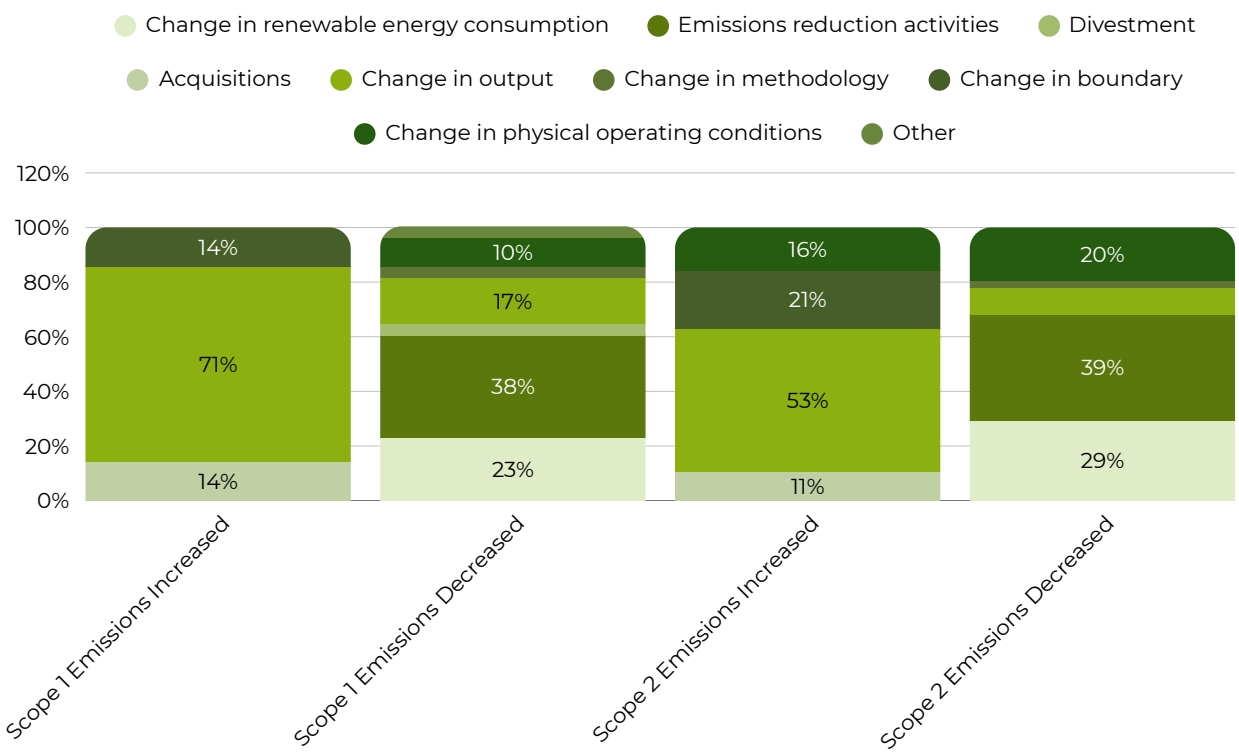


Figure 18 Factors influencing increases and decreases in Scope 1 and Scope 2 emissions

Drivers of Increased Emissions:

01 Change in Output

- On average, 62% of corporates reported that heightened operational activity, such as expanded projects or increased demand, led to higher Scope 1 and 2 emissions due to greater energy consumption and process intensity.
- An increase in activity volume, such as more projects, operational volume, or higher passenger or visitor numbers, was linked to increases in overall emissions, reflecting a trend where higher production or service levels typically lead to greater energy consumption.

02 Change in Physical Operating Conditions

- Approximately 16% companies experienced increased emissions stemming from changes in physical operating conditions, which affected energy use patterns.
- For instance, the start of new projects or increased operational activity, like refurbishments, expansions, or returning to full capacity, can lead to higher energy consumption and thus higher Scope 2 emissions.

03 Change in Boundary

- About 18% of companies reported that adjustments to the scope of activities included more facilities, sites, or assets managed or reported, which led to higher emission profiles in Scope 1 and 2. For example, adding new buildings or projects to the reporting boundary increased overall emissions, even if intensity remained stable.

04 Acquisitions

- For roughly 12% of companies, acquiring new assets or entities contributed to increased emissions due to the integration of new operations or assets coming into operational footprint.

05 Other Factors

- External factors such as resumed or increased operational activity after periods of reduction (e.g. post-pandemic recovery) and expansion into new markets or services contributed to higher emission levels.

Drivers of Decreased Emissions:

01 Increased Renewable Energy Use

- Around 26% of respondents increasingly purchased or generated renewable energy, significantly offsetting emissions.
- Efforts to generate on-site renewable energy or increase renewable energy contracts contributed directly to lower net emissions. One company reported a reduction of around year-over-year due to their renewable energy procurement.

02 Change in Physical Operating Conditions

- Around 15% reported reductions driven by improved operational practices, such as decreased equipment usage, lower demand, or scaled-down activities. For example, a significant decrease in fugitive emissions was linked to reduced equipment activity or maintenance.
- Reduction in asset size or operational scope, for example, fewer facilities or decreased production, also led to reductions.

03 Emission Reduction Activities

- Implementing energy efficiency measures, electrification and process improvements contributed to reductions in scopes. Around 38% of companies reported specific actions such as upgrading equipment, adopting environmentally friendly technologies, and optimising energy use that aided in Scope 1 and 2 emission reductions.

04 Asset Divestment

- Selling high-emission assets was an effective strategy for some respondents, resulting in tangible emission reductions.

05 Change in methodology

- A small but notable 3.3% of responses indicated lower reported emissions attributable to adjustments in calculation methodologies or emissions factors.

06 Reduced Output or Activity

- Lower production volumes and operational downsizing resulted in fewer emissions. For example, reducing the scope or scale of production or services directly lowered energy consumption and emissions.

The data indicates a promising trend among signatories towards reducing their Scope 1 and Scope 2 emissions from 2023 to 2024. A number of signatories have successfully implemented strategies such as increasing renewable energy use, enhancing operational efficiencies, and divesting high-emission assets, contributing to measurable emission reductions. However, certain factors — primarily business growth, expanded asset boundaries, and increased activity — have driven emissions upward in some cases. This underscores the dual challenge faced by Hong Kong companies: balancing operational expansion with sustainability goals.

Overall, the findings highlight the critical importance for local corporations to continue leveraging technological improvements, renewable energy adoption, and strategic boundary management to achieve their climate targets and support Hong Kong's broader sustainability commitments.

Emissions Targets set by Corporates in Hong Kong

80% of respondents currently have active emissions or other climate-related targets, while the remaining 20% plan to develop targets within the next two years. Many acknowledge the importance of setting such targets but cite internal resource constraints and limited operational data as obstacles to progress. Some signatories follow their parent company's emissions targets, though notably, a respondent reported not having any group-level Scope 1 and Scope 2 targets, despite individual branches establishing their own.

Additionally, some respondents have committed to SBTi Net-Zero Standard ambitions, working to develop strategies, targets, and reduction plans aimed at lowering overall emissions across Scope 1, Scope 2, and Scope 3.

Among the respondents with established targets, 27% have set combined Scope 1 and Scope 2 targets, 44% have set Scope 1 targets independently, 56% have established Scope 2 targets, and 44% have set Scope 3 targets.

Key Trends in Establishing Emissions Targets:

01 Dominance of Absolute Targets

- Absolute targets are predominantly favoured across all scopes, particularly in Scope 1 and Scope 2 location-based targets. This reflects a strong commitment to reducing total emissions regardless of production or activity levels.
- For Scope 3, a high proportion of respondents also emphasise absolute targets, underscoring a focus on tangible emission reductions.

02 Coverage Focus

- Organisation-wide targets constitute the majority, especially notable in Scope 2 (83%) and Scope 3 (84%), highlighting a strategic intent to embed climate goals across entire companies.
- Targets at the business activity and site/ facility levels are also present but less prevalent and tend to balance between absolute and intensity-based approaches, indicating operational flexibility.

03 Scope Allocation

- Scope 1 targets are mainly set at organisation-wide and site levels, emphasising direct emissions from operations.
- Scope 2 targets predominantly leverage location-based and market-based approaches, with a clear preference for absolute targets across both approaches and organisational levels.
- Scope 3 targets demonstrate the organisational commitment to comprehensive emissions reduction but are often established at the broader organisational level. This broad scope reflects the complexity and diversity of the 15 categories within Scope 3 emissions, making detailed, category-specific targets more challenging.

04 About Intensity Targets

- Intensity targets are less common overall, especially in Scope 1, appearing mainly within Scope 2 (11 – 25%). When used, they provide a relative measure against activity levels, offering flexibility but potentially less concrete than absolute targets.

05 Strategic Implications

- The reliance on absolute targets indicates a preference for tangible and measurable emission reductions.
- The organisation-wide approach underscores a strategic intent to integrate climate objectives across core functions.
- Variations in scope and target types reflect diverse operational, geographic, and sectoral considerations, illustrating tailored approaches to climate action.

Most signatories are committed to ambitious, organisation-wide, absolute emission reduction targets, with a particular focus on Scope 2 (energy-related emissions). From the signatories' target-setting performance, it is evident that emissions from buildings and electricity are still the largest contributors to Hong Kong's carbon footprint. As a result, signatories are strategically prioritising improvements in improving energy efficiency, increasing renewable energy adoption, and promoting sustainable operational practices.

Table 3 Overview of emission target coverage and target types across signatories and emission scope categories

Target Coverage		**Type of Targets**	
Combined Scope 1 and 2 Emissions Targets			
Organisation-wide	92%	Absolute Target	93%
		Intensity Target	7%
Business activity	8%	Absolute Target	100%
		Intensity Target	0%
Scope 1 Emissions Targets			
Organisation-wide	74%	Absolute Target	88%
		Intensity Target	12%
Business activity	8.7%	Absolute Target	50%
		Intensity Target	50%
Site/ facility	17.4%	Absolute Target	50%
		Intensity Target	50%
Scope 2 Emissions Targets			
Location-based			
Organisation-wide	64%	Absolute Target	89%
		Intensity Target	11%
Business activity	7%	Absolute Target	100%
		Intensity Target	0%
Site/ facility	29%	Absolute Target	75%
		Intensity Target	25%

Target Coverage		Type of Targets	
Scope 2 Emissions Targets			
Market-based			
Organisation-wide	80%	Absolute Target	83%
		Intensity Target	17%
Site/ facility	20%	Absolute Target	67%
		Intensity Target	33%
Scope 3 Emissions Targets			
Organisation-wide	83%	Absolute Target	84%
		Intensity Target	16%
Business activity	4%	Absolute Target	100%
		Intensity Target	0%
Site/ facility	4%	Absolute Target	100%
		Intensity Target	0%
Others	9%	Absolute Target	50%
		Intensity Target	50%

TRANSFORMING SUSTAINABILITY: CORPORATES' DECARBONISATION ACTIONS

Among 66 respondents, 82% of them have active emissions reduction initiatives during the reporting period while 7% of them are planning to have initiatives within the next two years and 11% of them currently do not have the plan to do so (see Figure 19). Among these 18% of respondents, 67% of them are SMEs, and they understand that having active emissions reduction initiatives is important, but this is not an immediate business priority for them and some lack sufficient operational data to do so.

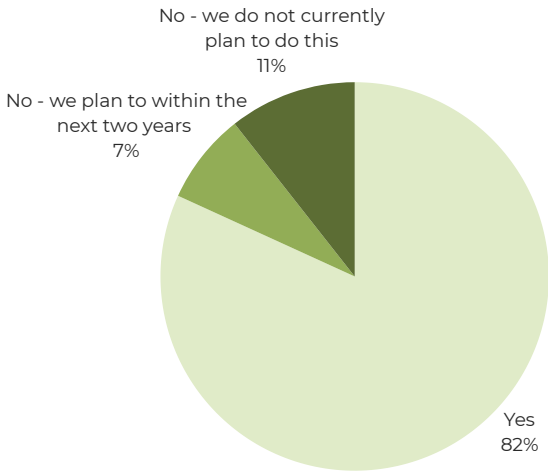


Figure 19 Active emissions reduction initiatives during the reporting period

Primary Domains of Corporate Decarbonisation Initiatives

According to Figure 20, 82% of respondents actively focus on specific areas for their emissions reduction efforts. The top three common focus areas are "energy efficiency", "renewable energy", and "waste reduction". A group of corporates have adopted comprehensive strategies that extend beyond these categories, including the use of more sustainable raw materials, low-carbon products, and pursuing green building certifications.

From a Hong Kong corporate perspective, these initiatives reflect a growing commitment to integrating sustainability into core operations amidst the city's rising climate action agenda. A signatory aims to achieve 100% renewable energy use by 2030. Others are exploring advanced decarbonisation technologies such as carbon capture and storage/ utilisation ("CCS/U").

Moreover, due to their business nature, some companies are adopting circular economy principles, particularly in packaging design, aiming for all packaging to be recyclable by 2025 and to incorporate at least 50% recycled content by 2030. Waste reduction remains a key priority, with strategies to increase recycling rates and divert materials from landfills, aligning with the city's waste management initiatives.

Additional projects highlighted by respondents include biogas and landfill gas capture initiatives, as well as investments in sustainable aviation fuels and electric vehicle infrastructure. The majority of these corporates have implemented group-wide decarbonisation plans that focus on energy efficiency, process optimisation, water conservation, and sustainable procurement practices, demonstrating a commitment to achieving measurable emissions reductions across their entire value chain.

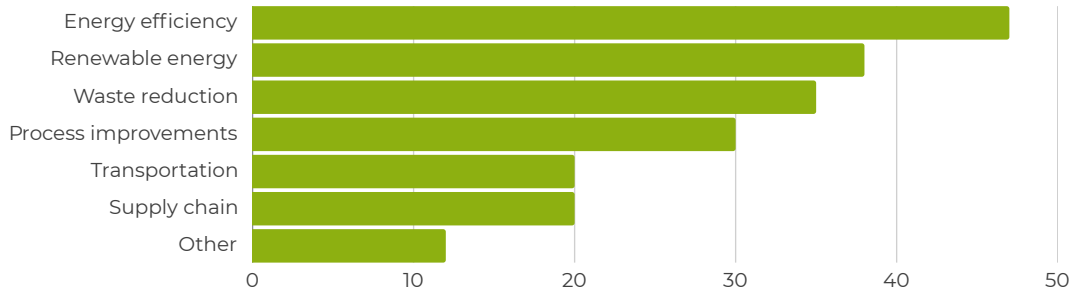


Figure 20 Operational areas targeted by emissions reduction initiatives

Strategies Across the Value Chain

Among respondents with established Scope 3 targets, 65% have developed strategic plans and are actively working to reduce emissions across their value chains. Of this group, around 40% have requested their suppliers to set carbon reduction targets, either voluntarily or as a contractual requirement. These efforts tend to focus on suppliers responsible for the largest share of procurement, ensuring prioritisation based on spend levels to maximise impact.

Some respondents require their suppliers to comply with responsible sourcing standards, including industry-specific codes and principles such as the Supplier Guiding Principles ("SGP") and Principles for Sustainable Agriculture ("PSA"). Some signatories have adopted science-based targets aligned with the Paris Agreement and place particular emphasis on reducing Scope 3 emissions. They further encourage their key suppliers to establish near-term science-based targets to align their supply chain practices with overarching climate goals.

These decarbonisation efforts are supported by their comprehensive climate transition plans, which target upstream activities, such as supplier engagement and eco-design, as well as downstream strategies designed to influence global decarbonisation. Common measures include:

- Increasing recycling rates,
- Enhancing supply chain emissions transparency, and
- Transitioning to low-emission refrigerants.

Overall, signatories aim for a significant reduction in their total emissions by implementing targeted, strategic actions across their entire value chain.

Major Decarbonisation Actions and Initiatives performed by Hong Kong Corporates

Strategic and Infrastructure Optimisation

Multiple signatories have initiated comprehensive real estate and operational efficiency programmes, including site consolidation, building retrofits, and the adoption of innovative low-carbon technologies.

Achievements include recognition through green building certifications such as Leadership in Energy and Environmental Design ("LEED") and BEAM Plus, and the deployment of renewable energy systems, notably solar photovoltaic ("PV") arrays and energy storage solutions.

Transition to Renewable Energy and Energy Efficiency

Many signatories have made significant strides in sourcing renewable energy, with some aiming for 100% renewable power across their operations through different initiatives such as roadmap development, solar installations and off-site Renewable Energy Certificates ("RECs").

Energy-saving measures include upgrading lighting systems to LEDs, implementing smart building management systems, and integrating AI-driven energy optimisation tools, resulting in substantial reductions in Scope 2 emissions for some.

Fleet Electrification and Sustainable Transportation

The transition to electric vehicles ("EVs") is a prominent strategy, supported by investments in EV charging infrastructure and the adoption of low-emission ground support and fleet vehicles.

Several signatories have introduced biofuels and explored future-forward solutions like hydrogen on demand, aiming to drastically cut Scope 1 and 3 emissions.

Process Improvements and Waste Management

Companies are enhancing operational efficiency through system upgrades, such as high-efficiency chillers, water-saving devices, and AI-based monitoring.

Waste reduction initiatives, such as food waste-to-energy conversion, digitalisation of procedures, and increased recycling, have contributed significantly to lowering overall greenhouse gas emissions.

Adoption of Innovative Technologies

Deployment of advanced decarbonisation technologies, including carbon capture and storage ("CCS"), green building materials, and energy storage innovations, are key trends.

Digital tools like blockchain for sustainability tracking and AI for energy system optimisation are gaining prominence.

Climate Resilience and Risk Management

Efforts to strengthen climate resilience include installing flood barriers, water leakage sensors, and weather forecasting systems, aligning with broader climate adaptation strategies to mitigate physical risks.

Approaches to Measuring the Effectiveness of Emissions Reduction Initiatives

Referring to Figure 21, the data indicates that most signatories primarily rely on regular progress reports to assess their emissions reduction efforts. This is followed by the use of internal audits, while a smaller number of companies employ third-party assessments. The preference for regular progress reports suggests that companies prioritise transparency through routine documentation, providing stakeholders, including investors, regulators, and the public, with a straightforward and accessible overview of their sustainability progress.

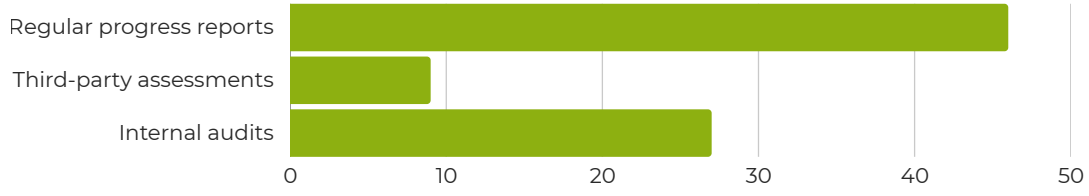


Figure 21 Methods used to track and evaluate emissions reduction initiatives among signatories

One key reason for this reliance on progress reports is their cost-effectiveness. Compared to third-party assessments or internal audits, progress reports generally require fewer resources, making them more feasible, especially for SMEs. Furthermore, stakeholder expectations play a significant role; there is an increasing demand for transparency in sustainability initiatives. However, stakeholders tend to favour periodic progress reports because they are less resource-intensive and easier to interpret.

In addition, investors and business partners often trust and are more accustomed to regular progress reports, especially in markets where third-party assessments are not yet mandated. This familiarity reinforces their use as the primary method for evaluating emissions reduction performance within Hong Kong's corporate landscape.

Challenges to Accelerating Emissions Reductions

Companies are actively pursuing decarbonisation through strategic actions as listed in above. Despite these efforts, several systemic challenges impede full implementation of emissions reduction initiatives, most notably financial constraints and supply chain complexities (see Figure 22).

Financial constraints are heightened by Hong Kong's high real estate costs and the need for substantial capital investment in innovative low-carbon technologies. Limited access to affordable financing or incentives can restrict companies' capacity to scale these initiatives, resulting in reliance on less resource-intensive methods such as regular progress reports.

Supply chain complexities are particularly salient given Hong Kong's role as a global logistics hub. Managing emissions across extensive supply networks and influencing third-party suppliers pose significant challenges to accurate data collection and comprehensive decarbonisation. This often limits the ability to fully report or verify Scope 3 emissions, a concern highlighted by signatories.

Other challenges, such as balancing emission reductions with ongoing business growth, reflect concerns over operational costs and competitiveness in a highly dynamic market. Data accuracy and technological limitations further hinder precise measurement and deployment of advanced solutions, compounded by Hong Kong's spatial constraints, which restrict large-scale infrastructure projects like renewable installations. External factors such as policy gaps and insufficient incentivisation also create hurdles, reducing motivation and resource allocation for ambitious decarbonisation measures.

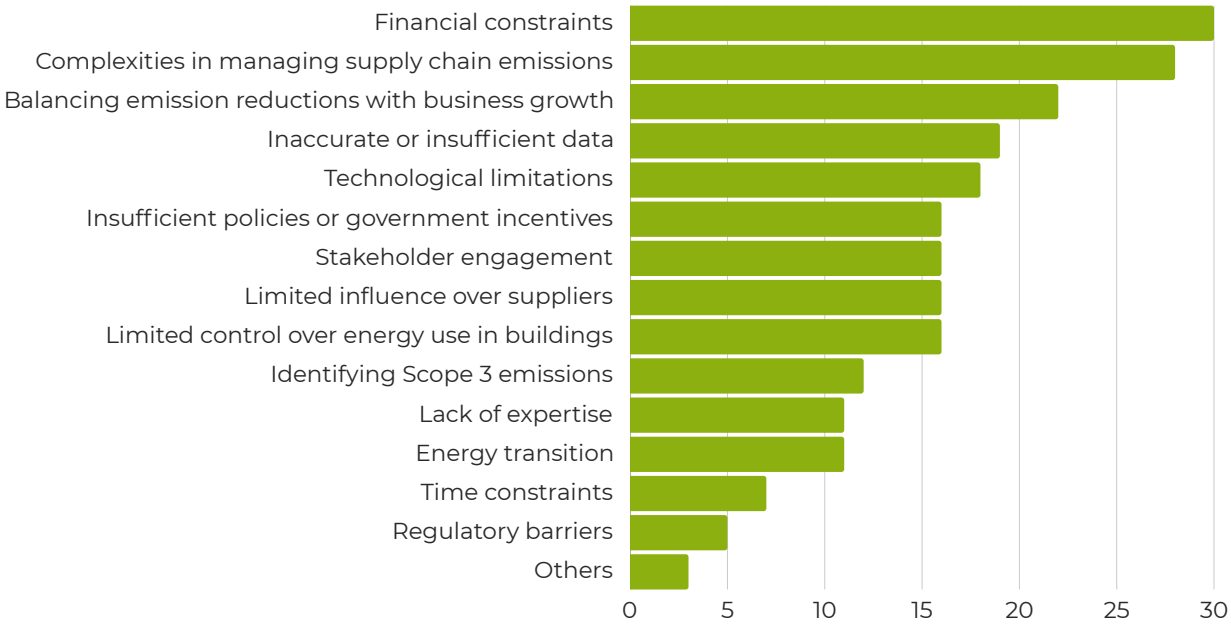


Figure 22 Key challenges faced by signatories in implementing emissions reduction initiatives

In summary, the high costs of technical upgrades, supply chain complexity, space limitations, and regulatory environment collectively pose significant challenges for Hong Kong companies. Overcoming these barriers will require tailored policies and frameworks, financial support, and technological innovation to enable more comprehensive and effective decarbonisation efforts.

STEPPING UP CLIMATE ACTION: SIGNATORIES' DECARBONISATION PROGRESS

The analysis of corporate decarbonisation progress identifies four key stages, as illustrated in Figure 23. These stages include:

- **Stage 1 – Scope 1 and 2 Inventory:** This initial stage involves signatories beginning to identify and quantify their direct emissions and indirect emissions resulting from purchased energy.
- **Stage 2 – Scope 1 and 2 Target Setting:** Signatories establish specific targets to reduce their direct and indirect emissions from energy consumption at this stage.
- **Stage 3 – Scope 3 Mapping and Target Setting:** Signatories take into consideration indirect emissions across their entire value chain, setting targets for these emissions as well.
- **Stage 4 – Long-term Target:** The final stage involves signatories setting ambitious, long-term goals to achieve a comprehensive reduction of their overall carbon footprint.

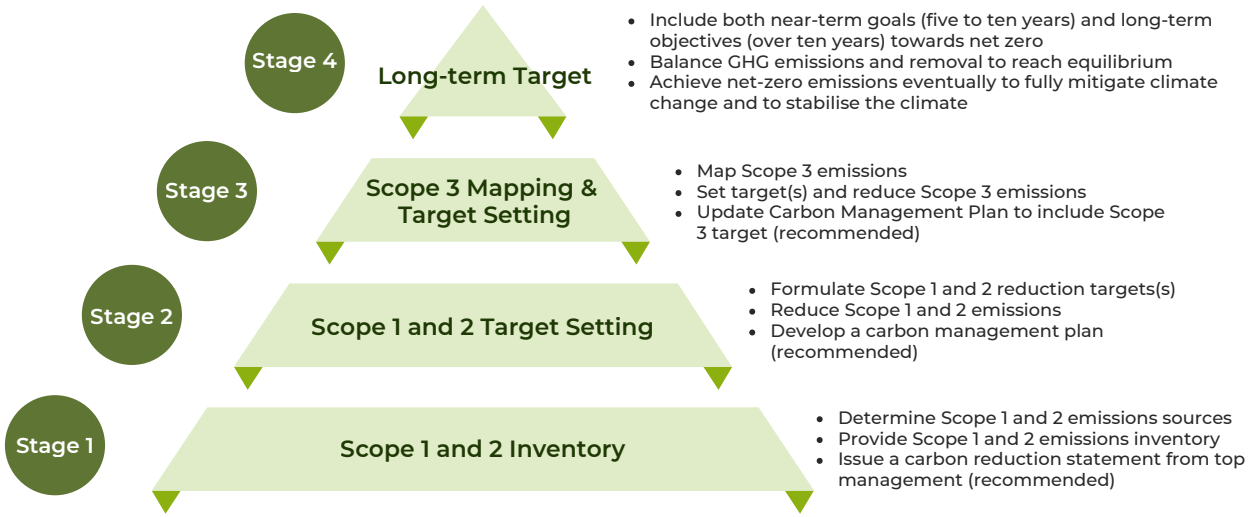


Figure 23 Stages of emissions target setting

Figure 24 indicates that a substantial proportion of SMEs remain in the early stages of their decarbonisation journey, predominantly in Stage 1 (45%) and Stage 2 (44%). Conversely, nearly half of large corporations (47%) have progressed to Stage 4, demonstrating a more advanced commitment to long-term decarbonisation goals (see Figure 25). Several contextual factors within Hong Kong may explain this disparity:

- **Resource Constraints:** SMEs often operate with limited financial and human resources, which can hinder their capacity to undertake comprehensive emissions inventories and set ambitious long-term targets. They may lack dedicated sustainability teams and the expertise necessary for advanced decarbonisation planning.

- **Prioritisation and Business Focus:** SMEs often prioritise immediate operational concerns and short-term financial stability, which may defer the adoption of long-term decarbonisation strategies.
- **Regulatory and Market Incentives:** Larger corporations are more likely to be exposed to international markets and investor expectations that pressure them to demonstrate long-term climate commitments. In contrast, SMEs may perceive fewer regulatory or market incentives, resulting in slower progression.
- **Capacity for Strategic Planning:** The significant difference in progression levels suggests that larger companies typically have the organisational capacity, strategic foresight, and resources to develop and implement comprehensive decarbonisation pathways, whereas SMEs tend to be at earlier stages of awareness and action.

This disparity underscores the importance of targeted support for SMEs, such as capacity-building, accessible tools, and incentives to accelerate their decarbonisation efforts. Without such interventions, the transition to a low-carbon economy in Hong Kong may remain uneven, with smaller firms lagging despite their enthusiasm and potential role in achieving city-wide climate goals.

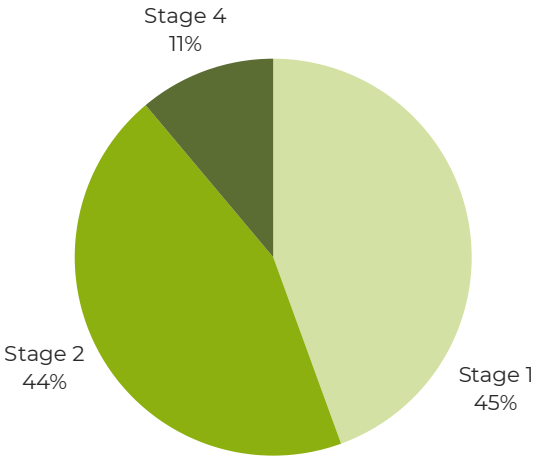


Figure 24 SMEs' current stage in their decarbonisation journey

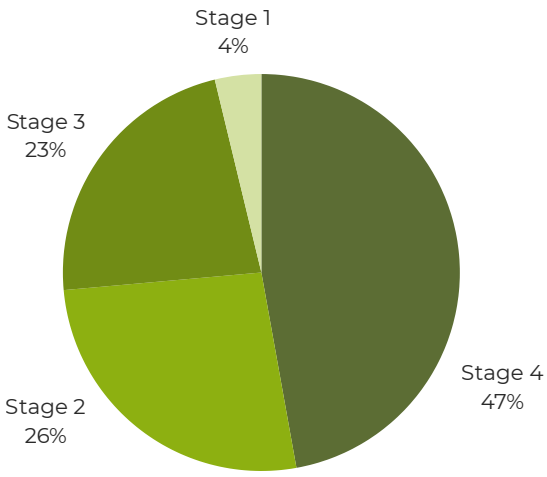


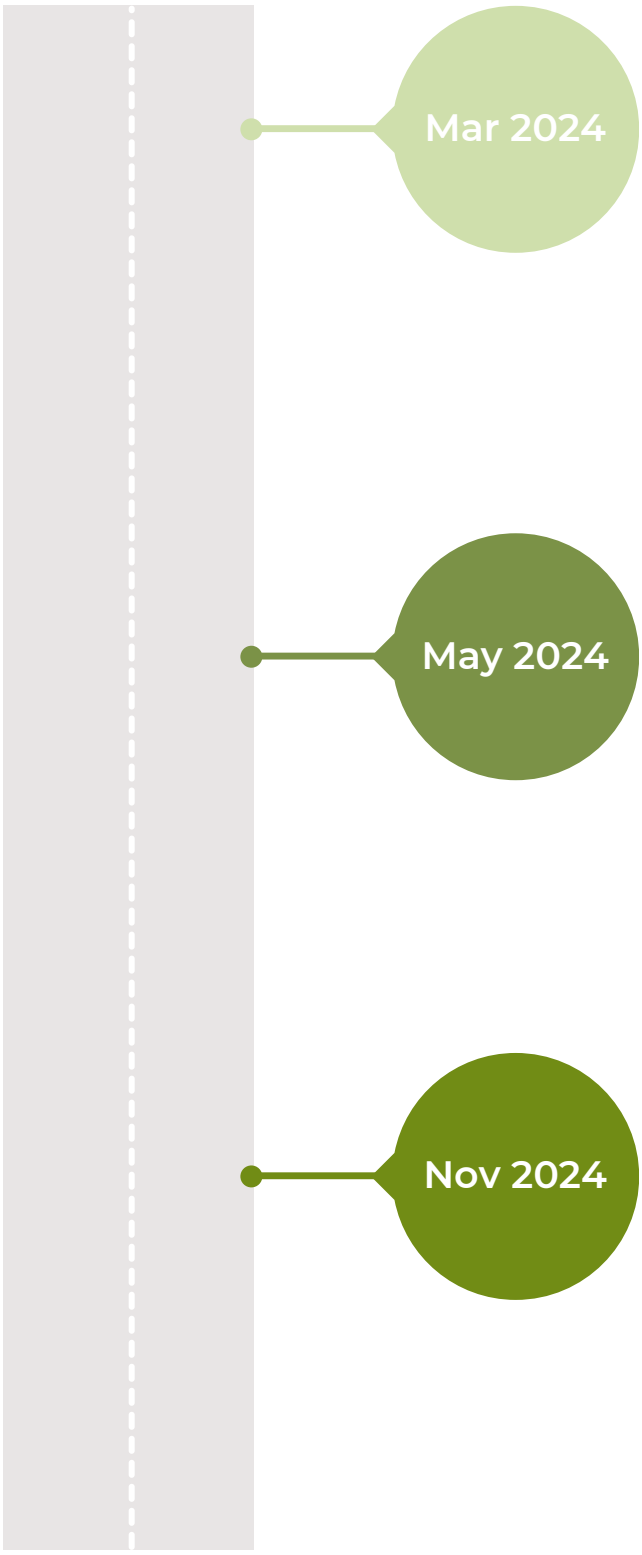
Figure 25 Large companies' current stage in their decarbonisation journey

The Charter's Programmes and Events in 2024

This section details the programmes and events scheduled for 2024 under the Charter, designed to strengthen the capacity of our signatories in sustainable practices.

CAPACITY BUILDING EVENTS

In 2024, a series of events were organised to provide valuable resources, facilitate knowledge sharing, and strengthen capacity to support companies in their decarbonisation efforts. Our commitment remains to assist signatories in making substantial progress towards achieving net-zero carbon emissions (refer to Figure 26).



Net-zero Carbon Charter Annual Event

- Over 70 industry leaders convened to discuss and share current carbon reduction strategies.
- The event featured a panel chaired by Ms Yvonne Ieong, Mr M.K. Leung, and Mr Eddie Tse, who shared experiences on climate disclosures and sustainability initiatives, covering topics such as carbon inventories and decarbonisation strategies, and climate accountability.

BEC Net-zero Carbon Charter: Harnessing the Power of Corporate Climate Disclosure

- This event fostered knowledge exchange on climate disclosure, with insights from industry experts and an overview of the BEC Carbon Disclosure Programme.
- Over 100 participants learned about the utilisation of climate data to promote sustainability and transparency, gaining practical advice for strategic decision-making and operational enhancements.

BEC Net-zero Carbon Charter: Planning for Corporate Climate Transition

- More than 90 participants from diverse sectors attended to welcome new signatories and exchange knowledge.
- Professor Jing Wu of the Chinese University of Hong Kong emphasised Scope 3 emissions and supply chain roles, while Ms Kit Fong Law of CLP discussed transition planning and scenario analysis for climate risk assessment. The session highlighted the need for collaboration to reach net-zero targets.

Figure 26 Summary of capacity building activities in 2024

ACTIVITIES RELATED TO CHARTER-SUPPORTED PROJECTS

Several key initiatives supported by the Charter have been instrumental in driving progress toward sustainability, enhancing transparency, and building capacity across various industries and sectors. These programmes aim to foster environmental responsibility, promote stakeholder engagement, and establish best practices that support long-term sustainable development. The following overview provides a comprehensive summary of the activities undertaken and the milestones achieved in 2024, demonstrating the ongoing commitment to the Charter's overarching objectives.

Swire Properties – Green Performance Pledge ("GPP") Academy

Since September 2023, BEC has been commissioned to develop a three-year capacity building programme called the "GPP Academy", aimed at enhancing tenants' sustainability capabilities. In 2024, four events were hosted (see Figure 27):

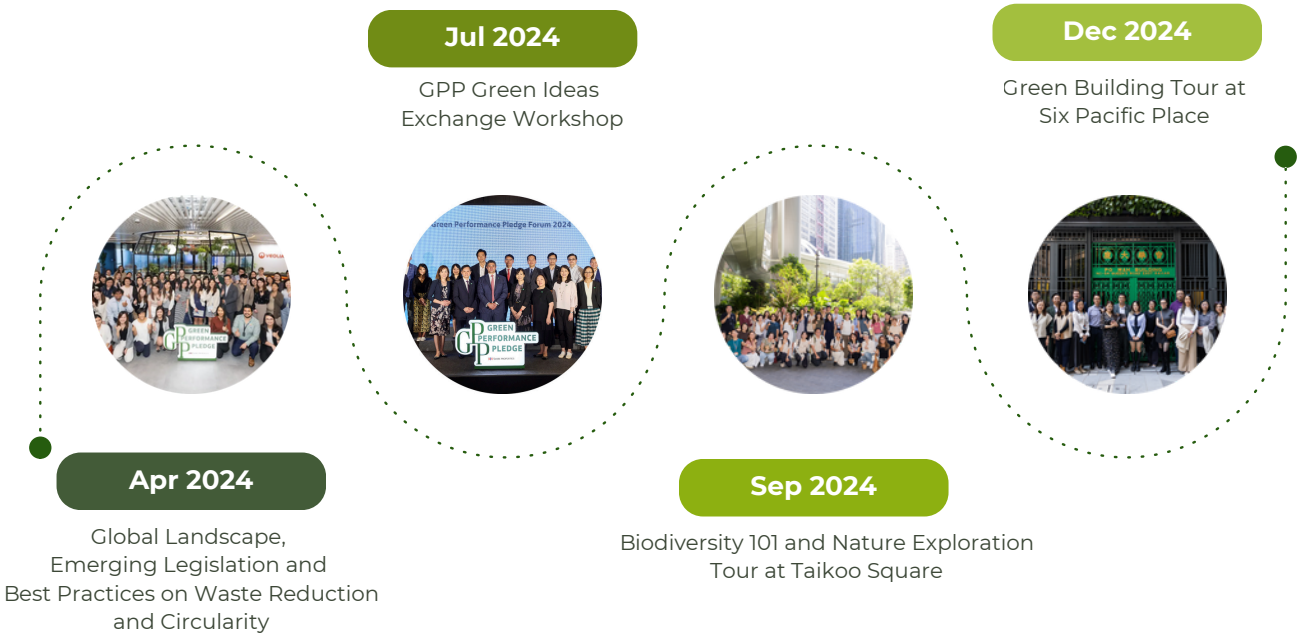


Figure 27 Summary of 2024 events in GPP Academy

Carbon Disclosure Programme

Launched in 2022 in partnership with CDP and supported by HSBC, this three-year initiative promotes climate-related transparency among signatories, along their supply chains, and within the wider business community. In 2024, BEC engaged with over 130 companies through two events (see Figure 28):

May 2024 – Harnessing the Power of Corporate Climate Disclosure

- Over 100 participants explored practical applications of climate data for sustainability and transparency, with insights from industry experts.

May 2024 – Cantonese Webinar with Hands on Guide

- Approximately 150 participants learned about updates to the questionnaire, the climate disclosure process, and received guidance on enhancing environmental transparency in line with global standards.

Figure 28 Summary of 2024 events in Carbon Disclosure Programme

Hong Kong International Airport Carbon Capacity Building Programme ("HKIA CCBP")

Commissioned in 2022, this three-year programme aims to identify the training needs of airport stakeholders to achieve the HKIA 2050 Net Zero Carbon Pledge. In 2024, four events covered diverse topics, including (see Figure 29):

Figure 29 Summary of 2024 events in HKIA CCBP

Conclusion

DRIVING TRANSFORMATION: STRATEGIC OPPORTUNITIES AND FUTURE FOCUS FOR THE CHARTER

The Charter presents a valuable strategic opportunity to advance corporate sustainability and decarbonisation in Hong Kong. Increasing response rates indicate growing engagement and awareness of net-zero objectives; however, several challenges must be addressed to enhance the Charter's effectiveness and inclusivity.

Some signatories, particularly SMEs and those operating in shared spaces, face difficulties in accurately collecting energy and emissions data. Solution providers and consultants, often prioritising client projects, may also deprioritise their internal sustainability reporting due to resource constraints. Additionally, the lack of third-party verification raises concerns over the credibility and accuracy of reported data. Strengthening verification processes would significantly improve trust and transparency.

To boost participation and impact, the following measures are recommended:

01 Fostering Greater Engagement and Inclusivity

Given the high level of enthusiasm among SMEs and solution providers, there is an opportunity to tailor support programmes to these groups. Customised guidance, simplified reporting frameworks, and targeted capacity-building activities in Cantonese can lower barriers to participation, helping smaller businesses contribute meaningfully to the Charter and Hong Kong's net-zero goals.

02 Enhancing Data Collection and Reporting Processes

The current questionnaire's comprehensiveness is a strength but also a challenge. Developing modular report sections or a tiered approach can make the process more manageable, encouraging broader participation. Integrating digital tools such as data portals or automated reporting platforms could also streamline data collection, improve accuracy, and reduce administrative burdens.

03 Promoting Cross-sector Collaboration and Knowledge Sharing

The Charter can serve as a platform for facilitating dialogue among businesses, government agencies, and support organisations. Peer learning, case studies, and best practice sharing can inspire more ambitious decarbonisation targets and actions, accelerating collective progress.

04 Leveraging Policy and Incentives

Aligning the Charter with existing regulatory frameworks and exploring new incentives — such as recognition programmes or access to green finance — can motivate signatories to deepen their commitments. Public recognition of leading signatories can further encourage wider adoption and accountability.

05 Digital Integration and Transparency

Creating an online dashboard or portal to showcase collective progress can enhance transparency and motivate organisations through recognition. This platform can also serve as a repository for resources, guidance, and success stories, reinforcing the Charter's status as a catalyst for sustainable transformation.

As the development of the Charter advances, it presents a crucial opportunity to deepen engagement, promote inclusivity, and motivate more Hong Kong companies to align with the city's climate commitments — aiming for carbon neutrality and net-zero emissions by 2050. Streamlining reporting, leveraging digital tools, and fostering collaboration will support signatories on their sustainability journeys. Aligning efforts with policy frameworks and incentives will be vital in driving commitment and accountability. Moving forward, the focus will be on refining strategies, expanding knowledge sharing, and ensuring that the Charter serves as a dynamic platform for accelerating Hong Kong's transition to a sustainable, net-zero future.

BEC Net-zero Carbon Charter Signatories

BEC NET-ZERO CARBON CHARTER SIGNATORIES

(as of August 2025, in alphabetical order)

Science-aligned Signatories

AECOM Asia Company Limited
Airport Authority Hong Kong
Alliance Construction Materials Limited
AS Watson Retail (HK) Limited
Business Environment Council
Cundall Hong Kong Limited
FUJIFILM Business Innovation Hong Kong Limited
Gammon Construction Limited
Hang Lung Properties
Hong Kong Air Cargo Terminals Limited
Hong Kong-Shenzhen Innovation and Technology Park Limited
Hongkong Land
Jinchat Climaveneta Hong Kong Co. Ltd.
New World Development Company Limited
Ove Arup & Partners Hong Kong Limited
PwC China
Roma (meta) Group Limited
Ronald Lu & Partners
Schneider Electric (Hong Kong) Limited
Shell Hong Kong Limited
Sino Land Company Limited
Swire Coca-Cola HK
Swire Pacific Limited
Swire Properties Limited
Veolia Hong Kong Holding Limited
Worldwide Flight Services

Action Signatories

Active Energy Management Ltd
Analogue Holdings Limited
ASEL Consulting Company
AVISTA RISK ADVISORY LIMITED
BEAUSKIN Medical
Brilliant (Man Sau) Engineering Limited
Brooklines Group Limited
Cathay Cargo Terminal
Cathay Dining
Champion REIT

Cheung Kong Crystal Technology Co., Ltd.
China Overseas Property Services Limited
CITIC Telecom International Holdings Limited
CityLinkers Group Limited
CLP Holdings Limited
CN Logistics International Holdings Limited
Computer And Technologies International Limited
COSCO Shipping Ports
Crown Gas Stoves (Holdings) Company Limited
Crown Logistics
CTF Services Limited
Dunwell Technology (Holdings) Limited
ESG Hong Kong Limited
Fook Tin Technologies Limited
FSE Lifestyle Services
Fubon Bank (Hong Kong) Limited
Hang Seng Bank
Hong Kong Aircraft Engineering Company Limited
Hong Kong Airport Services Limited
Hong Kong Housing Society
Hong Yip Service Company Limited
Hysan Development Company Limited
Integrated Waste Solutions Group Holdings Limited
JEB Greater China Limited
Kai Shing Management Services Limited
Konica Minolta Business Solutions (HK) Ltd.
Lan Kwai Fong Properties Limited
Lee Kee Group
Leigh & Orange Limited
Link Asset Management Limited
Linkers CPA Limited
Logicalis Hong Kong Limited
Meiriki Japan
Menzies CNAC Aviation Services Limited
Modern Terminals Limited
Nan Fung Property Management
New World Property Management Company Limited - Miami Quay
Ocean Park Hong Kong
Olympian City
Quam Plus International Fiancial Limited
SEM Holdings Limited
Shiu Wing Steel Ltd
Shun Tak Centre
Spare-it Limited

Sun Hung Kai Properties Limited
Sunta Chemical Limited
The Harbour School Limited
The Hong Kong and China Gas Company Limited
The Hongkong and Shanghai Hotels Ltd.
The Hongkong Electric Co., Ltd.
The Kowloon Motor Bus Co. (1933) Ltd.
Tradeport Hong Kong Limited
TUV Rheinland Hong Kong Ltd
Vogue Laundry Service Limited
WeSpire Living Limited
Wharf Estates Limited
Wo Lee Steel Company Limited
Yau Lee Holdings Limited

Acknowledgements

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About WMBC

WMBC provided grant support to the rebranded BEC Net-zero Carbon Charter in 2024. In turn, BEC offers signatories opportunities to access both international and local best practices and participate in global initiatives beyond Hong Kong.

About BEC CCBF AG

BEC Climate Change Business Forum Advisory Group advocates for greater awareness and capacity building in climate change mitigation, adaptation, and resilience among BEC's members and the wider business community in Hong Kong. It also serves as a platform for BEC to engage with relevant regulatory authorities on climate-related issues and to facilitate collaboration between local and international experts in the field of climate change.

Stakeholders Acknowledgement

BEC Climate Change Business Forum Advisory Group Steering Committee (2023 – 2025)

Airport Authority Hong Kong
CLP Power Hong Kong Limited
Cundall Hong Kong Limited
Henderson Land Development Company Limited
Hongkong Land Limited
Link Asset Management Limited
New World Development Company Limited
Ove Arup & Partners Hong Kong Limited
Shell Hong Kong Limited
Sun Hung Kai Properties Limited
Swire Coca-Cola Limited T/A Swire Coca-Cola HK
Swire Pacific Limited
Swire Properties Limited
The Hongkong Electric Company Limited
Veolia Hong Kong Holding Limited

Supporting Organisations

CDP
China Real Estate Chamber of Commerce Hong Kong and International Chapter Limited
Hong Kong Green Building Council Limited
Hong Kong Quality Assurance Agency
SME Sustainability Society
The British Chamber of Commerce in Hong Kong
The Canadian Chamber of Commerce in Hong Kong
The European Chamber of Commerce in Hong Kong
The Hong Kong General Chamber of Commerce
The Hong Kong Liner Shipping Association

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Appendix

BEC NET-ZERO CARBON CHARTER ANNUAL IMPACT QUESTIONNAIRE 2023/24

Introduction

As a signatory of the BEC Net-zero Carbon Charter ("the Charter"), your company joins a distinguished assembly of businesses committed to voluntarily setting and achieving decarbonisation targets, reporting on climate action progress, and promoting ambitious net-zero practices. Your contributions are essential to Hong Kong's transition to a low-carbon economy.

BEC invites you to complete this form to share your company's journey and progress in adhering to the Charter commitments. This serves two key purposes: (1) to provide BEC with insights into your target-setting and decarbonisation experiences, enabling us to offer tailored support, and (2) to document your progress for promotion and recognition.

By completing the questionnaire via Survey Monkey, your company fulfils the annual requirement to disclose progress towards target setting and achievement. We also encourage you to share updates through other communication channels.

Handling of Information

The information you provide will be used solely for materials and publications related to the Charter. It will be anonymised and aggregated to protect the identities of individual signatories. We encourage you to share your experiences and achievements by disclosing your decarbonisation targets and progress online.

Please be assured that BEC aims to track the collective decarbonisation progress of all signatories and facilitate learning from best practices.

Instructions

Please fill out your information directly via SurveyMonkey and submit your responses upon completion. For optimal user experience, we recommend accessing the survey on a desktop or laptop. Your responses will be automatically saved, allowing you to resume on the same device at any time until submission. You will receive a confirmation email once your submission is successfully received. We recommend completing the survey in English.

This form should be submitted by 10 March 2025 (Monday). We encourage early submission, and BEC may contact your designated representative for clarification if necessary. For any questions, please contact Ms Cody Leong at codyleong@bec.org.hk or call 2784 3962. Thank you.

BEC Net-zero Carbon Charter Data Collection and Handling Disclaimer

- I hereby declare that the information provided hereafter is authentic to the best of my knowledge and belief.
- I am authorised to represent the company/ organisation below in responding to this questionnaire.
- Individual responses will be kept strictly confidential and will not be sold, reused, rented, loaned, or otherwise disclosed to any other third party. For more information, one may refer to BEC's Privacy Policy.

□ I have read and agree with the above data collection and handling disclaimer. *

A. General Information

1. Company/ Organisation Name*
(Please provide the name of the entity that joined the Charter as a signatory)

2. What is your company's level of commitment in the Charter?*
□ Action Signatory
□ Science-aligned Signatory

3. Describe your company's business profile.*
(Please refer to the Hang Seng Industry Classification System on the description of sector)

□ Property & Construction
□ Industrial Engineering
□ Conglomerates
□ Industrial Transportation
□ Commercial & Professional Services
□ Diversified Metals & Minerals
□ Travel & Leisure
□ NGOs
□ Utilities
□ Financials
□ Oil & Gas
□ Pharmaceuticals & Biotechnology
□ Support Services
□ Telecommunications
□ Other, please specify

4. What is the size of your company, in terms of the number of full-time equivalent employees?*
□ ≤50
□ 51 – 100
□ ≥101

5. Has your company participated in the BEC Carbon Disclosure Programme by responding to the CDP Climate Change Questionnaire for the 2024 disclosure cycle, providing information on your greenhouse gas ("GHG") emissions and targets?*

□ Yes

□ No (Go to Section B)

6. Does your company have any updated or additional information for BEC regarding its GHG emissions and targets to supplement the CDP disclosure?*

There are several scenarios that a company may encounter:

1. The company's CDP response is submitted by the Parent Company, and the signatory entity has its own GHG emissions breakdown or targets that can be shared with BEC;
2. The company's CDP response is submitted by the Parent Company, and there is no separate data available.

□ Yes, we either have updated information or separate GHG emissions and targets to provide in addition to the Parent Company's submission. (Go to Section B)

□ No further information – as signatory's emissions and targets have been disclosed through CDP. (Go to Section G)

□ No further information – but only the Parent Company's emissions and targets have been disclosed through CDP. (Go to Section G)

B. Risk Identification, Assessment and Management

This section seeks information on the procedures your company has adopted to identify, assess, and manage climate-related risks and opportunities. Effectively managing these risks is essential for addressing environmental challenges, regardless of how they are perceived or evaluated.

7. Has your company initiated a process to identify, assess, and manage climate-related risks and opportunities?*

□ Yes

□ No - we plan to start within the next two years (Go to Section C)

8. Does your company use any specific tools or frameworks to assess climate-related risks? If yes, please provide details in the text box below.

9. Has your company engaged with external partners or consultants to enhance your climate-related risk management process?*
□ Yes
□ No

10. What aspects has your company evaluated in this process?*
□ Risks only
□ Opportunities only
□ Both risks and opportunities

11. Where have you identified climate-related risks?*
□ Internal operations
□ Value chain
□ Both operations and value chains
□ Others, please specify

12. How frequently does your company conduct risk assessments?*
□ More than once a year
□ Annually
□ Every two years
□ Every three years or more
□ As significant matters arise
□ Not defined

13. Select the climate-related risks identified with the potential to have a negative impact on your business. Please select the most important/ significant three.*
□ Failing to respond to the latest policy change
□ Increasing energy-related operational costs
□ Failing to meet with company's climate commitments
□ Failing to meet the investors' and community expectations on climate change
□ Falling short of catching up with market trend
□ Damage to brand reputation
□ Lacking essential understanding and awareness on climate-related issues
□ Affecting staff morale
□ Failing to fulfil corporate social responsibility / ESG requirement
□ Others, please specify

14. Select the climate-related opportunities identified with the potential to have a positive impact on your business. Please select the most important/significant three.*

□ Policy Change (e.g. response to local, regional and international policy commitments)
□ Reducing energy related operational costs
□ Meeting company's climate commitment in reducing carbon emissions
□ Investors and community expectations on climate change
□ Leading the market trend
□ Improving brand reputation
□ Enhancing awareness on climate related issues
□ Enhancing staff morale
□ Fulfilling corporate social responsibility/ ESG requirement
□ Others, please specify

15. How is your company managing these climate-related risks? Please select all that apply.*

□ We have not started managing climate-related risks yet
□ We have started to prioritise climate-related risks
□ We have mapped the impact of our climate-related risks over short-, medium-, and long-term horizons
□ We have assessed these risks against company revenue
□ We have quantified the amount and percentage of assets or businesses activities vulnerable to climate-related risk
□ We have developed adaptation plans to mitigate these risks
□ We have integrated these adaptation plans into our business practices
□ Others, please specify

C. Climate Strategy

This section evaluates the company's commitment to environmental action and accountability as demonstrated through its climate strategy, showcasing its awareness of the significance of environmental issues and its responsibility to address them.

For this questionnaire, a "climate strategy" is defined as a crucial governance tool that establishes a framework for action and accountability. By developing climate strategy, companies acknowledge the importance of environmental stewardship and their role in implementing effective measures. A "transition plan" details the specific steps a company will take to prepare for a shift to a low-carbon economy, including strategies for achieving decarbonisation goals.

16. Does your company have a climate strategy?*
□ Yes (Go to Q18)
□ No - we plan to develop one within the next two years
□ No - we have no current plans to do so

17. If no, what are the primary reason for not having a climate strategy? Please select all that apply. (Go to Q19)
□ Lack of internal resources, capabilities, or expertise
□ No standardised procedure
□ Not considered a strategic priority at this time
□ Others, please specify

18. If yes, what is the scope of coverage?
□ Organisation-wide
□ Limited to specific facilities, business units or geographic areas
□ Applicable to specific products only
□ Others, please specify

19. What value chain stages are covered by climate strategy? Please select all that apply.
□ Direct operations (within your company)
□ Upstream activities (suppliers)
□ Downstream activities (distributors or customers)

20. Describe the content and explain the coverage of your company's climate strategy. You can include information on key goals, actions, and initiatives that your company is undertaking to address climate change.

21. Does your company's climate strategy incorporate a transition plan?*
□ Yes, we have a transition plan
□ No, but we are developing a transition plan within the next two years (Go to Q23)
□ No, and we do not plan to develop a transition plan within the next two years (Go to Q23)

22. How does your company's transition plan align with global temperature targets?*
□ Aligned with 1.5°C
□ Aligned with well-below 2°C
□ Aligned with 2°C
□ Not specified
□ Others, please specify

(Go to Section D)

23. If no, what are the primary reason for not having a transition plan? Please select all that apply.
□ Lack of internal resources, capabilities, or expertise
□ No standardised procedure
□ Not considered a strategic priority at this time
□ Others, please specify

D. GHG Emissions Inventory

If your company has developed a greenhouse gas ("GHG") emissions inventory, please provide details from the most recent annual measurement or disclosure cycle. Ensure that the information aligns with the boundaries of the entity that signed the Charter.

Methodology

24. Does your company have information on its GHG emissions to share with BEC? *

□ Yes - we are able to share this information with BEC.

□ No - we do not have data available to share with BEC this year. (Go to Section E)

25. What approach has your company chosen to consolidate its GHG inventory?*

Type of control(s)	**Definition(s)**
Operational control	A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.
Financial control	The company has financial control over the operation if the former has the ability to direct the financial and operating policies of the latter with a view to gaining economic benefits from its activities.
Equity share	A company accounts for GHG emissions from operations according to its share of equity in the operation.

□ Operational control

□ Financial control

□ Equity share

□ Approach is unknown

□ Others, please specify

26. Which standards, protocols, or methodologies has your company referenced in collecting data and calculating emissions? Please select all that apply.*

□ China Corporate Energy Conservation and GHG Management Programme
□ Global GHG Accounting and Reporting Standard for the Financial industry ("PCAF")
□ Hong Kong Environmental Protection Department, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings, 2010
□ Hong Kong Exchanges and Clearing Limited ("HKEX") Listing Rules, Appendix C2: Environmental, Social and Governance Reporting Code, 2025
□ Hong Kong Exchanges and Clearing Limited ("HKEX"), Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework, 2024
□ IEA CO2 Emissions from Fuel Combustion
□ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
□ ISO 14064-1
□ National Development and Reform Commission ("NDRC") Guidance for Accounting and Reporting of GHG Emissions for Corporates (Trial)
□ The GHG Indicator: UNEP Guidelines for Calculating Greenhouse Gas Emissions for Businesses and Non-Commercial Organisations
□ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
□ The Greenhouse Gas Protocol: Public Sector Standard
□ The Greenhouse Gas Protocol: Scope 2 Guidance
□ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
□ Others, please specify

27. What is the reporting period of your company's data?*

Start Date:	
End Date:	

Scope 1 Emissions

28. Does your company assess its Scope 1 emissions in the reporting period? *

□ Yes - we use tailored in-house or commercial resources for calculation
□ Yes - we use a generic tool to estimate emissions
□ No - we plan to do so within the next two years (Go to Q35)
□ No Scope 1 emissions are produced in company's operation (Go to Q35)

29. What are your company's Scope 1 emissions for the reporting period?*

Please provide the figure in metric tonnes CO2e.

30. What is the verification or assurance status of your reported Scope 1 emissions? *
□ No third-party verification or assurance (Go to Q32)
□ Third-party verification or assurance process in place

31. Please state the relevant standard (e.g. AA1000 AS, ISAE 3410, ISO14064-3), the scope and the level of assurance/ verification.

32. How do your company's Scope 1 emissions for this reporting period compare to those of the previous reporting period?*
□ Increased
□ Decreased
□ Remained the same (Go to Q35)
□ No data from the previous reporting period (Go to Q35)

33. Please specify your company's change of Scope 1 emissions in metric tonnes of CO2e.*
[Positive value for increase; negative value for decrease]

34. Select the reason for the change in Scope 1 emissions.*
Please select all that apply.
□ Change in renewable energy consumption
□ Emissions reduction activities
□ Divestment
□ Acquisitions
□ Mergers
□ Change in output
□ Change in methodology
□ Change in boundary
□ Change in physical operating conditions
□ Unidentified
□ Others, please specify

Scope 2 Emissions

35. Does your company assess its Scope 2 emissions in the reporting period? *
□ Yes - we use tailored in-house or commercial resources for calculation
□ Yes - we use a generic tool to estimate emissions
□ No - we plan to do so within the next two years (Go to Q43)
□ No Scope 2 emissions are produced in company's operation (Go to Q43)

36. What approach does your company use for Scope 2 emissions reporting? *
□ Location-based
□ Market-based
□ Both location-based and market-based

37. What are your company's Scope 2 emissions for the reporting period?*
Please provide the figure in metric tonnes CO2e.

Location-based:	
Market-based:	

38. What is the verification or assurance status of your reported Scope 2 emissions? *
□ No third-party verification or assurance (Go to Q40)
□ Third-party verification or assurance process in place

39. Please state the relevant standard (e.g. AA1000 AS, ISAE 3410, ISO14064-3), the scope and the level of assurance/ verification.

40. How do your company's Scope 2 emissions for this reporting period compare to those of the previous reporting period?*
□ Increased
□ Decreased
□ Remained the same (Go to Q35)
□ No data from the previous reporting period (Go to Q35)

41. Please indicate your company's change of Scope 2 emissions in metric tonnes of CO2e.*
[Positive value for increase; negative value for decrease]

Location-based:	
Market-based:	

42. Select the reason for the change in Scope 2 emissions.*

Please select all that apply.

□ Change in renewable energy consumption
□ Emissions reduction activities
□ Divestment
□ Acquisitions
□ Mergers
□ Change in output
□ Change in methodology
□ Change in boundary
□ Change in physical operating conditions
□ Unidentified
□ Others, please specify

Scope 3 Emissions

43. Does your company have data on Scope 3 emissions for the reporting period?*

□ Yes
□ No (Go to Section E)

44. What are your company's Scope 3 emissions for the reporting period?*

Please provide the figure in metric tonnes CO2e.

45. What are your company's Scope 3 Category 1 (Purchased goods and services) emission in the reporting period?*

Please provide the figure in metric tonnes CO2e.

46. What is the verification or assurance status of your reported Scope 3 emissions? *

□ No third-party verification or assurance (Go to Q48)
□ Third-party verification or assurance process in place

47. Please state the relevant standard (e.g. AA1000 AS, ISAE 3410, ISO14064-3), the scope and the level of assurance/ verification.

48. Please tick up to three major sources of Scope 3 emissions of your company.*
□ Category 1: Purchased goods and services
□ Category 2: Capital Goods
□ Category 3: Fuel- and Energy-related activities
□ Category 4: Upstream transportation and distribution
□ Category 5: Waste generated in operations
□ Category 6: Business travel
□ Category 7: Employee Commuting
□ Category 8: Upstream leased assets
□ Category 9: Downstream transportation and distribution
□ Category 10: Processing of sold products
□ Category 11: Use of sold product
□ Category 12: End of life treatment of sold products
□ Category 13: Downstream leased assets
□ Category 14: Franchises
□ Category 15: Investments

49. How do your company's Scope 3 emissions for this reporting period compare to those of the previous reporting period?*
□ Increased
□ Decreased
□ Remained the same (Go to Q51)
□ No data from the previous reporting period (Go to Q51)

50. Please specify your company's change of Scope 3 emissions in metric tonnes of CO2e.*
[Positive value for increase; negative value for decrease]

E. Targets

This section aims to evaluate your company's emissions targets for Scopes 1, 2, and 3. Please provide information on either absolute or intensity target, coverage, baseline measurements, and target years. Your input will help us understand your company's strategic priorities in reducing greenhouse gas emissions.

51. Did your company have an emissions target or other climate-related target that was active in the reporting year?*
□ Yes – we will describe in the below (Go to Q53)
□ No – we will develop within the next two years

52. What are the primary reasons for not having an emissions target?*
Please select all that apply.
□ Important but not an immediate business priority
□ Considered unimportant
□ Lack of internal resources
□ Insufficient operational data
□ No instruction from management
□ Others, please specify

(Go to Section F)

Scope 1 Emissions Target

53. Has your company developed a Scope 1 emissions target?*
□ Yes
□ No (Go to Q59)

54. Please indicate the target coverage.*
□ Organisation wide
□ Business activity
□ Site/ facility
□ Product-level
□ Others, please specify

55. What type of target does your company's key Scope 1 emission target belong to?*
□ Absolute target (Go to Q56)
□ Intensity target (Go to Q57)

56. Scope 1 Absolute target*

State the base year of the emission target.	
State the baseline emission level (in metric tonnes CO2e) for the base year.	
State the target year for the emission target.	
State the GHG reduction percentage for the emission target.	

(Go to Q58)

57. Scope 1 Intensity target*

State the GHG intensity metric (e.g. metric tonnes CO2e per revenue in HKD) for the emissions target.	
State the base year for the emissions target.	
State the baseline emission level (in the above intensity metric and base year).	
State the target year for the emission target.	
State the GHG reduction percentage for the emission target.	

58. Elaborate on your key Scope 1 emissions target or list any additional Scope 1 targets your company has set, if applicable. (200 - 250 words)

Scope 2 Emissions Target

59. Has your company developed a Scope 2 emissions target?*

□ Yes

□ No (Go to Q66)

60. Which accounting method does your company use for key Scope 2 emissions target? *

□ Location-based

□ Market-based

□ Approach is unknown

61. Please indicate the target coverage. *

□ Organisation wide

□ Business activity

□ Site/ facility

□ Product-level

□ Others, please specify

62. What type of target does your company's key Scope 2 emission target belong to? *

□ Absolute target (Go to Q63)

□ Intensity target (Go to Q64)

63. Scope 2 Absolute target*

State the base year of the emission target.	
State the baseline emission level (in metric tonnes CO2e) for the base year.	
State the target year for the emission target.	
State the GHG reduction percentage for the emission target.	

(Go to Q65)

64. Scope 2 Intensity target*

State the GHG intensity metric (e.g. metric tonnes CO2e per revenue in HKD) for the emissions target.	
State the base year for the emissions target.	
State the baseline emission level (in the above intensity metric and base year).	
State the target year for the emission target.	
State the GHG reduction percentage for the emission target.	

65. Elaborate on your key Scope 2 emissions target or list any additional Scope 2 targets your company has set, if applicable. (200 - 250 words)

Scope 3 Emissions Target

66. Has your company developed a Scope 3 emissions target?*

□ Yes

□ No (Go to Section F)

67. Please indicate the target coverage. *

□ Organisation wide

□ Business activity

□ Site/ facility

□ Product-level

□ Others, please specify

68. What type of target does your company's key Scope 3 emission target belong to? *

□ Absolute target (Go to Q69)

□ Intensity target (Go to Q70)

63. Scope 3 Absolute target*

State the base year of the emission target.	
State the baseline emission level (in metric tonnes CO2e) for the base year.	
State the target year for the emission target.	
State the GHG reduction percentage for the emission target.	

(Go to Q71)

70. Scope 3 Intensity target*

State the GHG intensity metric (e.g. metric tonnes CO2e per revenue in HKD) for the emissions target.	
State the base year for the emissions target.	
State the baseline emission level (in the above intensity metric and base year).	
State the target year for the emission target.	
State the GHG reduction percentage for the emission target.	

71. Does your company have a plan and are taking action to reduce emissions from your value chain?*

□ Yes

□ No (Go to Q74)

72. Has your company requested any suppliers to set a carbon reduction target (either voluntarily or as a requirement)?*

□ Yes

□ No (Go to Q74)

73. What percentage of your suppliers, based on spend, have you requested to set a target?

74. Elaborate on your key Scope 3 emissions target, any additional Scope 3 targets set by your company, or your plan to reduce emissions from your value chain, if applicable. (200 - 250 words)

F. Emissions Reduction Initiatives

In this section, we invite you to share information about your company's initiatives to reduce emissions. Your input will help us understand the actions your company is taking, and any challenges faced in implementing these initiatives.

75. Did your company have any active emissions reduction initiatives during the reporting year? *
□ Yes (Go to Q77)
□ No – we plan to within the next two years
□ No – we do not currently plan to do this

76. What is the primary reason for not having an emissions reduction initiative? *
Please select all that apply.
□ Important but not an immediate business priority
□ Considered unimportant
□ Lack of internal resources
□ Insufficient operational data
□ No instruction from management
□ Others, please specify

(Go to Section G)

77. Which areas of operation have been targeted by your company's emissions reduction initiatives?*
Please select all that apply.
□ Energy efficiency
□ Renewable energy
□ Process improvements
□ Waste reduction
□ Transportation
□ Supply chain
□ Others, please specify

78. Has your company collaborated with any external partners or stakeholders on these initiatives?
□ Yes
□ No

79. What major decarbonisation actions and initiatives has your company undertaken in the past three years?
(Please include efforts towards achieving any targets, if applicable.) (200-250 words)

80. What is the total emissions reduction or avoidance (in metric tonnes CO2e) achieved from the aforementioned actions and initiatives in the latest reporting year, according to your company's estimation?

81. How does your company track and evaluate the success of the emissions reduction initiatives?
□ Regular progress reports
□ Third-party assessments
□ Internal audits
□ Others, please specify

82. What challenges has your company encountered in implementing emissions reduction initiatives?*
Please select all that apply.
□ Financial constraints
□ Technological limitations
□ Lack of expertise
□ Time constraints
□ Regulatory barriers
□ Insufficient policies or government incentives
□ Inaccurate or insufficient data
□ Energy transition
□ Stakeholder engagement
□ Limited influence over suppliers
□ Complexities in managing supply chain emissions
□ Identifying Scope 3 emissions
□ Limited control over energy use in buildings
□ Balancing emission reductions with business growth
□ Others, please specify

G. Progress on Decarbonisation Journey

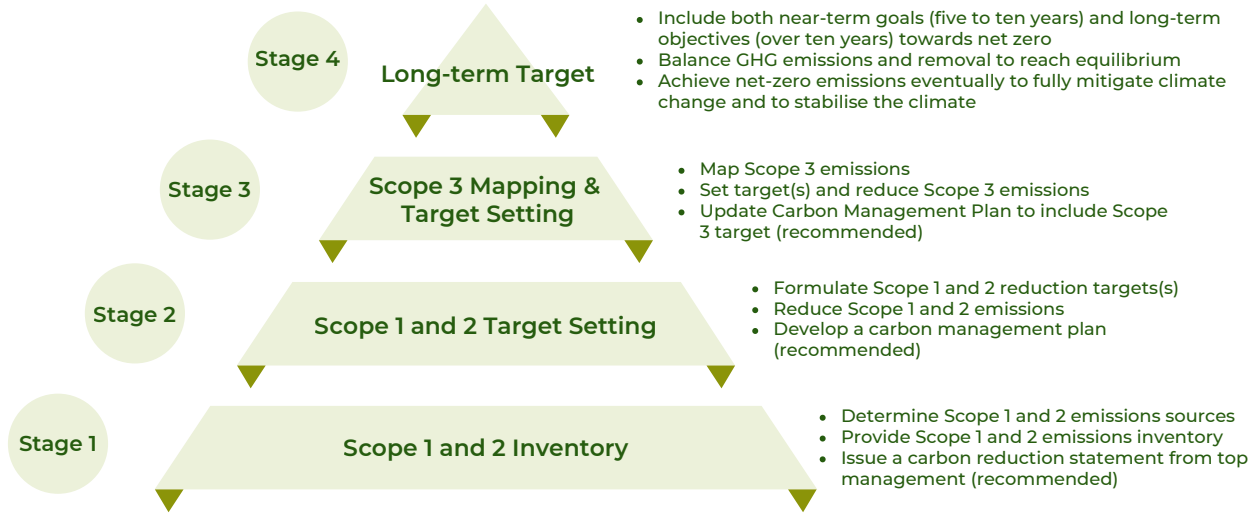

Figure 1 Pyramid of Emissions Target Setting

83. Referring to Figure 1, how would you assess your company's current stage in its decarbonisation journey?*

□ Stage 1
□ Stage 2
□ Stage 3
□ Stage 4

84. On a scale of 1 to 5, how actively does your company communicate its decarbonisation progress and targets to both internal and external audiences, compared to other corporate topics?*
(1 – being least active; 5 – being most active)

1	2	3	4	5
□	□	□	□	□

85. As we near the end of the survey, do you have any additional comments or feedback to share?

Sign off

86. Your name*

87. Your job title*

88. Contact email*

89. Contact phone number*

Thank you for your time in completing Charter questionnaire. You can print a copy of your answer after you submit it. If you have any questions, please contact Ms Cody Leong via codyleong@bec.org.hk or 2784 3962. Thank you.

CREDITS

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