



BEC E-NEWSLETTER

Connecting · Nurturing · Creating for a Sustainable Environment

POST-COP26 SUSTAINABILITY DISCLOSURE TRENDS

BEC's Director - Policy & Research Mr Simon Ng contributes an article on COP26 held in November, and future sustainability disclosure trends.



Photo credit: UNFCCC

The Glasgow Climate Pact was finally struck at COP26 after two weeks of meetings and events, negotiations, deliberations and last-minute drama. Carefully put by the United Nations Framework Convention on Climate Change (“UNFCCC”), it is “a global compromise that reflects a delicate balance between the interests and aspirations of nearly the 200 Parties to the core instruments on the international regime that governs global efforts against climate change.”

There are mixed reactions to the outcome. Notably, the Pact’s agreement to “phase down” rather than “phase out”

coal has agitated many. Yet, many welcomed the reaffirmed recognition of the importance of keeping 1.5 degrees within reach, and an agreed framework under the Pact to bridge the gaps between ambition and a 1.5 degree future. The key to success is to convert pledges into actions, and to galvanise support from corporates and other stakeholders in transitioning to a net-zero world at speed and at scale. As part of the agreement, countries will meet again next year to pledge even deeper emission cuts and more ambitious targets. More resources will be put together to help developing countries and vulnerable communities adapt to climate change.

Other than new climate commitments during COP26, we also noted an announcement by the International Financial Reporting Standards Foundation (“IFRS”) of the formation of the International Sustainability Standards Board (“ISSB”) to develop a global baseline of sustainability disclosures primarily for financial markets. This potential “game-changer” in sustainability reporting aims to provide investors with information about companies’ sustainability-related risks and opportunities and climate-related financial disclosures to help them make informed decisions.

What does this new development of sustainability disclosure standard mean for the evolution and efficacy of Environmental, Social and Governance (“ESG”) reporting? ESG refers to a number of non-financial factors about a company that can sometimes prove material for investors and other stakeholders. At first, ESG reporting from a financial perspective or a risk angle was not a common practice among corporates and, with very few reporting guides or frameworks on sustainability-related financial disclosures, the financial information that was disclosed

varied significantly. However, with time, ESG disclosures increasingly attracted the attention of investors who began to recognise the significance of ESG-related risks, opportunities and financial implications. This influenced corporates to disclose the associated risk impact and financial aspects in more structured reports but the variation of disclosed information persists. However, we expect that the IFRS’ lead in driving convergence to a single internationally accepted reporting standard will facilitate a consistent approach to supporting the connection between financial and non-financial reporting.

BEC has observed that this trend is consistent with the dynamic ESG development in the Hong Kong market over the years. Though we still wait to see the outcomes of the IFRS’ ISSB, we have already witnessed a convergence in one particular area, namely climate-related disclosures. As investors pay more attention to climate issues, internationally recognised frameworks such as the Task Force on Climate-Related Financial Disclosures (“TCFD”) have become increasingly popular as it effectively guides

“ We are at a pivotal moment to further drive climate actions as well as the transition to internationally recognised, coherent, comprehensive and assured non-financial reporting that is as robust as financial reporting. ”

corporates to disclose their management approach, strategy, risk management and targets in dealing with climate challenges. Under the TCFD guidance, corporates started to establish Board-level Committees and climate policies as the overarching management approach. To strategically tackle climate issues, companies undertook climate risk assessments to identify key climate risks which would significantly impact their business performance. Furthermore, some companies conducted a scenario analysis – a “deep-dive” to understand company-specific climate transition risks. The scenario analysis would help companies to navigate the potential effects of future climate scenarios. It serves as a tool for key decision makers to enhance critical strategic thinking and subsequently build climate resilience within the company.

In the local market, the Stock Exchange of Hong Kong’s updated ESG Guide clearly took notes from the TCFD with the introduction of new climate related KPIs, emissions targets and more direct board involvement in governing ESG. In

addition, the TCFD framework has strong backing from the Securities and Futures Commission and the Hong Kong Monetary Authority through the Green and Sustainable Finance Cross-Agency Steering Group. In announcing the mandatory TCFD-aligned climate disclosures to financial institutions by 2025 at the latest, the Steering Group is forcing financial institutions to consider climate change during capital allocation. They will need to understand the climate aspects of every loan, investment and other products and services. This means that companies will be fielding an increasing number of relevant questions in the coming years. Through this announcement, the Steering Group has essentially mandated TCFD-aligned disclosures to all companies in Hong Kong.

Our Sustainability and ESG Advisory Team has been working with clients from various sectors such as utilities, manufacturing and insurance to conduct climate risk assessment and TCFD enhancement. Through this experience, we have found that report disclosure is only a

fraction of the work being done to enhance corporates' climate resilience. It would require synergies between departments across the organisation to drive climate strategy under a robust sustainability governance structure. We have observed that there is an increasing need from corporates for awareness training and capacity building especially with issues around climate change. This is an indication that corporates are recognising the value of sustainable development and the risks that they may face if material ESG issues are not adequately addressed.

From COP26 to sustainability disclosures, we are at a pivotal moment to further drive climate actions as well as the transition to internationally recognised, coherent, comprehensive and assured non-financial reporting that is as robust as financial reporting.

Eco Expo Asia 2021 – Eco Asia Conference

During Eco Expo Asia 2021, BEC and Hong Kong Trade Development Council co-organised “Eco Asia Conference - Towards Material Circularity in Hong Kong” on 28 October. We were excited to hear insights from speakers and panellists including Mr Tony Cheung, Mr Walter van Hattum, Ir Prof Daniel M Cheng, Dr Amie Lai, Ms Katie Tang, Mr Rob Wall and Ms Ronnie Tung.

Key takeaways:

- The HKSAR Government has put forward 6 major areas of action to establish a circular economy in Hong Kong, namely waste reduction, waste separation, resources circulation, industry support, innovation and cooperation, and education and publicity.
- Hong Kong should consider cooperating with other Greater Bay Area (GBA) cities and make use of GBA's advantages such as infrastructure, talents, capital and market opportunities to promote a circular economy.

“Carbon Neutrality” Partnership 2021

BEC is honoured to receive the “Carbon Neutrality” Partners (formerly “4T” partners) Certificate awarded by Environment Bureau, in recognition for our supports and efforts in decarbonising Hong Kong. Our CEO Mr Adam Koo received the Certificate from Secretary for the Environment Mr K.S. Wong and Hong Kong professional track cyclist Ms Sarah Lee at the Certification cum Pledging Ceremony on 29 October.

With initiatives like the Low Carbon Charter and Power Up Coalition, BEC will continue to mobilise our members and partners across different sectors to set decarbonisation targets and take concrete climate action, contributing to the Government's goal of reducing total carbon emissions by 50% before 2035 from the 2005 baseline.



Photo credit: UNFCCC

Acknowledgement: A note of gratitude to Mr Robin Cheung of the BEC Sustainability and ESG Advisory Team for contributing to this article.



BEC Industry Visit to MTR Siu Ho Wan Depot

BEC arranged an industry visit to Corporate Member MTR Corporation's Siu Ho Wan Depot on 12 November. The host shared the company's corporate sustainability commitments and initiatives, showcased the sustainable features on MTR trains and demonstrated the daily operation of train maintenance in Siu Ho Wan Depot.



BEC Policy Dialogue Series: The Chief Executive's 2021 Policy Address and Hong Kong's Climate Action Plan 2050

BEC was honoured to host Secretary for the Environment Mr K.S. Wong and Under Secretary for the Environment Mr C.W. Tse at our Policy Dialogue Series on 17 November to give an account of ongoing and new initiatives for environmental protection, sustainable development and decarbonisation as set out in the Chief Executive's 2021 Policy Address and Hong Kong's Climate Action Plan 2050.



Networking Platform on Smart and Sustainable Living

BEC co-organised a networking event with Cyberport on 19 November. BEC members from different sectors exchanged their smart and sustainable business ideas with members in the Cyberport community.



Hong Kong Awards for Environment Excellence (HKAEE)

As one of the organisers of HKAEE, BEC has a long-standing advisory role developing assessment mechanisms to evaluate businesses' and organisations' efforts to achieve environmental excellence. Our in-house experts advise participants on environmental improvements while assisting them to benchmark their environmental performance against their peers.

Companies and organisations with a strong commitment to environmental protection and excellent environmental performance are invited to apply before 31 December!

[Click HERE to learn more](#)



UPCOMING EVENTS

BEC EnviroSeries Conference: Transforming Business for Sustainability 1 December



Following the June 2021 EnviroSeries Conference, **Transforming Business for Sustainability** aims to continue the conversation on how business transformation would enable the building of a green and sustainable Hong Kong. Specifically, the conference will share, showcase and discuss best practices and success stories in business transformation from selected industries; and inspire BEC members and the wider business community to push for transformational strategies and ambitious actions conducive to long-term sustainability and the creation of shared value for society.

BEC + InvestHK Leadership Forum Series #3 – Hong Kong's Climate Action Plan 2050: Energy Saving and Green Buildings

7 December

The third and final webinar under the Leadership Forum Series 2021 co-organised by BEC and Invest Hong Kong will focus on energy saving and green buildings, one of the four major decarbonisation strategies highlighted in Hong Kong's Climate Action Plan 2050. We are honoured to have Secretary for the Environment Mr K.S. Wong as the keynote speaker, joined by local experts on buildings, energy efficiency and innovations to showcase and discuss real actions in decarbonising buildings in Hong Kong.



[Click HERE for details & registration](#)

Briefing Session on Public Engagement on Control of Single-use Plastics 10 December



Briefing Session on Public Engagement on Control of Single-use Plastics

BEC Auditorium 10 December 2021 (Friday) 3:30p.m. - 5:00p.m.

BEC is pleased to be a supporting organisation of the Council for Sustainable Development's public engagement on control of single-use plastics. Join us for a briefing session on 10 December to learn more about the public engagement and express your views!

[Click HERE for details & registration](#)

BEC Seasonal Cocktail (invite only) 16 December

Celebrate the festive season with BEC’s friends and partners at our Seasonal Cocktail! BEC will take this opportunity to personally thank all our members and partners in the Government, business sector and the broader community whose support has contributed greatly towards our work in promoting environmental sustainability this year. Your presence will make this event special and meaningful!



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:

The Fundamentals of Corporate Sustainability



9 December

GRI Professional Certification Program: 3-day Standard Training



13-15 December

How to Set Science Based Targets (SBT) and Net Zero



12 January

MEMBERS CORNER

Council Members

CLP is now committed to achieving net-zero greenhouse gas emissions across its value chain by 2050, following the recent update to its Climate Vision 2050 in September. In the interim, the group has set science-based decarbonisation targets for 2030 and strengthened its 2040 targets to align with the goal of limiting global warming to well-below 2°C above pre-industrial levels. CLP is also accelerating plans to phase out coal-fired generation assets by 2040, a decade earlier than previously pledged. At COP26 this November, CLP joined H2Zero – a new global initiative to drive growth in the demand for and supply of decarbonised hydrogen as an essential part of the future net-zero energy system.

[Click HERE to learn more](#)



Hang Lung Properties announced in October that it has partnered with fellow BEC member Ampd Energy to bring in the Enertainer, an advanced battery energy storage system ("BESS") to replace traditional diesel generators for two redevelopment projects in North Point and Kowloon Bay. The system is nearly 32 times quieter than traditional diesel generators and has no harmful gas emissions. Deploying BESS demonstrates Hang Lung’s support for Hong Kong’s 2050 carbon neutrality pledge.

[Click HERE to learn more](#)



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To further the discussion on AI and innovation, **Siemens Limited** joined the Global AI Challenge for Building E&M Facilities – Technical Conference on 12 October. Senior Research Scientist Dr Cheng Feng was invited to discuss challenges and opportunities of AI applications in buildings and illustrate how Siemens taps the true potential of digitalisation in a city's infrastructure to make buildings smarter. The company also demonstrated its IoT technologies and explored how data and AI can be leveraged to create a people-centric smart city.



Towngas organised the “Innovation x Energy Transition” Towngas Sustainability Conference with over 1,000 online and offline participants on 3 November. Professionals were invited to share their experience and knowledge on mitigating and adapting to climate change, covering topics such as COP26, China's carbon reduction targets, extreme weather conditions, ammonia fuel cell vehicles, hydrogen fuel cell applications, renewable-energy-integrated gas appliances and hydrogen extraction from town gas.



HK Electric has resumed the “Green Energy Dreams Come True” programme, suspended last year due to COVID-19, to support projects on decarbonisation, energy efficiency and renewable energy. In addition to secondary schools, tertiary institutions were invited this year to submit project proposals to further promote innovative green ideas in the higher education sector. In November, a total of 10 secondary school projects and 8 tertiary institution projects were shortlisted and granted a seed fund of up to HK\$50,000 each. The final competition will be held in July 2022 upon project completion.



[Click HERE to learn more](#)

Corporate Members

CN Logistics' Chief Financial Officer & Company Secretary Mr Angus Tsang was invited to ReThink HK 2021 as a panel speaker of the session “Supply Chain Innovation to Drive a Green Hong Kong”. He shared insights on the mentality of reducing costs by implementing sustainable business practices. Through adopting lean logistics, where material reuse, product recycling and recreation are encouraged, waste can be eliminated in the management of the logistics supply chain.



[Click HERE to learn more](#)

In October, **Hong Kong Air Cargo Terminals Limited (“Hactl”)** was honoured as “Best Green Air Cargo Terminal Operator” at the 2021 Asian Freight, Logistics and Supply Chain (“AFLAS”) Awards. Hactl has won this title twice in three years for the sustainable initiatives it operated and pioneered at the cargo terminal.



MEMBERS CORNER

In partnership with a local farm and botanic garden, **Inchcape Hong Kong** organised a reforestation day on 7 November, where 18 corporate volunteers and their family members hiked to Tai Mo Shan and planted over 40 saplings. The activity is part of a globally recognised long-term forest restoration research programme designed to identify the best conditions to nurture trees, aiming to lay a scientific foundation for effective reforestation in Hong Kong.



Kumshing's EV Operation Centre project became one of the 18 forward-looking pilot projects certified under the CIC Sustainable Finance Certification Scheme officially launched in November. In support of the Government's 2050 carbon neutrality pledge, Kumshing actively advocates sustainable development in its operations and strives to realise green finance in developing more sustainable construction projects in the future.

[Click HERE to learn more](#)



As the operator of Hangzhou Ring Road in Zhejiang Province, **NWS Holdings Limited** is pleased to announce that Hangzhou West Lake Service Area will begin operation by end-2021. Featuring a number of sustainable designs, the service area aims to be the first LEED certified service area in the Mainland. It has already won a silver medal for architectural design at the 2021 A' Design Award in recognition of its sustainable built environment and the unique visitor experience which has disrupted the traditional concept of service areas along expressways.

[Click HERE to learn more](#)



In November, **Arup** committed to undertaking whole lifecycle carbon assessments for all its buildings projects – new and retrofit – from 2022 to help the built environment sector advance toward net-zero. The company has also announced it will not be taking on any new energy commissions involving the extraction, refinement or transportation of hydrocarbon-based fuels. From April 2022, its energy commissions will focus entirely on low-carbon solutions, including wind, solar, hydroelectric and hydrogen projects that it assesses as advancing progress toward a fully decarbonised future.

[Click HERE to learn more](#)

ARUP

In October, **SGS Hong Kong's** representative was invited to speak at "ESG Seminar: Understanding Sustainability Investing" held at Hong Kong Science Park, discussing potential factors that drive the rise of ESG and its importance at different stages of a company's growth. The importance of ESG to start-ups and how to integrate ESG from the beginning of R&D were also covered.

[Click HERE to learn more](#)



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At the Council on Tall Buildings and Urban Habitat regional conference hosted in Hong Kong on 9 November, **WSP's** Managing Director of Property & Buildings in China Region Ir Colin Chung shared his insights on how high-rise hospital design could contribute positively to reducing carbon emissions, climate resilience, sustainability, health and safety as we advance towards net-zero carbon buildings. The conference series across 20 cities worldwide has led to a rich discussion around a common global theme "Addressing Carbon, Climate & Societal Crises" to seek powerful and urgent solutions for a more equitable and resilient future city.



General Members

Canvest Environmental Protection Group Company Limited won two awards at the Greater Bay Area Corporate Sustainability Awards 2021 in October, namely the "Social Sustainability Award - Sustainable Cities and Communities" and the "Green Sustainability Award - Climate Action".

[Click HERE to learn more](#)



Actively promoting electric vehicle deployment for a cleaner community, **Cornerstone Technologies** joined eMove360° Europe 2021 on 16-18 November in Munich, Germany as an exhibitor. During the trade fair, Executive Director Mr Lawson Lau was invited to speak at eMove360° Forum 2021 on 16 November on the topic of "Beyond EV Chargers: Total Solutions for Urban Car Parks".



ReThink HK addresses challenges and opportunities of accelerating sustainable development – environmental and social – from a Hong Kong context. As organiser, **EnviroEvents** is now calling for speakers for ReThink HK 2022 on 5-6 October 2022 at HKCEC. Nominations are welcome until 3 December 2021 (Friday).



05 & 06 OCTOBER 2022
HALL 3, HKCEC

[Click HERE to nominate](#)

New research from **GlobeScan** shows that the public cares more than ever about a range of environmental issues – water pollution, natural resource depletion, climate change, air pollution and biodiversity loss. Individuals around the world also feel personally affected by climate change. In addition, people express a strong desire to make changes to the way they live, especially those under 30, yet there remains a large aspiration-action gap when it comes to sustainable living. Healthy & Sustainable Living is a global consumer insights study designed to help brands understand shifting preferences and behaviours related to healthy and sustainable living.



[Click HERE to learn more](#)

Following Hong Kong Stock Exchange's publication of the Guidance on Climate Disclosures in November, **GreenCo ESG Advisory Limited** summarised the complex information in the Guide and published a roadmap to articulate the stringent requirements in a clear and simple manner to all listed companies.



[Click HERE to learn more](#)

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Committed to its “green initiatives”, **Intertek** joined the Lowering Emissions by Accelerating Forest Finance (“LEAF”) Coalition in November, a new public-private initiative which has mobilised US\$1 billion to protect tropical forests. As part of the LEAF Coalition, the company has committed to accelerate sustainability development and services to help clients reach their sustainability goals.

[Click HERE to learn more](#)



In October, five of **Nano and Advanced Materials Institute’s (“NAMI”)** technologies were included in the R&D100 Awards 2021, hailed as the “Oscars of Invention”. One of their award-winning technologies, “Hard Amorphous Metal Coating”, can increase the hardness, sharpness and toughness of coffee bean grinding blades, prolonging the service life of coffee grinders by 4 times.

[Click HERE to learn more](#)



In October, **Secure Information Disposal Services Limited (“SSID”)** won the Silver Award (SME – Construction, Manufacturing and Industrial Services) at the Hong Kong Awards for Environmental Excellence 2020. After setting up the first pulp mill and education centre in 2019, SSID has collected and processed more than 300 metric tonnes of beverage cartons, reducing carbon emissions by 1,440 metric tonnes. The company has also arranged over 113 recycling lectures and tours at its Sustainable Development Education Centre to promote key environmental messages such as clean recycling.



TÜV Rheinland, in cooperation with a UK-based centre of building science, co-launched China’s first Net Zero Carbon Building Certification Scheme at China International Import Expo on 7 November. Based on BREEAM Green Building Scheme as well as international and Chinese standards on greenhouse gas emissions and carbon footprints, the Certification Scheme covers embodied carbon emissions from building materials, carbon emissions from building operations (new and existing buildings), and carbon emissions throughout the life cycle of buildings.



In October, **Zilver Limited** was presented as a partner of Project Earthion launched by a hardware and electronics corporation. Divided into four categories of Clothing, Dining, Housing and Travelling, the project aims to encourage staff and suppliers to actively make positive changes to the environment. During the kickoff event, Zilver presented to all media and partners its natural paints that absorbs CO₂ and are free of any harmful substances and irritating odorants. As a partner in the Housing category, Zilver will continue to work with the project organiser to influence the public to switch to a green lifestyle.



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Recently Published Sustainability Report

NWS Holdings Limited



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WELCOME NEW BEC MEMBERS

Corporate Member

- Elements Printing and Packaging Limited



Your Sustainable Solutions Partner

General Members

- Nano and Advanced Materials Institute Limited
- Zilver Limited

BEC SUPPORTED EVENTS

- **Global AI Challenge for Building E&M Facilities** | Electrical and Mechanical Services Department | October - December
- **Science in the Public Service (SIPS)** | Hong Kong Observatory | 2021
- **Enterprises Cherish Water Campaign (ECH20)** | Water Supplies Department | 2021
- **BOCHK Corporate Environmental Leadership Awards 2021** | Federation of Hong Kong Industries | 2021

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