

21 October 2024

Mr John KC Lee, GBM, SBS, PDSM, PMSM  
The Chief Executive of the Hong Kong Special Administrative Region  
Chief Executive's Office  
Tamar  
Hong Kong

Dear Chief Executive,

**Statement of Support to the Policy Initiatives  
under the Chief Executive's 2024 Policy Address  
from Business Environment Council Limited  
商界環保協會有限公司**

Over the last 32 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 BEC member. BEC is an independent charitable membership organisation comprising over 300 member companies from Hong Kong's major holding companies to small and medium-sized enterprises.

## Introduction

BEC welcomes key policy initiatives put forward in your third Policy Address announced on 16 October 2024 that fall under four important areas, including addressing climate change, sectoral decarbonisation and sustainable living environment, circular economy, and biodiversity and nature. We consider these initiatives important to both addressing environmental issues, as well as adding new impetus to strengthen the competitive edge of Hong Kong as an international financial, shipping, aviation and trade centre.

## Addressing Climate Change

### Climate Adaption and Resilience

BEC strongly supports the Government's initiatives to enhance climate resilience against extreme weather events. The focus on providing information on flood risk for relevant departments through the flood risk assessment system and utilising machine learning for landslide predictions align with BEC's recommendations for effective climate adaptation strategies. Strengthening coordination across departments on climate adaption and resilience helps our communities to be better prepared for climate change impacts. BEC is committed to collaborating with the Government to fortify these initiatives. We believe more proactive measures are vital for protecting our environment and citizens' well-being.

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## Climate Finance

BEC commends the Government for advancing policies that support comprehensive disclosures and the expansion of coverage of the Hong Kong Taxonomy. Enhancing climate disclosure requirements marks a significant step towards a robust sustainable finance framework. The introduction of the one-stop thematic webpage under the "SME Link" portal to assist small and medium enterprises in their decarbonisation efforts aligns with BEC's call for more resources for non-listed companies. BEC recommends the Government develop policies and support systems to aid Hong Kong businesses in transition planning, facilitating their identification and management of challenges in the transition journey.

## **Sectoral Decarbonisation and Sustainable Living Environment**

### Low-carbon Alternative Fuels

BEC is encouraged by the Government's commitment to set targets for Sustainable Aviation Fuel ("SAF") usage for flights departing from the Hong Kong International Airport within 2025, and to formulate long-term plans for setting up the infrastructure to support the trading of SAF. Working with the industry to advocate for the uplift of SAF in Hong Kong, BEC initiated the Hong Kong Sustainable Aviation Fuel Coalition in early 2024 with value chain partners to address challenges in the SAF sector and provide strategic recommendations to the Government. We look forward to supporting and collaborating with the Transport and Logistics Bureau and the Environment and Ecology Bureau on initiatives that develop SAF supply and demand, storage and bunkering.

In promoting green and low-carbon hydrogen as a new energy source, BEC is glad to see the Government's plans to support the industry by establishing a solar-to-hydrogen facility and introducing a bill for the safe use of hydrogen fuel. BEC believes that the development of a hydrogen standard certification suitable for Hong Kong will play a vital role in ensuring the safe and effective use of this new energy. The establishment of hydrogen filling stations across the region by 2027 is a significant step towards creating a sustainable hydrogen ecosystem. BEC supports the phased approach to scaling up hydrogen usage and emphasises the need for evaluating cost efficiency and sustainability in comparison to other fuel options and is eager to collaborate with the Government in these initiatives to foster innovation and secure a greener energy future for Hong Kong.

### Green Transport

BEC fully supports the Government's commitment to electrifying transport, particularly through the expansion of charging facilities and financial subsidies for commercial vehicles. BEC will continue to collaborate with the Government and the private sector to develop relevant case studies and share market updates. Additionally, we aim to support the industry by identifying the current challenges in transitioning to electric options through discussions and address these obstacles via policy dialogue and knowledge sharing.

BEC applauds the Government's efforts to develop Hong Kong as a green maritime centre. The initiatives to promote the green transformation of registered ships and establish green maritime fuel bunkering facilities are essential in reducing emissions within the maritime sector. The introduction of cash incentives for ships meeting international standards on

decarbonisation is a proactive measure that can accelerate the transition to greener shipping practices.

### *Building Energy Efficiency*

BEC commends the Government's efforts to set a timeline for consulting the Legislative Council Panel on Environmental Affairs regarding the proposal to amend the Buildings Energy Efficiency Ordinance ("BEEO") by the end of 2024. Early this year, BEC submitted a response to the proposed amendments to BEEO<sup>1</sup> to the Electrical and Mechanical Services Department. BEC suggests that the proposed amendments be implemented with our recommendations taken into consideration.

### **Circular Economy**

BEC strongly supports the Government's multifaceted approach on waste reduction through the establishment of a common legislative framework for Producer Responsibility Schemes ("PRS") and policy measures to promote waste reduction and increase recycling rates. The establishment of a common legislative framework for PRS, the expansion of food waste and recyclable collection networks, and a strong emphasis on education and public awareness are all positive steps forward. However, to truly achieve the ambitious zero-landfill target, BEC recognises the necessity of introducing a landfill tax or raising the gate fee for municipal solid waste sent to landfills. Additionally, implementing a tiered pricing structure for I PARK, with higher fees for materials that are recyclable or biodegradable, will further incentivise responsible waste disposal.

BEC commends the Government's different initiatives in promoting the development of Hong Kong's green industry, through the establishment of several funding schemes for transforming R&D projects with application potential into commercially valuable technologies or products, assisting local companies in setting up production lines to upcycle local waste materials into high-value products, and extending the usable area and lease terms of short-term tenancy sites designated for the recycling operation. Looking ahead, BEC anticipates more funding schemes that focus on the promotion of a circular economy, expanding the scopes beyond recycling and upcycling.

### **Nature and Biodiversity**

BEC strongly supports the Government's initiative to update the Hong Kong Biodiversity Strategy and Action Plan ("BSAP"), aiming to enhance biodiversity conservation in Hong Kong. BEC is represented on the Steering Committee of the Hong Kong Biodiversity Expert Group and is committed to facilitating collaboration between the private sector, the Government and other stakeholders in promoting biodiversity. BEC also currently leads the Business for Biodiversity Focus Group. BEC will soon submit policy recommendations which will outline key areas that need to be addressed in the updated city-level BSAP to enable the mainstreaming of biodiversity in business decision-making, ensuring alignment with national and international agendas. We encourage the Government to work closely with BEC in this

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<sup>1</sup> The response to the proposed amendments to BEEO is published in BEC website:  
[https://www.bec.org.hk/sites/default/files/policy\\_submissions/BEC%20Submission%20on%20BEEO%20Consultation\\_0.pdf](https://www.bec.org.hk/sites/default/files/policy_submissions/BEC%20Submission%20on%20BEEO%20Consultation_0.pdf)

endeavour to collectively contribute to national and global biodiversity governance of our nature.

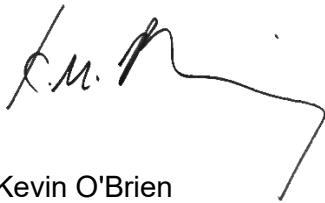
### Conclusion

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.

### Enquiries

For queries related to this support statement, please contact our Chief Executive Officer, Mr Simon Ng at [simonng@bec.org.hk](mailto:simonng@bec.org.hk)

Yours sincerely,



Kevin O'Brien  
Chairman  
Business Environment Council Limited