Climate Governance Engagement Workshop

WORKSHOP SUMMARY

Hosted by:
HKUST & Climate Governance Initiative Hong Kong

Date:
9 June 2026 (Tuesday)

Participants:
Board directors, senior executives, and sustainability professionals

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
Division of Environment and Sustainability
Climate Governance Initiative Hong Kong
Part of Chapter Zero Alliance

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1. Purpose and design of the Workshop

This workshop brought together board directors, senior executives and sustainability professionals to discuss how corporate boards could reflect on the HKSAR Government's consultation on Hong Kong's first five-year plan, which is expected to be released in June 2026.

The workshop was designed in two parts. Climate Governance Initiative Hong Kong (CGI) first introduced the World Economic Forum's (WEF) Principles for Effective Climate Governance as a board-level framework. This provided a familiar starting point for participants by focusing on issues that boards deal with using the WEF framework.

The discussion then moved to the HKUST's Climate Governance Project's 5-Pillar Model. The purpose was to connect board-level climate governance with the public policy conditions needed for corporate action. Boards can oversee climate-related risks and opportunities within their own companies, but many climate and transition challenges cannot be solved by individual companies alone. They require clear public direction, leadership, policy integration, finance and market creation, transparency and structured engagement. The 5-Pillar Model was therefore used to help participants move from internal board responsibilities to the external governance conditions that business needs.

Participants worked in eight groups across different industries. The key question was: what should corporate boards ask government to prioritise in Hong Kong's first five-year plan so that corporate climate action becomes more investable, credible and commercially practical?

2. Overall Assessment

The workshop confirmed that corporate boards and senior executives understand climate and sustainability as matters of competitiveness, resilience, capital allocation, risk management and disclosure. However, participants also stressed that company-level action depends heavily on the wider governance environment.

The strongest message was that boards need clearer public policy conditions before they can act at scale. Participants looked to government not only for broad climate ambition, but for the enabling architecture that would make corporate action practical: clearer direction, sectoral pathways, visible leadership, better coordination, measurable standards, market creation, finance mechanisms, data platforms, carbon or nature-related price signals, and more direct public-private engagement. Several groups offered specific ideas on how these conditions could be created in practice.

The workshop's value lay in showing how the WEF board governance framework and the 5-Pillar Model can work together. The WEF framework helps boards ask whether they have the right skills, oversight, strategy, culture, risk management and disclosure systems. The 5-Pillar Model then gives boards and senior management a practical way to analyse policy areas: what direction is needed, who should lead, what needs to be integrated, how finance and markets can be created, and what transparency and engagement mechanisms are required.

For the Climate Governance Project, the workshop shows that the 5-Pillar Model is useful for board-level engagement. It helps translate corporate concerns into governance asks. It also helps boards move from asking what companies should do internally to asking what government must organise externally. Just as importantly, it can help companies, trade associations, chambers and professional bodies organise their responses to the first five-year plan consultation in a way that is more coherent and useful to government. In this sense, the workshop shows how Hong Kong's first five-year plan can become a bridge between board governance and public climate governance.

3. From Board Oversight to Public Policy Conditions

Workshop participants recognised that boards have important responsibilities. They oversee climate-related risks and opportunities, ask management better questions, align incentives and capital allocation, improve disclosure, and engage investors and stakeholders. These responsibilities are already familiar to many boards through corporate governance, ESG reporting and climate-risk oversight.

However, participants repeatedly returned to the limits of company-level action. Individual companies may not be able to create demand for low-carbon products, set common data standards, build investable project pipelines, align sector-wide transition pathways, create carbon or nature price signals, or coordinate infrastructure resilience. These are system-level conditions that require public policy, government leadership and cross-sector collaboration.

This distinction is central to the workshop discussion across the eight groups. The question is not only what boards should do inside their own companies, but how boards and senior executives can help shape a more coherent private sector response to the HKSAR Government's first five-year plan consultation.

The usual risk is that business responses become a long list of sectoral asks without an organising logic. Some companies may submit their own responses, but many will also contribute through trade associations, industry bodies, chambers of commerce, professional groups and other business platforms. These collective channels matter because they can help organise business views and present them to government in a more coherent way.

The value of the 5-Pillar Model is that it gives companies and business organisations a thinking logic for organising those views into a governance agenda. Through the five pillars, boards can explain more clearly what they see and what they need: the direction government should set, the officials or bureaux that need to champion action, the policies and standards that need to be integrated, the finance and market mechanisms needed to make action investable, and the transparency and engagement processes needed to build trust between government and the private sector.

This matters because Hong Kong's climate transition requires a new public-private working relationship. Government needs clear champions who can work across bureaux and departments, adapt existing administrative structures, and create a more effective co-learning system with business. Companies, industry bodies, trade associations, and chambers of commerce, in turn, need to move beyond isolated requests and articulate the governance conditions that would allow different sectors to invest, innovate and act at scale.

Workshop participants agreed that Hong Kong's first five-year plan is an opportunity not only to state climate objectives, but to define how government and business can work together over successive planning cycles. This first plan can begin to establish the direction, leadership, integration, finance and engagement mechanisms needed for a more durable transition pathway.

4. Key Governance Messages

4.1 Hong Kong needs a clearer sustainability vision and transition direction

Participants repeatedly emphasised the need for a clearer vision of Hong Kong's future. Some noted that China's national planning process gives sustainability a clear strategic role. Hong Kong's first five-year plan should do the same by placing sustainability, resilience and transition at the heart of the city's economic future.

Participants argued that Hong Kong should not treat its first five-year plan as separate from the Chinese Mainland's 15th Five-Year Plan. Alignment with national momentum could help Hong Kong access policy support, economic opportunity, market scale and green supply chains. Without such alignment, Hong Kong risks missing a major opportunity.

Participants also stressed that sustainability should be framed as an opportunity, not only as a cost or compliance burden. Hong Kong's proximity to the Chinese Mainland gives it access to green technologies, products, supply chains and market momentum that can support decarbonisation and create new areas of expertise.

A stronger sustainability vision could position Hong Kong not only as a city responding to climate obligations, but as a platform that helps deploy Mainland green solutions, build professional and financial capability around them, and connect them to regional and international markets.

Participants also noted that sustainability may resonate more strongly with government and business when it is linked to practical priorities such as health, energy security, resilience, competitiveness and reduced exposure to volatile fossil-fuel prices.

Participants also called for clearer sectoral transition pathways. These should identify major emitting sectors, assess barriers, set milestones and clarify the regulatory, financial and market conditions needed for change. Real estate, insurance, finance, aviation, logistics, transport, utilities, biodiversity, data and disclosure were all discussed as areas where more specific pathways would help boards and companies plan.

The message was that businesses need to know what success looks like. Long-term carbon neutrality is not enough. Companies need nearer-term signals, sector-specific pathways, measurable milestones and a clearer account of how Hong Kong intends to position itself in the green economy.

4.2 Government leadership and champions are needed

Participants saw leadership as essential. Several groups noted that many issues fall between bureaux, departments, regulators and market actors. Without visible ownership, progress depends on isolated initiatives, pilots or voluntary efforts.

Participants called for government to identify champions or coordinating bodies for major transition priorities. Sustainable aviation fuel was cited as an example where no single champion appears to be driving the market. Green finance was viewed as stronger because the Hong Kong Monetary Authority has played a visible leadership role. For building retrofits, participants pointed to the possible roles of responsible bureaux, Electrical and Mechanical Services Department, Buildings Department, and other public bodies.

The workshop also highlighted the importance of speaking to the right level of government. Participants felt that many conversations remain too technical. The message needs to reach senior decision-makers who can see the strategic gaps, assign responsibility and create the conditions for action.

Government leadership was also discussed in practical market terms. Government owns or controls major assets, land and procurement decisions. If government integrates climate resilience, carbon neutrality and sustainability into land sales, public works, procurement and public sector buildings, it can send strong market signals without necessarily relying only on subsidies.

4.3 Integration is needed to avoid siloed action

Participants repeatedly warned against siloed policymaking. Climate, nature, finance, infrastructure, talent, disclosure, insurance and supply chains are connected, but policy and implementation are often fragmented.

Several groups called for interdepartmental coordination, designated offices or cross-government working groups. Others suggested sector-specific approaches because one-size-fits-all standards will not work across Hong Kong's economy.

Participants also noted the importance of integrating Hong Kong approaches with the Chinese Mainland's frameworks while maintaining alignment with international standards, especially because many listed companies in Hong Kong have significant Mainland operations.

Integration was also discussed in relation to transition planning. Participants suggested that Hong Kong should identify major sectoral barriers before designing policy tools. Otherwise, the city may end up with many pilot schemes but no coherent transition pathway.

4.4 Finance and market creation must be treated as core governance issues

A strong theme across the groups was that government needs to understand its role in creating markets. Participants stressed that corporate action will not scale if the economics do not work.

In aviation, participants noted that sustainable aviation fuel cannot take off if policy focuses only on supply without creating demand. In green finance, participants suggested that incentives need to be strong enough to create business momentum. In buildings, participants highlighted the need to create demand for retrofits through labels, standards, public sector leadership, cheaper finance and clearer guidance. In carbon markets, participants discussed the potential for closer alignment with the Chinese Mainland's carbon markets and the possibility of positioning Hong Kong as a carbon credit trading hub.

Participants did not frame finance only as funding. They saw finance as part of market creation. Companies need price signals, taxonomies, investable pipelines, guarantees, aggregation mechanisms, carbon or nature-related pricing, insurance products, and financial incentives that change behaviour.

This was one of the clearest links to the 5-Pillar Model. Finance and market creation should not be treated as an afterthought. They are necessary to make sustainability commercially practical.

4.5 Data, disclosure and standards need to become decision-useful

Participants discussed data extensively. The issue is not only whether data is disclosed, but whether it is useful for decisions.

Several groups called for measurable standards, guidance, climate and nature-related taxonomies, sector-specific benchmarks and more consistent methodologies. Participants noted that different companies, consultants and sectors use different climate risk models and datasets. This makes it difficult to compare exposure, assess risk, price insurance, make underwriting decisions or design adaptation measures.

For physical climate risk, participants highlighted the absence of a clear Hong Kong plan and the need for better transparency around government investment, infrastructure resilience and climate exposure data. For insurance, participants suggested that more consistent data platforms and methodologies could support products that reward climate risk reduction. For value chains, participants noted the difficulty of Scope 3 data and the need to turn data into a meaningful transition story rather than a compliance table.

The workshop therefore showed that transparency is not only about reporting. It is about building shared evidence, common standards and trusted methodologies so that boards, regulators, financiers, insurers and companies can act on the same basis.

4.6 Engagement with business needs to be more direct and strategic

Participants felt that government engagement with industry is sometimes too high-level, too technical or insufficiently connected to implementation realities. When policies or standards are developed without deep industry engagement, they may become too vague, too academic or difficult to apply.

Several groups called for more direct conversations with corporates and boards.

Participants suggested that government could use workshops of this kind to hear from business about real barriers, incentives, data gaps and investment conditions.

The workshop also highlighted the need to communicate sustainability in business language. Participants noted that it can be difficult to engage boards on climate, nature and decarbonisation unless the issues are framed in terms of business risk, value creation, competitiveness, health, energy security, resilience, capital allocation and licence to operate.

This is important because board engagement can move the needle. If top management and boards genuinely care about these issues, operational and technical teams are more likely to have the authority and resources to act.

4.7 Talent and professional capacity are foundational

Participants highlighted talent and professional capacity as a cross-cutting issue. Green finance, transition planning, disclosure, insurance, auditing, second-party opinions, sustainability practice and project implementation all require professional capability.

One group noted that green finance is not simply a matter of adding ESG to a banker's job title. Hong Kong needs auditors, insurers, sustainability practitioners, professional service providers, data specialists and corporate teams that understand transition. Talent should therefore be treated as a foundation that runs across all five pillars.

5. Implications for Hong Kong's First Five-Year Plan

Participants saw Hong Kong's first five-year plan as a timely opportunity to define the governance conditions for corporate climate action. The plan should not only set aspirations. It should provide a practical framework for implementation.

Several implications stood out:

- Hong Kong needs a clear sustainability vision linked to its economic future. The first five-year plan should explain how climate, nature, resilience and transition support competitiveness, finance, talent, infrastructure, trade and Hong Kong's role as a bridge between China and the world.
- The plan should include sectoral transition pathways. Buildings, shipping and aviation, logistics, finance, insurance, utilities, biodiversity and supply chains require differentiated pathways, targets, barriers analysis and implementation mechanisms.
- Government should identify leaders and champions. Priority areas need named owners, coordinating bodies or interdepartmental mechanisms so that responsibilities do not remain dispersed.
- Public assets and procurement should be used to create market signals. Government buildings, land sales, public works and procurement can demonstrate what climate resilience, carbon neutrality and sustainability mean in practice.

- Data and standards should be made decision-useful. The plan should support common methodologies, climate exposure data, disclosure guidance, sector benchmarks, taxonomies and platforms that help companies, financiers and insurers make decisions.

- Finance and market creation should be central. The plan should consider taxonomies, green and transition finance, carbon markets, guarantees, pools of capital, incentives, cheaper finance and insurance products that reward risk reduction.

- Public-private engagement should be structured. Government should have deeper conversations with boards, corporates, professional bodies and sector groups to ensure that policies are practical, and implementation barriers are understood. Trade associations, industry bodies, chambers of commerce and professional organisations can also play an important role in gathering views from companies and presenting them through the 5-Pillar Model, so that consultation responses move beyond fragmented sectoral requests and become clearer governance recommendations.

- Talent and professional capacity should be treated as enabling infrastructure. Hong Kong needs the skills base to implement transition across finance, insurance, auditing, engineering, disclosure, data, risk modelling and corporate sustainability.

6. Relationship to the 5-Pillar Model

The workshop showed the practical value of the 5-Pillar Model for a board-level audience. Participants raised many issues: climate risk, sustainable aviation fuel, green finance, biodiversity, data disclosure, building retrofits, carbon markets, insurance, talent and supply chains. On their own, these could appear as a long list of sectoral concerns. The 5-Pillar Model helped organise them into a governance agenda.

- **Direction:** Participants called for a clearer vision of sustainable Hong Kong, alignment with national planning, sectoral pathways, transition plans, measurable targets and a stronger narrative that frames sustainability as opportunity, resilience and competitiveness.

- **Leadership & Accountability:** Participants called for visible champions, senior-level government ownership, interdepartmental coordination and public-sector leadership through procurement, land policy, public buildings and demonstration projects.

- **Integration and Mainstreaming:** Participants stressed the need to avoid silos, align policies and standards, connect Hong Kong with Mainland and international frameworks, and embed climate and nature into normal economic, infrastructure, finance and sectoral policy.

- **Finance and Market Creation:** Participants emphasised that government must help create markets through price signals, taxonomies, incentives, carbon markets, green and transition finance, insurance products, investable pipelines and demand creation.

- **Transparency & Engagement:** Participants highlighted data access, climate risk methodologies, disclosure guidance, standards, physical risk information, Scope 3 challenges, public-private dialogue and engagement with boards and senior management.

The workshop also showed that talent and professional capacity cut across all five pillars. Without the right skills, institutions and professional services, even good policy signals may not translate into implementation.

7. Overall Message

The workshop confirmed that corporate boards have an important role in Hong Kong's climate transition, but they cannot deliver system-level change alone. Boards can oversee strategy, risk, capital allocation, incentives and disclosure. They can ask better questions of management and engage investors and stakeholders. But they also need clear public policy conditions.

The central message was that Hong Kong's first five-year plan should define those conditions. Businesses need clearer direction, visible leadership, integrated policies, investable markets, decision-useful data, structured engagement and stronger professional capacity. Without these conditions, corporate climate action will remain fragmented, voluntary and difficult to scale.

For the Climate Governance Project, the workshop provides evidence that the 5-Pillar Model is useful for board-level engagement. It helps translate corporate concerns into governance asks. It could also help boards move from asking what companies should do internally to asking what government must organise externally. It can also help companies, trade associations, chambers and professional bodies organise their responses to the first five-year plan consultation in a way that is more coherent and useful to government. In this sense, the workshop shows how Hong Kong's first five-year plan can become a bridge between board governance and public climate governance.

Acknowledgements

The co-organisers would like to thank Deloitte for sponsoring the workshop venue, and the following individuals for their help in preparing and running the workshop on 9 June 2026 (in alphabetical order):

- *Nicola Ho*
- *Shirley Hui*
- *Gerold Koh*
- *Andy Law*
- *Spencer Liu*
- *Christine Loh*
- *Sandy Sun*
- *Agnes Tai*
- *Vivien Teu*
- *Ring Tu*
- *Yan Yan Yip*
- *Amy Zhang*