

DIAGNOSTIC STUDY FOR SME SUSTAINABILITY SURVEY

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Partnership for Sustainability
Leadership in Business
商界永續發展領袖計劃

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EXECUTIVE SUMMARY

The business sustainability agenda has been steadily gaining traction. While the spotlight continues to shine on the role of listed companies, small and medium-sized enterprises (SMEs), which are the critical engine of economic progress, are still only sporadically recognised as players in the attainment of sustainability goals.

Although SMEs have made important contributions to social and environmental well-being, their unique challenges and constraints have not been widely studied. Therefore, it is important to gain a better understanding of the role and potential of SMEs in fostering positive social, environmental and economic changes for a more sustainable future. In this light, the Diagnostic Study aims to (i) gauge and examine SMEs' perceptions, practices and approaches to the attainment of Environmental, Social, and Governance (ESG) and sustainability goals within their business, (ii) identify factors affecting SMEs' incentives and abilities to become 'responsible businesses' and promote sustainability changes along the value chain.

Based primarily on the findings of a territory-wide SME Sustainability Survey, the key takeaways of this Diagnostic Study are:

SME sustainability landscape -

- (i) SMEs in Hong Kong are focused more on short-term survival than on managing long-term social-ecological risks to business resilience.
- (ii) SMEs are in general content with what they have achieved in business sustainability. Usually, on average, SMEs (i) with a larger employment size, (ii) engaged in business/industry associations or sustainability oriented initiatives/schemes/programmes, or (iii) with a higher perceived level of effectiveness, adopted more sustainability practices.
- (iii) No particular industry sector has an impressive performance across the five dimensions: "Governance", "Workplace Culture", "Customer-supplier Relationships", "Resource Management" and "Innovation". Nevertheless, SMEs tend to perform better in resource management and relatively worse in innovation and corporate governance.
- (iv) With regard to the practices adopted by most SMEs across the five dimensions, the majority can be categorised as 'incremental' improvements that are relatively quick and easy fixes. It is noteworthy that achieving sustainability requires systemic changes in ways the companies manage ESG risks and opportunities as well as in their governance processes. Standard frameworks are needed so that the impact of a company's sustainability practices can be adequately gauged, and 'sustainability washing' or 'ESG washing' can be avoided.



Bottlenecks for sustainability implementation -

- (i) SMEs are yet to realize the growth opportunities and long-term benefits of embedding sustainability into the business core. It highlights the importance of developing a comprehensive business case for more concrete ESG and sustainability integration.
- (ii) Companies' sustainability progress is being held back by a lack of ESG mind sets. There is a strong need to nurture more ESG talents among the SME owner-managers for driving sustainability actions.
- (iii) Resource constraints (e.g. financial, time) and knowledge gaps are major barriers to advancing sustainability goals. While high upfront costs and investments in sustainability projects is a critical issue, SMEs generally lack a solid understanding of how and where to invest resources that will drive purposeful changes.
- (iv) The absence of standardized sustainability benchmarks to assess the viability of practices and performance is another hurdle. There have been repeated calls for setting industry-specific benchmarks and impact measurement tools to measure businesses' contributions to the environment and society.
- (v) Financial support and recognition are key to fostering sustainability practices in SMEs.

Based on this sustainability landscape and these bottlenecks, the Diagnostic Study Report puts forth recommendations for enhancing the SME sector's capacity to implement sustainability measures:

- (i) Building a knowledge and solutions platform, which brings together an array of reliable information and evidence-based resources to inspire business practitioners to engage in sustainability.
- (ii) Establishing an action-oriented sustainability coalition, which aims to foster a collaborative, innovative and creative ecosystem of multiple stakeholders for driving sustainable businesses and industry-specific, issue-based impact programmes.
- (iii) Revisiting assessment and benchmarking tools to look beyond inputs and outputs and to place greater emphasis on the true sustainability impact of a company.

INTRODUCTION

1.1. Striving for Business Sustainability

Business sustainability has come a long way since the dawn of environmentalism in the 1970s. The environmental movement was initially focused on pollution problems and has since transitioned into the pursuit of corporate social responsibility (CSR) through philanthropic acts. Currently, the discussion around the term 'ESG'¹ suggests that instead of purely going green, or being a responsible steward, business sustainability involves three dimensions: (i) the environment performance (carbon emissions, resource efficiency, biodiversity conservation), (ii) social impact (workplace safety, employee engagement, diversity and inclusion, customer satisfaction, data and privacy), and (iii) good governance (business' leadership and structure, bribery and corruption prevention, corporate accountability, risk management).

Over the past two years, the COVID-19 pandemic has revealed vulnerabilities in global supply chains and public health systems. On a parallel path, businesses and society alike are facing increasingly complex transboundary challenges, including climate urgency, digital disruption, economic downturn and widening social injustices. All these have impacted the ways sustainability is understood and acted upon. The onus is on companies to reinvent their business in ways that minimize or internalize negative externalities associated with their products, services, and practices across their value chains

as well as to drive positive benefits for society and the environment.

Mainstreaming sustainability in business does not necessarily come at the expense of profitability. This is not a zero-sum game as ESG or sustainability practices can potentially open up new sources of revenue, attract employees and investors, retain customers and market shares, and gain access to new market opportunities².

1.2. Impulse for Change: Key Sustainability Trends Driving Business Transformation

The World Economic Forum Global Risks Report 2022³ revealed that climate action failure, extreme weather events, biodiversity loss and ecosystem collapse were considered the top three global risks, with potentially the most severe impacts, over the next decade. The Sustainability Institute by ERM published the Sustainability Trends Report, which detailed key sustainability business trends for 2022⁴ and highlighted the most dynamic issues influencing corporate sustainability. As large corporates have gradually embraced business sustainability, SMEs are facing the challenges of getting on the bandwagon and positioning themselves in the drive for a sustainable value chain.

1 The Global Compact. (2004). Who Cares Wins The Global Compact Connecting Financial Markets to a Changing World. https://www.unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf

2 Centre for Civil Society and Governance, The University of Hong Kong. (2021). Sustainability Roadmap and Action Planning Guidebook, page 4-11. https://ccsg.hku.hk/pslb/wp-content/uploads/2021/06/PSLB_Toolkit-2_Full-Version.pdf

3 World Economic Forum. (2022). The Global Risks Report 2022 17th Edition – Insight Report. https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf

4 ERM. (2022). What's Next for Sustainable Business? 2022 Trends Report. <https://www.sustainability.com/globalassets/sustainability.com/thinking/pdfs/2022/esi-sustainability-trends-report-2022-2.pdf>

- *Towards Stakeholder Capitalism and Sustainable Value Chains*—the rise of ‘stakeholder capitalism’⁵ has driven a re-examination of the prevailing corporate-governance model. A paradigm shift towards a stakeholder-centric model has pushed business leaders to expand their missions to the creation of value not only for shareholders but also for customers, suppliers, employees, and the broader communities. The shift has emphasized the importance of internalizing ESG and sustainability considerations into (i) the company’s strategy (including resource allocation, risk management, performance evaluation, and reporting processes); and (ii) value chain management (including employee empowerment, supplier’s compliance and collaboration, and customer engagement).
- *Valuing Human Capital*—the social and economic challenges posed by the coronavirus pandemic have fundamentally changed the nature and characteristics of the way we work. Workplace and worktime flexibility, a shift to gig economy and digitalization, and business employment policies have all been attracting more attention and scrutiny. Businesses will need to develop

clear guidelines for remote and flexible working to prevent operational disruption. The provision of technical and mental health support has also emerged as a critical priority. These have highlighted the urgent need to recognise and mitigate the material ESG risks to which businesses are exposed.

- *Accelerating Transition to Net Zero*—following the release of the sixth climate assessment report by the Intergovernmental Panel on Climate Change (IPCC), and the UN Climate Change Conference in Glasgow (COP26), the stage is set for 2022 to be a critical year for urgent climate action. The business sector is facing pressure from investors, regulators and the broader public to act on climate change. Globally, over 3,000 businesses and financial institutions are working with the Science Based Targets initiative (SBTi) to reduce emissions across their value chains in line with climate science⁶.
- *Intensifying Scrutiny of Sustainability Credentials*—reporting and disclosure on ESG issues have gained strong momentum in the past decade. Nevertheless, unlike auditing financial statements, no standardized report formats and



⁵ Grandori, A. (2005). Neither Stakeholder Nor Shareholder ‘Theories’: How Property Right and Contract Theory can Help in Getting Out of the Dilemma. *Journal of Management and Governance*, 9(1), 41-46.

⁶ Science Based Targets Initiative. (2022). Companies taking action. <https://sciencebasedtargets.org/companies-taking-action>

structures exist for the presentation of ESG information. The proliferation of incomparable, or sometimes conflicting frameworks risks ESG reporting fatigue. Against this background, the Global Reporting Initiative (GRI) framework remains the most widely used tool, albeit being general in scope. In contrast, the more recently established Sustainability Accounting Standards Board (SASB) standards zoom into the financial materiality of ESG factors and provide industry-specific guidelines. Private agencies such as Morgan Stanley Capital International (MSCI) also offer benchmarking services for a broad range of company behaviours based on a list of ESG criteria. The market has been urging harmonization among these standards and assessment methodologies.

- *Sustainable Investing Boom*—the ESG movement has grown into a global investing norm with global ESG assets on track to exceed US\$53 trillion by 2025, representing more than a third of the \$140.5 trillion in projected total assets under management (AUM). As sustainable investing (e.g. ESG funds, impact investing) continues to grow both regionally and locally, a flourishing industry of ESG ratings and consultancies have sprung up to assist investors to better understand the sustainability levels of the companies they invest in. Nevertheless, increased investors' appetite for more transparent, consistent and comparable data has spurred companies to evolve their ESG reporting strategy and disclose information more deeply and consistently. There has been a significant demand for greater corporate disclosure based on a unified approach, coupled with verification mechanisms to avoid sustainability or ESG washing⁷.

1.3. Embracing ESG and Sustainability: Why it Matters for SMEs?

Given the fact that implementing ESG and sustainability practices delivers proven value, global corporate leaders have increasingly viewed these as a necessity rather than a feel-good exercise. Companies are moving from quick fixes or incremental enhancements towards bolder, systemic approaches that enable them to better manage the risks and opportunities.

With ESG rapidly becoming a dominant trend and considering the evolving demand from myriad stakeholders (see **Annex** for key ESG milestones in Hong Kong), both large corporations and the upstream and downstream SME business partners (e.g. manufacturers, suppliers, transporters, warehouses and retailers) have worked to guarantee a supply chain that conforms to ESG norms. The inability to demonstrate compliance with respective environmental and social standards, or failing to enhance visibility and transparency in operations could risk the SMEs losing business and investment opportunities. Thus, it is reasonable to expect that companies of all sizes and sectors, ranging from SMEs to family businesses and corporate giants, will accelerate their transformation by investing in proven climate and ESG solutions and technologies, as well as embedding sustainability into the corporate DNA.

⁷ ABT Capital Markets Inc. (n.d.). Green, Blue, Pink and Social Corporate Washing
<https://www.abtmarkets.com/abt-blog/green-blue-pink-and-social-corporate-washing>

1.4. About the Diagnostic Study

The business sustainability agenda has been steadily gaining traction. Yet, attention largely remains on corporate giants such as Multinational Corporations (MNCs) and publicly-traded companies. Despite the fact that SMEs are the engines of economic growth, their roles and contributions to the attainment of sustainability goals have only been sporadically recognised and are certainly under-researched. It is, therefore, important to gain a better understanding of the roles and potentials of SMEs in fostering positive social, environmental and economic changes for a more sustainable future.

1.4.1. Study Objectives

A recent business survey⁸ involving the top management of SMEs in Hong Kong⁹ has revealed that 94% of SMEs were not aware of or had insufficient knowledge about ESG. Currently, only 9% of the SMEs have put ESG into practice; 83% of the SMEs had not felt the pressure to implement ESG. What are the drivers and barriers influencing SMEs' decisions to adopt ESG practices? Does the way SME perceive sustainability affect their commitment to sustainability? What are the ESG and sustainability practices that SMEs in Hong Kong have adopted most? These are all important questions that have thus far been left unanswered.

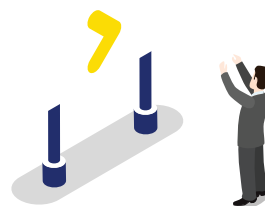
In an effort to fill this knowledge gap, the Diagnostic Study aims to (i) gauge and examine SMEs' perceptions, practices and approaches to the attainment of Environmental, Social, and Governance (ESG) and sustainability goals within

their businesses, (ii) identify factors affecting SMEs' incentives and abilities to become 'responsible businesses' and promote sustainability changes along the value chain. The findings of this study will provide a baseline for future research and market analysis on SMEs' sustainability efforts and achievements.

1.4.2. Methodology

The Diagnostic Study primarily draws upon the results and findings of a Territory-wide SME Sustainability Survey in Hong Kong (hereafter 'the Survey'). As part of the PSLB Programme initiated by the Centre for Civil Society and Governance (CCSG) at The University of Hong Kong (HKU), the Survey aims to solicit views from the owners/C-suites/senior management of a random sample of SMEs in Hong Kong on four aspects:

- (i) How SMEs' owner-managers perceive sustainability and the role that the business sector can play in achieving sustainable development;
- (ii) What are the sustainability policies, practices and initiatives that the SMEs have put in place;
- (iii) What are the drivers and barriers for SMEs to adopt and invest in sustainability practices and initiatives; and
- (iv) What incentives and support can help SMEs integrate sustainability into their operations, strategies and business models.



⁸ Hong Kong Productivity Council. (2022). Standard Chartered Hong Kong SME Leading Business Index Quarter 1, 2022 Report. https://www.hkpc.org/sites/default/files/2022-01/scb_sme_index_report_2022q1_en.pdf

⁹ Data are collected from 817 SMEs using publicly available SME directories and HKSAR Census database. The sample is stratified by the Hong Kong Standard Industrial Classification (HSIC) version 2.0, and based on the number of SME establishments in Hong Kong. The stratified sample covers eleven categories namely: 1) Manufacturing, 2) Construction, 3) Import / Export Trade and Wholesale, 4) Retail, 5) Transportation, Storage and Courier Services, 6) Accommodation and Food Services, 7) Information and Communications, 8) Financing and Insurance, 9) Professional and Business Services, 10) Real Estate, 11) Social and Personal Services

The target respondents of the Survey cover (i) enterprises that are not listed or affiliated to listed entities (e.g. subsidiaries, joint venture); and (ii) enterprises with number of employees between 11 and 500.

A two-stage stratified disproportionate sampling design was adopted. In the first stage, a list of Commercial and Industrial (C&I) buildings was randomly sampled by geographical area. In the second stage, a list of addresses was randomly sampled from the sampled buildings to form a list of sampled enterprises. Invitation letters with survey links were sent to the sampled SMEs. The respondents could either scan the QR code and self-administer the questionnaire through the survey platform or contact the hotline to arrange telephone or face-to-face interviews.

The Survey was conducted in the period from 8 November 2021 to 4 April 2022. A total of 498 buildings across 18 districts were randomly sampled. For each sampled building, 20 addresses were randomly sampled. After screening, 2,254 enterprises were deemed eligible for the Survey. A total of 1,400 SMEs were successfully enumerated, which gave a response rate of 62.1%.

In this study, the terms “sustainability” and “ESG” which refer to non-financial risks and/or opportunities arising from the environmental, social and governance aspects that may impact an entity are used interchangeably. The definition was adapted from ‘Enterprise Risk Management – Applying enterprise risk management to environmental, social and governance-related risks’ published by The Committee of Sponsoring Organizations of the

Treadway Commission (COSO) and World Business Council for Sustainable Development (WBCSD)¹⁰.

1.4.3. Organization of the Report

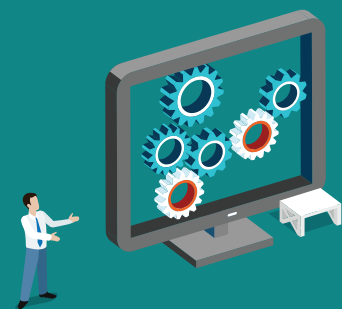
The Diagnostic Report has four chapters with details as follows:

Chapter 1 – ‘Introduction’ sets the stage and discusses how sustainability affects the business landscape.

Chapter 2 – ‘Landscape Analysis’ offers a glimpse of the current state of sustainability and ESG efforts in Hong Kong’s SME sector.

Chapter 3 – ‘The Bottlenecks’ discusses the drivers and barriers to the implementation of ESG and sustainability, as well as the incentives and support needed to help SMEs integrate sustainability into their operations, strategies and business models.

Chapter 4 recommends potential solutions and consider possible ways forward.



¹⁰ COSO and WBCSD. (2018). Enterprise Risk Management – Applying enterprise risk management to environmental, social and governance-related risks. https://docs.wbcsd.org/2018/10/COSO_WBCSD_ESGERM_Guidance.pdf

LANDSCAPE ANALYSIS OF SME SUSTAINABILITY IN HONG KONG

SMEs are the backbone of Hong Kong's economy and a key driving force for the city's economic development. As of 2021, there were over 340,000 SMEs in Hong Kong, accounting for over 98% of the total business establishments and 45% of workforce in the private sector.

While SMEs take on substantial economic importance, they have long been missing from the sustainability discourse. Based primarily on the Survey conducted by HKU CCSG, this section sheds light on two areas: (i) Hong Kong's SMEs' perceptions of sustainability challenges and the priority action areas for driving sustainability in their businesses, and (ii) the current situation on the uptake of ESG and sustainability in Hong Kong's SMEs.

2.1. Background of SME Respondents

Of the 1,400 surveyed SMEs, most of them are in (i) the import/export, wholesale and retail trades sector (42.7%), followed by (ii) the finance, insurance real estate and business services sector (24.3%); and (iii) the community, social and personal services sector (13.2%). Over two-thirds (71.3%) of the SMEs had 11-20 employees, 21.1% had 21-50 employees and 7.6% had 51-500 employees.

Industry Sector

| Industry Groups | Industry | % |
|--|---|-------|
| Agriculture and fishing | Agriculture, forestry and fishing | 0.0% |
| Mining and quarrying | Mining and quarrying | 0.0% |
| Manufacturing | Manufacturing | 2.2% |
| Electricity, gas and water | Electricity and gas supply | 0.1% |
| | Water supply; sewerage, waste management and remediation activities | 0.0% |
| Construction | Construction | 6.6% |
| Import/export, wholesale and retail trades | | 42.7% |
| Accommodation and food service activities | | 4.5% |
| Transportation, storage and communications | Transportation, storage, postal and courier services | 2.6% |
| | Information and communications | 3.9% |

Responded no.: 1400
Q no.: A1

| Industry Groups | Industry | % |
|---|---|------|
| Financing, insurance, real estate and business services | Financial and insurance activities | 7.0% |
| | Real estate activities | 4.4% |
| | Professional, scientific and technical activities | 8.3% |
| | Administrative and support service activities | 4.6% |
| Community, social and personal services | Public administration | 0.0% |
| | Education | 1.4% |
| | Human health and social work activities | 2.2% |
| | Arts, entertainment and recreation | 3.3% |
| | Other service activities | 6.3% |
| | Work activities within domestic households | 0.0% |
| | Activities of extraterritorial organisations and bodies | 0.0% |

SMEs' engagement in various sustainability-oriented activities or organizations has been minimal. Less than one-third (30.7%) of them indicated that they were involved in some sustainability activities or organizations; the remaining 69.3% had not had any engagement experience.

Engagement in Various Activities



Ref: E3 / Base: 1400 SMEs

| % | Currently Engaged | | No Engagement | | |
|---|--------------------------|--------------------------|---------------------|------------|-------------|
| | Engaged more than a year | Engaged less than a year | Planning on joining | Interested | No interest |
| Member of a business association/ industry association or similar organisation | 21.3% | | 78.7% | | |
| | 15.4% | 5.9% | 30.8% | 29.5% | 18.4% |
| Government-led sustainability-oriented initiatives/ schemes/ programmes | 11.9% | | 88.1% | | |
| | 6.5% | 5.4% | 22.5% | 45.6% | 20.0% |
| Voluntary sustainability oriented initiatives/ schemes/ programmes organised and run by other organisations | 9.8% | | 90.2% | | |
| | 3.8% | 6.0% | 23.0% | 39.7% | 27.5% |
| Development of industry standards/ code of conduct/ regulations | 11.3% | | 88.7% | | |
| | 4.2% | 7.1% | 26.4% | 34.1% | 28.2% |
| Sustainability-oriented initiatives/ schemes/ programmes organised and run by your industry | 7.1% | | 92.9% | | |
| | 1.9% | 5.2% | 23.0% | 39.2% | 30.7% |
| Participated as a mentee in a mentoring scheme | 7.2% | | 92.8% | | |
| | 3.5% | 3.7% | 22.3% | 40.4% | 30.1% |
| Collaborating and building networks with actors such as other SMEs, large corporations, NGOs etc. | 7.0% | | 93.0% | | |
| | 3.3% | 3.7% | 22.5% | 39.4% | 31.1% |
| Participate in a voluntary environmental / social programme | 9.2% | | 90.8% | | |
| | 3.5% | 5.7% | 22.4% | 37.1% | 31.3% |
| A member of an environmental / social group | 7.6% | | 92.4% | | |
| | 4.0% | 3.6% | 20.6% | 38.1% | 33.7% |

Ref: E3 / Base: 1400 SMEs

2.2. Perceptions on Sustainability Challenges and Priority Action Areas

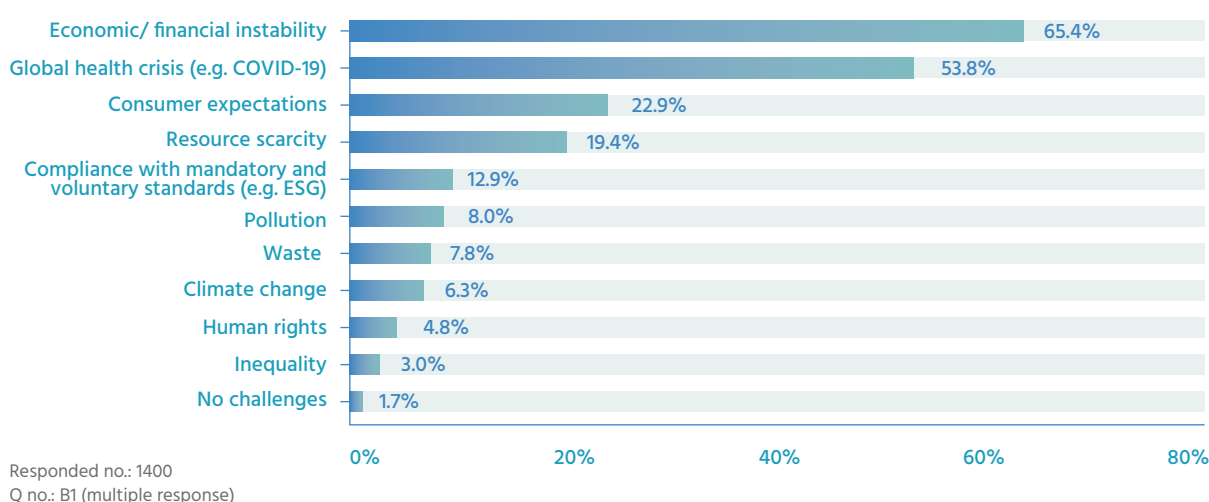
Summarised below are two key observations from the Survey findings on SMEs' perceptions of sustainability challenges and priority action areas.

2.2.1. Insensitivity to Long-term Social-ecological Risks

A majority of the SMEs (98.3%) indicated that they were facing some sort of sustainability challenge.

Regardless of the industry sectors the SMEs belonged to, the two most concerning issues were economic and financial instability (65.4%) and global health crisis (e.g. COVID-19) (53.8%). This result suggests that SMEs have been struggling to stay resilient and to recover from the global economic slowdown and the disruptions brought by the pandemic.

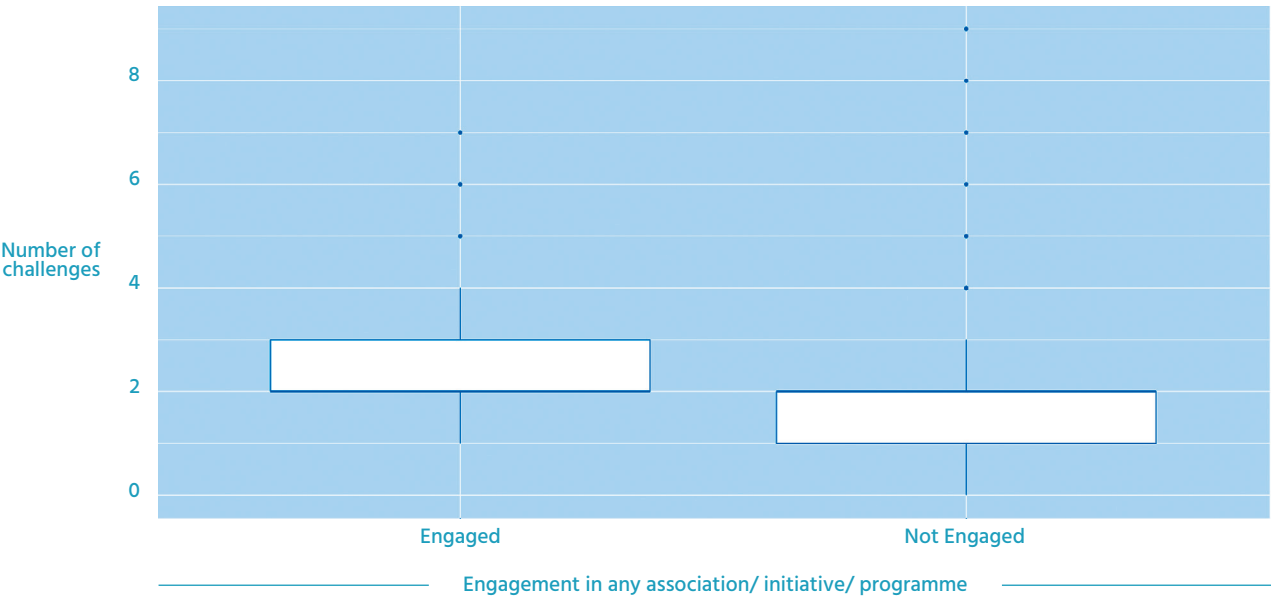
Perceived Sustainability Challenges



In contrast, **long-term social-ecological risks such as pollution, climate change, human rights and inequality received relatively little attention from the SMEs; less than 10% of them identified these risks as a sustainability challenge.** It suggests that SME owner-managers focused more on short-term survival than business resilience. For instance, they were less concerned about the potential physical risks induced by climate change, despite the fact that increased heatwaves, droughts and floods could bring disruptions to the global supply chain. By the same token, while social issues such as inequalities at workplace were not perceived to be a major challenge for SMEs; insensitivity to equalities could have adverse implications for their businesses in the long run, including damages to their company reputation, staff morale and productivity. **This finding suggests the need to educate SMEs about the importance of integrating ESG concerns into their risk management practices so that they can be alert to potential risks early on and able to take mitigation measures.**

The boxplot below helps unpack the relationship between perceived sustainability challenges faced by the SMEs and engagement in any business/industry associations or sustainability-oriented initiatives/schemes/programmes. It is evident that **the SMEs that have engaged in these organizations or activities tend to be able to identify more sustainability challenges, showing a more comprehensive understanding of sustainability-related risks and opportunities.**

Relationship between Perceived Sustainability Challenges and Engagement in Business/Industry Associations or Sustainability-oriented Programmes

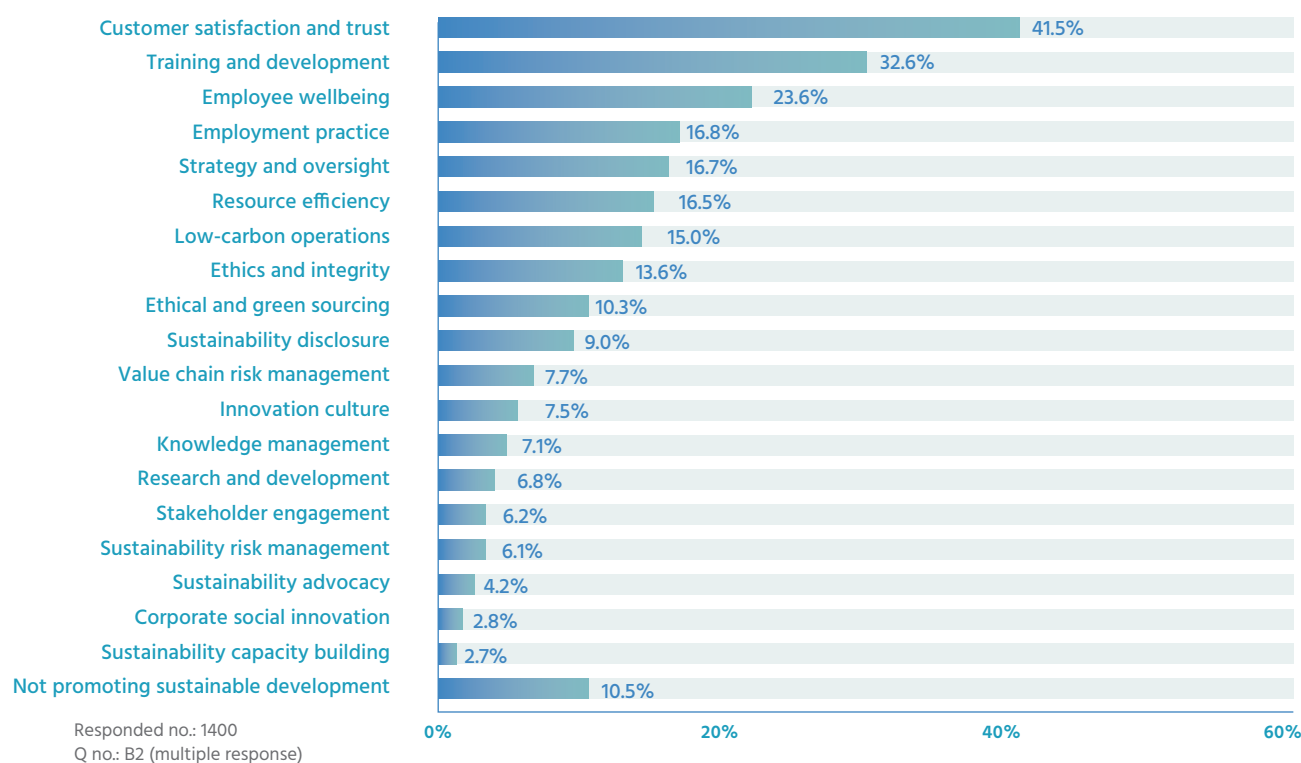


2.2.2. The ‘S’ in ESG is on the Rise

With regard to the key action areas for driving sustainability in business, the top three choices are ‘customer satisfaction and trust’ (41.5%), ‘training and development’ (32.6%) and ‘employee wellbeing’ (23.6%). The findings suggest that the SMEs were keen to align their operations with what their customers care for, and to invest in their employees through continued education, skills development, and better management of employees’ physical and mental health. All these areas fall within the ‘S’ of ESG and are now among the most pressing issues, which SMEs cannot ignore.



Priority Areas for Driving Sustainability in Business



2.3. Current Situation on the Uptake of ESG and Sustainability in the SME Sector

Sustainability issues are rapidly changing the business landscape. This section takes a deeper dive into the current ESG and sustainability practices adopted by the SMEs in Hong Kong.

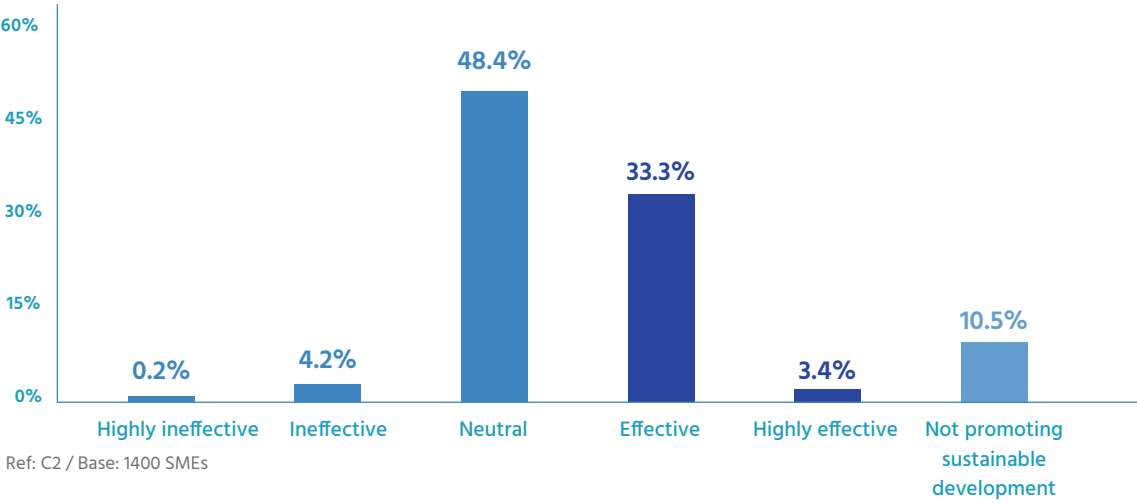
2.3.1 SMEs Tend to Perceive Themselves as Effective at Advancing Sustainability Goals

Earlier studies have suggested that the adoption of sustainability initiatives is positively associated with financial performance and the size of the customer base. However, due to a lack of uniform reporting and disclosure standards, it is not uncommon that some companies have made unsubstantiated or exaggerated claims of 'green', 'ethical' and 'risk management' practices.

Taking a closer look at the SME sector, the Survey reveals that, while nearly half of the SMEs (48.4%) were neutral regarding their overall effectiveness at advancing sustainability goals, **a substantial proportion of the SMEs were satisfied with their sustainability performances. Over one-third of the SMEs (36.7%) rated themselves as effective, as compared to 4.4% as ineffective.**

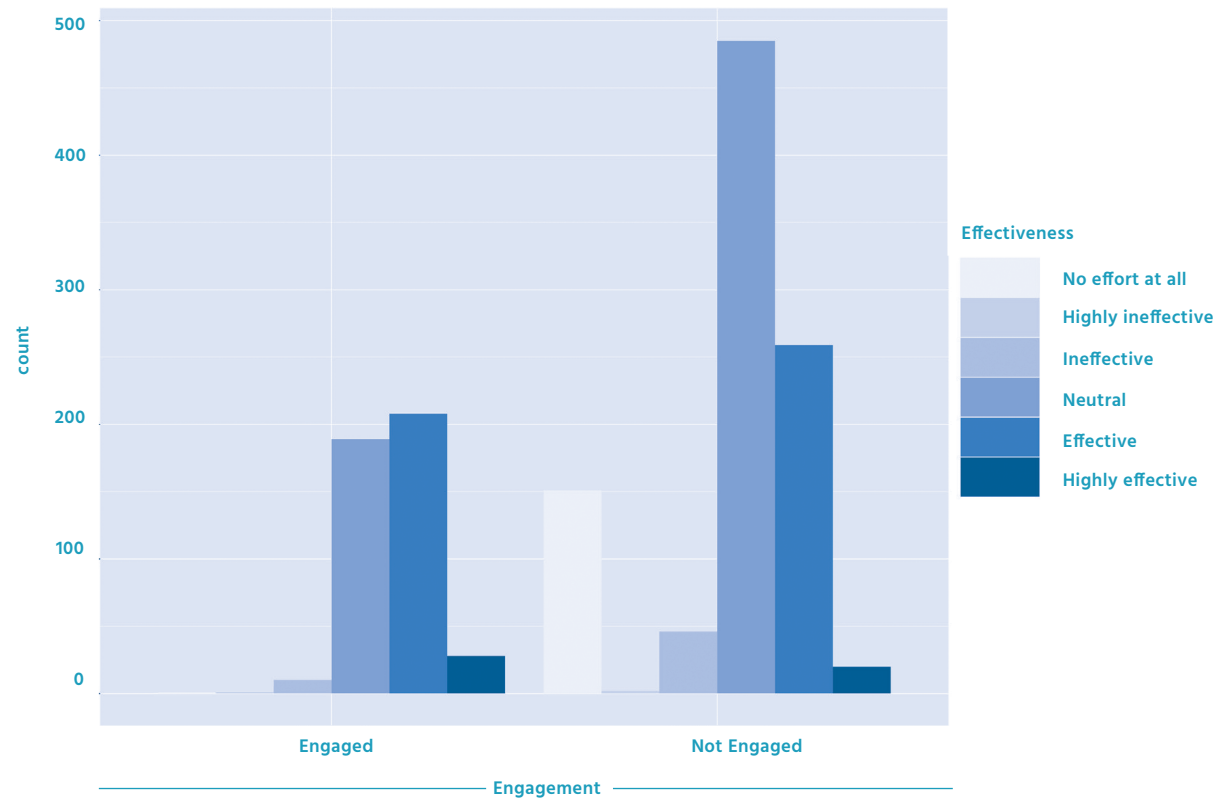
In addition, when analyzed by employment size, **the overall perceived effectiveness of sustainability performances was higher in larger companies. No significant differences in perceived effectiveness of sustainability performances between industries were found.**

Perceived Effectiveness at Advancing Sustainability Goals



With reference to the dodge bar graph below, **SMEs that were engaged in business/industry associations or sustainability-oriented initiatives/schemes/programmes have a higher level of perceived effectiveness for advancing sustainability goals than those that did not participate in any associations or activities.**

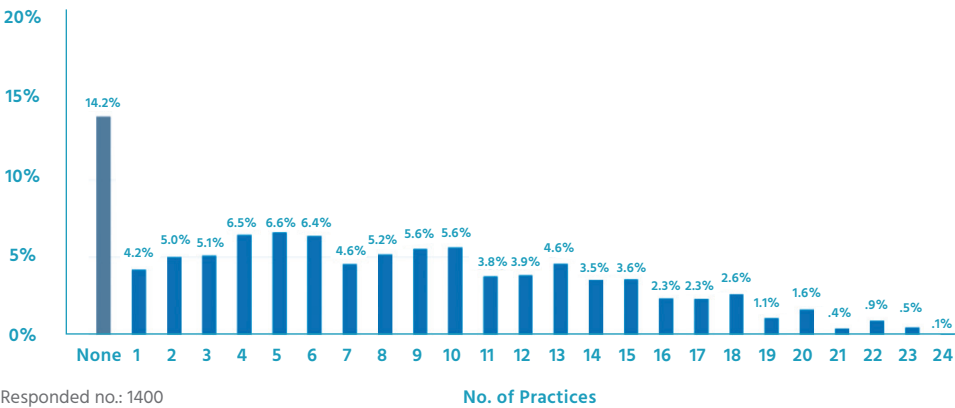
Relationship between Perceived Effectiveness and Engagement in Business/Industry Associations or Sustainability-oriented Programmes



2.3.2. SMEs Tend to Perform Better in Resource Management and the Larger the Company Size, the More Sustainability Practices Adopted

Regarding sustainability practices that the SMEs have put in place, of the 24 practices across the five dimensions (“Governance”, “Workplace Culture”, “Customer-supplier Relationships”, “Resource Management” and “Innovation”), 14.2% of the SMEs had not applied any of the practices and 27.4% of them had adopted only 1-5 practices. The average number of sustainability practices adopted was 7.7 across all industries.

Total Number of Sustainability Practices Adopted



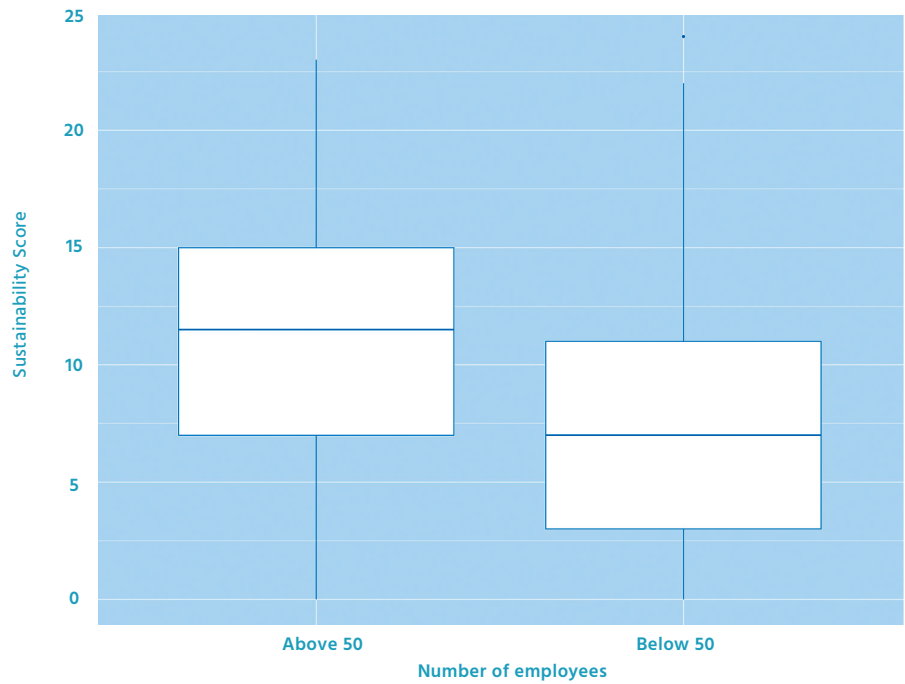
With reference to the heatmap below, no specific industry sector attained a particularly impressive performance across all five dimensions. Overall, the SMEs tended to perform better in resource management and worse in innovation and corporate governance.

Relationship between Sustainability Score and Industry Sector

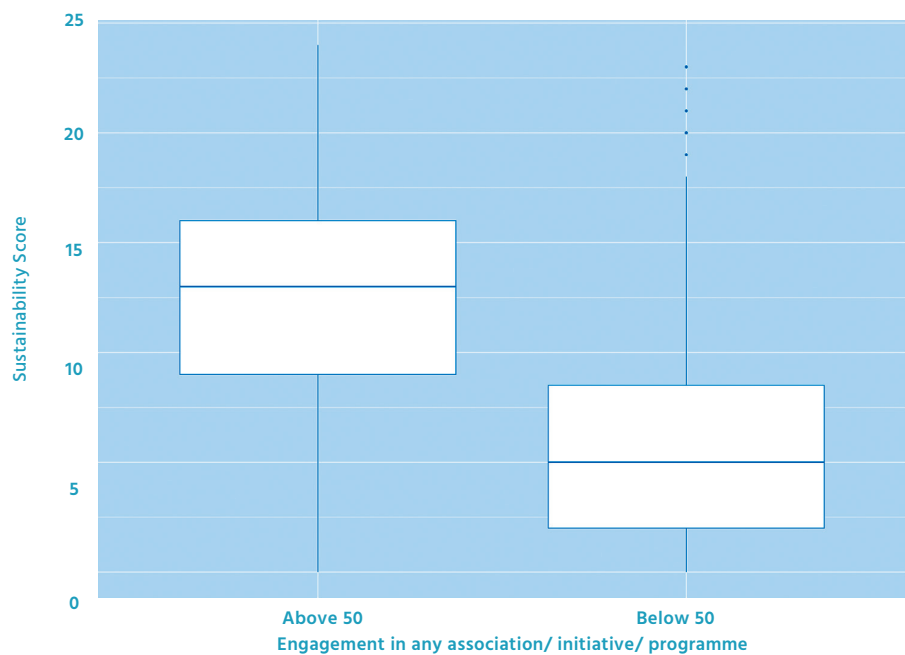


It is also noteworthy that **SMEs (i) with a larger employment size, (ii) engaged in business/industry associations or sustainability oriented initiatives/schemes/programmes, or (iii) with a higher perceived level of effectiveness, on average tended to adopt more sustainability practices and hence performed better in the sustainability score.**

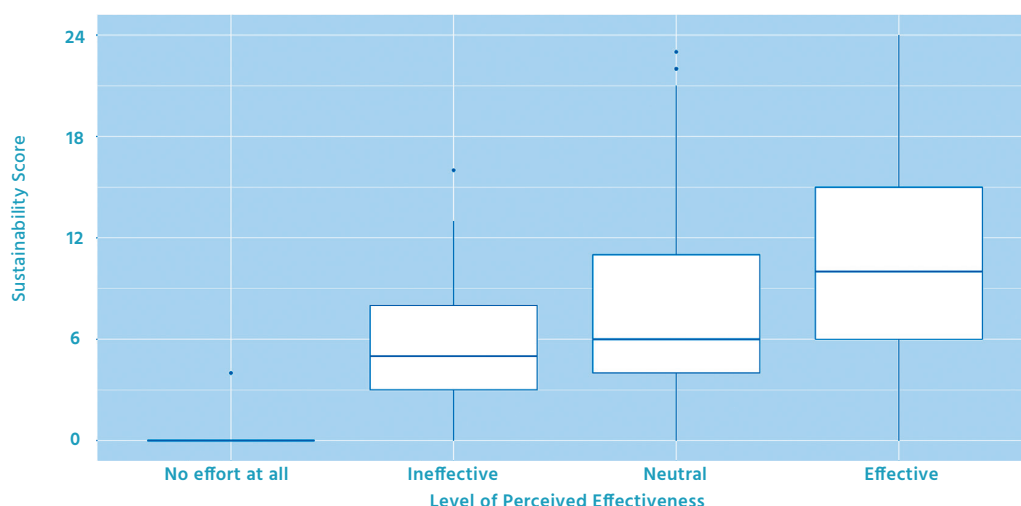
Relationship between Sustainability Score and Company Size



Relationship between Sustainability Score and Engagement in Business/Industry Associations or Sustainability-oriented Programmes

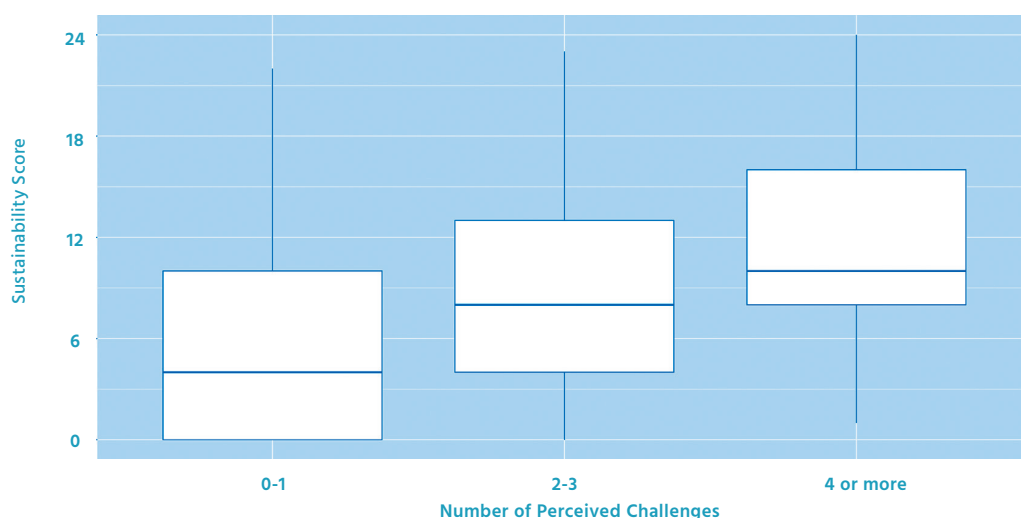


Relationship between Sustainability Score and Perceived Sustainability Effectiveness



Last but not least, as reflected by the boxplot and correlation coefficient below, there is a moderate positive relationship between the number of perceived sustainability challenges and the sustainability score (calculated by the total number of sustainability practices adopted).

Relationship between Sustainability Score and the Number of Perceived Sustainability Challenges



Correlation coefficient between the two variables (both as numeric variables) = 0.29

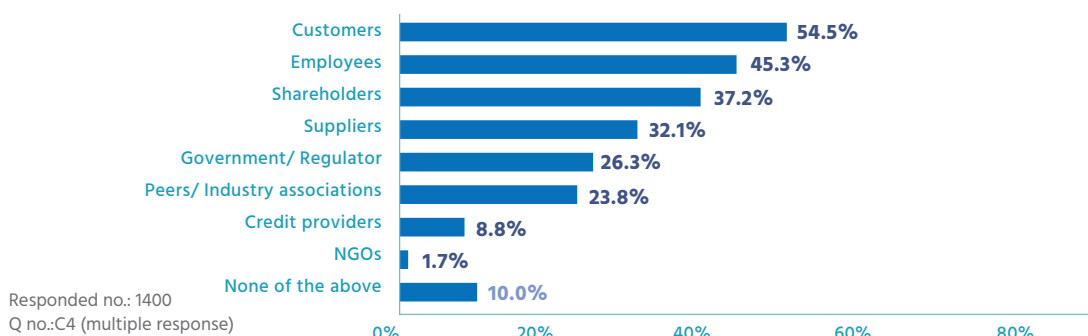
2.3.3. Governance – One in Five SMEs Had Incorporated Sustainability into its Mission Statement and/or Governance Structure

With respect to the sustainability practices adopted under ‘Governance’, **over one-fifth of the SMEs indicated that they had a vision and mission statement addressing business-related sustainability issue(s) (20.8%) or had established a governance structure in the form of board of directors, advisory committee or the like for planning and oversight of the company (22.6%). Fewer SMEs (16.8%) indicated that they had some sort of sustainability disclosures through company website, standalone report or by other means.**

Surprisingly, **of those SMEs with no such practice, over 40% had no plans for implementation despite** increasing demands from investors, clients, customers and other stakeholders for greater transparency in ESG performance and climate risks faced by companies along their value chain.

The Survey also suggests that decision-making of **SMEs is mostly based on customers' demand (54.5%) and employees' opinions (45.3%), which is in a sharp contrast to the shareholder- or investor-driven mode of decision-making often observed in large corporates.** Adopting a customer-centric mind set is critical, as consumers are increasingly concerned about the impact of their consumption on the environment. Employee-focused corporate culture also ascends to new levels of internal influence as "purpose-driven" employees are motivated not just by remuneration packages but also their company's commitment to sustainability concerns. It is expected that SMEs that hold themselves accountable to these stakeholders by embracing ESG will be more viable and resilient in the long term.

Considerations on Stakeholders' Opinions when Making Decisions



2.3.4. Workplace Culture – SMEs Have Been Sluggish in Building a People-centred and Collaborative Workplace

As an essential component of the movement towards sustainable development, a robust workplace culture built upon trust, equity and diversity, can improve teamwork, increase productivity and foster talent retention.

With respect to the sustainability practices on employee recruitment and promotion, the Survey reveals that **about half of the SMEs claimed that they had taken steps to ensure equal treatment for all**—regardless of an applicant or employee's sex, age, religion, ethnicity or disabilities; over one-fourth of the SMEs did not review the effectiveness of recruitment and promotion practices periodically.

When it comes to building a people-centred and collaborative workplace, **only 37.6% of the SMEs had invested resources or developed policies and practices to create a family-friendly environment** (e.g. flexible working hours, childcare leave, lactation room); these measures are deemed essential to employee well-being, especially during the COVID pandemic.

The Survey also reveals that **about 60% of the SMEs did not provide any vocational training or performance review to support employee career advancement (60.9%); close to 70% of them had not set up a cross-functional team to cultivate collaboration and enable employees to gain wider exposure to various job roles.** The lack of capacity building for their workforce may impose systemic ESG risks to SMEs.

Degree of Adoption on Workplace Culture

| Workplace Culture | Adopted | | Not adopted | | Not sure |
|--|-------------------------------------|---|--------------------------------------|------------------|----------|
| | Effectiveness reviewed periodically | Effectiveness not reviewed periodically | Considering or planning to implement | No plan to do so | |
| Recruit individuals based on their ability, experience and performance, regardless of their sex, age, religion, ethnicity or disabilities | 45.3% | | 52.1% | | 2.6% |
| | 19.2% | 26.1% | 33.4% | 18.7% | |
| Promote individuals based on their ability, experience and performance, regardless of their sex, age, religion, ethnicity or disabilities | 46.6% | | 51.2% | | 2.2% |
| | 19.2% | 27.4% | 26.7% | 24.5% | |
| Develop a programme(s) or provide resource(s) to create a family-friendly work environment (e.g. flexible working hours, childcare leave, lactation room etc.) | 37.6% | | 55.5% | | 6.9% |
| | 13.6% | 24.0% | 24.5% | 31.1% | |
| Provide training, performance review or appraisal to employees that prepare them for future assignments and career development | 35.2% | | 60.9% | | 3.9% |
| | 12.4% | 22.8% | 31.2% | 29.7% | |
| Use cross-functional team to enhance employee's collaboration and exposure | 27.2% | | 67.4% | | 5.4% |
| | 10.0% | 17.2% | 31.7% | 35.7% | |

Responded no.: 1400
Q no.: C5

2.3.5. Customer-Supplier Relationships – One in Four SMEs Had Required Their Suppliers to Report on Social and Environmental Practices

Companies have a growing responsibility not just to improve their bottom line but also to promote sustainable production and consumption behaviours that contribute to a healthier and liveable world. As large corporates are increasingly setting science-based targets for its Scope 1-3 emissions and making explicit commitment to respecting human and labour rights, **their supply chains have become a natural target for reducing emissions and incorporating more socially responsible practices.** Large corporates are under increasing pressure to drive sustainability practices among their SME business partners, such as through the Supplier Code of Conduct—a set of common rules, practices and principles with respect to ethics, social responsibility (e.g. safe working conditions, fair and respectful treatment of employees) and protection of the environment. SMEs are encouraged to have their own Supplier Code of Conduct in place, to ensure that they conduct business in accordance with the highest ethical, social and environmental standards and require the same compliance throughout their entire supply chain. The Survey shows that **about a quarter of the SMEs have required their suppliers to acknowledge the company's Code of Conduct (24.4%); and to disclose information and data about their environmental and social performances (e.g. carbon emission levels, employee health and safety measures)(25.5%).**

Consumer engagement is vital to business sustainability success. As we probed deeper into the importance of shaping consumer habits, **more than half of the SMEs (53.3%) indicated that they had put in place mechanisms and procedures to handle complaints,** which helped to manage customer trust, satisfaction and loyalty. It has been increasingly accepted that knowledge on product care and repair helps increase product lifespans and reduce waste, and that the use of sustainable packaging (e.g. recyclable/ compostable/ biodegradable) can contribute to the slowdown of natural resource depletion.

However, less than a quarter of the SMEs (22.5%) had rolled out consumer-targeting promotion and education programmes that aim to build consumer awareness of business-related sustainability issues.

Degree of Adoption on Customer-supplier Relationships

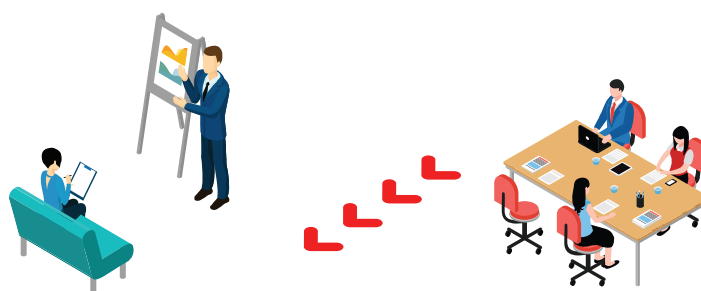
| Customer-supplier Relationships | Adopted | | Not adopted | | Not sure |
|--|-------------------------------------|---|--------------------------------------|------------------|----------|
| | Effectiveness reviewed periodically | Effectiveness not reviewed periodically | Considering or planning to implement | No plan to do so | |
| Have customer complaint handling procedures | 53.3% | | 44.5% | | 2.2% |
| | 26.0% | 27.3% | 30.7% | 13.8% | |
| Promote customers' understanding of business-related sustainability issue(s) through promotional or educational activities | 22.5% | | 72.7% | | 4.8% |
| | 5.7% | 16.8% | 37.2% | 35.5% | |
| Require all suppliers to acknowledge the company's ethical code of conduct (i.e. a guide of principles setting out the expected ethical behaviour at work and when conducting business activities) | 24.4% | | 68.3% | | 7.3% |
| | 5.9% | 18.5% | 32.7% | 35.6% | |
| Require suppliers to provide comprehensive information and data about their societal and environmental practices (e.g. carbon emissions, health and safety) | 25.5% | | 66.8% | | 7.7% |
| | 5.8% | 19.7% | 32.9% | 33.9% | |

Responded no.: 1400
Q no.: C7

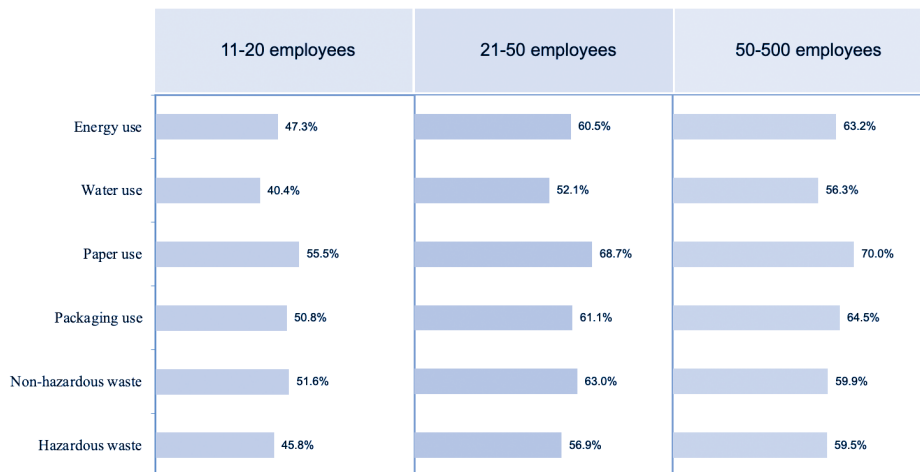
2.3.6. Resource Management – Larger SMEs Were More Likely to have Adopted Sustainability Practices in Monitoring Resource Consumption and Waste Generation

The Survey results have shown that **SMEs with a larger company size (51-500 employees) were more likely to have adopted sustainability practices in monitoring resource consumption and waste generation.** Over half of the SMEs indicated that they had monitored the use of paper (59.4%), packaging (54%) and energy (51.3%), while 44.1% of them had monitored the use of water. **Among the SMEs with a monitoring mechanism in place, only 20-30% of them had reduced the consumption of these resources; an even smaller proportion of the SMEs had both reduced consumption and adopted renewable or recycled resources (i.e. in paper use (9.8%), packaging use (6.5%), energy use (3.2%) and water use (2.9%)).**

Similar patterns can be found in non-hazardous waste (e.g. plastic, food waste) and hazardous waste (e.g. toner cartridge, electronic waste, chemical waste). While about half of the SMEs had monitored the generation of these wastes, **little effort was made to reduce waste disposal to landfill or to avoid generation at source.** It seems that monitoring did not lead to waste reduction attempts.



Adoption Rate on Resource Management by Company Size



Responded no.: 1400
Q no.: C8 and C9

2.3.7. Innovation – Slow Uptake in Sustainability Innovations in SMEs

New thinking on achieving long-term business growth while creating environmental and social benefits is essential for companies to become truly sustainable. In light of the sustainability challenges the world is facing, companies, both large and small, have to develop innovative solutions that are economically, environmentally and socially viable.

The Survey suggests that a **majority of the SMEs did not undertake any sustainability initiatives for innovation in their company**. Improving work processes, such as through digitalization is by far the most common practice (25%), followed by donating resources (e.g. money or materials) to non-profits (16.5%). **Only about one-tenth of the SMEs (11.4%) expressed that they had made the first move in developing or implementing sustainability innovations**, be it a new product, service, technology or production method. **Only a very small number of the SMEs (2.6%) indicated that they had a product, service or project addressing specific social or environmental issue(s)**. Moreover, among the SMEs who had not adopted these two practices, about 40% of them did not have plan to do so.

Degree of Adoption on Innovation

| Resource Management | Adopted | | Not adopted | | Not sure |
|---|-------------------------------------|---|--------------------------------------|------------------|----------|
| | Effectiveness reviewed periodically | Effectiveness not reviewed periodically | Considering or planning to implement | No plan to do so | |
| Improve work processes with experimentation and innovation (e.g. digitalisation) | 25.0% | | 68.0% | | 7.0% |
| | 5.7% | 19.3% | 35.6% | 32.4% | |
| Budget for employees to attend courses or training on a sustainability issue(s) | 15.7% | | 74.9% | | 9.4% |
| | 5.0% | 10.5% | 29.0% | 45.9% | |
| Donate resources (e.g. money or materials) to NGOs | 16.5% | | 75.9% | | 10.6% |
| | 5.3% | 11.2% | 25.6% | 47.3% | |
| Take part in volunteer work | 12.4% | | 76.6% | | 10.9% |
| | 4.0% | 8.4% | 28.4% | 48.3% | |
| Have a product(s), service(s) or project(s) to specific social or environmental issue(s) | 2.6% | | 77.9% | | 19.6% |
| | 1.1% | 1.5% | 31.30.9% | 46.6% | |
| Make the first move when developing or implementing sustainability innovations (new products and services, new techniques and technologies, production methods, etc.) | 11.4% | | 79.1% | | 9.5% |
| | 1.6% | 9.8% | 42.9% | 36.2% | |

Responded no.: 1400
Q no.: C10

2.3.8. Summary of Analysis Results

The findings of the Survey suggest that SMEs in Hong Kong are focused more on short-term survival than in managing long-term ecological-social risks to business resilience. In general, they are content with what they have achieved in business sustainability. SMEs (i) with a larger employment size, (ii) engaged in business/industry associations or sustainability oriented initiatives/schemes/programmes, or (iii) with a higher perceived level of effectiveness, on average, usually adopted more sustainability practices.

No particular industry sector has an impressive performance across the five dimensions: “Governance”, “Workplace Culture”, “Customer-supplier Relationships”, “Resource Management” and “Innovation”. Nevertheless, SMEs tend to perform better in resource management and relatively worse in corporate governance.

With regard to the practices adopted by most SMEs across the five dimensions, the majority of them can be categorized as ‘incremental’ improvements, which are relatively quick and easy fixes. It is noteworthy that achieving sustainability requires systemic changes in ways the companies manage ESG risks and opportunities as well as governance processes. Standard frameworks are needed so that the impact of a company’s sustainability practices can be adequately gauged, and ‘sustainability washing’ or ‘ESG washing’ be avoided.



THE BOTTLENECKS

Following the discussion on the landscape of SMEs sustainability, this chapter identifies the drivers and barriers to the adoption and implementation of ESG and sustainability. It also examines the incentives and support needed for SMEs to integrate sustainability into their operations, strategies and business models. The discussion in this chapter is based on the findings of the Survey conducted by HKU CCSG, and key takeaways gathered from the SVC Commitment and SME Sustainability Recognition Schemes under the PSLB Programme.

3.1. Drivers and Barriers to the Adoption and Implementation of Sustainability Standards and Practices

The two key questions are:

- (i) What has been holding SMEs back from making progress in adopting sustainability standards and practices?
- (ii) What can drive SMEs to move faster along the sustainability journey?

3.1.1. Insight 1: SMEs are Yet to Realize the Growth Opportunities and Long-term Benefits of Embedding Sustainability into their Business Core

A noteworthy finding from the Survey is that **nearly one-third of the SMEs (32.1%) disagreed with the statement that implementing sustainability measures would increase business competitiveness.** The doubts about whether sustainability can bring real benefits could be a factor limiting the adoption and implementation of sustainability in the SME sector. **SMEs are yet to realize the growth opportunities and long-term benefits brought by the practice of embedding sustainability in business strategy and operations despite the growing evidence listed below:**

- (i) Upstream/downstream SME suppliers meeting specific ESG requirements will be more favourable to international or local buyers, and eligible to obtain green loans or sustainability-linked loans;
- (ii) More resilient and agile supply chains will reduce the company's risks of disruption from extreme weather events, labour disputes, and COVID-19 lockdown measures; and
- (iii) Outstanding environmental strategies, social responsibility, and governance policies help companies differentiate their business, which can help attract like-minded customers, talents, partners and funds targeting sustainable opportunities.

In the absence of perceived business value, **whether sustainability practitioners within companies are able to develop a comprehensive business case for more concrete ESG and sustainability integration is of major importance. Best practice cases are particularly useful to justify how sustainability benefits the bottom line and as drivers for actions.** Nonetheless, without clear government signals, companies may have difficulty making the business case for advancing the sustainability agenda. Therefore, the Government plays a pivotal role in creating a framework and establishing a level playing field to encourage and facilitate actions from businesses for system-wide change. Designing effective incentive structures (e.g. performance-based incentives) is deemed essential for scaling business sustainability effort.

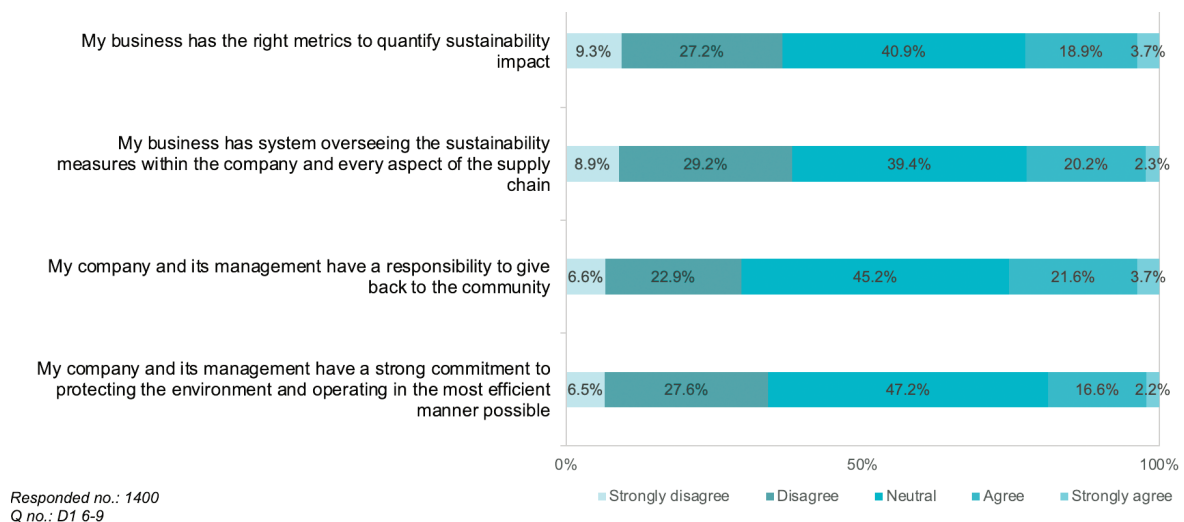
3.1.2. Insight 2: Company's Sustainability Progress is Being Held Back by the Lack of ESG Mindset

Putting ESG and sustainability into action requires attention and long-term support from the leadership of the company. This is particularly relevant for small businesses as their owner-manager usually plays an essential part in determining the company's long-term development. In other words, the leaders' values (i.e. personal goals of the business owner/ senior management) play an important role in guiding business decisions and shaping the work environment.

Interestingly, the Survey found that while Corporate Social Responsibility (CSR) has been around for decades, **a considerable proportion of SMEs thought that CSR is not necessary**; close to 30% of the surveyed SMEs disagreed that their company and the management have a responsibility to give back to the community. Moreover, nearly 35% of the SMEs disagreed that their company and the management have a strong commitment to protecting the environment and operating in the most efficient manner possible. Worse still, **over 35% of the SMEs disagreed that their company's leadership sees sustainability implementation as an important priority**. Taken together, the above survey findings point to the need to nurture more ESG talents in the SME sector for driving sustainability actions.

A considerable proportion of the SMEs (32.8%) indicated that they would implement/upscale sustainability initiatives or attain sustainability standards and certifications in accordance with the industry requirements or demands by business partners (e.g. listed/ large companies). This further implies that stakeholder pressure has a positive direct effect on companies' willingness to embrace sustainable business practices.

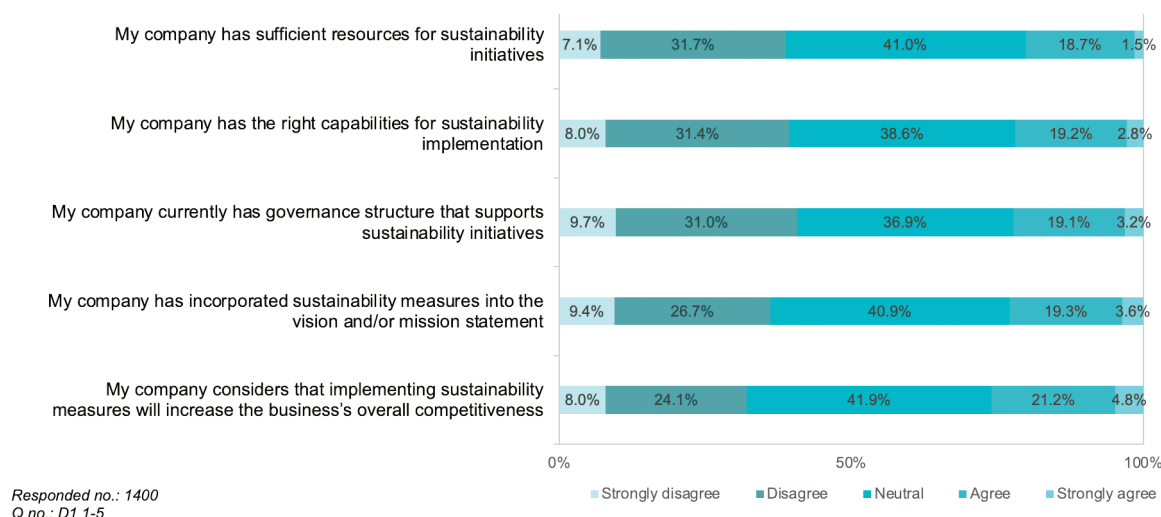
Company's Situation and Perception



3.1.3. Insight 3: Resource Constraints and Knowledge Gap Are Major Barriers to Advancing Sustainability Goals

From the Survey, a **significant proportion of the SMEs (38.8%) disagreed that their company had sufficient resources for sustainability initiatives, or the right capabilities for sustainability implementation (39.4%)**

Company's Situation and Perception (Continued)



Opinions gathered from the SMEs participating in the SVC Commitment and SME Sustainability Recognition Schemes echoed the Survey results. **While SMEs and entrepreneurs have been hit hard by social distancing measures implemented during the COVID pandemic, they are also frequently limited by a lack of resources (financial, time, knowledge and expertise) for adopting sustainability practices, and are unsure about how they can adopt such practices in a cost-efficient manner.**

(i) Financial

- Upfront costs and investments in a sustainability project, or research and development (R&D) for sustainability innovations are massive and sometimes unaffordable for SMEs.
- In addition, banks prefer large business customers who are considered to be more lucrative and less risky, hence, there have been repeated calls for instruments to improve SMEs' access to financing for projects or activities with positive environmental and social impacts.

(ii) Time

- When focusing on survival, SMEs are often unable to set aside time for R&D.
- It takes a long time to get a Return on Investment (ROI) for sustainability innovations (i.e. developing new products, services, or processes).

(iii) Knowledge and Expertise

- SMEs do not have a thorough understanding of how and where to invest resources that will drive purposeful change. Which sustainability actions to take and where to focus attention (i.e. ESG priorities) are the questions challenging many SMEs.
- Different industries and markets play by different sustainability standards and regulations.

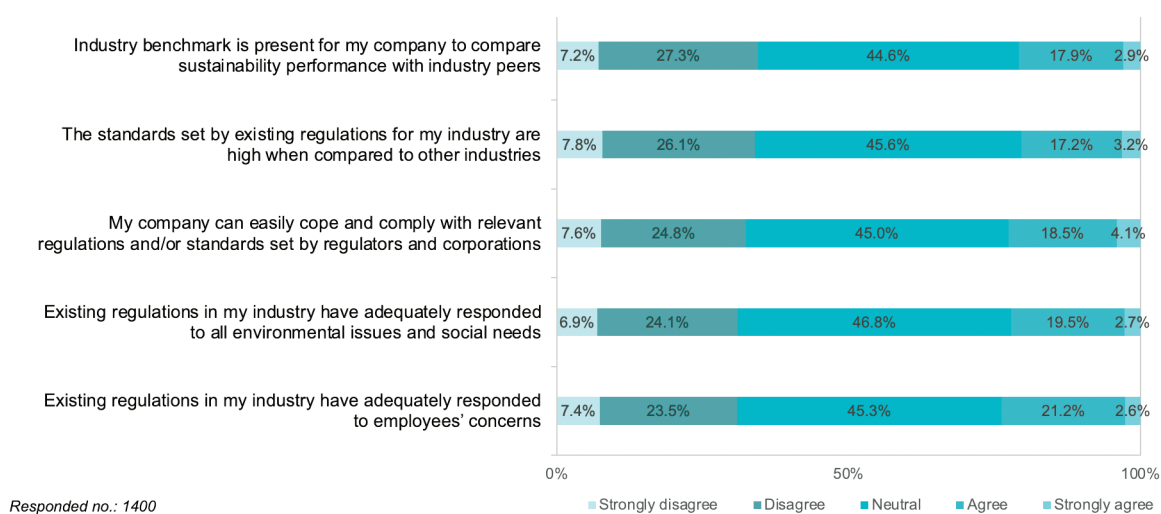
- Many SMEs lack skilled labour resources and relevant skillsets (understaffed, increased reliance on freelancers) to implement ESG and sustainability practices. Industry-specific guidance and human resource training are the most needed support.
- The lack of a one-stop shop for sustainability resources, such as platforms for sharing sustainability knowledge between large corporates and SMEs, address books of best partners and suppliers with similar sustainability goals, and a library of material alternatives that are sustainable.

3.1.4. Insight 4: The Absence of Standardized Sustainability Benchmarks to Assess Practices and Performances

The absence of suitable benchmarks and reliable metrics for performance measurements is commonly recognised as a major barrier to the adoption and implementation of sustainability standards and practices.

This is echoed by the survey results. **Over one-third of the SMEs disagreed with the statements that they had the right metrics to quantify the sustainability impact of their business (36.5%), and that industry benchmarks were present for companies to compare their sustainability performances with their industry peers (34.5%).**

Industry Benchmark and Regulation



Similar views were put forward by the SMEs participating in the SVC Commitment and SME Sustainability Recognition Schemes. Summarised below are the questions on benchmarking and impact measurement that were raised by most of the SME entrepreneurs:

- (i) How well are the ESG or sustainability initiative carried out by the company in response to the sustainability challenges?
- (ii) How can a company assess and compare the impact of its ESG or sustainability initiatives (such as inclusive workplace programme, clean energy project, ethical sourcing policy)?
At the company level, to what extent are the overall business strategy and sustainability efforts being made, via product, service and process innovations, contributing to the 17 United Nations Sustainable Development Goals (UNSDGs)?
- (iii) Is there a consistent framework for evaluating the accumulated impact of all ESG and sustainability initiatives undertaken by the company and the net positive impact of the company on the overall environment and society?
- (iv) While there are more standardized and consolidated strategies and tools for measuring the impact of companies in their environment (yet largely in terms of output rather than outcomes/ impact), the methodologies for measuring social impact are still in the early stages of development. In the absence of a blueprint definition of 'social sustainability', and a lack of comparable measurement indicators, it is difficult if not impossible for companies to assess the social performance of their ESG initiatives and value their contributions to the society at large.

What gets measured gets managed. For a company to thrive an effective sustainability assessment to examine its core business and different counterparts along the value chain is a must. Assessment helps a SME identify and capitalize on its internal strengths and external opportunities—technical advantages, supply chain management system, industry networks—that are crucial for long-term business growth and sustainability attainment. **As a crucial and decisive first step, benchmarking helps establish baselines, define industry best practices, and drive impactful projects and operations that are in line with sustainability principles. Hence, there have been repeated calls for industry-specific benchmarks and impact measurement tools to value business contributions to the environment and society at large.**

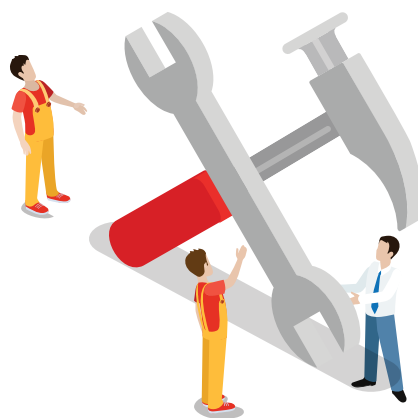
3.2. Incentives and Support for SMEs to Integrate Sustainability into their Operation, Strategy and Business Model

This section focuses primarily on the incentives and types of support for SMEs.

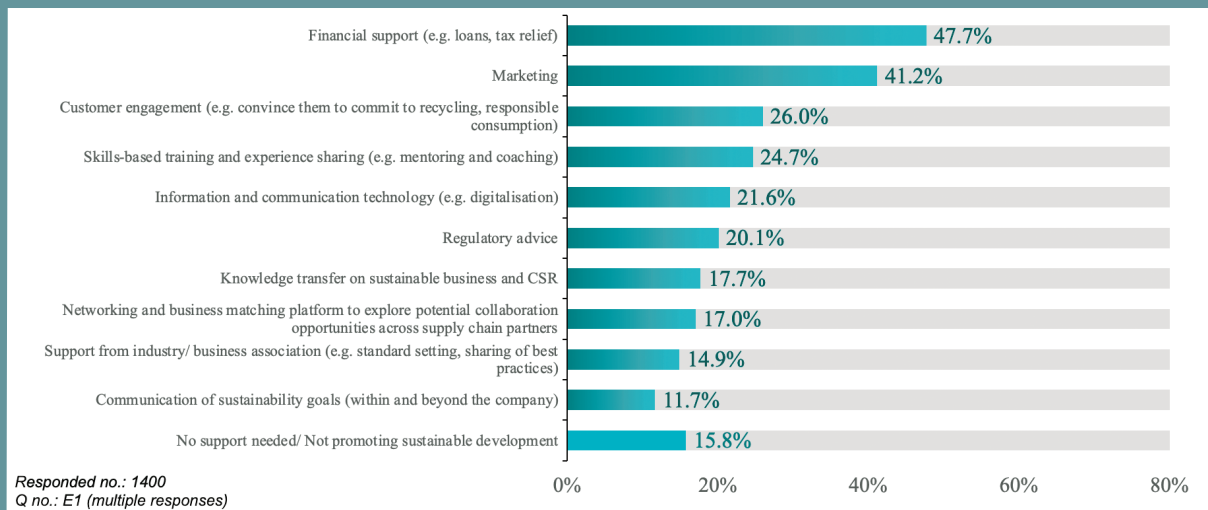
3.2.1. Insight 5: Financial Support and Recognition are Key to Fostering Sustainability Practices

In line with the discussion on resource constraints for sustainability implementation, **nearly half of the surveyed SMEs (47.7%) expressed that they needed financial support (e.g. loans, tax relief)** for integrating sustainability into their operation, strategy and business model. **A significant proportion of the SMEs (41.2%) needed marketing support for promoting environmental and socially responsible products, practices and brand values.** Other support measures included customer engagement such as educating end-consumers about recycling and responsible consumption (26%) and more intensive guidance through skills-based training and experience sharing, such as mentoring and coaching programmes (24.7%).

As to which organization should provide the support, **close to 70% of the SMEs suggested that the Government should play an active role, followed by business associations (30.8%), banks and financial institutions (30.8%), professional organizations (22.4%) and large corporates or organizations (21.3%).** This implies that the more effective way to encourage SMEs to integrate sustainability into their business is to offer financial incentives. The Government is urged to accelerate the development of Green and Sustainable finance and offer an actionable timeline and policy framework for the financial institutions and business organizations to follow.



Needs for Support on Integrating Sustainability into the Business Operations, Strategies and Business Model



While financing is a key prerequisite to optimise their business model and to drive sustainability innovations, **another contributory factor influencing SMEs to scale up sustainability actions is whether their efforts are being recognised**. Pinpointed by the SMEs participating in the SVC Commitment and SME Sustainability Recognition Schemes, a lack of recognition is a major challenge faced by smaller businesses in entrepreneurial ecosystems. Making sustainability efforts visible usually requires additional efforts from SMEs.

- (i) Addressing the visibility issue calls for channelling additional resources and investments in corporate branding and sustainability communication within and beyond the company.
- (ii) This also calls for a seal of approval or certification system to align the standards of business sustainability practices. In addition, such recognition would provide the platform for companies to showcase the company's contributions to sustainable development through such prisms as SDGs and ESG.

POTENTIAL SOLUTIONS AND MEASURES

Based on the bottlenecks discussed in the previous chapter, this chapter outlines the potential solutions and measures to enhance the SME sector's capacities in implementing sustainability.

4.1. New Approaches to Knowledge Building for Enhancing Business Resilience of SMEs

Accelerating business momentum towards sustainable development requires **knowledge and solutions platforms, which can bring together trusted information and evidence-based resources to inspire business practitioners to engage with sustainability.** The knowledge and solutions platforms shall include the following functions and elements:

- (i) Providing self-guided toolkits for companies, particularly SMEs, to conduct sustainability assessment and planning that adhere to sector or industry-specific requirements and standards;
- (ii) Collating and analyzing policy-related and/or sector- or industry-specific ESG or sustainability data to produce actionable insights;
- (iii) Promoting best practices and innovative solutions that are proven effective through robust research and evaluation;

(iv) Nurturing ESG talents through cross-disciplinary sustainability education and training programmes; and

(v) Creating synergies between companies and other stakeholders along the value chains via knowledge exchange, coaching and networking sessions to drive impactful consortia, innovative initiatives and systemic reforms that align with sustainability agenda priorities.

4.2. Ecosystem Building for Impactful Sustainability Collaboration

Achieving sustainability goals, such as transitions towards the circular economy model and a sustainable, resilient and net-zero future, calls for partnerships of diverse stakeholders along value chains. Collective efforts can deliver far greater impact than any company acting alone.

Thinking beyond the supply chain is key, and companies should opt for building a broad array of partnerships outside standard modes of operation. Put simply, the new wave of value

chain collaboration for sustainability shall embrace the following principles:

- (i) Sustainability collaboration shall not be confined to vertical buyer-supplier relationships (i.e. upstream/ downstream suppliers and contractors).
- (ii) Horizontal collaboration with competitors (business-to-business), non-profits, and government can create the synergy needed for more effective change that benefits the whole industry.
- (iii) Diagonal collaboration that facilitates the cross fertilization of ideas is on the rise. Companies and organizations from multiple industries and sectors should pool together resources (financial, human, technology) with the aim of driving systemic change and accelerate sustainability innovations.

To promote sustainability among SMEs, **an action-oriented sustainability coalition that aims to foster a collaborative ecosystem of multiple stakeholders is instrumental.** The coalition can connect SME entrepreneurs (e.g. conventional SMEs, start-ups and social enterprises), large corporates, business associations, regulators and impact investors to work together in **driving sustainable businesses and industry-specific, issue-based impact programmes.** The coalition can serve as a **thought leadership platform that offers unique insights and impactful project ideas on various sustainability-related issues.**

4.3. Revisiting Impact Measurement and Benchmarking Approaches

Due to a lack of standardization, business performance in areas of ESG and sustainability remain hard to examine and compare. There is also a dire need for assessment and benchmarking tools to look beyond inputs and outputs and place greater focus on the true sustainability impact of a company.

It would be extremely useful if **an index is formulated that can analyze the extent to which the assessed companies' sustainability 'activities' and 'outputs' are in line with advancing sustainable development agenda, while depicting potential sustainability 'outcomes' and 'impacts' of their business practices on the environment and society. In the longer term, the index shall fit into the sustainable finance ecosystem.**



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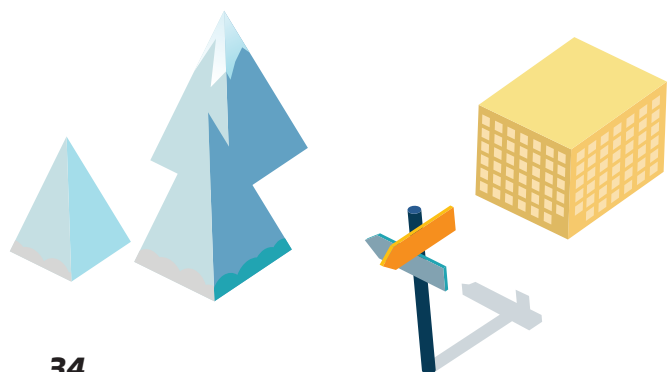
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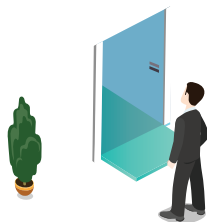
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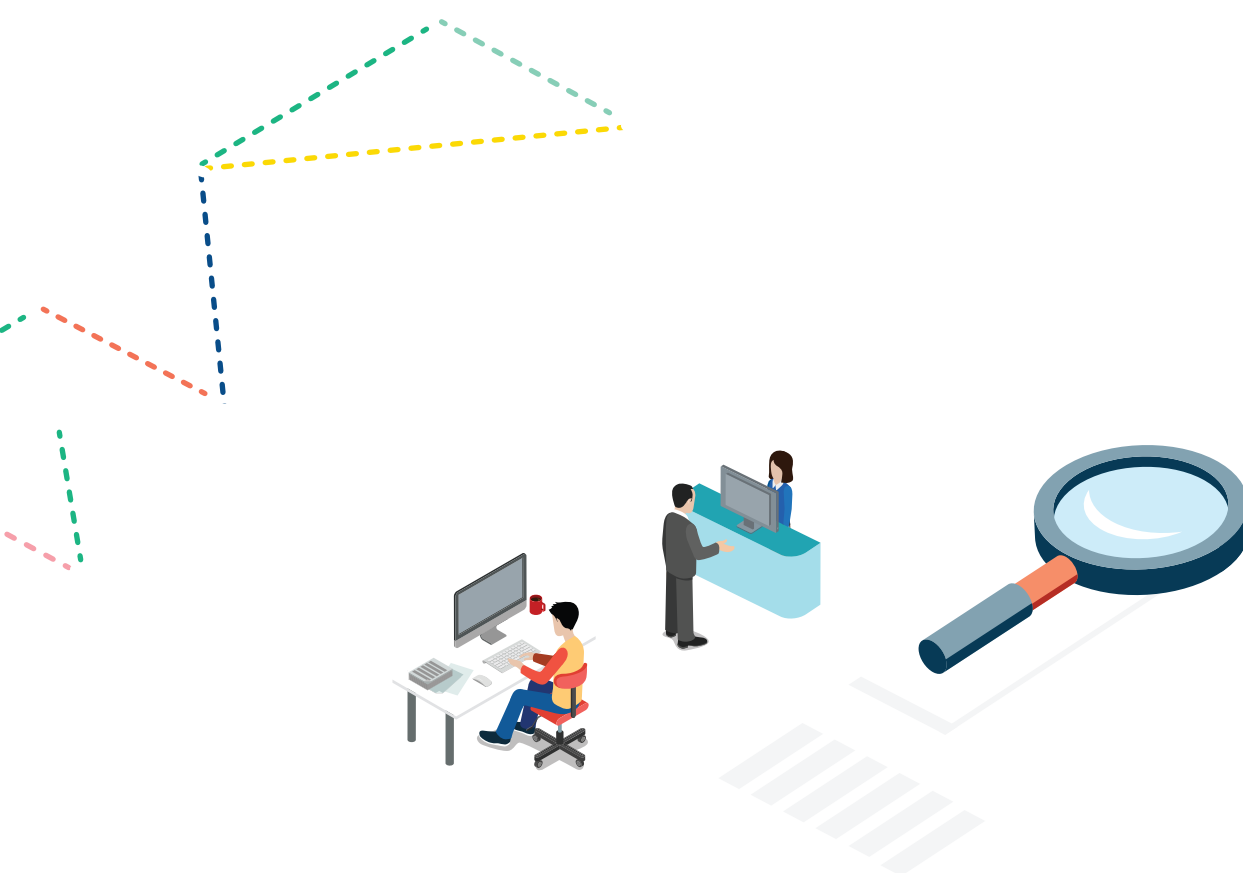
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ANNEX

Key Milestones of ESG Development in Hong Kong

| Month | Year | Key Milestones | Initiator |
|-------|------|--|-------------|
| Jul | 2010 | Hang Seng Corporate Sustainability Index Series launched | HSI, HKQAA |
| Dec | 2011 | Consultation on Environmental, Social and Governance Reporting Guide for companies listed in Hong Kong commenced | HKEX |
| Feb | 2012 | Hong Kong SME Business Sustainability Index launched | PolyU, HKPC |
| Aug | 2012 | Consultation Conclusions on Environmental, Social and Governance Reporting Guide published as recommended practice, and introduced in 2013 | HKEX |
| Mar | 2014 | The new Companies Ordinance (Cap. 622) came into operation with ESG-related performance disclosure requirement for companies incorporated in Hong Kong in Directors' Report: Business Review (i.e. Schedule 5) | FSTB, CR |
| Dec | 2014 | Carbon Footprint Repository for Listed Companies in Hong Kong launched | ENB |
| Jul | 2015 | Consultation on Review of the Environmental, Social and Governance Reporting Guide commenced | HKEX |
| Dec | 2015 | Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide published, with the "comply or explain" provisions effective to General Disclosures and environmental KPIs in 2017 and 2018, respectively | HKEX |
| May | 2016 | Hong Kong as a Regional Green Finance Hub published | FSCD |
| May | 2018 | Pilot Bond Grant Scheme covering fees to Hong Kong-based external green reviewers for green bond issuance announced | HKMA |
| May | 2018 | Analysis of Environmental, Social and Governance Practice Disclosure in 2016/2017 published | HKEX |
| Sep | 2018 | Strategic Framework for Green Finance published | SFC |
| Sep | 2018 | Hong Kong Green Finance Association founded | HKGFA |
| Nov | 2018 | Environmental, Social and Governance (ESG) Strategy for Hong Kong published | FSCD |
| Mar | 2019 | Survey on Integrating Environmental, Social and Governance Factors and Climate Risks, in Asset Management commenced | SFC |

| Month | Year | Key Milestones | Initiator |
|-------|------|---|--------------------------------------|
| Apr | 2019 | Circular to management companies of SFC-authorized unit trusts and mutual funds – Green or ESG funds issued | SFC |
| May | 2019 | Consultation on Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules commenced | HKEX |
| May | 2019 | Inaugural green bond of HKSAR Government issued | HKMA |
| Nov | 2019 | SME Sustainability Society established | SMESS |
| Dec | 2019 | Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules published, with the implementation of the new requirements in 2021 | HKEX |
| Dec | 2019 | Analysis of Environmental, Social and Governance Practice Disclosure in 2018 published | HKEX |
| Dec | 2019 | Results of the Survey on Integrating Environmental, Social and Governance Factors and Climate Risks in Asset Management released | SFC |
| Mar | 2020 | Partnership for Sustainability Leadership in Business commenced | HKU |
| May | 2020 | Green and Sustainable Finance Cross-Agency Steering Group established | HKMA, SFC, ENB, FSTB, HKEX, IA, MPFA |
| May | 2020 | Common framework developed to assess the “Greenness Baseline” of selected authorized institutions | HKMA |
| Jun | 2020 | White Paper on Green and Sustainable Banking published | HKMA |
| Jul | 2020 | Hong Kong – Developing into the Global ESG Investment Hub of Asia published | FSCD |
| Oct | 2020 | Consultation on the Management and Disclosure of Climate-related Risks by Fund Managers commenced | SFC |
| Nov | 2020 | Policy Address 2020 with the goal of achieving carbon neutrality before 2050 announced | HKSAR Government |

| Month | Year | Key Milestones | Initiator |
|-------|------|---|--------------------------------------|
| Dec | 2020 | Sustainable and Green Exchange (STAGE) launched | HKEX |
| Dec | 2020 | Announcement about TCFD-aligned climate-related disclosures to be mandatory across relevant sectors no later than 2025 made | HKMA, SFC, ENB, FSTB, HKEX, IA, MPFA |
| Jan | 2021 | Pilot climate risk stress test conducted with participating banks | HKMA |
| May | 2021 | Green and Sustainable Finance Grant Scheme commenced | HKMA |
| Jun | 2021 | Circular to management companies of SFC-authorized unit trusts and mutual funds – ESG funds revised | SFC |
| Jul | 2021 | Consultation on Drafted Supervisory Policy Manual GS-1 on climate risk management | HKMA |
| Jul | 2021 | Centre for Green and Sustainable Finance launched | HKMA, SFC, ENB, FSTB, HKEX, IA, MPFA |
| Aug | 2021 | Consultation Conclusions on the Management and Disclosure of Climate-related Risks by Fund Managers published, in effect in August 2022 | SFC |
| Sep | 2021 | Hong Kong's first undergraduate programme in sustainable and green finance announced | HKUST |
| Oct | 2021 | Hong Kong's Climate Action Plan 2050 released | HKSAR Gov |
| Nov | 2021 | Principles for Adopting Sustainable Investing in the Investment and Risk Management Processes of MPF Funds issued, effective in November 2022 | MPFA |
| Dec | 2021 | Results of the pilot climate risk stress test released | HKMA |
| Dec | 2021 | Supervisory Policy Manual GS-1 on climate risk management published | HKMA |
| Mar | 2022 | Carbon Market Opportunities for Hong Kong – Preliminary Feasibility Assessment published | SFC, HKEX, ENB, FSTB, HKMA |

| Month | Year | Key Milestones | Initiator |
|-------|------|--|--------------------------------------|
| May | 2022 | Inaugural retail green bond issued | HKMA |
| Jun | 2022 | Green and Sustainable Finance (GSF) Training Repository, Internship Opportunities Repository and Data Source Repository launched | HKMA, SFC, ENB, FSTB, HKEX, IA, MPFA |

Abbreviation:

CR – Companies Registry

ENB – Environment Bureau

FSCD – Financial Services Development Council

FSTB – Financial Services and the Treasury Bureau

HKEx – Hong Kong Exchanges and Clearing Limited

HKMA – Hong Kong Monetary Authority

HKPC – Hong Kong Productivity Council

HKQAA – Hong Kong Quality Assurance Agency

HKSAR Gov – The Government of the Hong Kong Special Administrative Region Government

HKU – The University of Hong Kong

HKUST – The Hong Kong University of Science and Technology

HSI – Hang Seng Indexes Company Limited

IA – Insurance Authority

MPFA – Mandatory Provident Fund Schemes Authority

PolyU – The Hong Kong Polytechnic University

SFC – Securities and Futures Commission



ADDITIONAL INFORMATION

About the “Partnership for Sustainability Leadership in Business” Programme:

The “Partnership for Sustainability Leadership in Business” (PSLB) is a four-year (2020~2023) action research programme initiated by the Centre for Civil Society and Governance, HKU, and supported by The Hongkong Bank Foundation. The Project is led by Professor Wai-Fung Lam together with a group of sustainability experts. It is aimed at fostering sustainability leadership and collaboration in the business sector of Hong Kong through knowledge transfer, capacity building, and network development. In particular, the Project strives to foster strong partnerships between big corporations and small and medium-sized enterprises (SMEs) in pursuit of sustainability. The Project aspires to build a collaborative ecosystem that will enhance the capacity and role of SMEs in Hong Kong and the Greater Bay Area in attaining sustainable development. More information about the Project can be found on: <https://ccsg.hku.hk/pslb/>.

About the SVC Commitment and SME Sustainability Recognition Schemes:

In the greater pursuit of sustainability, HKU CCSG launched the Sustainable Value Chains Commitment and SMEs Sustainability Leadership Recognition Scheme in June 2021. These initiatives connect large corporates and SMEs for closer collaboration to resolve sustainability challenges, and provide capacity building resources to co-create Sustainable Value Chains (SVC) in Hong Kong and the region.

Throughout the half-year sustainability journey, SMEs participating in the Scheme are expected to: (i) complete an online Sustainability Self-check Tool to diagnose their performance against successful business practices of SVC Management; (ii) attend at least one

Practical Workshop to develop a sustainability roadmap and action plan; and (iii) participate in a 1-on-1 Coaching Session with a large corporate to explore collaboration opportunities.

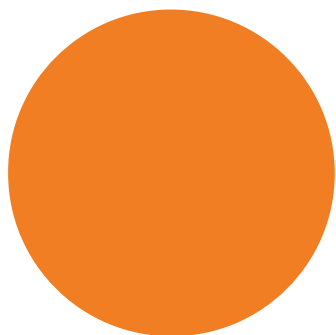
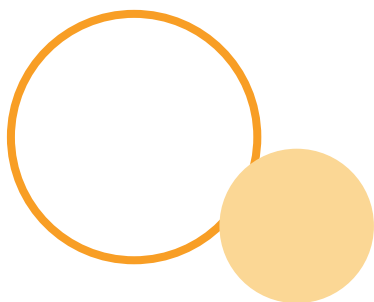
Comments and feedbacks have been collected at the training and capacity building activities throughout the sustainability journey. These provide important insights for deepening the understanding of the SME sustainability landscape in Hong Kong and dissecting the enabling factors for ESG envisioning and practicing SVC management.

About the Centre for Civil Society and Governance of The University of Hong Kong:

Established in December 2002, the Centre for Civil Society and Governance (the Centre) strives to enhance our knowledge of civil society and its contribution towards good governance. It also facilitates the attainment of a sustainable society through forging community-based, innovative solutions to inform policy deliberation and collective actions. The work of the Centre is organised around three Labs—the Policy for Sustainability Lab (PSL), the Social Entrepreneurship and Civic Action Lab (SECAL), and the Nonprofits and Philanthropy Lab (NPPL); each of them representing a research focus and an area of excellence of the Centre.

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「商界永續發展領袖計劃」中小企永續發展背景研究

訪問員編號：_____

參考編號：_____

第一部分 - 基本資料

A1. 行業：(如果公司擁有多個業務，請從以下選項揀選公司主要經營業務所屬的行業，並根據該業務的情況回答問題。倘若未能確定行業，您可以在下面揀選「其他行業」。)

- | | |
|--|--|
| 1 <input type="checkbox"/> 農業、林業及漁業 | 12 <input type="checkbox"/> 地產活動 |
| 2 <input type="checkbox"/> 採礦及採石 | 13 <input type="checkbox"/> 專業、科學及技術活動 |
| 3 <input type="checkbox"/> 製造 | 14 <input type="checkbox"/> 行政及支援服務活動 |
| 4 <input type="checkbox"/> 電力及燃氣供應 | 15 <input type="checkbox"/> 公共行政 |
| 5 <input type="checkbox"/> 自來水供應；污水處理、廢棄物管理及污染防治活動 | 16 <input type="checkbox"/> 教育 |
| 6 <input type="checkbox"/> 建造 | 17 <input type="checkbox"/> 人類保健及社會工作活動 |
| 7 <input type="checkbox"/> 進出口貿易、批發及零售業 | 18 <input type="checkbox"/> 藝術、娛樂及康樂活動 |
| 8 <input type="checkbox"/> 運輸、倉庫、郵政及速遞服務 | 19 <input type="checkbox"/> 其他服務活動 |
| 9 <input type="checkbox"/> 住宿及膳食服務活動 | 20 <input type="checkbox"/> 家庭住戶內部工作活動 |
| 10 <input type="checkbox"/> 資訊及通訊 | 21 <input type="checkbox"/> 享有治外法權的組織及團體活動 |
| 11 <input type="checkbox"/> 金融及保險活動 | 22 <input type="checkbox"/> 其他行業：_____ |

A2. 公司規模：(只包括本港僱用的員工)

- | | |
|--------------------------------------|--|
| 1 <input type="checkbox"/> 11-20 名員工 | 5 <input type="checkbox"/> 51-100 名員工 |
| 2 <input type="checkbox"/> 21-30 名員工 | 6 <input type="checkbox"/> 101-250 名員工 |
| 3 <input type="checkbox"/> 31-40 名員工 | 7 <input type="checkbox"/> 251-500 名員工 |
| 4 <input type="checkbox"/> 41-50 名員工 | |

A3. 職位：

- | | |
|----------------------------------|--|
| 1 <input type="checkbox"/> 公司負責人 | 3 <input type="checkbox"/> 行政人員 / 高級管理人員 |
| 2 <input type="checkbox"/> 董事 | 4 <input type="checkbox"/> 其他：_____ |

A4. 聯絡資料：

姓名：_____ ☐ 先生 ☐ 夫人 ☐ 女士 ☐ 小姐 ☐ 博士 ☐ 教授
職銜：_____ 機構名稱：_____
電郵地址：_____

第二部份 — 對永續發展的觀感

有關永續發展

永續發展著眼於協調經濟發展、社會共融及環境保護三個相互關連的因素。透過不同界別共同努力，為人類社會和地球建造共融、可持續及具抗禦力的將來。

B1. 貴公司就永續發展方面，現正面對的挑戰是什麼？（可選多項）

- | | |
|---------------------------------|--|
| 1 <input type="checkbox"/> 氣候變化 | 7 <input type="checkbox"/> 經濟 / 財政不穩定 |
| 2 <input type="checkbox"/> 廢物 | 8 <input type="checkbox"/> 全球健康危機（如 2019 新型冠狀病毒） |
| 3 <input type="checkbox"/> 污染 | 9 <input type="checkbox"/> 強制及自願性標準合規（如環境、社會及管治） |
| 4 <input type="checkbox"/> 不平等 | 10 <input type="checkbox"/> 消費者期望 |
| 5 <input type="checkbox"/> 人權 | 11 <input type="checkbox"/> 其他，請註明：_____ |
| 6 <input type="checkbox"/> 資源稀缺 | |

B2. 貴公司在業務中推動永續發展的範疇？（可選最多三項）

- | | |
|---------------------------------------|--|
| 1 <input type="checkbox"/> 策略及監督 | 12 <input type="checkbox"/> 永續發展倡導 |
| 2 <input type="checkbox"/> 道德及誠信 | 13 <input type="checkbox"/> 資源效益 |
| 3 <input type="checkbox"/> 永續發展風險管理 | 14 <input type="checkbox"/> 低碳營運 |
| 4 <input type="checkbox"/> 持份者參與 | 15 <input type="checkbox"/> 創新文化 |
| 5 <input type="checkbox"/> 永續發展披露 | 16 <input type="checkbox"/> 知識管理 |
| 6 <input type="checkbox"/> 僱傭措施 | 17 <input type="checkbox"/> 研究與開發 |
| 7 <input type="checkbox"/> 培訓及發展 | 18 <input type="checkbox"/> 永續發展能力拓展 |
| 8 <input type="checkbox"/> 員工福祉 | 19 <input type="checkbox"/> 企業社會創新 |
| 9 <input type="checkbox"/> 客戶滿意度及信心 | 20 <input type="checkbox"/> 其他，請註明：_____ |
| 10 <input type="checkbox"/> 價值鏈風險管理 | 21 <input type="checkbox"/> 沒有推動永續發展 |
| 11 <input type="checkbox"/> 符合道德和綠色採購 | |

第三部分 – 永續發展實務

一般

C1. 貴公司就永續發展方面，以下哪些已完全或大致融入在業務流程中？（可選多項）

- | | |
|-----------------------------------|-----------------------------------|
| 1 <input type="checkbox"/> 使命和價值觀 | 6 <input type="checkbox"/> 供應鏈管理 |
| 2 <input type="checkbox"/> 策略性規劃 | 7 <input type="checkbox"/> 市場營銷 |
| 3 <input type="checkbox"/> 企業文化 | 8 <input type="checkbox"/> 對外傳訊 |
| 4 <input type="checkbox"/> 內部營運 | 9 <input type="checkbox"/> 預算程序 |
| 5 <input type="checkbox"/> 員工溝通 | 10 <input type="checkbox"/> 以上皆沒有 |

C2. 公司在推動永續發展目標的整體有效性

- | | |
|---------------------------------|-------------------------------------|
| 1 <input type="checkbox"/> 非常無效 | 4 <input type="checkbox"/> 有效 |
| 2 <input type="checkbox"/> 無效 | 5 <input type="checkbox"/> 非常有效 |
| 3 <input type="checkbox"/> 中立 | 6 <input type="checkbox"/> 沒有推動永續發展 |

五個永續發展領域

（甲） 企業管治

C3. 請用 1 至 5 分識別現時公司採取以下永續發展做法的情況：

| | | 不知道 | 沒有採取 | | 有採取 | |
|---|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | 沒有計劃實行 | 正考慮或計劃實行 | 沒有定期檢視成效 | 定期檢視成效 |
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | 撰寫對應與業務有關的永續發展議題的願景及使命聲明 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 有以董事會、顧問委員會等類似形式組成，負責規劃和監督公司的管治架構 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 公開披露公司最近期的永續發展措施及 / 或數據（如在公司網頁、小冊子） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

C4. 貴公司決策時會否考慮以下持份者的意見？（可選多項）

- | | |
|----------------------------------|--------------------------------------|
| 1 <input type="checkbox"/> 客戶 | 6 <input type="checkbox"/> 政府 / 監管機構 |
| 2 <input type="checkbox"/> 供應商 | 7 <input type="checkbox"/> 同行 / 行業協會 |
| 3 <input type="checkbox"/> 員工 | 8 <input type="checkbox"/> 非政府組織 |
| 4 <input type="checkbox"/> 股東 | 9 <input type="checkbox"/> 以上皆沒有 |
| 5 <input type="checkbox"/> 信貸提供者 | |

(乙) 職場文化

C5. 請用 1 至 5 分識別現時公司採取以下永續發展做法的情況：

| | | 不 知 道 | 沒有採取 | | 有採取 | |
|---|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | 沒有計 劃實行 | 正考慮或計 劃實行 | 沒有定期檢 視成效 | 定期檢 視成效 |
| | | | 1 | 2 | 3 | 4 |
| 1 | 不論申請者的性別、宗教、種族或殘疾，只以其個人的能力、經驗和表現作出僱用決定 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 不論員工的性別、宗教、種族或殘疾，只以其個人的能力、經驗和表現作出晉升決定 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 制定計劃或提供資源，以建構家庭友善的工作環境（如彈性工作時間、育嬰假、哺乳室等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | 為員工提供技能培訓、績效評估或評價，為未來工作發展作好準備 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | 為從事不同職能的員工提供互相協作及接觸其他工作的機會 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(丙) 客戶供應商關係

C6. 貴公司在供應鏈中如何定位？（可選多項）

- | | |
|--|--|
| 1 <input type="checkbox"/> 原材料生產者 | 4 <input type="checkbox"/> 分銷商 |
| 2 <input type="checkbox"/> 零部件 / 半製成品生產商 | 5 <input type="checkbox"/> 零售商 |
| 3 <input type="checkbox"/> 製成品生產商 | 6 <input type="checkbox"/> 服務供應商（如物流、金融、市場研究、產品設計及資訊科技等） |

C7. 請用 1 至 5 分識別現時公司採取以下永續發展做法的情況：

| | | 不 知 道 | 沒有採取 | | 有採取 | |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | 沒有計 劃實行 | 正考慮或計 劃實行 | 沒有定期檢 視成效 | 定期檢 視成效 |
| | | | 1 | 2 | 3 | 4 |
| 1 | 有客戶投訴處理程序 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 以推廣或教育活動，提高客戶對與業務相關永續發展議題的了解 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 要求所有供應商確認公司所制定的道德行為守則（列出在工作和進行業務活動時所期望秉持的道德行為的原則指南） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | 要求供應商就其社會及環保措施提供全面資料及數據（如碳排放、健康與安全措施等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(丁) 資源管理

C8. 請用 1 至 5 分識別現時公司如何管理以下資源：

| | | 不知道 | 沒有監察用量 | 有監察用量 | | |
|---|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | | 沒有減少用量 | 有減少用量 | 有減少用量，並有採用可再生能源或回收物料 |
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | 能源消耗（電、柴油、汽油、煤氣等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 食水或水資源消耗 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 紙張消耗 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | 包裝物料消耗 （來自產品、速遞服務等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

C9. 請用 1 至 5 分識別現時公司如何管理以下廢物：

| | | 不知道 | 沒有監察產生量 | 有監察產生量 | | |
|---|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | | 沒有減廢措施 | 有減少送往堆填區棄置 | 從源頭減廢，減少送往堆填區棄置 |
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | 無害廢物（如紙張、塑膠、鋁、廚餘、其他固體廢物等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 有害廢物（碳粉盒、螢光燈、電池、電子垃圾、化學廢物等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(戊) 創新能力

C10. 請用 1 至 5 分識別現時公司採取以下永續發展做法的情況：

| | | 不 知 道 | 沒有採取 | | 有採取 | |
|---|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | 沒有計 劃實行 | 正考慮或計 劃實行 | 沒有定期檢 視成效 | 定期檢 視成效 |
| | | | 1 | 2 | 3 | 4 |
| 1 | 利用實驗和創新（如數碼化）以改善工作流程 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 預算員工參與永續發展議題課程的經費 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 捐贈資源（如金錢或物資）予非牟利機構 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | 參與義工活動 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | 有針對特定社會或環境議題而設的產品、服務或項目 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | 回答 C10a | |
| 6 | 率先推行或落實永續創新（新產品和服務、新科技和技術、生產方法等） | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

C10a. 承上題，如分題 5「有針對特定社會或環境議題而設的產品、服務或項目」選擇 (4) 有採取，沒有定期檢視成效 或 (5) 有採取，有定期檢視成效，請提供詳情：

第四部份 — 驅使因素及障礙

D1. 在適用的情況下，請評價您對以下句子的同意程度。

| | | 非常 不同意 | | | | 非常同 意 |
|--------------------|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| 公司內部情況及觀念方面 | | | | | | |
| 1 | 我有足夠的資源用於實行永續發展計劃 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 我具備可落實永續發展的合適能力 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 我現時有支援對永續發展計劃的管治架構 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | 我有將永續發展措施納入願景 和/或 使命 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | 我認為落實永續發展措施會增加其整體競爭力 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | 我有合適的指標來量化落實永續發展的影響 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | 我有制度監督在公司內部和供應鏈中各個環節的永續發展措施 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | 我及其管理層有責任回饋社區 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 | 我及其管理層對保護環境及以最具效益方式營運有著堅定的承諾 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 持份者考慮方面 | | | | | | |
| 10 | 我的領導層視落實永續發展為重要的優先事項 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 | 我在獲得政府支持的情況下會自願實施措施以符合永續發展目標 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12 | 如果我公司所屬行業或業務夥伴（如上市/大公司）有所要求，我會落實 / 加強永續發展計劃，或達到永續發展標準及認證 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 | 我的顧客主要關注成本和服務質素等競爭表現 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14 | 我的顧客願意購買綠色或對社會負責的產品及服務 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 行業基準及法規方面 | | | | | | |
| 15 | 有行業基準讓我公司與同行比較永續發展表現 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16 | 與其他行業相比，現行法例為我公司所屬行業所設定的標準很高 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17 | 我能輕易地應對及遵守由監管機構和企業所訂立的相關法例及/或 標準 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18 | 我公司所屬行業的現行法例已充份地回應所有環境議題及社會需要 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19 | 我公司所屬行業的現行法例已充份地回應員工的顧慮 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

第五部分 – 誘因和支援

E1. 貴公司需要以下哪些支援，以將永續發展融入貴公司的業務營運、策略和商業模式？

(可選多項)

- | | |
|--|---|
| 1 <input type="checkbox"/> 財務支援 (如貸款、稅務減免) | 8 <input type="checkbox"/> 客戶參與 (如說服他們承諾循環再用、負責任消費) |
| 2 <input type="checkbox"/> 監管建議 | 9 <input type="checkbox"/> 永續發展目標的溝通 (公司內部和對外) |
| 3 <input type="checkbox"/> 資訊與通訊科技 (如數碼化) | 10 <input type="checkbox"/> 來自行業 / 商業協會的支援 (如制定標準、分享最佳做法) |
| 4 <input type="checkbox"/> 市場營銷 | 11 <input type="checkbox"/> 其他，請說明：_____ |
| 5 <input type="checkbox"/> 有關永續經營和企業社會責任的知識轉移 | |
| 6 <input type="checkbox"/> 技能培訓和經驗分享 (如指導和輔導) | 12 <input type="checkbox"/> 沒有支援的需要 / 沒有推動永續發展 |
| 7 <input type="checkbox"/> 利用人際網路/業務配對平台，以探索與不同合作夥伴的協作機會 | |

E2. 就永續發展融入業務營運一事，貴公司認為誰最能提供這種支援？(可選多項)

- | | |
|--------------------------------------|--|
| 1 <input type="checkbox"/> 上市公司 | 7 <input type="checkbox"/> 商業協會 |
| 2 <input type="checkbox"/> 大型企業或組織 | 8 <input type="checkbox"/> 同類行業的中小型企業 |
| 3 <input type="checkbox"/> 銀行 / 金融機構 | 9 <input type="checkbox"/> 專業組織 |
| 4 <input type="checkbox"/> 大學 / 大專院校 | 10 <input type="checkbox"/> 其他，請註明：_____ |
| 5 <input type="checkbox"/> 非牟利組織 | 11 <input type="checkbox"/> 沒有支援的需要 / 沒有推動永續發展 |
| 6 <input type="checkbox"/> 政府 | |

E3. 貴公司是否有參與以下的活動？

| | | 沒有參與 | | | 有參與 | |
|---|--|--|--------------------------|--------------------------|--|--------------------------|
| | | 沒有興趣 | 有興趣 | 正計劃加入 | 參與少於1年 | 參與超過1年 |
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | 商業 / 行業協會或相似組織的成員？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | 任何由政府主導以永續發展為導向的倡議 / 計劃 / 項目 (如獎勵計劃、認證、環保標籤、獎項等)？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | 任何由其他組織 (如非政府組織、慈善機構、學術機構、大型企業等) 推行以永續發展為導向的自願性倡議 / 計劃 / 項目？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | 制定行業標準 / 行為守則 / 監管？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | 由貴公司所屬行業推行以永續發展為導向的倡議 / 計劃 / 項目？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | 作為學員參與指導計劃？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | 與其他中小企、大企業、非政府組織等參與者協作並建立網絡？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | 自願參與環境 / 社會計劃？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 | 貴公司是環保 / 社會團體的成員嗎？ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | 若以上所有活動都 沒有參與 ，請跳至 E4 | | | 若 曾參與 了以上其中一項活動， 請繼續回答 E5 | |

只供沒有參與 E3 題所提及的活動，回答後請跳到第六部份

E4. (非參與者) 貴公司沒有參與上述活動的原因是什麼？(可選多項)

- | | |
|--|--|
| 1 <input type="checkbox"/> 不知道任何倡議 / 計劃 / 項目 | 6 <input type="checkbox"/> 對企業沒有任何好處 |
| 2 <input type="checkbox"/> 與業務價值或目標不符 | 7 <input type="checkbox"/> 會對企業利潤造成負面影響 |
| 3 <input type="checkbox"/> 會對業務營運造成負面影響 | 8 <input type="checkbox"/> 不是我們的責任 |
| 4 <input type="checkbox"/> 過於耗費時間 | 9 <input type="checkbox"/> 政府的監管已經很足夠 |
| 5 <input type="checkbox"/> 過於消耗資源 | 10 <input type="checkbox"/> 其他，請說明：_____ |

只供有曾參與 E3 題所提及的活動，回答後請跳到第六部份

E5. (參與者) 貴公司參與上述活動的原因是什麼？(可選多項)

- | | |
|---|--|
| 1 <input type="checkbox"/> 同行參與 | 6 <input type="checkbox"/> 供應鏈要求 |
| 2 <input type="checkbox"/> 行業協會或類似組織的成員資格要求 | 7 <input type="checkbox"/> 聲望 / 信譽 |
| 3 <input type="checkbox"/> 與公司內部價值和目標一致 | 8 <input type="checkbox"/> 獲取資源 (知識、專業技能等) |
| 4 <input type="checkbox"/> 客戶要求 | 9 <input type="checkbox"/> 缺乏政府監管 |
| 5 <input type="checkbox"/> 股東要求 | 10 <input type="checkbox"/> 其他，請說明：_____ |

E6. 貴公司參與上述活動後的整體評價是？

- | | |
|---------------------------------|-------------------------------|
| 1 <input type="checkbox"/> 正面 | 3 <input type="checkbox"/> 負面 |
| 2 <input type="checkbox"/> 沒有意見 | |

E7. 您認為貴公司的參與有否改善企業的永續發展表現？

- | |
|-------------------------------------|
| 1 <input type="checkbox"/> 有改善，影響正面 |
| 2 <input type="checkbox"/> 沒有改善 |
| 3 <input type="checkbox"/> 有改善，影響負面 |

第六部份 聯合分析

在問卷最後部分，我們希望了解您對政府推動中小企永續發展政策的意見。我們會在三個不同的範疇分別展示六對不同的政策組合，一共十八對。請在下列各項比較中以剔號「√」表示較為接受的選項(政策 A／政策 B)。

請緊記以下問題並沒有任何標準答案，答案亦沒有優劣之分。你只需就您的業務考慮，揀選較為容易接受的一組政策組合。

| | | |
|---|------|------|
| F1. 如果政府將為企業應對 <u>氣候變化</u> 制定新政策，例如 <u>氣候風險評估</u> 、 <u>制定減排目標</u> ，你會較為接受 A 或 B 組的政策？ | | |
| | 政策 A | 政策 B |
| 有關 <u>氣候變化</u> 的強制法規將是 | | |
| 有關 <u>氣候變化</u> 的補貼將是 | | |
| 政府提供有關 <u>氣候變化</u> 的培訓將是 | | |

| | | |
|---|------|------|
| F2. 如果政府將為企業的 <u>僱傭管理</u> 制定新政策，例如 <u>增加員工在職培訓機會</u> 、 <u>提供多元共融的工作環境</u> ，你會較為接受 A 或 B 組的政策？ | | |
| | 政策 A | 政策 B |
| 有關 <u>僱傭管理</u> 的強制法規將是 | | |
| 有關 <u>僱傭管理</u> 的補貼將是 | | |
| 政府提供的有關 <u>僱傭管理</u> 的培訓將是 | | |

| | | |
|--|------|------|
| F3. 如果政府將為企業 <u>永續發展企業管治制度</u> 制定新政策，例如要求企業 <u>制定永續發展的管治架構及機制</u> 、 <u>公開有關永續發展的措施及成效</u> 、 <u>了解投資者、客戶、供應商等各持份者對永續營運的關注</u> ，你會較為接受 A 或 B 組的政策？ | | |
| | 政策 A | 政策 B |
| 有關 <u>永續發展企業管治制度</u> 的強制法規將是 | | |
| 有關 <u>永續發展企業管治制度</u> 的補貼將是 | | |
| 政府提供有關 <u>永續發展企業管治制度</u> 的培訓將是 | | |

| | | | |
|----|---|--------------------------|--------------------------|
| | | A | B |
| F1 | 1 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 4 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 5 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 6 | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | |
|----|---|--------------------------|--------------------------|
| | | A | B |
| F2 | 1 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 4 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 5 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 6 | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | |
|----|---|--------------------------|--------------------------|
| | | A | B |
| F3 | 1 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 4 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 5 | <input type="checkbox"/> | <input type="checkbox"/> |
| | 6 | <input type="checkbox"/> | <input type="checkbox"/> |

全卷完，謝謝！