

BEC Energy Transition Advisory Group Terms of Reference

(Approved by BEC Board of Directors – 11 June 2025)

1. Mission Statement

- 1.1 The BEC Energy Transition Advisory Group (“ET AG”) promotes awareness, capacity building, and best practices related to energy transition in various sectors amongst the BEC membership and generally amongst the business community in Hong Kong.

2. Objectives

- 2.1 Act as advisor to the BEC Board of Directors and membership on matters related to energy transition.
- 2.2 Support BEC to develop thought leadership and influence public policy on energy transition strategy.
- 2.3 Create platforms for BEC (including Board of Directors, Executive Committee and other members) to engage relevant regulatory bodies on matters related to energy transition strategy and policy.
- 2.4 Foster culture on planning for energy transition among BEC members and the broader business community in Hong Kong.
- 2.5 Build capacity for energy transition among BEC members and the broader business community in Hong Kong.
- 2.6 Forge collaborative links between local and global expertise related to energy transition.

3. Governance

3.1 Membership

- 3.1.1 BEC Council, Corporate and General Members, with active BEC membership, are eligible to join as Members of the AG, if the maximum number of AG per BEC Member has not been reached – Council Members are eligible to join a maximum of 4 AGs; Corporate Members a maximum of 3 AGs; and General Members a maximum of 2 AGs.
- 3.1.2 AG Membership is subject to a two-year, renewable term. Each BEC Member is entitled to nominate one representative to join the AG, either as Steering Committee Member or Ordinary AG Member, by submitting a CV demonstrating the

representative's relevant experience in the subject matters of the AG. There are special terms for Steering Committee Members (see Section 3.2 below).

- 3.1.3 In case of AG Membership withdrawal, a written notification should be submitted to the AG Chair via the AG Secretariat with reason(s) stated. A replacement can be nominated by submitting a CV demonstrating the representative's relevant experience in the subject matters of the AG for approval by the AG Chair.
- 3.1.4 AG Chair and Vice Chair reserve the right to determine and review the maximum number of AG Members accepted to the AG.

3.2 Steering Committee

- 3.2.1 The BEC Energy Transition Advisory Group Steering Committee, upon selection and recommendation by the BEC Executive Committee, is appointed by the BEC Board of Directors for a two-year term.
- 3.2.2 The Steering Committee is made up of (1) Chair, (1) Vice Chair (BEC CEO by default), and a maximum of 14 other AG members, corresponding to a maximum of 16 members.
- 3.2.3 After receiving and reviewing all the nominations, BEC Executive Committee will first consider qualified candidates from Council and Corporate Members. If there are remaining seats, a maximum of two candidates from General Members may be selected by BEC Executive Committee for appointment by BEC Board of Directors.
- 3.2.4 Steering Committee Member, after appointed by BEC Board of Directors, is required to make a financial contribution of HK\$5,000 to the AG at the beginning of the two-year AG term. The same financial contribution applies to Steering Committee Member(s) appointed by BEC Board of Directors at any point of the AG term.
- 3.2.5 Steering Committee Members have voting rights for formal AG decisions (e.g., endorsing the Work Plan, Task Force Membership). Voting will usually take place during Steering Committee Meetings or, where appropriate, via circulation.
- 3.2.6 Steering Committee Membership and the associated voting rights are not transferable.
- 3.2.7 Replacement of a representative serving as Steering Committee Member can be made during the two-year term with justification (such as change in personnel). A written request should be submitted to the AG Chair via the AG Secretariat with a

CV of the replacement. The AG Chair will endorse and make recommendation to the BEC Board of Directors for approval.

- 3.2.8 The Steering Committee, usually via the AG Chair, will report on the AG's progress and activities to the BEC Board of Directors at least once a year.

3.3 AG Meetings and Engagement

- 3.3.1 The AG Secretariat will convene AG Meetings in different formats at least 4 times per annum to facilitate strategic guidance, member engagement, and stakeholder dialogue, such as:

- Steering Committee Meetings: Convened at regular basis for Steering Committee Members to provide strategic direction, advise on policy submissions, develop and oversee the AG Work Plan and Work Programme, guide Task Forces, and provide specific advice to the AG Secretariat.
- AG Annual Review Meetings: Convened once a year for both Steering Committee Members and Ordinary AG Members. Purposes of the Annual Review Meetings include reviewing progress made against the Work Plan, sharing key outputs and insights, gathering broader member feedback, and discussing future priorities.
- Dialogue Platform Meetings: Convened at least once a year for Steering Committee Members and Ordinary AG Members to engage with external stakeholders (e.g., Government officials, industry experts) on specific topics related to energy transition. Members from other AGs may be invited to join if the topic is cross-cutting (see Section 3.8).

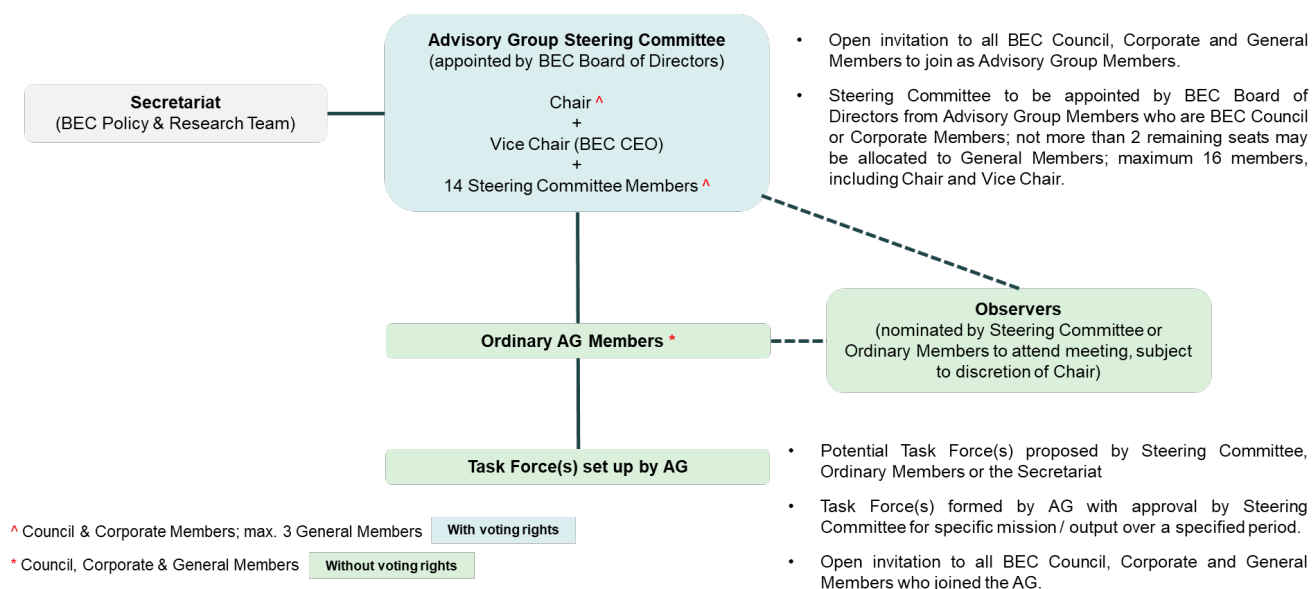
- 3.3.2 Active participation is expected from all AG Members (see also Annex A).

- 3.3.3 All AG Members can nominate colleague(s) from the same company to attend any AG Meetings as observer(s), subject to the discretion of the AG Chair, except for Steering Committee Meetings which is open to appointed Steering Committee Members only.

- 3.3.4 Name(s) of observer(s) should be submitted to the AG Secretariat in advance. Observer(s)' attendance will be noted but will not contribute towards the attendance of the appointed AG members.

3.4 Organisation Chart

3.4.1 The Organisation Chart depicting the structure of the AG is provided below.



3.5 Communications and Engagement with Government and Regulatory Bodies

3.5.1 The AG will provide advice and views on energy transition related policy submissions and consultations to the BEC Board of Directors via the Steering Committee.

3.5.2 All external communications (including press releases and spokespersons) and formal engagement with government departments and regulatory bodies relating to AG matters are centralised and handled by the BEC Executive Committee, informed by advice from the AG Steering Committee.

3.5.3 The AG will contribute to creating platforms and providing advice to the BEC Executive Committee for undertaking such engagements.

3.6 Work Plan and Work Programme

3.6.1 The Steering Committee will work with the AG Secretariat to formulate and deliver the AG Work Plan and supporting Work Programme for the current term of 2 years. The Work Plan will outline the AG's strategic priorities for the term. The Work Programme will detail the potential activities, deliverables, and resource requirements needed to achieve the Work Plan objectives. The level of specificity within the Work Programme may vary based on the AG's structure and available resources (e.g., members' support and any funded initiatives).

- 3.6.2 Work Programme should form the backbone for rolling out research, publication and awareness raising activities to carry out the Objectives of the AG. They are developed for the purpose of organising and structuring relevant events, workshops, seminars, training and/or consultations.
- 3.6.3 The AG Work Plan and Work Programme require formal approval from the BEC Board of Directors. Work Programme and the respective resource and funding arrangements are to be updated annually and submitted for endorsement by BEC Board of Directors. Modifications, if required, can be ratified by BEC Executive Committee.

3.7 Task Force

- 3.7.1 Task Forces (“TFs”) are important mechanism for active member contribution and participation for the collaborative development of specific, mission-driven outputs aligned with the AG Work Plan.
- 3.7.2 TFs can be proposed by Steering Committee Members, Ordinary AG Members or the AG Secretariat. Formation of TFs requires approval by the Steering Committee to ensure strategic alignment and feasibility, within the scope of the approved Work Plan and Work Programme. Formation of new TFs will be reported back to BEC Board of Directors.
- 3.7.3 Each TF will have a clear mandate, specific deliverable(s), a defined duration, and identified leadership.
- 3.7.4 TFs should be led or co-led by Steering Committee Member(s) as TF Convenor(s).
- 3.7.5 Participation in a TF is open to all members of the specific AG who commit to contributing actively to the TF's work. External experts may be invited to specific TF meetings at the discretion of the TF Convenor. TF Convenor will also determine the size of the TF, and the frequency and format of the meetings.
- 3.7.6 TF progress and outputs will be reported back to the Steering Committee and shared during AG Meetings where appropriate.

3.8 Cross-AG Collaboration

3.8.1 Recognising that key sustainability themes may span across multiple AGs, mechanisms for cross-AG collaboration will be deployed, such as:

- Joint Dialogue Platforms Meetings: These meetings may be organised on cross-cutting themes, inviting members from relevant AGs.
- Cross-AG Task Forces: Specific Task Forces addressing cross-cutting issues may be established, drawing members from multiple AGs, subject to clear coordination arrangements agreed upon by the involved AG Chairs.
- Secretariat Facilitation: The AG Secretariat will facilitate communication and information sharing between AG Chairs and Steering Committees to identify synergies and foster collaboration.

4. Approval and Review of Terms of Reference

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

– End –

Additional guidance for prospective AG Members

BEC welcomes diverse participation from AG Members while encouraging their active participation, particularly through contributions to AG Meetings and Task Forces. BEC Members wishing to nominate representative(s) to join AG(s) should also take reference to the following guidance:

- The representative should demonstrate his/her relevance or interest to the corresponding AG through CV submission.
- Active participation is expected. Attendance and participation in AG meetings and Task Forces will be key considerations for membership renewal. AG Membership renewal may not be supported for representatives demonstrating minimal engagement.
- The representative should consider his/her capacity for active contribution; joining multiple AGs may place additional burden on the representative.
- The representative should actively contribute to the AG through meeting participation, discussion, sharing, proposing/joining Task Forces, and providing advice and views on policy submissions and consultations.
- BEC aims to maintain an optimal size for each AG to balance diverse participation and effective discussion. The AG Chair and Vice Chair reserve the right to review the AG size limit, and accept or decline certain nominations, by considering criteria such as:
 - Representative's expertise related to the AG;
 - Representative's capacity for active contribution (including existing involvement in other AGs);
 - AG Member's participation level in the previous AG term (if applicable);
 - Ensuring opportunities for representation across BEC membership tiers and sectors relevant to the AG.

– End of Annex A –

Energy Transition AG Work Programme Direction (2025-2027)

The ET AG is strategically positioned to support Hong Kong's energy transition by focusing on the practical implementation of strategies, technologies, and policies across key sectors — built environment, transport, and energy systems. In synergy with the Climate Change Business Forum (“CCBF”) AG which focus on business strategy planning, ET AG aims to accelerate decarbonisation while ensuring a just and equitable transition for all stakeholders. The 2025–2027 term will prioritise actionable pathways to reduce emissions, modernise infrastructure, and foster innovation, aligning with Hong Kong's climate goals and international best practices.

Below lists the **potential work programme direction for 2025-2027**, actual programme details to be confirmed with the Steering Committee.

Pillar 1: Decarbonising Transport

This pillar focuses on reducing emissions across all transport modes — land, maritime, and aviation — through roadmap planning on decarbonisation strategies such as electrification, adoption of low-carbon fuels and associated infrastructure development.

Key Focus Areas:

- **Electrification of Land Transport:** Expand EV charging infrastructure (including ultra-fast and residential charging), promote commercial fleet transition, and extend support for private and public EV adoption.
- **Green Fuels for Hard-to-Abate Transport:** Support SAF consumption targets, local blending infrastructure, and corporate buy-in; promote adoption of low-carbon fuels (e.g. green methanol, ammonia) for ocean-going vessels when electrification is not an ideal option; explore transitional fuels for road transport with heavy capital expenditure; drive green hydrogen adoption.
- **Collaboration on Infrastructure:** Support public-private collaboration on aviation and maritime fuel-related infrastructure.

Pillar 2: Decarbonising Construction

This pillar targets emissions from construction activities and equipment, focusing on creating demand of decarbonising construction via electrification, adoption of new energy, and enabling technologies.

Key Focus Areas:

- **Electrifying Construction Sites:** Facilitate early access to temporary electricity supply, promote battery energy storage systems, and extend subsidies for electric construction equipment.
- **Transitional Fuels for Heavy Equipment:** Advocate for incentives for renewable diesel and other certified biofuels to decarbonise heavy-duty construction machinery in interim term, and explore long-term solutions such as green hydrogen.
- **Public Sector Leadership & Market Readiness:** Encourage public projects to lead by example, and promote pilot programmes, procurement support, and technical tools to estimate energy needs and integrate clean technologies.
- **Low-Carbon Materials:** Pilot low-carbon construction materials in public projects and develop technical guidelines to regulate embodied carbon across the building lifecycle.

Pillar 3: Improving Energy Systems & Enabling Innovation

This pillar focuses on preparing Hong Kong's energy infrastructure for a low-carbon future by enhancing grid resilience, integrating renewables, and fostering innovation.

Key Focus Areas:

- **Grid Modernisation & Renewable Integration:** Facilitate dialogue on grid upgrades, energy storage, and smart energy systems to support electrification and decentralised energy in appropriate cases.
- **Hydrogen Development:** Support the establishment of standards for low-carbon and green hydrogen, building on the Strategy of Hydrogen Development in Hong Kong and referencing China's national hydrogen classification framework.
- **Emerging Technologies & Regional Collaboration:** Promote adoption of emerging technologies for sustainable living, and strengthen collaboration with the Greater Bay Area on AI and smart energy solutions.

Pillar 4: Decarbonising the Built Environment

This pillar addresses the urgent need to improve energy efficiency and reduce embodied carbon in buildings, aligning with updates to the Buildings Energy Efficiency Ordinance ("BEEO") and global green building standards.

Key Focus Areas:

- **Energy Efficiency & Retrofitting:** Promote implementation of Energy Management Opportunities ("EMOs") identified in energy audits, incentivise retrofitting, and

support the creation of a centralised energy usage intensity database for benchmarking.

- **Green & Healthy Buildings:** Advocate for health-enabling features (e.g. daylighting, improved air quality) in building design while focusing on the health co-benefits of green building, aligned with BEAM Plus and international standards.

Pillar 5: Ensuring a Just & Equitable Transition

This pillar focuses on how businesses in Hong Kong can actively contribute to a just and equitable energy transition through thoughtful planning, inclusive decision-making, and responsible implementation. The emphasis is on **local actions**, **sector-specific challenges**, and **policy-business interplay**.

Key Focus Areas:

- **Fair Cost Distribution:** Facilitate dialogue on who bears the cost of transitioning to cleaner energy — whether it's consumers, developers, or the public sector — and explore models that avoid inequitable outcomes.
- **Inclusive Transition Planning:** Synergising with CCBF AG, encourage businesses to assess the social and economic impacts of their energy transition strategies, including affordability, accessibility, and health co-benefits. Promote transparency in how decisions affect different stakeholder groups.
- **Policy Support & Market Signals:** Advocate for enabling policies (e.g. subsidies, tax incentives, procurement guidelines) that help businesses implement equitable transition plans. Support the development of relevant frameworks.
- **Sector-Specific Equity Considerations:** Examine equity implications across sectors — e.g., ensuring small logistics operators can access EV infrastructure, or that SMEs in construction can afford clean technologies.

– End of Annex B –