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### 1. About this Report

This sustainability performance update, provided by Business Environment Council Limited ("BEC"), covers the fiscal year 2022-23 from 1 October 2022 to 30 September 2023. The reporting scope encompasses the BEC building located at 77 Tat Chee Avenue, Kowloon Tong. This report offers a concise overview and brief update on BEC's sustainability performance across four key aspects: financial, operational, environmental, and workplace.

Prepared in accordance with Appendix C2: Environmental, Social and Governance ("ESG") Reporting Guide published by the Hong Kong Exchanges and Clearing Limited ("HKEX") and the Global Reporting Initiative Standards 2021 Edition ("GRI Standards"), the performance data presented in this report covers the fiscal year 2022-23, unless otherwise stated. Where available, data for the past two years has been included to facilitate comparison and analysis.

The four reporting principles "Materiality, Balance, Quantitative, and Consistency" have been followed when preparing the report. Information on the standards, methodologies, assumptions or calculation tools used and sources of conversion factors for compiling the data are given throughout the report where appropriate. Any restatements or changes of the methods, past data, definition or calculation of data are stated in the report.

#### Your Feedback

We welcome your feedback on BEC's sustainability performance. Please provide your feedback via:

Email <u>esgadmin@bec.org.hk</u>

Tel +852 2784 3900

Address 2/F, 77 Tat Chee Avenue, Kowloon Tong, Hong Kong

### 2. About Business Environment Council

BEC is an independent, non-profit membership organisation, established by the business sector in Hong Kong. BEC is also a tax-exempt charitable organisation under Section 88 of the Inland Revenue Ordinance (Cap 112).

Since its establishment in 1992, BEC has been at the forefront of promoting environmental excellence by advocating the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution and improve corporate environmental and social responsibility. BEC offers sustainable solutions and professional services covering advisory, research, assessment, training and award programmes for government, business and the community, thus enabling environmental protection and contributing to the transition to a net-zero economy.

### **Our Vision**

To lead, enable and drive the business community to transform for a green, liveable and sustainable Hong Kong.

#### **Our Mission**

To galvanise business actions towards environmental excellence and net zero in Hong Kong by connecting the government, business and community through thought leadership, innovative solutions, policy advocacy, strategic partnership, advisory services, and environmental education.

#### **Our Commitment**

To identify practical means to address environmental concerns and focus business sentiment on matters related to protecting and sustaining the environment.

To harness the commitment of Hong Kong's business leaders to influence change, maximise the value of their efforts, and improve the overall environmental performance and competitiveness of Hong Kong.

To partner with government, business and community organisations to address environmental concerns, with the overall objective of improving performance and moving Hong Kong towards a more sustainable society.

### **Deliver value to our members**



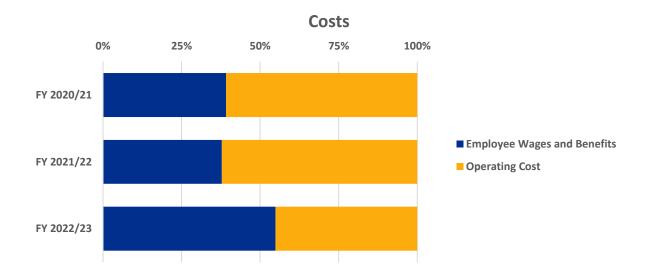
### 3. 2022-23 Performance Highlights

Following the lifting of strict COVID-19 restrictions, the business operations and economy in Hong Kong began to show signs of recovery during the reporting period. Most of BEC's businesses resumed normal operations. At the same time, it was witnessed that sustainability emerged as a key priority for businesses in Hong Kong. With the vision to lead, enable and drive the business community to transform for a green, liveable and sustainable Hong Kong, BEC is continuously supporting our members during the reporting period on the decarbonisation journey and achieving sustainability by offering training, seminars, conferences, and collaborations.

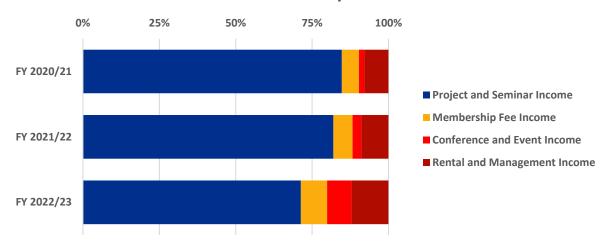
BEC is dedicated to driving changes and fostering collaborations to enhance sustainability performance in Hong Kong. We closely monitor our own sustainability performance and provide regular updates to maintain transparency. It was noticed that some KPIs experienced increments within the reporting period as the business operations resumed. BEC remains committed to minimising the impact and makes efforts for improvement promptly. As we move forward, BEC will continue to work closely with our members, partners, and wider business community in Hong Kong to drive collaborative action towards a more sustainable future.

The tables below summarise our performance data in four key aspects, including financial, operational, environmental and workplace within the reporting period. Data for the previous two fiscal years has also been included to facilitate comparison and analysis.

#### **Financial**



## **Revenue by Source**



### **Financial Performance Data**

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23
Revenue	НК\$	65,722,250	60,734,671	49,811,954
- Project and Seminar Income	%	84.76%	81.96%	71.33%
- Membership Fee Income	%	5.56%	6.28%	8.58%
- Conference and Event Income	%	1.87%	2.91%	8.00%
- Rental and Management Income	%	7.81%	8.85%	12.09%
Other Revenue <sup>1</sup>	НК\$	1,024,195	686,962	1,083,600
Total Revenue	НК\$	66,746,445	61,421,633	50,895,554
Total Cost	НК\$	64,704,263	59,594,985	50,446,724
- Operating Cost	%	60.88%	62.21%	45.15%
- Employee Wages and Benefits	%	39.12%	37.79%	54.85%
Economic Value Retained	НК\$	2,042,182	1,826,648	448,830

 $<sup>^{\</sup>mathrm{1}}$  Other Revenue: Revenue other than income from the four mentioned operating streams.

### **Operational**

### **Operational Performance Data**

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23
Total Number of BEC Members	Number	201	230	265
- Council Members	Number	31	32	35
- Corporate Members	Number	46	55	57
- General Members	Number	108	125	154
- Affiliate Members	Number	16	18	19
Number of Clients Served in the Fiscal Year <sup>2</sup>	Number	109	63	67
Total Number of New Environmental Projects <sup>3</sup>	Number	179	116	129
Total Number of Organised/Co- organised Events (excluding industry visits) <sup>4</sup>	Number	27	27	39
- Number of Attendees	Number	3,463	2,603	6,031
Total Number of Industry Visits Organised <sup>5</sup>	Number	4	4	9
- Total Number of Attendees	Number	104	88	167
Total Number of BEC Institute of Environmental Education (IEE) Training Courses	Number	5	5	10
Total Number of Training Sessions Held	Number	23	19	19
- Total Number of Attendees - Students	Number	2,002	1,407	3,438
- Total Number of Attendees - Adults	Number	70	124	239
Average Satisfaction Score for BEC IEE Courses	Score (1-5)	4.50	4.22	4.20
Total Number of BEC Building Users	Number	2,622	2,847	6,250
Total Number of Policy Submissions	Number	7	4	3
Total Hours of Policy Dialogues	Hours	1.5	3	1.5

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<sup>&</sup>lt;sup>2</sup> The clients and projects cover BEC's Environmental Management, ESG, Green Building, and EHS-PT teams.

<sup>&</sup>lt;sup>3</sup> The "The Number of New Environmental Projects" has been adjusted to reflect actual situation.

<sup>&</sup>lt;sup>4</sup> The "Total Number of Organised/Co-organised Events (excluding industry visits)" and the "Number of Attendees" of FY2020/21 have been adjusted to reflect actual situation.

<sup>&</sup>lt;sup>5</sup> The "Total Number of Industry Visits Organised" and the "Total Number of Attendees" of FY2020/21 have been adjusted to reflect actual situation.

### **Operational Performance Data (continued)**

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23
Total Number of Companies Take Part in Advisory Groups (AGs)	Number	61	109	127
- Total Number of Representatives	Number	103	197	256
<ul> <li>Total Hours of AG General</li> <li>Meetings (Excluding Workshops and Policy Dialogues)<sup>6</sup></li> </ul>	Hours	20.5	21	20.5
- AG General Meeting Attendance Rate	%	49%	58%	43%
Total Number of Communication Activities <sup>7</sup>	Number	41	78	136
- Total Number of Topical Digests	Number	7	3	4
- Number of E-newsletters	Number	12	12	12
- Number of Media Coverage <sup>8</sup>	Number	22	60	112
Number of Page Likes on Facebook	Number	3,492	3,588	3,685
Number of Followers on LinkedIn	Number	4,411	6,320	7,751
Supply Chain				
Total Number of Suppliers (Hong Kong)	Number	270	253	257
Product Responsibility				
Number of Service-related Complaints Received	Number	0	0	0
Average Score of Quality Management System Project Client Feedback Form for Environmental Projects <sup>9</sup>	Score (1-5)	4.64	4.48	4.29
Anti-corruption				
Concluded Legal Case	Number	0	0	0
Community Investment		Ţ.		
Total Volunteer Hours donated to Community	Hour	0	0	23.5
Total Money donated to Community	HK\$	0	0	1,500

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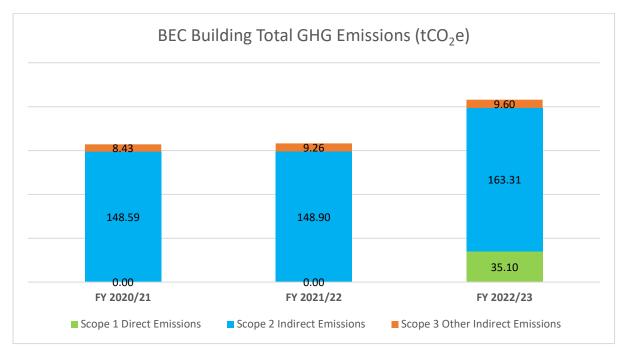
<sup>&</sup>lt;sup>6</sup> The "Total Hours of AG General Meetings (Excluding Workshops and Policy Dialogues)" and "AG General Meeting Attendance Rate" have been adjusted to reflect actual situation.

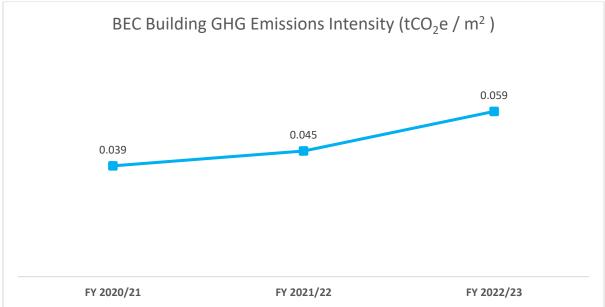
<sup>&</sup>lt;sup>7</sup> The "Total Number of Communication Activities" of FY 2020/21 has been adjusted to reflect actual situation.

<sup>&</sup>lt;sup>8</sup> The "Number of Media Coverage" of FY 2020/21 has been adjusted to reflect actual situation.

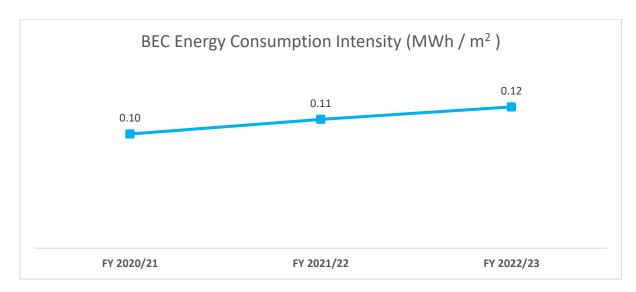
<sup>&</sup>lt;sup>9</sup> The "Average Score of Quality Management System Project Client Feedback Form for Environmental Projects" of FY 2020/21 and FY 2021/22 have been adjusted to reflect actual situation.

### **Environmental**

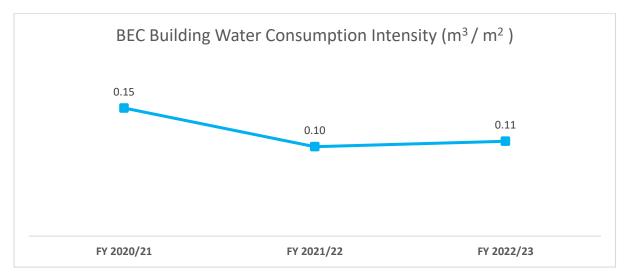




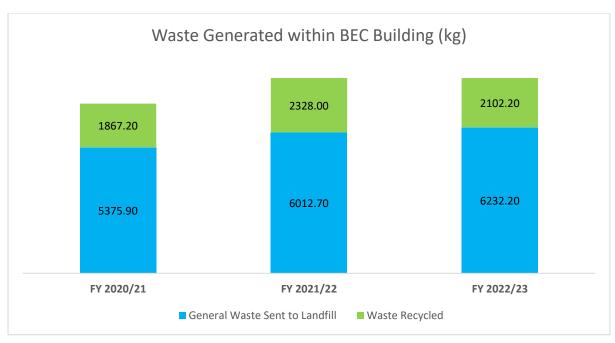
**Note:** The main reason for the increase in the BEC building's GHG emissions intensity in the reporting period is the addition of refrigerant to repair and maintain the normal operation of a faulty chiller in the BEC Building. This has resulted in a significant increase in GHG Scope 1 emissions. The GHG emissions include Scope 1, Scope 2 and Scope 3 emissions generated from BEC and its tenants.



**Note:** The main reason for the increase in BEC building's energy consumption intensity during the reporting period is the comprehensive resumption of BEC's onsite operations, as all pandemic restrictions have been lifted within the reporting period. The energy consumption includes the electricity used by BEC and its tenants.

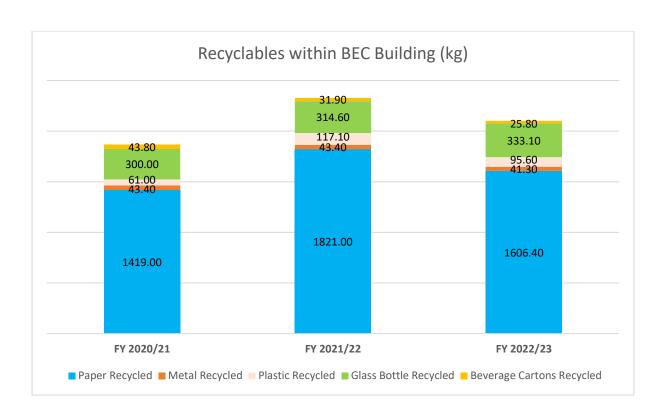


**Note:** The main reason for the increase in BEC building's water consumption intensity during the reporting period is the comprehensive resumption of BEC's onsite operations, as all pandemic restrictions have been lifted within the reporting period. The water consumption includes water used by BEC, its tenants and building users. Number of BEC building users is an estimate based on event attendees, visitors to the building, and IEE course participants.





Note: Includes waste generated by BEC, its tenants and building users.



#### **Environmental Performance Data**

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23			
Greenhouse Gas (GHG) Emissions <sup>10</sup>							
Scope 1 Direct Emissions							
- Scope 1 Direct Emissions	tCO₂e	0.00	0.00	35.10			
Scope 2 Indirect Emissions							
- Scope 2 Indirect Emissions (Electricity Purchased)	tCO₂e	148.59	148.90	163.31			
Scope 3 Other Indirect Emissions							
- From Waste Generated in Operation	tCO₂e	8.06	9.02	9.35			
- From Processing Freshwater	tCO₂e	0.12	0.08	0.08			
- From Processing Sewage	tCO <sub>2</sub> e	0.25	0.16	0.17			
Total Scope 3 Other Indirect Emissions	tCO₂e	8.43	9.26	9.60			
Total GHG Emissions	tCO₂e	157.02	158.16	208.01			
GHG Emissions Intensity	tCO₂e/m²	0.039	0.045	0.059			
Change of Total GHG Emissions	tCO₂e	N/A	1.14	49.85			
Percentage of Change in GHG Emissions	%	N/A	0.73%	31.52%			
Energy							
Total Energy Consumption <sup>11</sup>	MWh	381.00	381.81	418.74			
Energy Consumption Intensity	MWh/m <sup>2</sup>	0.10	0.11	0.12			
Change of Total Energy Consumption	MWh	N/A	0.81	36.93			
Percentage of Change in Energy Consumption	%	N/A	0.21%	9.67%			

<sup>&</sup>lt;sup>10</sup> The sources of emissions factors includes: *How to prepare on ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs* issued by the HKEX, *Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong* issued by the University of Hong Kong and the City University of Hong Kong, *Sustainability Report 2023* issued by the CLP Holdings Limited, *Annual Report 2022/23* issued by the Water Supplies Department, and the *Sustainability Report 2022-23* issued by the Drainage Services Department. The GHG data of FY2020/21 and FY2021/22 has been adjusted based on the emissions factors mentioned above.

<sup>&</sup>lt;sup>11</sup> The "Total Energy Consumption" of FY 2021/22 has been adjusted to reflect actual situation.

### **Environmental Performance Data (continued)**

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23	
Non-hazardous waste					
Total Non-hazardous Waste (BEC Building)	kg	7,243.10	8,340.70	8,334.40	
- General Waste Sent to Landfill <sup>12</sup>	kg	5,375.90	6,012.70	6,232.20	
- Paper Recycled	kg	1,419.00	1,821.00	1,606.40	
- Metal Recycled <sup>13</sup>	kg	43.40	43.40	41.30	
- Plastic Recycled	kg	61.00	117.10	95.60	
- Glass Bottle Recycled	kg	300.00	314.60	333.10	
- Beverage Carton Recycled <sup>14</sup>	kg	43.80	31.90	25.80	
Waste Generation Intensity	kg/m²	1.81	2.35	2.35	
Total Waste Recycling Rate (BEC Building)	%	25.78%	27.91%	25.22%	
Total Waste Recycling Rate (BEC Office)	%	32.32%	35.27%	27.62%	
Water					
Total Water Consumption <sup>15</sup>	$m^3$	590.50	366.25	388.50	
Water Consumption Intensity <sup>16</sup>	$\mathrm{m}^3/\mathrm{m}^2$	0.15	0.10	0.11	

<sup>&</sup>lt;sup>12</sup> The "General Watse Sent to Landfill", "Paper Recycled", "Metal Recycled" of FY 2021/22 have been adjusted to reflect actual situation.

<sup>&</sup>lt;sup>13</sup> The "Metal Recycled" and "Plastic Recycled" of FY 2020/21 have been adjusted to reflect actual situation.

<sup>&</sup>lt;sup>14</sup> Starting from the FY 2022/23, a new category, "Beverage Cartons Recycled", has been disclosed.

<sup>&</sup>lt;sup>15</sup> The "Water Consumption" of FY 2020/21, FY 2021/22, and FY 2022/23 have been adjusted to reflect actual situation

<sup>&</sup>lt;sup>16</sup> The "Water Consumption Intensity" of FY 2020/21, FY 2021/22, and FY 2022/23 have been adjusted to reflect actual situation.

# Workplace

### **Workplace Performance Data**

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23
Workforce Profile				
Total Workforce <sup>17</sup>	Number	52	57	53
By Gender		•		
- Male	Number	22	20	19
	%	42.31%	35.09%	35.85%
- Female	Number	30	37	34
- remaie	%	57.69%	64.91%	64.15%
By Employment Type (A)				
- Permanent (Male)	Number	21	20	18
Termanent (male)	%	40.38%	35.09%	33.96%
- Permanent (Female)	Number	19	28	27
Termanene (Fernale)	%	36.54%	49.12%	50.94%
- Temporary (Male)	Number	1	0	1
. emperary (mare)	%	1.92%	0.00%	1.89%
- Temporary (Female)	Number	9	4	6
remperary (remaie)	%	17.31%	7.02%	11.32%
- Non-guaranteed hours (Male)	Number	0	0	0
Tron Baaranteea noars (male)	%	0.00%	0.00%	0.00%
- Non-guaranteed hours (Female)	Number	2	5	1
	%	3.85%	8.77%	1.89%
By Employment Type (B)	<del> </del>			
- Full-time (Male)	Number	22	20	19
	%	42.31%	35.09%	35.85%
- Full-time (Female)	Number	28	32	30
	%	53.85%	56.14%	56.60%
- Part-time (Male)	Number	0	0	0
	%	0.00%	0.00%	0.00%
- Part-time (Female)	Number	2	5	4
	%	3.84%	8.77%	7.55%
By Age Group				
- Under 30	Number	21	27	21
	%	40.38%	47.37%	39.62%
- 30-49	Number	25	25	27
	%	48.08%	43.86%	50.94%
- 50 or above	Number	6	5	5
	%	11.54%	8.77%	9.44%
By Employee Category	Name le en			
- Senior Management	Number	8 1F 399/	14.03%	16.00%
	%	15.38%	14.03%	16.98%
- Middle Management	Number	10	15	14
	%	19.23%	26.32%	26.42%
- General	Number	34	34	30
General	%	65.39%	59.65%	56.60%

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<sup>&</sup>lt;sup>17</sup> All BEC staff work in Hong Kong.

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23	
Gender Distribution of BEC's Governance Body (Board of Directors)					
BEC Board of Directors	Number	20	20	18	
By Gender					
- Male	Number	17	17	17	
- Male	%	85.00%	85.00%	94.44%	
- Female	Number	3	3	1	
- remaie	%	15.00%	15.00%	5.56%	
By Age Group					
- Under 30	Number	0	0	0	
- Officer 30	%	0.00%	0.00%	0.00%	
- 30-49	Number	2	2	2	
- 30-43	%	10.00%	10.00%	11.11%	
- 50 or above	Number	18	18	16	
- 50 01 above	%	90.00%	90.00%	88.89%	
Gender Distribution of BEC's Governan	ce Body (Manag	gement Team)			
By Gender					
- Male	Number	5	6	5	
- iviale	%	62.50%	75.00%	55.56%	
- Female	Number	3	2	4	
- remaie	%	37.50%	25.00%	44.44%	
By Age Group					
- Under 30	Number	0	0	0	
- Officer 30	%	0.00%	0.00%	0.00%	
- 30-49	Number	3	4	5	
- 30-43	%	37.50%	50.00%	55.56%	
- 50 or above	Number	5	4	4	
- 30 01 above	%	62.50%	50.00%	44.44%	
Ratio of Average Basic Salary of Wome	en to Men				
Average Basic Salary of Women to Men (All Full-time Staff)	Ratio	0.72	0.71	0.78	

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23
Turnover <sup>18</sup>				
	Number	18	23	20
Total Number of Turnover / Rate	%	34.62%	40.35%	37.74%
By Gender				
- Male	Number	4	9	7
- iviale	%	18.18%	45.00%	36.84%
- Female	Number	14	14	13
- Female	%	46.67%	37.84%	38.24%
By Age Group				
- Under 30	Number	17	16	14
- Officer 50	%	80.95%	59.26%	66.67%
- 30-49	Number	1	6	6
- 50-49	%	4.00%	24.00%	22.22%
FO or above	Number	0	1	0
- 50 or above	%	0.00%	20.00%	0.00%
New Hires				
Total Number of New Hires / Rate	Number	18	33	20
Total Number of New Aires / Rate	%	34.62%	57.89%	37.74%
By Gender				
- Male	Number	4	8	6
- ividie	%	18.18%	40.00%	31.58%
- Female	Number	14	25	14
- remaie	%	46.67%	67.57%	41.18%
By Age Group				
- Under 30	Number	15	24	13
- Officer 50	%	71.43%	88.89%	61.90%
- 30-49	Number	3	8	7
- 30-43	%	12.00%	32.00%	25.93%
- 50 or above	Number	0	1	0
- 50 01 85046	%	0.00%	20.00%	0.00%

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 $<sup>^{18}</sup>$  The turnover and new hire figures encompass all BEC staff, including permanent, temporary, and non-guaranteed hours staff.

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23
Parental Leave				
Total Number of Employees that were entitled to Parental Leave within the Reporting Period	Number	51	54	52
By Gender		<del>,</del>		
- Male	Number	22	20	19
- Female	Number	29	34	33
Total Number of Employees that took Parental Leave within the Reporting Period	Number	2	2	2
By Gender				
- Male	Number	0	0	1
- Female	Number	2	2	1
Total Number of Employees that Returned to Work in the Reporting Period after Parental Leave ended	Number	2	2	2
By Gender				
- Male	Number	0	0	1
- Female	Number	2	2	1
Total Number of Employees that Returned to Work after Parental Leave end that were still Employed 12 months after their return to work	Number	0	1	2
By Gender				
- Male	Number	0	0	1
- Female	Number	0	1	1
Total Number of Employees due to Return to Work after taking Parental Leave within the Reporting Period	Number	2	2	2
By Gender				
- Male	Number	0	0	1
- Female	Number	2	2	1
Return to Work Rate	%	100.00%	100.00%	100.00%
By Gender				
- Male	%	N/A	N/A	100.00%
- Female	%	100.00%	100.00%	100.00%
Retention Rate	%	0.00%	50.00%	100.00%
By Gender				
- Male	%	N/A	N/A	N/A
- Female	%	0.00%	50.00%	50.00%

KPIs	Unit	FY 2020/21	FY 2021/22	FY 2022/23		
Occupational Health and Safety						
Number of lost days due to work injury	Days	0	0	0		
Number of work-related fatalities	Number	0	0	0		
Rate of work-related fatalities	%	0	0	0		
Training <sup>19</sup>						
Percentage of Employees Trained	%	92.31%	91.23%	92.45%		
By Gender						
- Male	%	100.00%	100.00%	100.00%		
- Female	%	86.67%	86.49%	88.24%		
By Employee Category						
- Senior Management	%	100.00%	100.00%	100.00%		
- Middle Management	%	100.00%	100.00%	92.86%		
- General Staff	%	88.24%	85.29%	90.00%		
Average Training Hours Completed per Employee	Hours	21.92	18.26	22.23		
By Gender						
- Male	Hours	25.45	22.35	26.21		
- Female	Hours	19.33	16.05	20.00		
By Employee Category						
- Senior Management	Hours	40.00	29.38	37.11		
- Middle Management	Hours	23.60	19.07	21.29		
- General Staff	Hours	17.18	15.29	18.20		
<b>Employees Receiving Regular Performa</b>	nce and Caree	r Development Re	views			
Percentage of Employees Receiving Regular Performance and Career Development Reviews (Eligible Staff) <sup>20</sup>	%	100.00%	100.00%	100.00%		
By Gender						
- Male	%	100.00%	100.00%	100.00%		
- Female	%	100.00%	100.00%	100.00%		
By Employee Category						
- Senior Management	%	100.00%	100.00%	100.00%		
- Middle Management	%	100.00%	100.00%	100.00%		
- General	%	100.00%	100.00%	100.00%		

<sup>&</sup>lt;sup>19</sup> Only full-time employees are required to take training.

<sup>&</sup>lt;sup>20</sup> Full-time staff who have completed their probation period are entitled to regular performance and career development reviews.