

# BEC ESG Advisory Group

## Terms of Reference

(Originally Approved by BEC Board – 19 February 2013;  
Revised – 14 February 2014, 15 April 2014, 5 February 2015)

### Mission Statement

The BEC ESG Advisory Group (“AG”) promotes best practice in environment, social and governance (ESG) performance and disclosure amongst the BEC membership and generally amongst the business community in Hong Kong.

### Objectives

- Act as advisor to the BEC Board and membership on matters related to ESG performance and disclosure
- Create platform for BEC Executive Committee to engage relevant regulatory bodies on ESG related matters
- Foster an ESG management culture among BEC members and the broader business community in Hong Kong
- Build capacity for ESG performance and disclosure among BEC members and the broader business community in Hong Kong
- Forge collaborative links between local and global expertise related to ESG performance and disclosure

### Governance

#### 1. Membership

- BEC Council and Corporate Members are eligible to join BEC ESG Advisory Group as Members of the AG. Each Council or Corporate Member is entitled to nominate one representative to join.
- AG Members who have been appointed by BEC Board to the Steering Committee are “Steering Committee Members” (see Section 2 below) and the remaining Members are “Ordinary AG Members”.
- AG Membership is subject to a two year, renewable term (subject to the respective AG Member remains as a BEC Council or Corporate Member). Each of the two year term will be co-terminus with the term of the Steering Committee.

#### 2. Steering Committee

- BEC ESG Advisory Group Steering Committee (“Steering Committee”), upon selection by BEC Executive Committee, is appointed by BEC Board for a 2 year term.
- Steering Committee is made up of Chairman, Vice Chairman (BEC CEO) and a maximum of 8 other AG members.
- Nominations for Steering Committee (other than the Vice Chairman) are restricted to BEC Council and Corporate Members who have joined the AG.
- Steering Committee Members have voting rights at AG meetings.
- Steering Committee will report twice per annum to BEC Executive Committee.

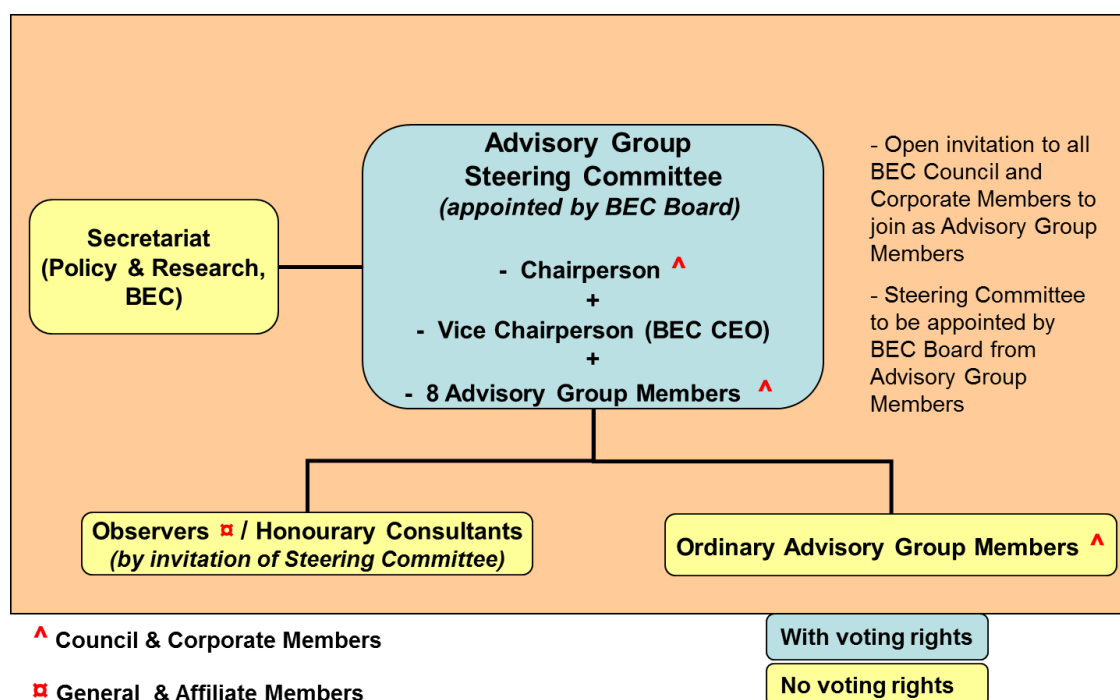
### 3. AG Meetings

- AG meetings (consisting of Steering Committee and Ordinary AG Members) are convened a minimum of 4 times per annum.
- Voting rights on Work Plan, Work Programmes, Work Groups membership, policy positions, priorities, general direction of AG and other matters decided at AG meetings are restricted to Steering Committee Members.
- Ordinary AG Members are eligible to attend AG meetings, but do not have voting rights.

### 4. Observers and Honorary Consultants

- BEC General Members, Affiliate Members or any other business/organisations can be invited by the Steering Committee to AG meetings on an ad hoc basis for a specific topic as Observers / Honorary Consultants and do not have voting rights.
- The total number of Observers/ Honorary Consultants must not exceed half the number of all AG members (ie total of Steering Committee and Ordinary Members).

### 5. Organisation Chart



### 6. Communications and Engagement with Government and Regulatory Bodies

- AG will provide advice and views on ESG related policy submissions and consultations to BEC Board.
- All external communications (including press releases and spokespersons) and engagement with government departments and regulatory bodies on matters relating to AG matters are centralised and handled by BEC Executive Committee. AG will create the platform and provide advice to BEC Executive Committee to undertake such activities.

### 7. Work Plan and Work Programmes

- AG will identify and formulate the Work Plan, the supporting Work Programmes and relevant resources requirements for the current term of 2 years and submit them for BEC Board approval.
- Work programmes should form the backbone for rolling out research, publication and awareness raising activities to carry out the Objectives of the AG. They are established for the purpose of organizing and structuring relevant events, workshops, seminars, training and/or consultations.

- The resources required for executing the work programmes, including relevant technical experts and sector specialists, and the corresponding funding arrangements will also have to be identified.
- Work programmes and the respective resources and funding arrangements are to be updated annually, and submitted for endorsement by BEC Board. Modifications if required can be ratified by BEC Executive Committee.
- Work programmes are open to all BEC Members, subject to the approval by the Steering Committee and the contribution to the resources requirements by the participants.
- Seminars, workshops and other standalone events may be open to the general business community subject to the approval of the Steering Committee and payment of the relevant fees by the participants.

#### **8. Work Groups**

- AG may establish activity based Work Groups for carrying out the Work programmes, as and when required, for specified durations and subject to available resources and the approval of BEC Board.
- Work Groups are open to all BEC Council and Corporate Members.

#### **9. Approval and Review of Terms of Reference**

- BEC ESG AG Terms of Reference and any subsequent changes thereof are to be reviewed and approved by BEC Board, with a review frequency of no less than once every two years.