

BEC Nature and Biodiversity Advisory Group Terms of Reference

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

1. Mission Statement

- 1.1 The BEC Nature and Biodiversity Advisory Group (“N&B AG”) promotes awareness, capacity building, and best practices related to nature-related corporate action and strategies to incorporate biodiversity considerations into business operations 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 nature and biodiversity.
- 2.2 Support BEC to develop thought leadership and influence public policy on nature, nature-related disclosure, practical implementation of Nature-based Solutions (“NbS”), integrating biodiversity into corporate strategy, among others.
- 2.3 Create platforms for BEC (including Board of Directors, Executive Committee and other members) to engage relevant regulatory bodies on matters related to nature and biodiversity policy, such as Hong Kong’s Biodiversity Strategy and Action Plan (“BSAP”).
- 2.4 Foster culture on stronger awareness and understanding on nature and biodiversity topics among BEC members and the broader business community in Hong Kong.
- 2.5 Build capacity for corporate action on nature and biodiversity among BEC members and the broader business community in Hong Kong.
- 2.6 Forge collaborative links between local and global expertise related to nature and biodiversity, such as through knowledge transfer, capacity building, resource sharing and dialogue.

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 Nature and Biodiversity 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.

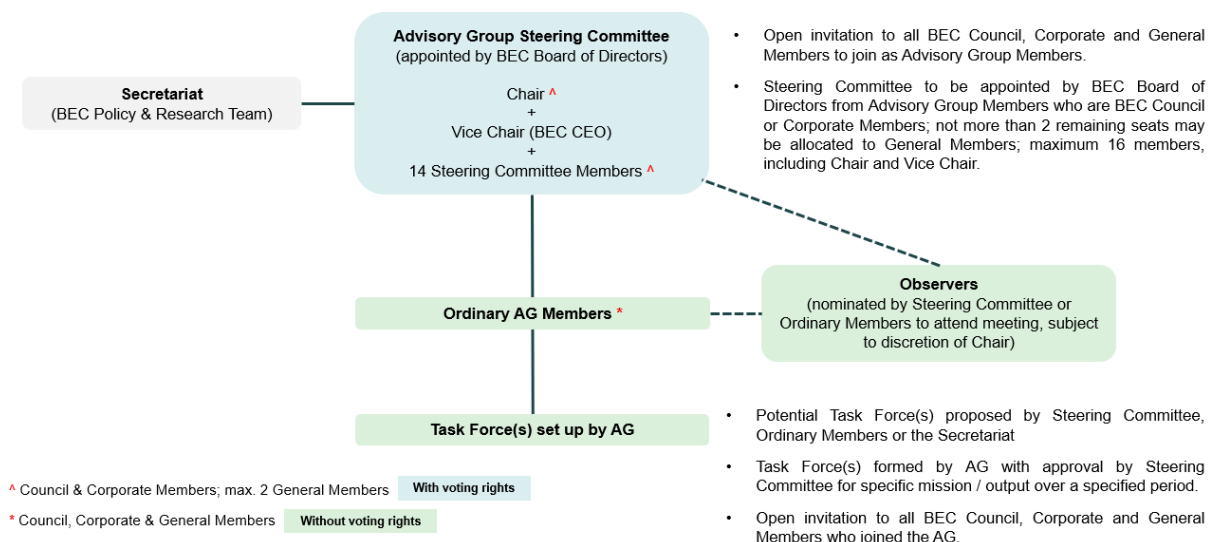
3.3 AG Meetings and Engagement

- 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 nature and biodiversity. 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 nature-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.

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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 –

Nature and Biodiversity AG Work Programme Direction (2025-2027)

The Nature and Biodiversity Advisory Group (“N&B AG”) Work Programme has been strategically created to address growing corporate interest and action on nature and biodiversity issues. In line with evolving national and international developments, N&B AG aims to equip businesses and stakeholders with the necessary tools and insights to integrate nature considerations into business. The focus of this AG will be centred around raising awareness of the business dependencies and impacts on nature, assessing nature-related risks and opportunities, promoting nature-positive strategies, supporting the uptake of nature-related disclosure (“TNFD”), and engaging in multi-stakeholder biodiversity initiatives. It will also engage with local policy developments to catalyse a stronger financial and regulatory landscape for business and finance actors, such as the upcoming BSAP document.

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

Pillar 1: Business input into Hong Kong's BSAP update and future implementation

The Hong Kong Government is preparing its updated BSAP plan, with plans to release the city-level biodiversity policy for the next decade. BEC has been actively engaging with members, the Government and other stakeholders to establish a voice representing the Hong Kong business community and the key priority areas relating to business and biodiversity. The N&B AG will continue this work and enable BEC a more streamlined approach to understand members' perspectives. Aside from providing policy recommendations and advocacy, N&B AG will aim to facilitate dialogue between stakeholders and the Government to discuss areas relevant to business under the BSAP and drive collaborative progress forward on nature-related topics.

Pillar 2: Capacity building on TNFD for corporations & financial institutions

Currently, there are 11 Hong Kong companies that have committed to pilot the adoption of TNFD. Aside from these selected organisations there has been a clear growing interest in corporates engaging with the TNFD framework and corporate nature reporting. Providing support to businesses and financial institutions in assessing and addressing the dependencies, impacts, risks, and opportunities related to nature in their business models, strategies, and operations will form another focus area of N&B AG. This will be achieved through capacity-building initiatives and efforts, resource sharing, policy influence, and collaboration with

regional and international organisations.

Pillar 3: Promoting practical implementation of Nature-based Solutions (NbS)

NbS is a well-established concept globally, but is gaining traction locally in Hong Kong. The Government has indicated there will be an NbS guideline developed to promote their adoption in key projects, with particular relevance to the development of the Northern Metropolis. Meanwhile, local expert organisations and stakeholders have produced resources specifically examining the feasibility of NbS in Hong Kong's developments. The strategic designation of NbS as a key focus area of N&B AG will create a platform for BEC to connect the local business community with this topic alongside connecting with broader stakeholder engagement of the conservation community and the Government to build capacity, support knowledge gaps, share resources and facilitate discussion to drive greater implementation of NbS in Hong Kong's urban and coastal environments.

Pillar 4: Supporting dialogue on Marine Protected Area (MPA) / Other Effective Area-based Conservation Measures (OECMs) management and expansion

Under the updated BSAP, there is an increased focus on special conservation for biodiversity through Marine Protected Areas ("MPAs") and Other Effective Area-based Conservation Measures ("OECMs") management and expansion in Hong Kong waters. This has substantial linkages with sectors with relevance to land use or maritime transportation, thus requiring informed business input. The N&B AG aims to support dialogue and influence public policy surrounding spatial conservation by facilitating discussions and providing the Government with strategic recommendations and thought leadership positions derived from comprehensive stakeholder engagement with members.

Pillar 5: Integrating biodiversity into corporate sustainability strategies

Nature is now well-recognised as a strategic risk management issue in the context of business. Existing and upcoming legislation requiring corporates to understand the nature footprint of their operations and business models, increasing investor and C-suite pressure and growing recognition of the climate-nature nexus are all driving increased business relevance to nature topics. The N&B AG aims to support members in realising the business case for biodiversity considerations and integration into business sustainability. The N&B AG work scope may include engaging with multi-stakeholder biodiversity initiatives and collaboration with the broader conservation community to learn from expert perspectives.

– End of Annex B –