



BEC E-NEWSLETTER

Connecting · Nurturing · Creating for a Sustainable Environment

SHIFTING BUSINESS PRIORITY FROM SHAREHOLDER TO SHARED VALUE

BEC's Director - Policy & Research, Mr Simon Ng shares his insights about the "new normal" of stakeholder capitalism.

Prof Klaus Schwab, Founder and Executive Chairman of the World Economic Forum ("WEF"), published his book, *Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet*, in January this year. It evaluates the achievements and shortcomings of the global economic system which created unprecedented growth in the past decades measured in GDP and profits yet also intensified economic and social inequality, as well as environmental degradation. He advocates the model of stakeholder capitalism to replace self-serving values that only safeguard shareholder benefits such as short-term profit maximisation and the externalisation of environmental costs with long-term value creation that accounts for the interests of different people (stakeholders) and the planet.

Prof Schwab first wrote about the stakeholder model 50 years ago. The debate over shareholder versus stakeholder capitalism has been ongoing for a while but remained largely academic until the pandemic intervened. COVID-19 has accelerated a transformative agenda that demands for radical shifts in business mindsets, such as from value extraction to value creation amongst the global business community. For example, in January 2021, a coalition of over 60 business leaders across industries and regions pledged their commitment to a set of environmental, social and governance ("ESG") metrics and disclosures – the Stakeholder Capitalism Metrics – released by the WEF and its International Business Council that measure the long-term enterprise value creation for all stakeholders.

More recently in March 2021, World Business Council for Sustainable Development ("WBCSD") launched an updated version of Vision 2050¹ to tackle three critical challenges: the climate emergency, nature loss and mounting inequality, and

to advance business transformation that is fully aligned with the Sustainable Development Goals and the Paris Agreement. WBCSD calls for capitalism to be reinvented so that it becomes stakeholder-oriented, impact-internalising, regenerative, accountable, and geared towards long-term sustainability.

In the 2021 Edelman Trust Barometer², 65% of respondents agreed that CEOs should hold themselves accountable to the public alongside their board and shareholders, while 68% of consumers and 62% of employees agreed that they have the power to force corporations to change. Meanwhile, there is growing evidence that companies that transform for long-term sustainability have better performance. In a study by the McKinsey Global Institute,³ those with a long-term view outperform their peers in terms of earnings, revenue, investment, and job growth. Companies focused on ESG recorded higher performance and credit ratings.

**As the world has changed,
so must business leadership.**

With new and ever-changing consumer and social expectations, business leaders must keep up and set new priorities, understand the connection with people and nature, and take circularity, decarbonisation and innovation into account. These are some of the topics BEC will discuss in the upcoming EnviroSeries Online Conference (4 June): **Redefining Business Leadership for Green Growth**. For the conference programme, speaker line-up and registration details, please visit [HERE](#).

¹ <https://timetotransform.biz/>

² 2021 Edelman Trust Barometer: <https://www.edelman.com/sites/g/files/aatuss191/files/2021-03/2021%20Edelman%20Trust%20Barometer.pdf>

³ "Where companies with a long-term view outperform their peers" by McKinsey Global Institute: <https://www.mckinsey.com/featured-insights/long-term-capitalism/where-companies-with-a-long-term-view-outperform-their-peers>

Webinar: Catalyst for Sustainable Environment - An update on BEC offering

Aiming to give our members a better understanding of BEC's latest direction and objectives, we hosted the "Catalyst for Sustainability Environment – An update on BEC offering" webinar on 3 May. The webinar shared details on BEC's recent membership scheme enhancement, policy submissions and Environmental Focus Areas, the BEC Low Carbon Charter, sustainability and ESG advisory services, and the latest environmental management and green building trends. Contact our **Membership Team (T. 2784 3960 | E. membership@bec.org.hk)** to explore membership benefits and collaboration opportunities!

[Learn more about our Membership Programme](#)



BEC + InvestHK Leadership Forum Series #1 - EV Popularisation in Hong Kong: Challenges and Opportunities



We were honoured to welcome **Secretary for the Environment, Mr Wong Kam-sing**, as the keynote speaker for the first session of BEC + InvestHK Leadership Forum Series focusing on electric vehicles ("EVs") on 17 May. He joined industry experts in sharing their thoughts on the latest EV technologies, charging solutions for commercial EVs and challenges faced by different sectors. Key takeaways:

- Panellists mentioned the three challenges for electric vehicles: financial resources, land space, and electricity supply. Solving these would be crucial in scaling up the electrification of commercial vehicles.
- Commercial vehicles have a long service life; therefore early and strategic planning will be needed to meet the Government's 2050 zero vehicular emissions target.

BEC and InvestHK will continue to join hands and organise webinars on the latest policies related to sustainable development in Hong Kong. Stay tuned!



Not a BEC Member yet?



Join us now to enjoy member exclusive rights and benefits! Please visit [HERE](#) or contact **Membership Team (T. 2784 3960 | E. membership@bec.org.hk)** to explore more.

Want to share your company's latest green news with over 6,000 BEC newsletter subscribers from various industries? BEC Council, Corporate and General Members are welcomed to submit their exciting news/ technology/ activities related to sustainability and environmental excellence to us. Please contact **Ms Jaz Chan (T. 2784 3912 | E. jazchan@bec.org.hk)** for submissions and enquiries.



UPCOMING EVENTS

BEC EnviroSeries Conference 4 June



BEC EnviroSeries Conference, "Redefining Business Leadership for Green Growth", will help the business community identify megatrends and set new priorities in face of the emerging risks and challenges under the "new normal", and discuss how leaders can successfully navigate these risks and challenges through mindset shift, system transformation and the creation of shared value. We are pleased to have **Mr Peter Bakker, President & CEO of World Business Council for Sustainable Development** and **Ms Sophie Punte, Managing Director of Policy of We Mean Business coalition** to be our keynote speakers.

Our 5 transformative sessions include:

1. **Setting New Priorities for Businesses**
2. **Are you Thinking Circular?**
3. **Connecting Nature with Business**
4. **Embracing Innovation in a Changing Landscape**
5. **Pursuing Climate Readiness and Transparency**

This online conference is complimentary for BEC members. Check out the conference programme and registration details on our website now!

[Click HERE to learn more](#)

Race-to-Zero: Hong Kong's Climate Actions Towards a Net Zero Future 17 June



The 26th UN Climate Change Conference of the Parties (COP26) in Glasgow this November will be the most important climate change event this year. Join BEC, Civic Exchange and HKUST Institute for the Environment for our "Race to Zero" event focusing on COP26 from an international perspective, its relevance to Hong Kong and how businesses are preparing to decarbonise. Register now and join our climate experts and business leaders to learn more about Hong Kong's efforts towards a net zero future.

[Click HERE to learn more](#)

BEC Industry Visit - Smarter Office, Greener Future 18 June

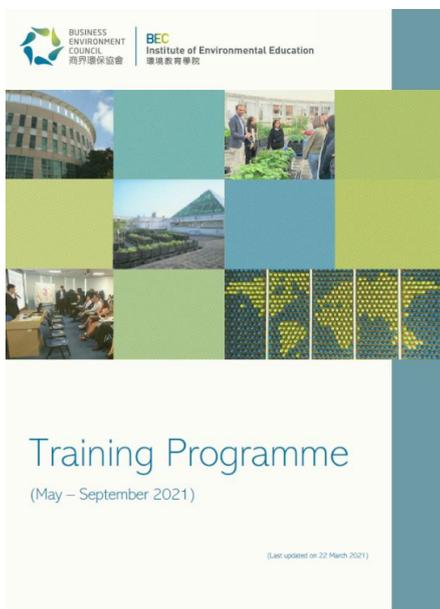


The BEC Industry Visit is back! Are you concerned about your office's impact on the environment? BEC and Corporate Member Canon HK are bringing you "Smarter Office, Better Future". Join us for a visit to the Canon Business Experience Center to hear insights about green and intelligent working environments, as well as inspiring ideas on how to create a smarter office and enhance operational efficiency and business sustainability. The visit is open to everyone however Administrative, Operational and Management representatives are highly encouraged to join.

[Click HERE to learn more](#)

UPCOMING COURSES: BEC IEE TRAINING

The BEC Institute of Environmental Education ("BEC IEE") offers a variety of courses for business professionals, including senior executives and managers, to advance their knowledge and skill sets. Click on the course titles below for more details:



[Reporting on the Environmental Aspects of the HKEx ESG Reporting Guide](#)



8 July

[The Fundamentals of Corporate Sustainability](#)



29 July

[How to Tackle the Challenges of the New Requirements of HKEx ESG Reporting Guide?](#)



30 July

MEMBERS CORNER

Council Members

To raise sustainability awareness within the community, **Kerry Properties Limited** is running the "GOOD LIFE GOALS" campaign at the MegaBox shopping complex until 29 August. A photo booth covering a different theme is set up every month to introduce each of the six United Nations Sustainable Development Goals related to Kerry Properties' businesses. To engage its tenants in achieving the Good Life Goals, Kerry Properties has also developed an outdoor Urban Farm and Sky Herbs Garden at MegaBox, where the harvest is offered to F&B tenants for preparing green and healthy cuisine.

[Click HERE to learn more](#)



Following its ambitious climate pledge made last September, **KONE** established an Environment Steering Committee in March to further embed sustainability in its organisational culture, guide the company toward carbon neutrality by 2030 and lead the way in the industry to create a more sustainable urban environment. The company has since initiated programmes promoting electricity saving, vehicle fuel saving and plastic eradication.



In March, **The Hong Kong and China Gas Company Limited ("Towngas")** became the first public utility in Hong Kong to have its carbon inventory verified against the ISO 14064-1:2018 by an accredited third party. Since the latest version of ISO 14064 requires the inclusion of significant indirect emissions, Towngas conducted a comprehensive review of its emissions along the value chain for gas production in Hong Kong, and identified and reported significant indirect emissions in its latest ESG Report. This review enables Towngas to consider carbon reduction initiatives along its value chain to create a more sustainable future.



[Click HERE to learn more](#)

MEMBERS CORNER

As a member of BEC's Power Up Coalition, **HK Electric** is committed to promoting, supporting and achieving zero-emission construction sites. In April, HK Electric rolled out Smart Power for Construction Site ("SPCS") providing timely power supply to replace diesel generators throughout the entire construction site life cycle. SPCS aims to assist the construction sector in attaining zero emissions at construction sites, minimising local air and noise pollution, and saving energy costs.

[Click HERE to learn more](#)

KMB introduced the latest generation of solar-powered devices to its double-deck fleet in April to help save energy. The solar-powered system supplies electricity for air-conditioning and ventilation. With the latest third-generation panel, 40% lighter but twice as efficient as previous generations, each solar-panel equipped bus can reduce fuel consumption by 5-8% and carbon emissions by 6 tonnes annually. To take a step forward, KMB has committed to making solar panels the standard configuration of newly purchased double-deckers and retrofitting double-deckers under eight years with solar panels. 80% of the bus fleet will run with solar panels within five years.

[Click HERE to learn more](#)

Corporate Members

In May, **Allied Sustainability and Environmental Consultants Group Limited ("AEC Group")** joined ranks of WorldGBC Asia Pacific Net Zero Collaborators to increase confidence and momentum towards a net zero built environment in Asia-Pacific. This step follows AEC Group's recent announcement of net-zero carbon business operations by 2030, strengthening its commitment to driving the transition to a net-zero future.

[Click HERE to learn more](#)

To reduce energy consumption, promote sustainable material use and improve environmental quality, **Hong Kong Air Cargo Terminals Limited ("Hactl")** completed an office renovation project in May to transform its 20-year-old office into a modern and energetic workspace with various green features such as natural lighting, daylight and motion sensors and furniture made from recycled materials.

The groundbreaking ceremony of the third plant of Kai Tak District Cooling System ("DCS") took place in April, marking another milestone in this important sustainable infrastructure. As the key consultant for design and construction, **Arup** has been involved in this project for more than two decades, helping to realise the Hong Kong government's decarbonisation roadmap and sustainability vision. Upon full utilisation, the entire DCS is estimated to save about 138 million kWh of electricity a year, corresponding to an annual reduction of about 96,500 tonnes of carbon dioxide emissions.

[Click HERE to learn more](#)



AEC Group is now a
WorldGBC Asia Pacific
Net Zero Collaborator



ARUP

MEMBERS CORNER

To raise awareness of greenhouse gas ("GHG") reduction, carbon neutralisation strategies as well as green finance especially on construction and infrastructure projects, **SGS Hong Kong** organised a live webinar partnering with an NGO on 21 May to introduce some latest initiatives such as Science Based Targets initiative ("SBTi"), GHG Management System as illustrated in ISO 14604 standard and Climate Bond Initiative ("CBI") to interested stakeholders. This webinar serves as a platform for all parties to better understand green finance and carbon neutralisation strategies, and exchange best practices in these areas.

[Click HERE to learn more](#)

In April, **WSP** announced its commitment to achieve net zero emissions across its value chain by 2040. To support this vision, WSP has set science-based GHG emission reduction targets which have been approved by the SBTi. Through this net zero commitment, WSP will also join the United Nations Framework Convention on Climate Change's Race To Zero campaign which aims to build momentum around the shift to a decarbonised economy ahead of COP26 taking place this November.

[Click HERE to learn more](#)

General Members

In April, **Cornerstone Technologies'** Chargic EV Charger ("Chargic") was recognised as a "Green Product/Graphic Design" at the Green Good Design Awards. Made of 30-50% recyclable polycarbonate, Chargic took its shape from a dry cell, with a simple and uncluttered façade complemented by LED lights indicating the charging status. Cornerstone Technologies aims to encourage more people to choose emission-free vehicles through Chargic, which features a Load Management System, Licence Plate Recognition System as well as convenient payment options.

[Click HERE to learn more](#)

EnviroEvents HK is delighted to announce BEC Council Member Sino Land Company Limited and BEC Corporate Member MTR Corporation Limited as the Headline Theatre Sponsors for ReThink HK 2021's Sustainable Transformation Theatre and Sustainable Communities Theatre, respectively. The growing support and industry engagement have positioned ReThink HK as a pre-eminent annual gathering for business leaders and sustainability practitioners committed to Hong Kong's transformation towards a carbon-neutral city by 2050. Apply for your pass before 13 August for early-bird rates.

[Click HERE to learn more](#)

Committed to assisting business enterprises to address climate-related risks and seek opportunities to accelerate the transition towards a low-carbon and eco-friendly economy, **GreenCo ESG Advisory Limited ("GreenCo")** joined as a new signatory of the BEC Low Carbon Charter in April, making a pledge to proactively align its business operations with the goals of the Paris Agreement to reduce climate-related risks and to secure sustainable development. Joining the ranks of like-minded signatories will improve GreenCo's capacities in acquiring more climate-resilient models and technologies, thereby being more competent to help other enterprises to make the change.

[Click HERE to learn more](#)



05 & 06 OCTOBER 2021
HKCEC, HONG KONG



MEMBERS CORNER

The Hong Kong Stock Exchange is considering new proposals relating to ESG issues and gender diversity. **Mayer Brown** partners Jeckle Chiu, Mark Uhryuk and registered foreign lawyer Alexander Burdulia discussed the proposed updates to the Corporate Governance Code and Listing Rules, as well as the implications for listed companies, in a new Legal Update published in April. Since the proposals are part of a growing regulatory trend that is not limited to Hong Kong, the Mayer Brown lawyers also highlighted interest in similar efforts to promote diversity from financial markets regulators in other jurisdictions around the world including the United States, the United Kingdom and Japan.

[Click HERE to learn more](#)

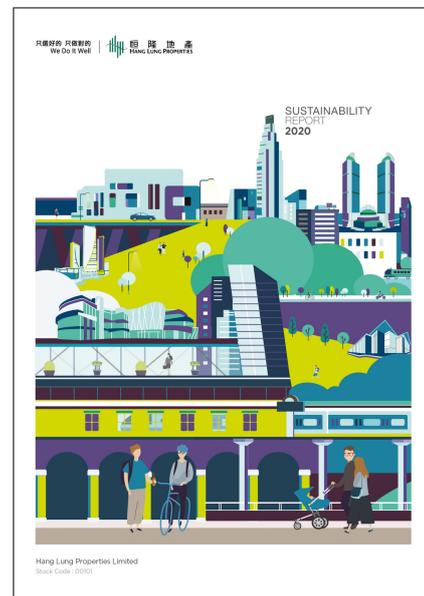
MAYER | BROWN
好士打

Recently Published Sustainability Reports

Chinachem



Hang Lung Properties



WELCOME NEW BEC MEMBERS

General Member • Sustainable Planet Limited

BEC SUPPORTED EVENTS

- **HKICS 22nd Annual Corporate and Regulatory Update (Online Conference)** | The Hong Kong Institute of Chartered Secretaries | 11 June
- **Green Building Award 2021** | Hong Kong Green Building Council & Professional Green Building Council | ongoing until 15 June
- **Sustainability Conference and Business Sustainability Indices Recognition Ceremony 2021** | The Centre for Business Sustainability (CBS), CUHK Business School | 24 & 25 June
- **Sustainable Financing in China 2021 - Webinar Series** | Euromoney Conferences | July & September
- **"Advancing Net Zero" Ideas Competition** | Hong Kong Green Building Council | ongoing until 31 December

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