

The Sustainable Development Goals & Business

Considerations for
Key Sectors in Hong Kong



TABLE OF CONTENTS



04 Introducing the SDGs



08 Relevance to Business



10 Manufacture, Trading & Logistics



12 Retail



14 Property & Construction



16 Banking & Finance



18 Moving Forward



Introduction

The **Sustainable Development Goals (SDGs)** were launched by the UN in New York in September 2015. The SDGs provide a global framework for eradicating poverty and shifting the world economy onto a sustainable and resilient path.

The 17 SDGs and 169 associated targets build on the previous eight Millennium Development Goals (MDGs), and seek to complete what they did not achieve.

Although the SDGs' development process was led by UN Member States, it was a highly inclusive process with unprecedented involvement and support from the business sector. In order to implement and achieve the Goals, business action will be critical. This document seeks to explore the practical implications for business in the specific context of Hong Kong, with reference to a number of our key industries.

Sustainable Business HK

Sustainable Business HK was launched in 2015 to help move sustainability from concept to practice. We aim to support businesses to make a positive contribution to sustainable development through their core business activities.

Sustainable Business HK is an initiative of the Caring Company Scheme. The Scheme was established by HKCSS in 2002 to cultivate good corporate citizenship through building strategic partnerships between businesses and NGOs. Today there are more than 2,900 Caring Companies and Caring Organisations across a wide range of sectors.

This Document

This document has been developed with reference to existing business practices and guidance. All of the business actions suggested in this document are already being implemented by companies in Hong Kong and elsewhere.

We hope that it will act as a starting point to inspire your thinking as you develop your sustainability strategy.

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Introducing the SDGs

There are **17** Sustainable Development Goals and **169** associated targets.

Introducing the SDGs

The SDGs help companies align their core business strategy and activities with the needs of society and the environment. They enable business to build their own long-term success through contributing to sustainable development.

1

NO POVERTY

2

ZERO HUNGER

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

5

GENDER EQUALITY

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

10

REDUCED INEQUALITIES

11

SUSTAINABLE CITIES AND COMMUNITIES



THE GLOBAL GOALS

For Sustainable Development

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

14

LIFE BELOW WATER

15

LIFE ON LAND

16

PEACE AND JUSTICE STRONG INSTITUTIONS

17

PARTNERSHIPS FOR THE GOALS

For the full list of SDGs and targets, go to <http://www.un.org/sustainabledevelopment/>

06

07

Relevance to Business

Many of the SDGs are relevant to companies across Hong Kong's major business sectors. Some examples are provided below, together with suggested actions and management approaches. Further examples and suggestions relating to specific sectors are provided in the following sections.

4

QUALITY
EDUCATION



Provide quality education and life-long learning opportunities

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

- › Engagement to provide potential employees with information and experience of opportunities in your sector, e.g. career talks, workplace visits
- › Further education and vocational training opportunities, e.g. scholarships
- › In-work training and development, e.g. apprenticeships, technical training

5

GENDER
EQUALITY



Attain gender equality, empower women and girls

5.1 End all forms of discrimination against all women and girls

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

- › Anti-discrimination and family-friendly workplace policies
- › Public disclosure of employee diversity, incidents of discrimination, etc.
- › Targets to champion female representation on company boards

8

DECENT WORK AND
ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work

8.5 By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 By 2020 substantially reduce the proportion of youth not in employment, education or training

- › Opportunities through the Youth Employment & Training Programme
- › Supported employment opportunities for people with disabilities
- › Partnership with NGOs to attract job applications from disadvantaged groups

10

REDUCED
INEQUALITIES



Reduce inequality within and between countries

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

10.3 Ensure equal opportunity and reduce inequalities of outcome

- › Guaranteed living wage for all workers, based on the local cost of living
- › Equal opportunities or diversity policy which extends to the entire value chain
- › Location of business activities in areas of high deprivation or exclusion

16

PEACE AND JUSTICE
STRONG INSTITUTIONS



Achieve peaceful and inclusive societies, access to justice for all, and effective and capable institutions

16.5 Substantially reduce corruption and bribery in all their forms

- › Code of conduct for all business units and employees; anti-corruption policy
- › Mechanisms for seeking advice on ethical and lawful behaviour
- › Disclosure of political contributions by country and recipient

17

PARTNERSHIPS
FOR THE GOALS



Strengthen and enhance the means of implementation and global partnership for sustainable development

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

- › Participation in multi-stakeholder initiatives, e.g. Ethical Trading Initiative, RSPO
- › Financial and in-kind support for the development of sector-specific sustainability frameworks, standards and initiatives
- › Active engagement of policymakers to improve the effectiveness of regulation in creating an enabling environment for sustainable business

Manufacture, Trading & Logistics

Trading and Logistics is one of Hong Kong's four pillar industries, accounting for **23.9%** of value added in GDP and **20.6%** of total employment. Manufacturing and Trading is the largest category in the Caring Company Scheme, accounting for **7.4%** of awarded companies.

The range of products traded is diverse. Therefore, companies in this sector are able to influence outcomes across a wide range of supply chains and customer groups.



3

GOOD HEALTH
AND WELL-BEING

Ensure healthy lives and promote well-being for all

3.9 By 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination

- > Supplier code of conduct requiring commitment to safe and healthy working conditions, safe handling of hazardous substances, treatment of discharge, etc
- > Supplier audits to monitor compliance with code of conduct
- > Supplier training and capacity-building programmes



6

CLEAN WATER
AND SANITATION

Ensure availability and sustainable use of water and sanitation

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

- > Use of alternative water sources, e.g. gray water, rainwater capture systems
- > Technical or financial assistance to help suppliers introduce processes for water saving or reuse in production
- > Substitution of water-intensive resources/materials with alternatives



12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Ensure sustainable consumption and production patterns

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

- > Substitution of raw materials with recovered/reprocessed inputs
- > Circular economy thinking to 'design out waste' throughout the value chain
- > Dematerialisation of products; providing 'products as a service'



15

LIFE
ON LAND

Protect and promote sustainable use of terrestrial ecosystems; sustainably manage forests; halt desertification, land degradation and biodiversity loss

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

- > Sourcing of wood and fibre products from certified sustainable sources, e.g. FSC
- > Sourcing of extractives from suppliers that commit to rehabilitate land after use
- > Carbon offsetting through investment in forest protection schemes

Retail

The latest retail statistics for Hong Kong estimate a total monthly sales value of **\$35.2 billion**, with growing food and supermarket sales. Hong Kong retailers employ many local people directly, and have highly diversified, often international supply chains.

Retail is the third-largest sector in the Caring Company Scheme, accounting for **7.1%** of awardees.

2

ZERO
HUNGER



End hunger, improve nutrition and promote sustainable agriculture

2.3 By 2030 double the agricultural productivity and the incomes of small-scale food producers... including through secure and equal access to land...and opportunities for value addition

- › Training and technical assistance to help smallholder farmers improve their productivity and incomes
- › Partnership with telecoms providers to deliver smartphone-enabled services to improve farm yields and incomes
- › Advisory assistance for smallholder farmers to secure legal title to land

8

DECENT WORK AND
ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work

8.8 Protect labour rights and promote safe and secure working environments of all workers

- › Policy/code which addresses labour rights and standards across the value chain
- › Information/training for supply chain workers to ensure that they understand their rights under national labour and employment law
- › Health and safety policies, procedures and monitoring for the supply chain

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Promote sustainable consumption and production patterns

12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

- › Faster crop collection and transportation, e.g. by forming farmer co-operatives
- › Supplier education on the application of circular economy systems, e.g. composting food waste for use as a natural fertiliser
- › Cessation of 'buy one get one free' and other offers that encourage excess buying

14

LIFE BELOW
WATER



Conserve and sustainably use the oceans, seas and marine resources

14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices

- › Fish sourced and certified to international sustainability standards, e.g. MSC
- › Supply chain traceability to combat overfishing and illegal fishing
- › Consumer education on overfishing and how to help address it, e.g. buying only products certified to international standards

Property & Construction

With **2.5 million** domestic households and well **over a million** registered businesses in Hong Kong, demand for property and infrastructure remains high. Property and construction companies influence sustainable development through a number of touch-points, including employment, supply chains, and the types of communities they create.

Property Management is the **second-largest category** in the Caring Company Scheme, while Construction, Engineering and Interior Design ranks **fifth**. Property Development and Real Estate ranks **fifteenth**.



Ensure access to affordable, reliable, sustainable and modern energy for all

7.3 By 2030, double the global rate of improvement in energy efficiency

- › Compliance with BEAM Plus standard for all new and existing buildings
- › Energy-efficient installations including air conditioning, lighting and lifts
- › Piloting and incorporation of alternative energy solutions, e.g. solar power-capturing windows, kinetic energy-absorbing pavements



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work

8.8 Protect labour rights and promote safe and secure working environments of all workers

- › Screening of new sub-contractors based on labour standards criteria
- › Joint management-worker health and safety committees to monitor and advise on occupational health and safety
- › Public disclosure of the number and nature of health and safety incidents on construction sites



Make cities and human settlements inclusive, safe and sustainable

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

- › Green space in developments and green features on buildings, e.g. rooftop gardens, green walls
- › Integration of 'convivial spaces' that facilitate social interaction
- › Principles of universal design, barrier-free access and age-friendly cities



Protect and promote sustainable use of terrestrial ecosystems; sustainably manage forests; halt desertification, land degradation and biodiversity loss

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

- › Policy to avoid development in areas of high biodiversity value
- › Partnerships for the planning and implementation of biodiversity offsetting
- › Monitoring and public disclosure of corporate biodiversity performance

Banking & Finance

Financial Services is another of Hong Kong's pillar industries, generating **16.5%** of value added and **6.2%** of employment. Within the Caring Company Scheme, Banking, Financial and Credit Services is the fourth-largest category, accounting **5.1%** of awarded companies.

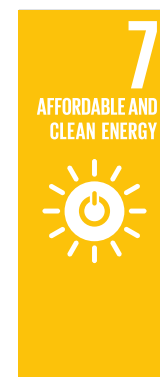
Financial institutions have significant capacity to influence sustainable development through both their products and the way in which they select or screen investees and borrowers.



Ensure healthy lives and promote well-being for all

3.8 Achieve universal health coverage, including financial risk protection

- > Expansion of eligibility for health insurance products to older customers
- > Affordability taken into account when making pricing decisions for health insurance products in low-income markets
- > Health monitoring and healthy living incentives within health insurance products



Ensure access to affordable, reliable, sustainable and modern energy for all

7.a By 2030...promote investment in energy infrastructure and clean energy technology

- > Application of the Equator Principles, which require environmental and social impact analyses, across all forms of project financing
- > Financing for clean energy projects and providers, e.g. green bonds, SRI funds
- > Investment in R&D to bring sustainable technologies to the market at scale



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work

8.3 Promote development-oriented policies that...encourage formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services

- > Increased lending to smaller companies, including through local partnerships with microfinance providers in developing countries
- > Micro-insurance and other tailored financial products for smaller businesses
- > Education, training and technical assistance to enhance small enterprise efficiency, competitiveness and sustainability



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

- > Board-approved mission and values statement that commits to using financial services to contribute to sustainable development
- > Sustainability screens applied to all business and infrastructure investments
- > Financing for green building developments and affordable housing, including low-cost finance through impact investing

Moving Forward

The potential focus issues and company responses set out in this document are provided as illustrative examples only. For every business, the priorities and approaches will differ.

In order to identify the most relevant issues and opportunities, we invite every company to assess how its business operations, employment practices, value chains and products/services might impact or contribute to each of the SDGs. This analysis can be used as a basis for setting sustainability goals and targets, engaging internal and external stakeholders, and establishing programmes and partnerships for change.

Leadership

At the sector level, we encourage industry and professional associations to establish or support in-depth analysis of the most relevant SDGs for their sector, with the involvement of major companies in the industry. For an example of how such an analysis might look in practice, we recommend viewing the UNGP-RICS toolkit, [Advancing Responsible Business Practices in Land, Construction, Real Estate Use and Investment](#).

Further Resources

The Global Reporting Initiative, in collaboration with the UN Global Compact and the World Business Council for Sustainable Development, has published the SDG Compass, a comprehensive guide for business action on the SDGs. The website provides a full list of the SDGs and associated targets, as well as corresponding indicators for sustainability reporting and links to business tools. To access the SDG Compass, go to www.sdgcompass.org.

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