

#### 2 November 2023

Mr Tse Chin Wan, BBS, JP Secretary for Environment and Ecology Hong Kong Special Administrative Region Government 16/F, East Wing, Central Government Offices 2 Tim Mei Avenue, Tamar Hong Kong

Dear Secretary Tse,

# Statement of Support to the Policy Initiatives of the Environment and Ecology Bureau under the Chief Executive's 2023 Policy Address from Business Environment Council Limited

商界環保協會有限公司

Over the last 31 years, Business Environment Council Limited 商界環保協會有限公司 ("BEC") has played a leading role in advocating the business case for environmental excellence, given the importance of sustainable development to Hong Kong. Our members are committed to actively engage with the HKSAR Government ("the Government") to help develop a supporting policy framework as well as impactful implementation in respect of environmental protection and sustainability.

Views expressed in this submission are those of BEC, in line with BEC's Mission and Vision as well as policy position on relevant issues, but may not necessarily be the same as the views of each individual member. BEC is an independent charitable membership organisation comprising over 250 member companies from Hong Kong's major holding companies to small and medium-sized enterprises.

### Introduction

The Chief Executive announced his second Policy Address on 25 October 2023. BEC welcomes several key policy initiatives put forward by the Administration and spearheaded by the Environment and Ecology Bureau that fall under four important areas, including energy conservation and decarbonisation, promotion of the use and supply of new energy, waste reduction and recycling, and green transport.

#### **Energy conservation and decarbonisation**

BEC fully supports the Government's proposal to amend the Buildings Energy Efficiency Ordinance and to consult the trade regarding details of the amendment, such as extending the scope of regulation to cover more building types, mandating the disclosure of information related to energy audit reports, and updating the interval of energy audit from ten to five years that encourages more regular review of buildings energy performance and investment in improvement measures. BEC has been a long-term advocate of improving buildings energy efficiency and energy data transparency, which will inform policymaking, enable benchmarking and tracking, and ultimately support, encourage and accelerate building owners' investment in effective energy efficiency improvement action.<sup>1</sup> It is encouraging that the Government has

<sup>&</sup>lt;sup>1</sup> BEC published several research reports in recent years on buildings energy efficiency investment and energy data transparency, and has communicated our recommendations to the Government. For more information, please read Improving Data Transparency in Buildings Energy Performance









taken our recommendations on board. BEC stands ready to participate and support the Government's consultation with the trade and other stakeholders, including BEC members.

#### Promotion of the use and supply of new energy

BEC is encouraged by the Government's plan to formulate the Strategy of Hydrogen Development in Hong Kong in the first half of 2024, so as to plan for the development of local applications of hydrogen energy. BEC also welcomes the Government's intention to commence preparatory work for amending the legislation relating to the manufacture, storage, and use of hydrogen in 2024. It is always critical that the review and amendment of legislation relevant to the development of a new energy form is conducted in a timely manner.

Once again, BEC has been heavily involved in the discussion of hydrogen energy applications in Hong Kong with the business sector and the academia in the past few years, and we will continue to play a role in connecting the Government with key players, and facilitating the preparation of the hydrogen development strategy.

In the same token, BEC encourages the Government to take a similar approach in exploring alternative new energy options for other applications, including the use of green marine fuel and sustainable aviation fuel.

### Waste reduction and recycling

BEC supports the Government's plan to Introduce a bill into the LegCo in 2024 to establish a common legislative framework applicable to producer responsibility schemes (PRSs) on different products, and make relevant subsidiary legislation to gradually implement the PRSs on five types of products starting from 2025, including plastic beverage containers, beverage cartons, electric vehicle batteries, vehicle tyres, and lead-acid batteries.

To improve waste reduction and recycling, there are proposals to regulate the proper handling of recyclables in residential buildings, and to progressively install smart recycling bins for the collection of food waste in all public rental housing estates. BEC welcomes progressive measures to strengthening regulations and control on the one hand, while offering options and incentives to the relevant trades and individuals on the other hand to adjust business operation and to alter personal behaviour.

All in all, BEC commends the Government for taking different measures in achieving zero landfill, waste reduction and resource circulation. However, to transform Hong Kong into a circular economy, BEC recognises the need to promote and support circular design in different sectors, to stipulate enabling policies and regulations that supports business circularity, and to educate and train corporate executives and industry practitioners on the business case of circularity. As the leading business organisation in Hong Kong that promotes and drives the topic, BEC will step up our effort with the business sector and strengthen our partnership with the Government in the transition towards the circular economy.

(https://bec.org.hk/sites/default/files/publications/Improving\_Data\_Transparency\_in\_Buildings\_Energy\_Performan ce.pdf) and Investing in Buildings Energy Efficiency: How to Enhance Hong Kong's Policy Framework (https://bec.org.hk/sites/default/files/publications/Investing in Buildings Energy Efficiency.pdf)









## **Green transport**

Since the announcement of the Hong Kong Roadmap on Popularisation of Electric Vehicles in March 2021, there is notable progress in the percentage of electric private cars among the newly registered private cars. The expansion of the charging facilities network is ongoing and requires further effort to meet the demand of the rising number of electric vehicles ("EVs"). To this end, BEC agrees that the Government should look into and refine the land lease conditions for petrol filling stations ("PFS") with a view to offering incentives to retrofit EV charging facilities in the stations, and to convert PFS into integrated green energy refuel stations in the longer term.

We also support the Government's intention to marketise the free charging services currently provided in government carparks. BEC already expressed our stance in previous policy submission 2 that we should adopt a robust pricing policy on charging facilities by progressively phasing out free charging in government- or public sector-owned carparks. This is one of the critical steps to maintain the interest among charge point operators ("CPOs") in investing in their business and strengthening the role of the CPOs in providing and managing city-wide charging facilities in Hong Kong.

#### **Nature conservation**

BEC also welcomes the Government's commitment to update the Hong Kong Biodiversity Strategy and Action Plan ("BSAP"), in response to the latest discussions and targets of the Conference of the Parties to the Convention on Biological Diversity ("COP15") and in light of the local circumstances. BEC pledges to play a major role, as in the last BASP consultation, in engaging and mobilising the business sector on the nature agenda.

#### Conclusion

BEC commends the Government's new initiatives as discussed above, and we look forward to supporting the implementation of these initiatives through active participation from BEC members and the wider business community. For queries related to this support statement, please contact our Chief Executive Officer, Mr Simon Ng at simonng@bec.org.hk

Yours sincerely,

Kevin O'Brien Chairman

**Business Environment Council Limited** 

<sup>&</sup>lt;sup>2</sup> See BEC's submission on Hong Kong's Roadmap on the Popularisation of Electric Vehicles (https://bec.org.hk/sites/default/files/policy\_submissions/BEC%20Submission%20on%20Roadmap%20on%20the %20Popularisation%20ef%20Electric%20Vehicles%20in%20Hong%20Kong 20201222.pdf)





