

Climate Governance Engagement Workshop

WORKSHOP SUMMARY

Feedback from Corporate Sustainability Professionals:
Governance Insights from Existing Buildings and Biodiversity

Hosted by:
HKUST & BLT Group

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Participants:
Corporate Sustainability Professionals

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1. Purpose of the Workshop

This workshop brought together corporate sustainability professionals from companies with practical experience in many fields of sustainability. The workshop used two case studies – retrofitting existing buildings and biodiversity – to test whether the Climate Governance Project’s framing could help participants discuss governance issues using their private sector corporate experience.

Participants understood the two chosen topics well. They broadly accepted the framing that Hong Kong has policy direction, professional capacity and emerging market interest, but that implementation remains difficult when the necessary system conditions are not yet aligned.

The value of the workshop lay in the specificity of the feedback. Participants drew on their professional experience to identify where action stalls in practice, what kinds of policy signals would be credible, what data and financing conditions are missing, and how private sector actors might respond if the governance system gave clearer direction.

2. Overall Assessment

The workshop generated strong and useful feedback from the perspectives of private sector corporate professionals.

Participants used the Climate Governance framework as a practical thinking tool to identify where implementation stalls. Their comments were highly specific. They focused on decision-making authority (having champions), incentives, ownership structures, financeability and investability, data, monitoring, standards, long-term stewardship, and the credibility of

government signals. This is important for the Climate Governance Project because it shows that experienced sustainability professionals can use the governance lens to diagnose implementation gaps. Their feedback suggests that Hong Kong’s challenge is not simply to set more policies but to create the governance conditions that enable action to scale.

A clear message emerged: private sector actors need confidence before they can move at scale. This requires credible policy signals, clear rules, differentiated pathways, reliable data, bankable/investable project structures, and engagement processes that reduce risk, clarify roles and support coordinated action.

3. Retrofitting Existing Buildings: From Technical Potential to Market Conditions

Participants agreed that retrofitting existing buildings is not primarily a technical problem. The case is already well understood – Hong Kong has an ageing building stock, technical solutions are available, professional capacity exists, and financing is available in principle. Yet, implementation is not occurring at the scale required. The discussion focused on why a well-known problem with known solutions does not translate into outcomes.

Five key messages stood out:

1. Retrofitting existing buildings may need to be framed more broadly than carbon reduction. Participants saw retrofitting as part of urban infrastructure renewal, with benefits for climate resilience, safety, comfort, asset value, energy savings, competitiveness and occupant

well-being. This wider framing matters because different stakeholders respond to different motivations. Asset owners may focus on value and operating costs; tenants may care about comfort and energy bills; customer-facing businesses may respond to brand and sustainability positioning; and public sector owners may respond to policy direction and public interest.

2. Hong Kong's building stock should not be treated as a single market. Participants distinguished between commercial buildings (and their different ownership types, such as owned by major developers and SME owners), hotels, industrial buildings, REIT-owned properties, public sector buildings, and residential buildings. Each has different decision-makers, financial capacities and incentives. In some cases, the owner and operator are separate. In other situations, tenants benefit from energy savings while owners bear the capital cost.

For some commercial buildings and residential buildings, fragmented ownership and limited financial capacity create additional barriers. This points to the need for segmentation rather than a one-size-fits-all retrofit policy.

Furthermore, participants suggested that prioritisation should not be based only on which buildings are easiest or most high-profile. One possible KPI could be the number of beneficiaries reached, especially where retrofits improve living or working conditions while reducing energy costs. This would help ensure that early retrofit efforts deliver broad public value and do not concentrate benefits only in better-resourced buildings. Other possible

indicators include energy and cost savings achieved, floor area or number of buildings improved, and reduction in energy intensity.

3. Participants discussed what it means for government to “drive the market to accelerate carbon reduction in existing buildings” (as per the Policy Address 2025). Participants interpreted this not as government doing everything directly, but as government creating conditions that allow private action to follow.

This involves three related functions: setting direction through targets and standards; aligning the system through cross-departmental coordination and policy integration; and building market infrastructure through data, finance, trusted delivery models and credible enforcement. They discussed having an overall champion or champions, as well as the need for regulation, incentives, energy performance standards, tax measures, accessible loans, subsidies, utility data, benchmarking and stronger enforcement.

The forthcoming voluntary building energy labelling scheme being promoted by the Electrical and Mechanical Services Department (EMSD) was seen as useful, but participants also suggested that voluntary disclosure alone is unlikely to be enough. A credible pathway would require moving from voluntary to some mandatory requirement. Participants also noted that tenant behaviour can affect energy outcomes, so retrofit governance should address not only capital works but also landlord-tenant collaboration, operational practices and user behaviour.

4. The availability of finance depends on project structure. Participants recognized that capital is available in principle, but many retrofit projects are too small, uncertain or fragmented to be attractive to banks and investors. Commercial buildings may be easier to finance because the business case is clearer. Residential buildings may require more targeted support, including loans, subsidies, tax incentives, aggregation mechanisms and best practice examples showing cost savings.
5. Data availability and transparency is a core governance issue. Without reliable data, it is difficult to benchmark building performance, identify priorities, design incentives or give confidence to owners, tenants, banks and policymakers. Participants suggested making better use of utility (electricity and gas) data, possibly in anonymized or aggregated form as a foundation for a stronger evidence base.

Taken together, the feedback suggests that retrofitting existing buildings should be understood as a market creation challenge with the need for having clear champion(s) within the government to drive policy and action. The market will not scale simply because retrofit technologies exist or because energy savings are theoretically available. It requires clearer policy direction, credible standards, segmented pathways, transparent data, targeted incentives, financing structures, and long-term confidence.

4. Biodiversity: From Conservation to Resilience Infrastructure

The biodiversity discussion was less mature than the retrofit discussion in

market terms, but this reflects the nature of the issue. Retrofitting has a clearer financial logic through energy savings and asset value enhancement. Biodiversity is harder to quantify, finance and maintain long-term. Even so, participants stressed the importance of Hong Kong's Biodiversity Strategy and Action Plan 2035 (BSAP) and identified key governance questions that Hong Kong will need to address.

Six key messages stood out:

1. Biodiversity should be framed as resilience infrastructure, not only from the perspective of nature conservation. Participants connected biodiversity to climate resilience, flood management, micro-climates, urban heat reduction, public health and well-being, liveability, placemaking, asset value enhancement and long-term sustainability. This framing can help companies, developers and financiers understand why biodiversity is relevant to their work.
2. Biodiversity needs to be brought upstream into planning and project design for both public and private sector infrastructure. Participants did not see biodiversity as something to be added at a later stage or at the end of a project. They discussed the importance of incorporating nature-based solutions (NbS) into project planning, EIA processes, design standards, certification systems and wider infrastructure and urban renewal processes. This reflects the central governance challenge of mainstreaming biodiversity into normal decision-making.

BSAP, and the Hong Kong Nature-based Solutions Design Guideline (jointly launched by the Civil Engineering and Development Department (CEDD) and the Agriculture, Fisheries and Conservation Department (AFCD) in March 2026) were seen as positive steps forward even though they may not bind private sector developments, they will influence the private sector.

3. Clearer strategy and measurable targets are needed. Participants noted that many developers and companies already have biodiversity-related initiatives, including site-level greening, placemaking and even some coastal marine initiatives, but these efforts are often fragmented. Without a clearer government strategy, private actors may not know whether they are contributing to Hong Kong's wider ecological priorities.

A key question raised was whether Hong Kong should seek to increase absolute ecological value or encourage incremental improvements across many sites. That distinction matters because it affects how targets, KPIs and project priorities are set.

For biodiversity, possible indicators could include district-wide ecological enhancement, habitat connectivity, baseline coverage, long-term monitoring arrangements, the number of projects incorporating NbS upstream, and private or philanthropic capital mobilised for long-term stewardship.

4. Baseline data and credible metrics are fundamental to biodiversity. Participants identified gaps in biodiversity data, monitoring, validation and standardisation. Citizen science and

open data were seen as valuable, but participants also stressed the importance of quality control and scientific validation.

Universities and authoritative organisations could play an important role in building a credible biodiversity baseline and supporting long-term monitoring. Participants saw biodiversity data as increasingly relevant not only for conservation, but also for ESG, crowding in private sector finance, project assessment and impact evaluation.

Moreover, participants cautioned that collaboration should not become an end in itself. The priority should be investment in scientific baselines, robust data and shared platforms, anchored in the departments responsible for delivering BSAP. On that foundation, an independent or third-party body could help with coordination, communication and stakeholder engagement, aligning departments, NGOs, professional bodies and local communities around clear biodiversity targets.

Some participants suggested that targets could be framed at district or landscape scale, so that individual site-level actions contribute to wider ecological outcomes. Over time, biodiversity may also need to move from being a voluntary or project-based concern toward a core compliance element, including integration into planning, regulatory processes, and corporate disclosure or reporting frameworks.

Participants also suggested that Hong Kong's biodiversity strategy could consider value-chain impacts, given the city's role as a major importer and the fact that many corporate biodiversity dependencies and impacts occur upstream, beyond local sites.

5. Long-term stewardship must be addressed. Biodiversity projects require ongoing maintenance and adaptive management. The question is not only who pays for design and construction (which may be the public sector), but who funds and manages ecological performance over time. Without clear stewardship arrangements, NbS may not deliver intended outcomes.
6. Biodiversity finance is emerging but remains underdeveloped. Participants discussed biodiversity loans, tax incentives, nature credits, and blended finance, and noted the example of Hong Kong's first biodiversity loans involving Henderson Land, HSBC/Hang Seng Bank announced on the day of the workshop.¹ But they also recognized that biodiversity projects are harder to finance because outcomes are more difficult to quantify. This points to the need for credible baselines, measurable outcomes, clear methodologies and investment-grade project structures.

Overall, participants saw biodiversity implementation as a governance challenge involving strategy, data, mainstreaming, stewardship, finance and collaboration. The BSAP and NbS Guidelines provide a policy foundation, but more work is needed to translate them into routine planning, project delivery and private sector action.

5. Cross-Cutting Governance Insights

Although the two case studies are different, the feedback revealed several common governance insights. Six insights could be derived:

1. Participants saw the importance of reframing. Existing buildings should be framed not only as a carbon reduction or energy saving challenge, but as infrastructure renewal and value creation. Biodiversity should be framed not only as nature conservation, but as creating and protecting resilience infrastructure and long-term urban value that adds to Hong Kong's attraction as a place to live and visit. Both existing buildings retrofit and biodiversity have competitiveness components.
2. Participants emphasized the importance of credible government direction. Private actors are more likely to act when they can see clear government priorities, measurable targets, timelines, standards and long-term policy stability. Broad aspirations are not enough to change investment or operational decisions.
3. Participants treated data as governance infrastructure. For buildings, data enables benchmarking, energy labelling, targeting and financing/investment. For biodiversity, data enables baselines, metrics, monitoring, accountability and investment confidence.
4. The challenge is not simply the availability of money, but how projects are designed so that banks, investors, owners, and companies can properly assess risk, return, responsibility, and long-term value. Government plays a

critical policy role in enabling private capital to be directed toward privately owned buildings, helping to renew Hong Kong's existing building stock. For public sector assets, government can create a pipeline of retrofit projects to jump-start the market, while also crowding in private sector capital.

Moreover, philanthropic funding may be possible for special categories of buildings such as university campuses, schools, and heritage buildings. In the case of biodiversity, well-structured projects can likewise attract private and philanthropic capital by aligning conservation outcomes with the goals of such funders.

5. Participants highlighted the need for segmentation and sequencing. Different sectors, building types, ownership structures and project types require different pathways. Governance needs to identify what should come first, what can be voluntary, what may need to become mandatory, and how early pilots can lead to wider market formation. The same could be said for biodiversity projects.
6. Stakeholder engagement was understood by the participants as part of implementation, not only as communication. Engagement can help clarify roles, reduce uncertainty, build trust, share knowledge and create shared ownership of outcomes.

6. Relationship to the 5-Pillar Model

The workshop feedback maps closely onto the project's 5-Pillar Model.

- **Direction:** Participants called for clearer missions, priorities, targets, timelines and policy signals.
- **Leadership:** Participants pointed to the need for champions, coordinating entities and government bodies with sufficient authority to drive implementation. This was reflected in comments about who enforces, who leads, and who takes responsibility.
- **Integration:** Both case studies revealed the limits of siloed decision-making. Retrofitting cuts across multiple policy domains and requires practical coordination among bureaux and departments. Participants gave the example of approval systems involving EMSD, the Buildings Department and the Fire Services Department, where energy efficiency improvements should be able to proceed without uncertainty around safety codes or approval requirements. Similar integration is needed for biodiversity and NbS projects.
- **Implementation system, finance and market development:** Participants repeatedly emphasized bankability, financing structures, incentives, pipelines, data, standards and project delivery mechanisms. This confirms that finance must be connected to real economy projects.
- **Engagement, transparency and accountability:** Participants highlighted data transparency, public trust, benchmarking, monitoring, long-term stewardship, best-practice sharing and sustained collaboration.

The feedback suggests that sequencing is not a separate sixth pillar, but a practical discipline that cuts across all five pillars. Direction, leadership, integration, finance and engagement need to be organized in the right order if implementation is to move from pilots to scale.

7. How This Workshop Complements Earlier Governance Discussions

This workshop on 13 May 2026 is useful because it provides a private sector counterpart to the former officials' workshop on 8 May 2026. Former officials helped identify what is needed from the perspective of government machinery: leadership, coordination, prioritisation, mainstreaming and practical changes within the existing system. Corporate sustainability professionals helped identify what is needed from the perspective of implementation: credible signals, bankable projects, usable data, differentiated incentives, clear standards and engagement with market actors.

The two perspectives are complementary. The government can set direction and create enabling systems, but private actors need to understand the direction, see the business case, access data, secure finance, and operate within credible and long-term rules. This workshop helps show how governance connects policy intention with market response.

The discussion also confirms that knowledgeable private sector actors are ready to engage at a more sophisticated level. They want to discuss what would make implementation work.

8. Overall Message

The workshop confirmed that corporate sustainability professionals see governance as the bridge between policy ambition and practical delivery. Their feedback suggests that Hong Kong's climate and biodiversity transition will not scale through awareness, aspiration or isolated good practice alone. It will require clearer direction, better coordination, reliable data, credible standards, investable project structures, targeted incentives, and sustained engagement between government and private sector actors.

The central message from the workshop is that implementation depends on system conditions. When those conditions are weak, even well-known solutions stall. When those conditions are aligned, private sector actors are more likely to invest, innovate, collaborate and deliver measurable outcomes.

For the Climate Governance Project, the workshop provides evidence that the 5-Pillar Model is a useful diagnostic tool not only for government officials, but also for experienced private sector professionals. It helps organize practical insights and reveal where the governance system must improve if Hong Kong is to move from policy intent to implementation reality.

ENDNOTE

¹Henderson Land Development Company Limited announced on 13 May 2026 that it had closed Hong Kong's first biodiversity loans with HSBC and Hang Seng Bank. The loan facilities will support biodiversity-enhancing initiatives at Central Yards on the New Central Harbourfront. The use of proceeds will facilitate the procurement of native plant species, adoption of smart systems to support the maintenance and management of the newly established urban forest and implementation of surveys, assessments and monitoring to evaluate the progression of urban biodiversity at Central Yards.