



The Road to Sustainability: A Study on Sustainable Development of Hong Kong Fashion and Textile Industry

Tracy Zhou
Carbon and ESG Solutions
Green Living & Innovation Division
Hong Kong Productivity Council (HKPC)
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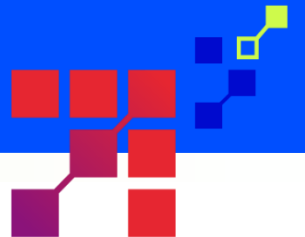


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Background of the Study

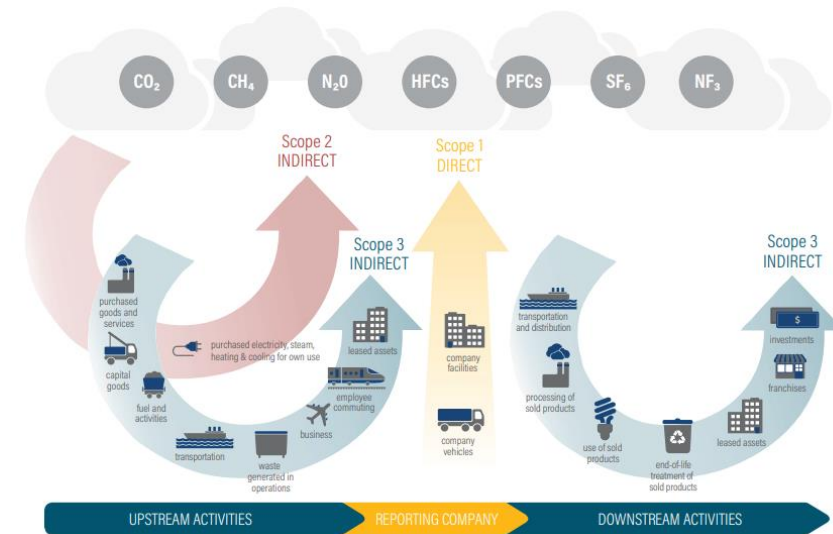




Global Efforts to Promote Sustainable Development



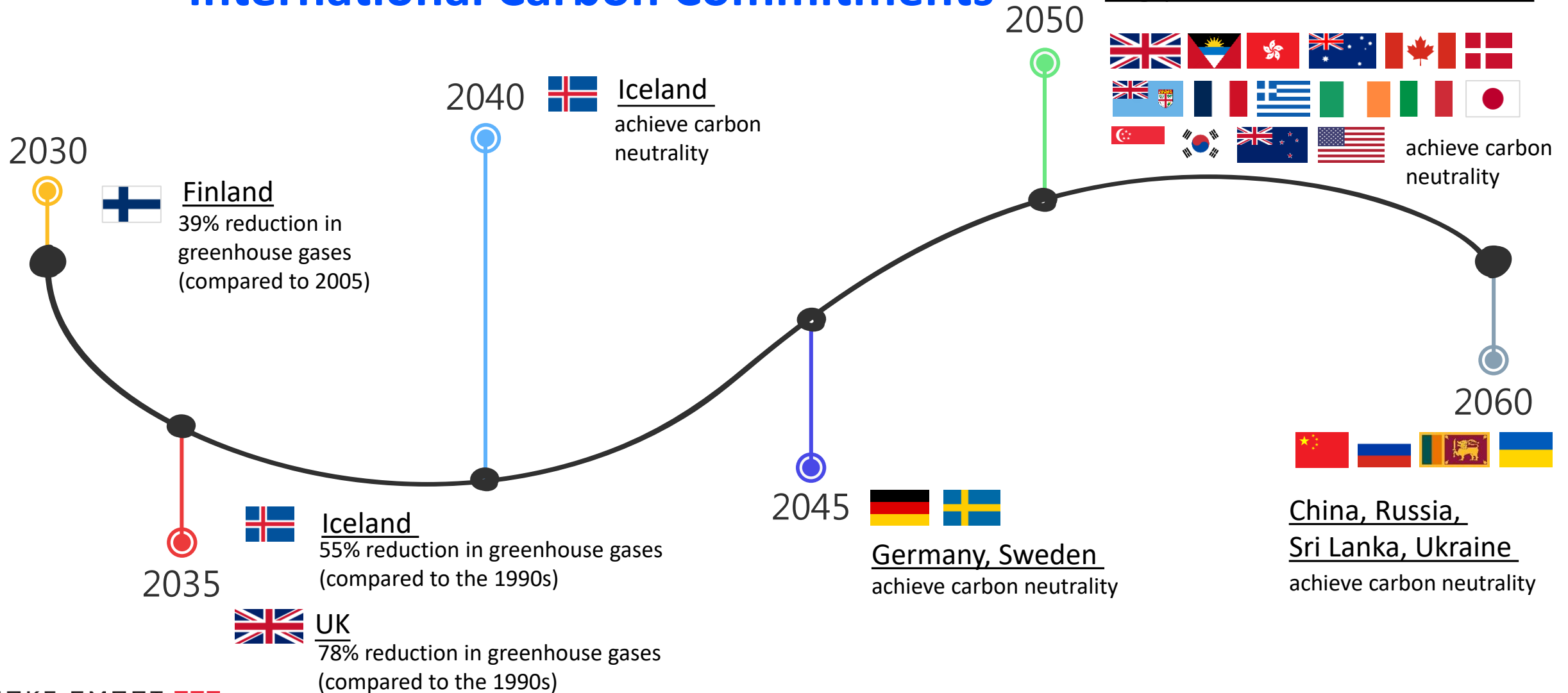
TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES





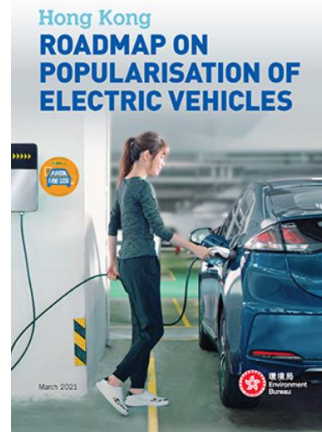
International Carbon Commitments

UK, Antigua and Barbuda, Hong Kong, Australia, Canada, Denmark, Fiji, France, Greece, Ireland, Italy, Japan, South Korea, Singapore, New Zealand, United States





Hong Kong Introduced Climate-related Policies



Net-zero Electricity Generation • Energy Saving and Green Buildings

In 2019, electricity generation accounted for about 66% of total carbon emissions. Hong Kong will gradually reduce the use of fossil fuel and expedite the use of clean zero-carbon energy.

No Coal for Electricity Generation
2035: Cease using coal for daily electricity generation, to be replaced by low to zero-carbon energy.

Zero-carbon Energy
2035: **60-70%** Trial of new energy and closer cooperation with neighbouring areas to increase the supply of zero-carbon electricity.

Renewable Energy (RE)
2035: **7.5-10%** (Increase to 15% subsequently) Public and private sectors to develop RE proactively to increase its share in the fuel mix for electricity generation.

Cooperation and Innovation
Seek investment and development opportunities, participate in and operate zero-carbon energy projects near Hong Kong.

Strengthening Regulation
Continuous enhancement of energy performance of buildings
- Expand the scope of regulation to cover all buildings with high energy consumption
- Conduct more frequent energy audits
- Implement the identified energy management opportunities
- Strengthen the promotion of retro-commissioning

Smart Management
Use smart technologies to enhance energy saving management and energy efficiency of buildings and infrastructure
Incorporate district cooling systems in development projects

Green Transport

Transport constituted about 18% of total carbon emissions in 2019. Popularisation of EVs and other new energy transport can help the transport sector achieve zero carbon emissions.

Clean Air Plan for Hong Kong 2035
Hong Kong Roadmap on Popularisation of Electric Vehicles

2035: Implement strategies in the Clean Air Plan to promote adoption of new energy transport to expedite low-carbon transformation

2050: Take forward measures set forth in the EV Roadmap to attain zero vehicular emissions before 2050

Hydrogen Fuel Cell Vehicles
2035: **Within 3 years** Test out hydrogen fuel cell electric buses and heavy vehicles

Electric Private Cars
2035: Cease the new registration of fuel-propelled and hybrid private cars in 2035 or earlier

New Energy Transport
2035: Progressively adopt new energy ferries

Waste Reduction

Waste accounted for about 7% of total carbon emissions in 2019. Developing waste-to-energy facilities and promoting waste reduction and recycling will enable us to move away from reliance on landfills for municipal waste disposal.

Waste Blueprint for Hong Kong 2035
2035: Implement the Waste Blueprint for Hong Kong 2035 to realise the vision of "Waste Reduction - Resource Circulation - Zero Landfill"

Municipal Solid Waste Charging
2023: Prepare for implementation of waste charging, encourage waste reduction and recycling, and strengthen community facilities and support

Regulation of Disposable Plastic Tableware
2025: Regulate disposable plastic tableware, etc. in phases, reduce plastic at source

Waste-to-energy
2035: Develop adequate waste-to-energy facilities, move away from reliance on landfills for municipal waste disposal.



Increasing Expectations for Supply Chain



Standard Chartered published "Carbon Dated" in June 2021

Research shows that **78%** of multinational

companies intend to terminate cooperation

with suppliers that do not reduce carbon

emissions and fail to cooperate with their zero-

carbon transformation plans **on or before 2025.**

For Hong Kong suppliers, failure to coordinate

with the transformation of their multinational

corporate partners risks losing export business

worth **US\$205.5 billion.**

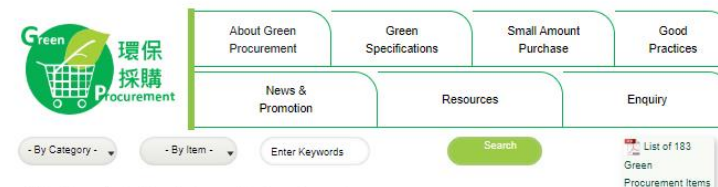
Source: Standard Chartered



"Sustainable Consumption, Knowledge, Action and Happiness-Consumer Behavior Tracking Research" issued by the Consumer Council in June 2021



Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.
KPI B5.1	Number of suppliers by geographical region.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.



Source: EPD



Sustainability Trends from International Brands





Variety of International Standards and Certifications

Materials



Sustainable Value Chain



Sustainable Chemistry and Safety



Management System





Objectives of the Study

1. Understand the industry's **progress in sustainability** and green manufacturing
2. Enhance the **awareness of practitioners** in the industry
3. Prioritise the most focused **sustainability topics**
4. Identify trends from studying **international pioneers**
5. Seek expert's **professional insights**
6. Share **best practices from SMEs**

Organiser



Implementation Agent



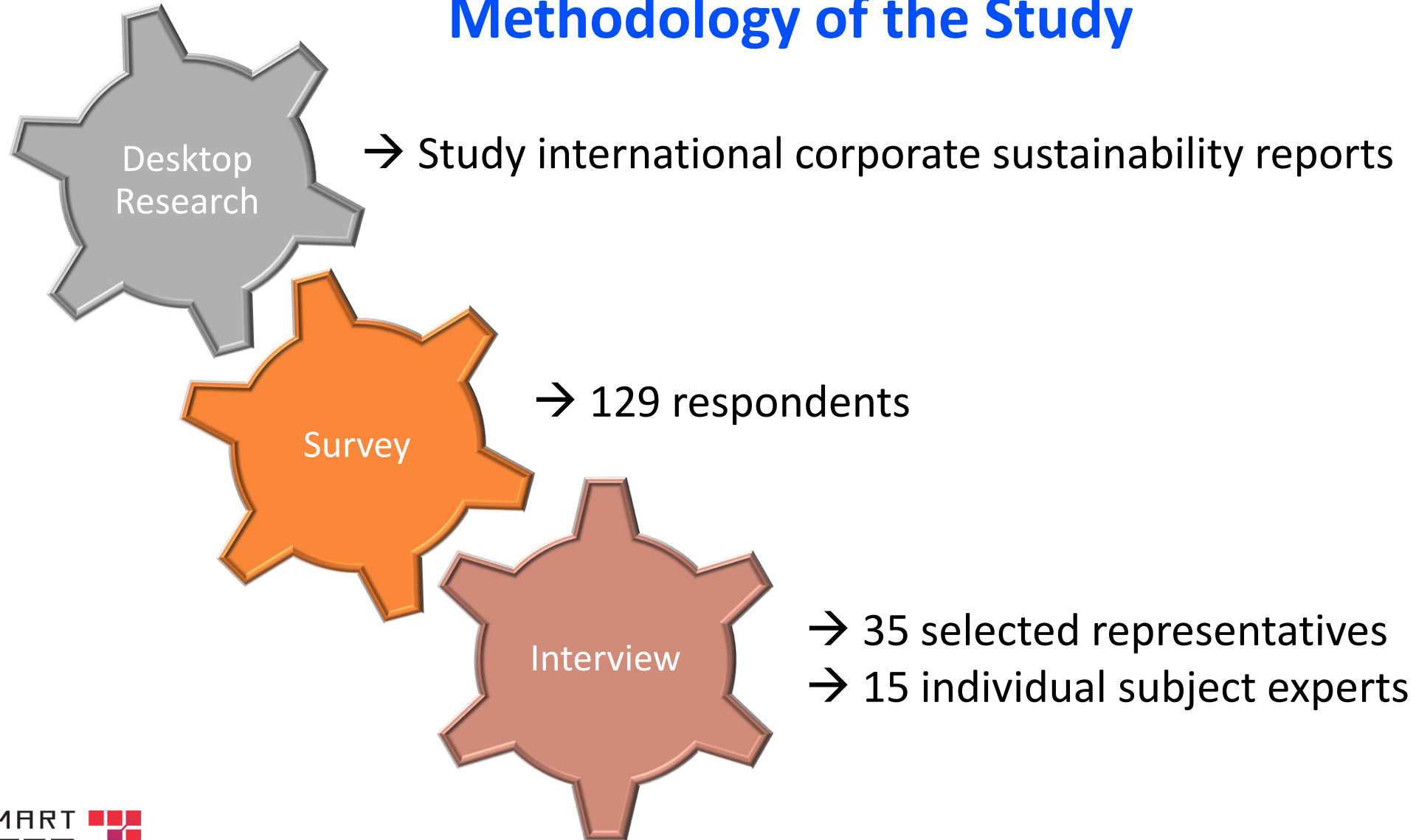
Funded by Trade and Industrial Organisation Support Fund,
Trade and Industry Department



工商機構支援基金
Trade and Industrial Organisation Support Fund

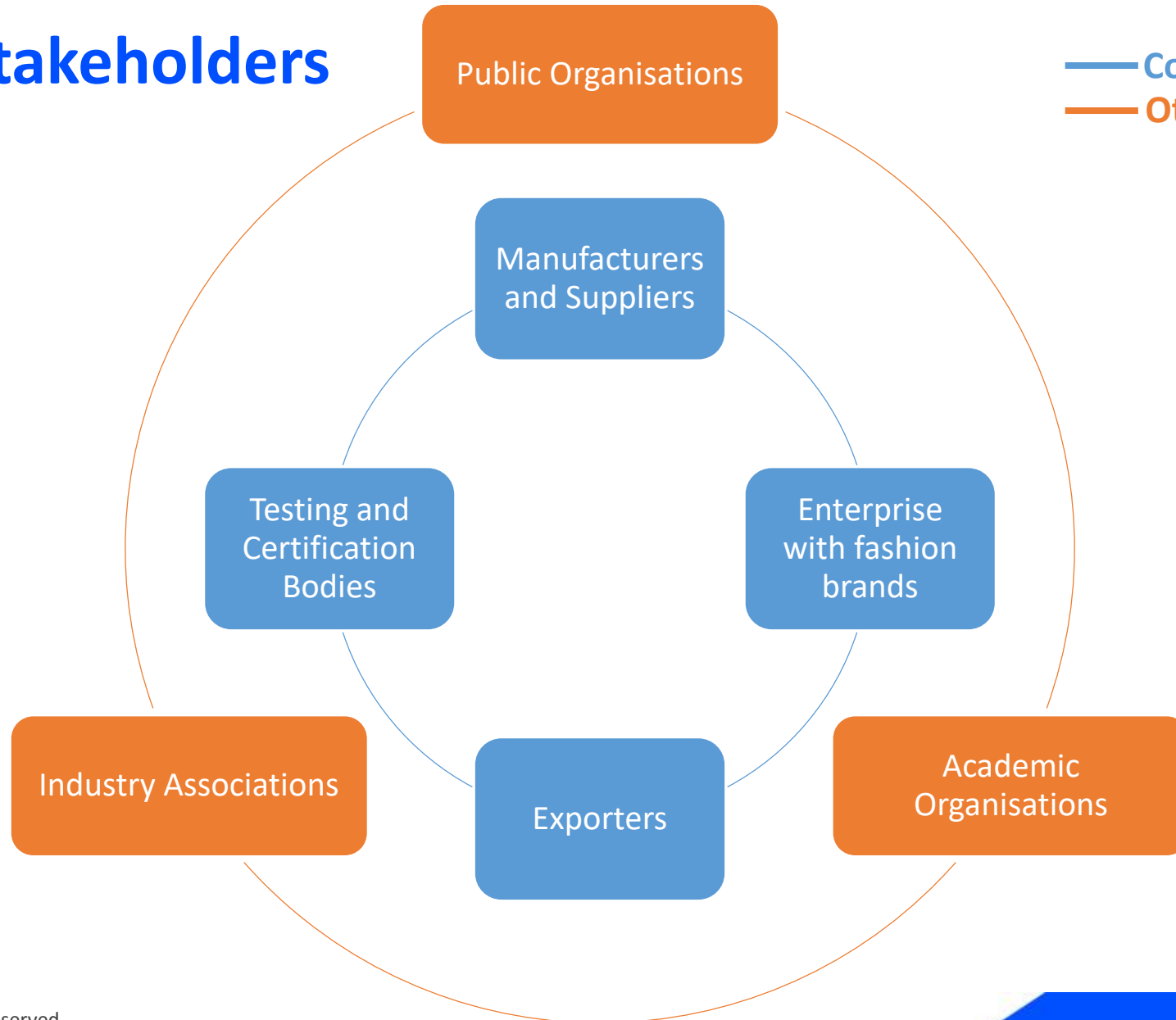


Methodology of the Study





Involved Stakeholders

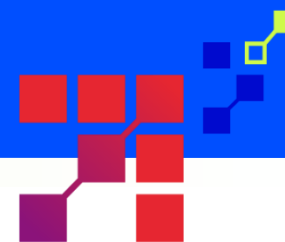


— Companies in target industries
— Other Stakeholders

We would like to express our sincere gratitude to all the respondents for their valuable contributions.



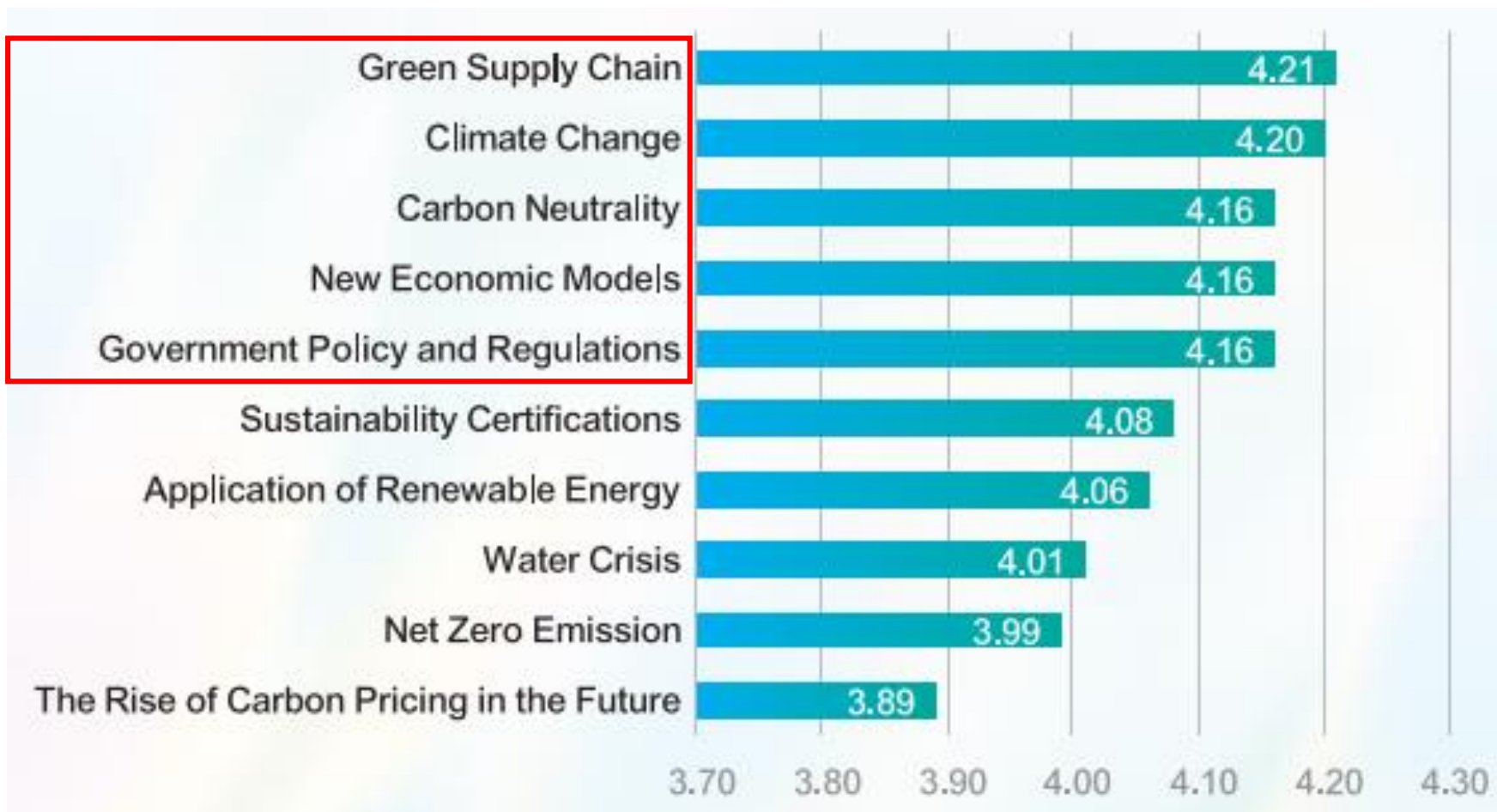
Findings of the Survey





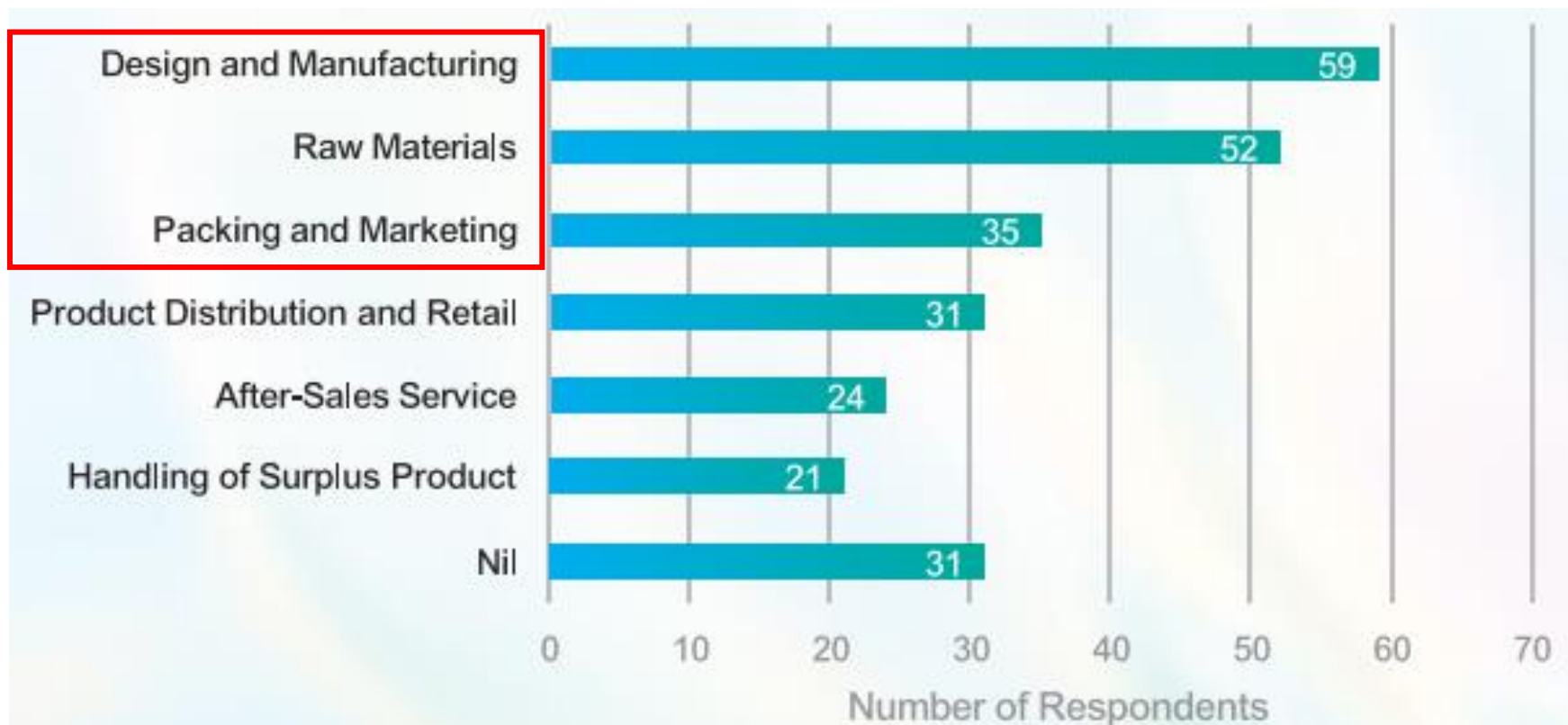
Top Sustainability Issues

(1 – Lowest, 5 – Highest)



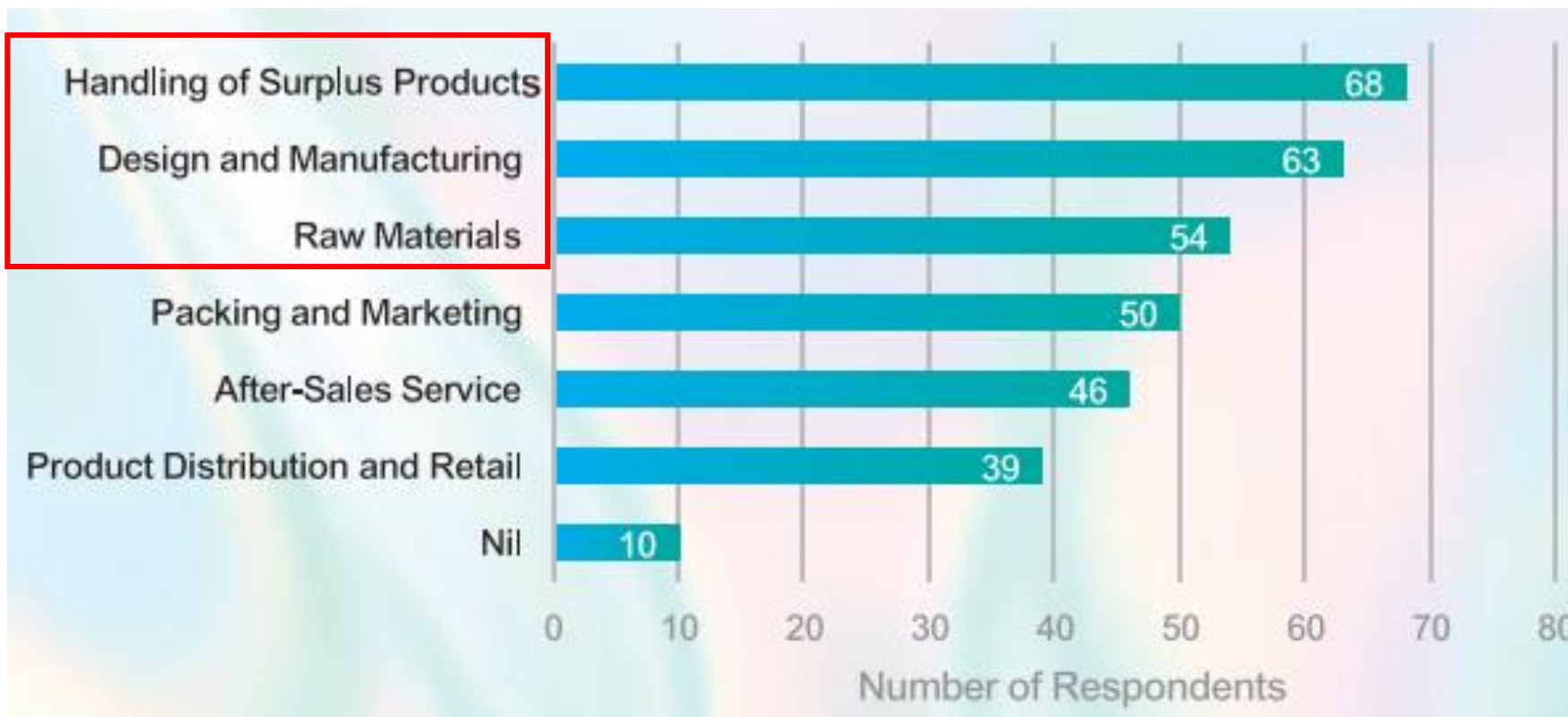


Well-performing Areas in Sustainable Development





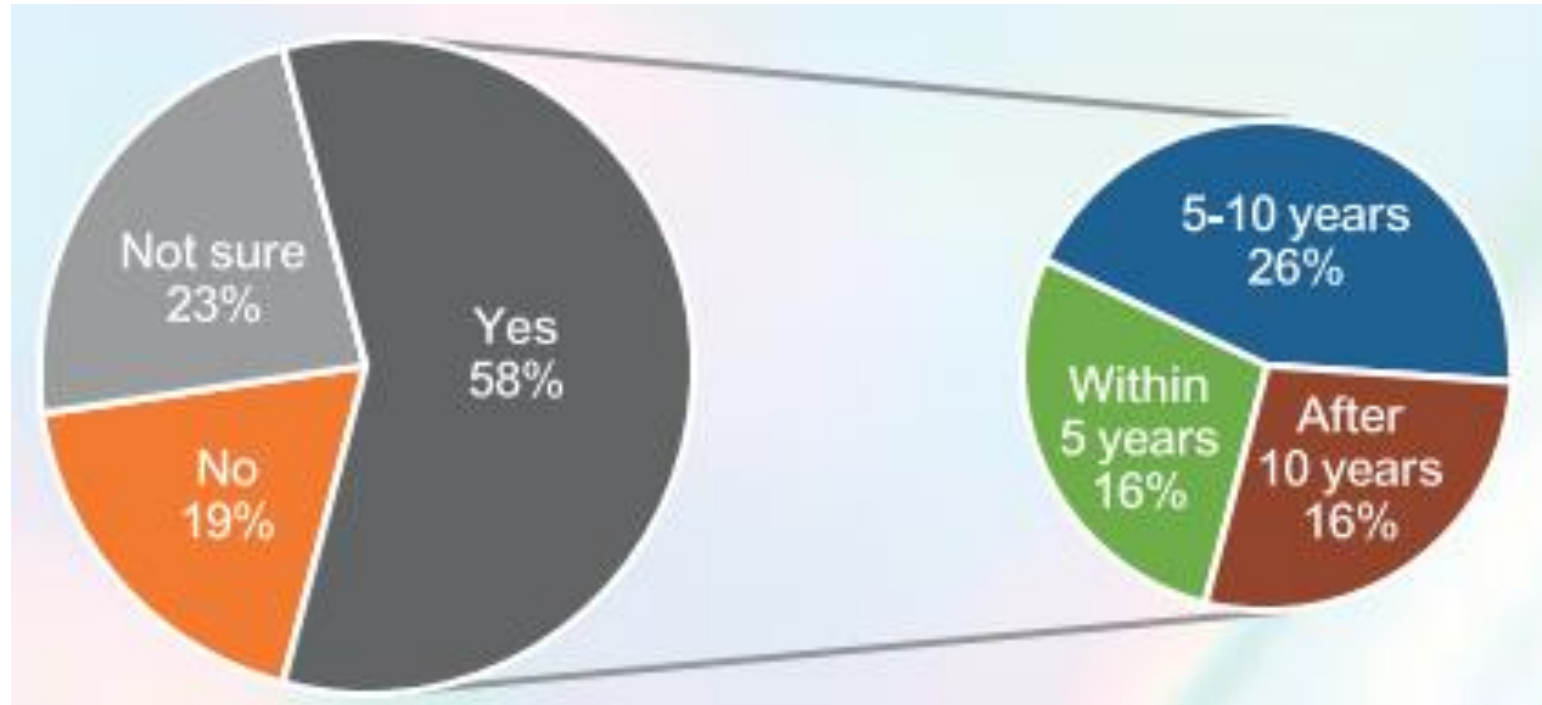
Areas for Improvement in Sustainable Development





Future Trends – Sustainable Development Transition

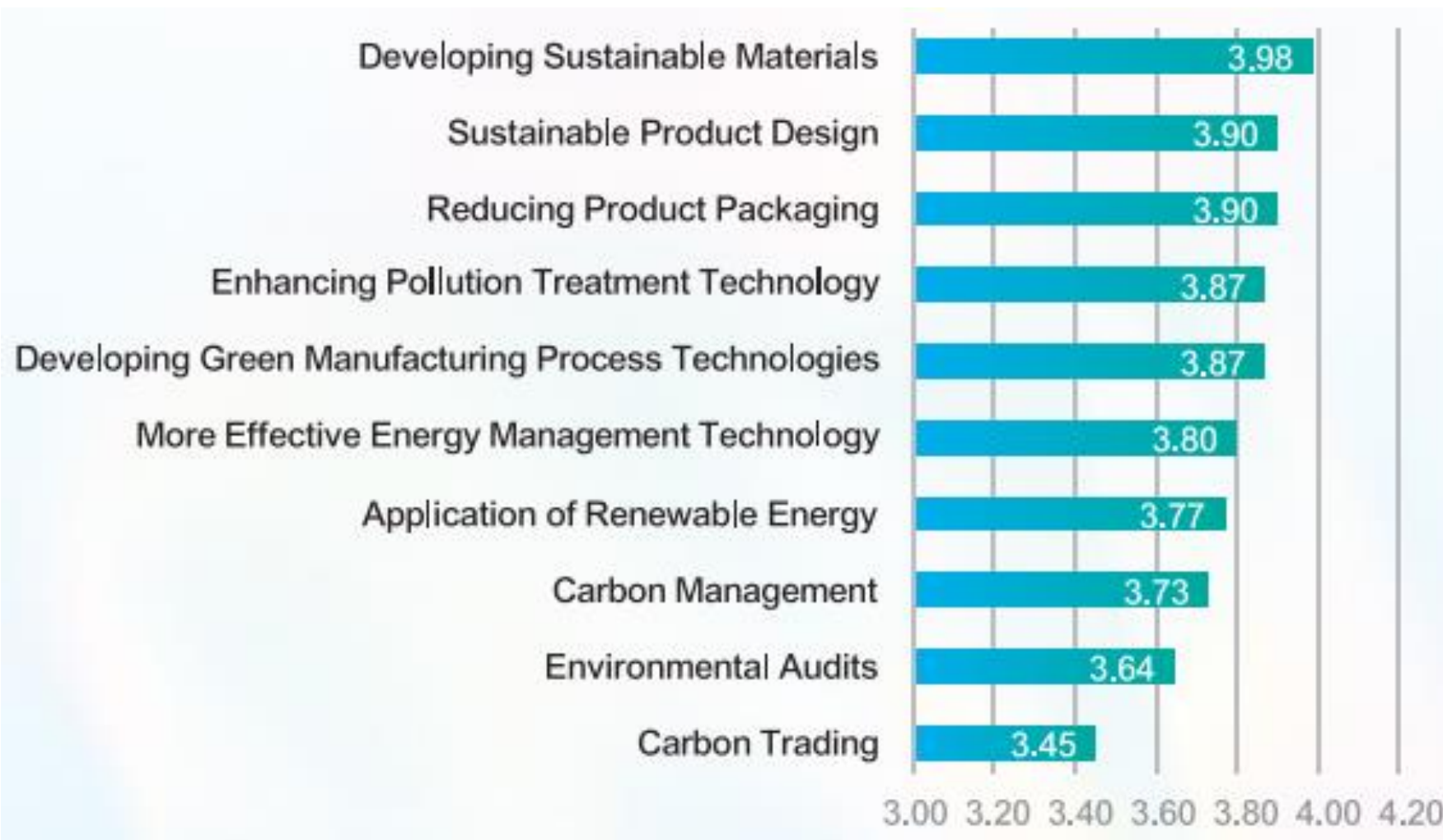
58% of the respondents believe that the large-scale transition will happen in the future.





Actions for Carbon Neutrality

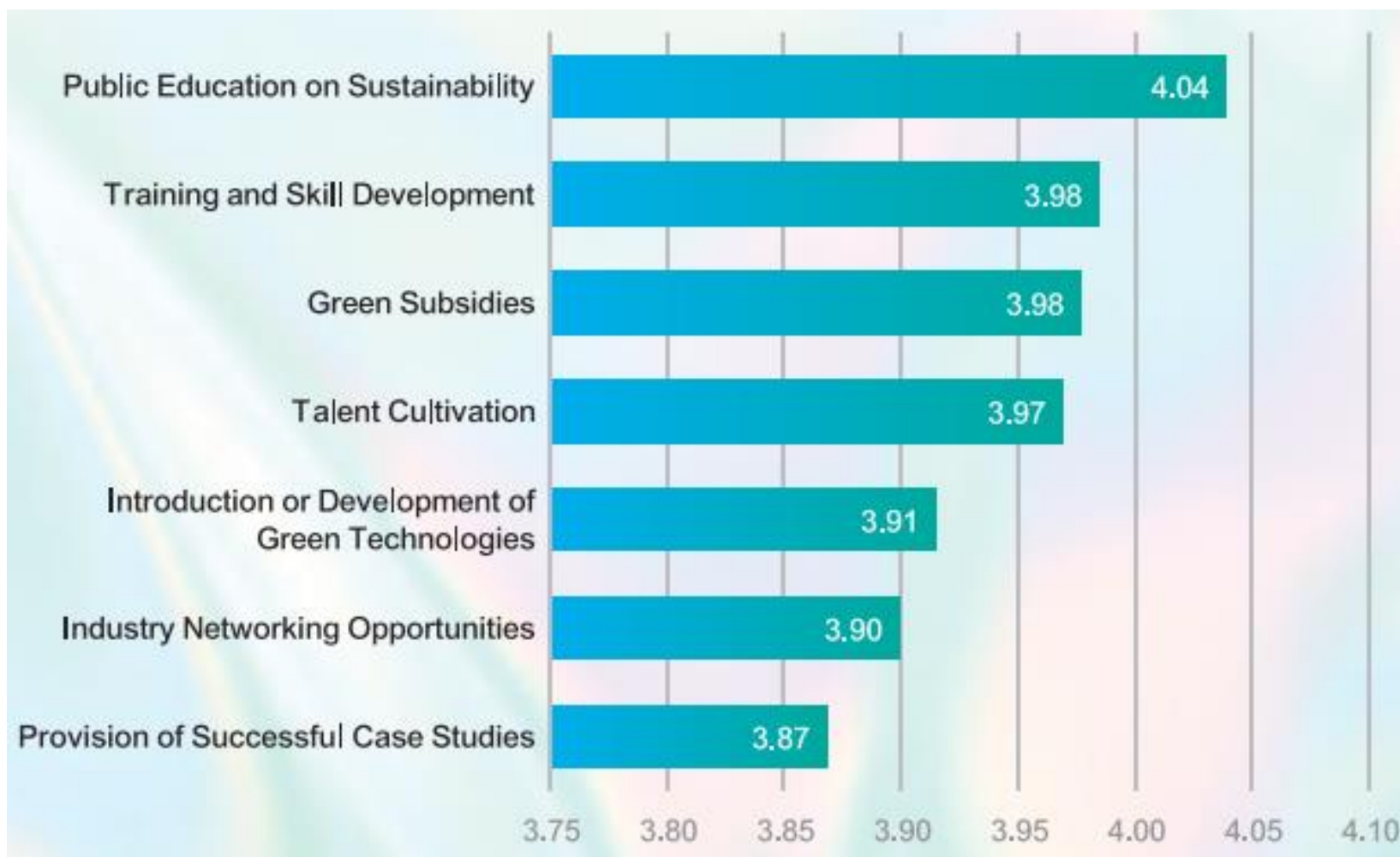
(1 – Not Helpful, 5 – Very Helpful)





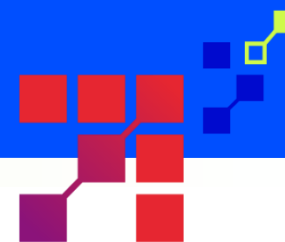
Effective Measures for Sustainable Development

(1 – Not Effective, 5 – Very Effective)





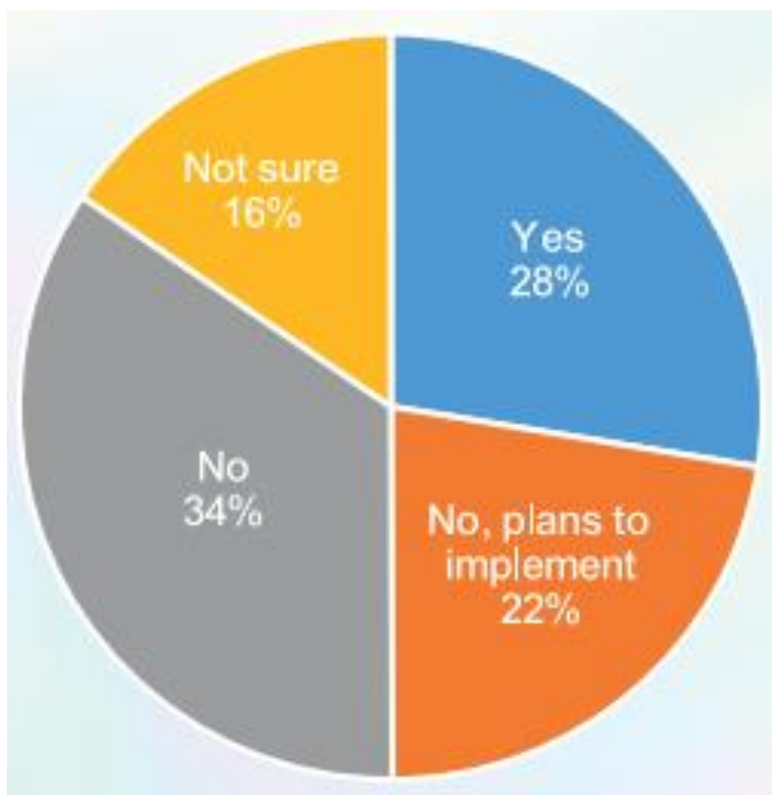
Focuses per Business Nature



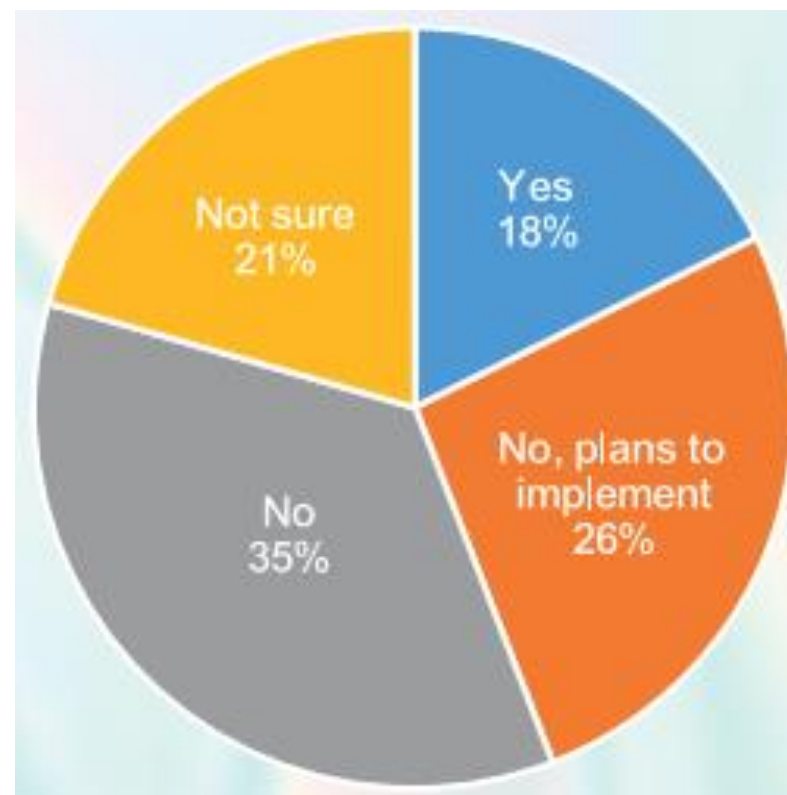


Environmental Management System Adoption

50% of the Manufacturers and Suppliers and 44% of the brands have implemented or planned to implement an EMS.



Manufacturers and Suppliers

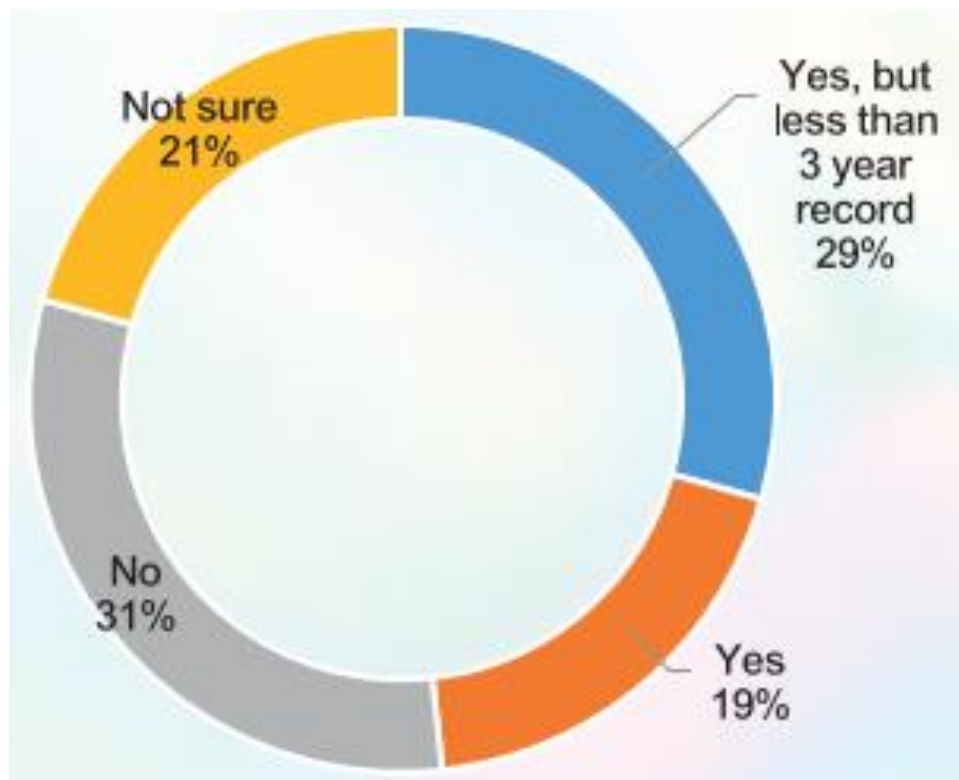


Brands

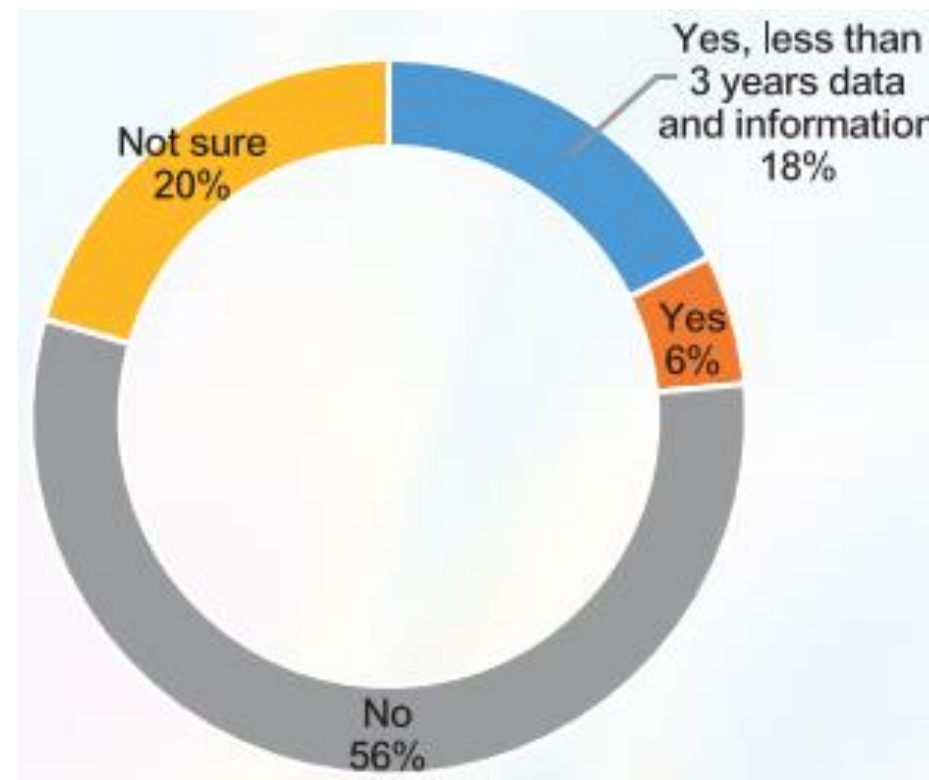


Environmental Data Collection

48% of the Manufacturers and Suppliers and 24% of the brands have collected environmental data regularly.



Manufacturers and Suppliers

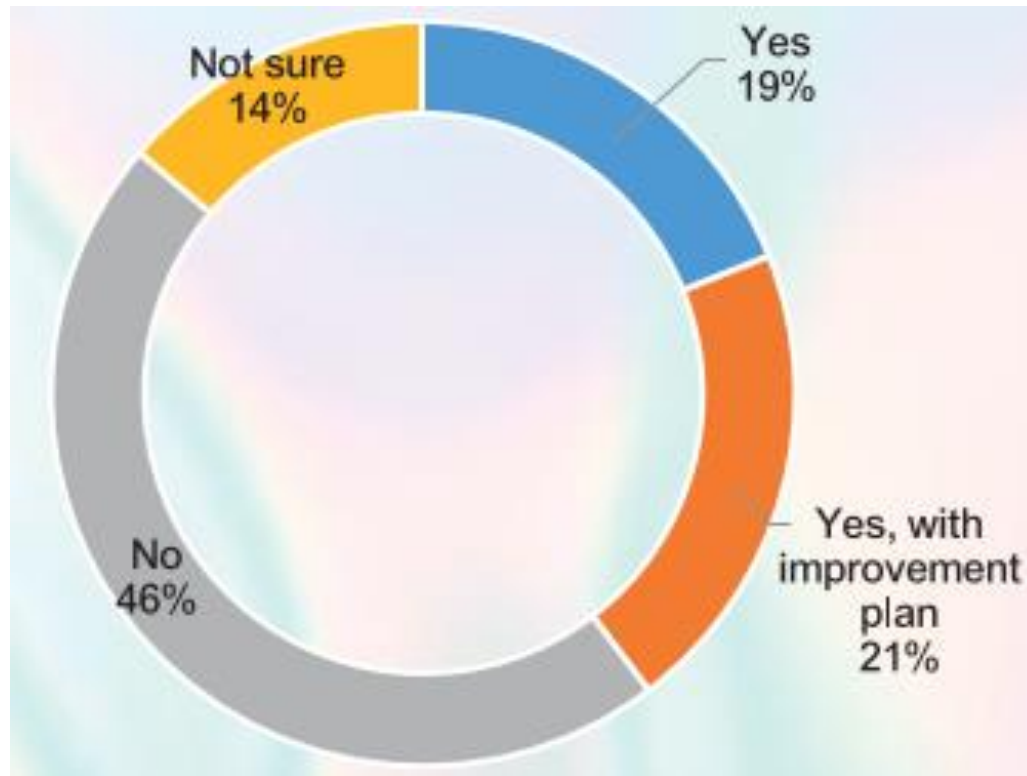


Brands

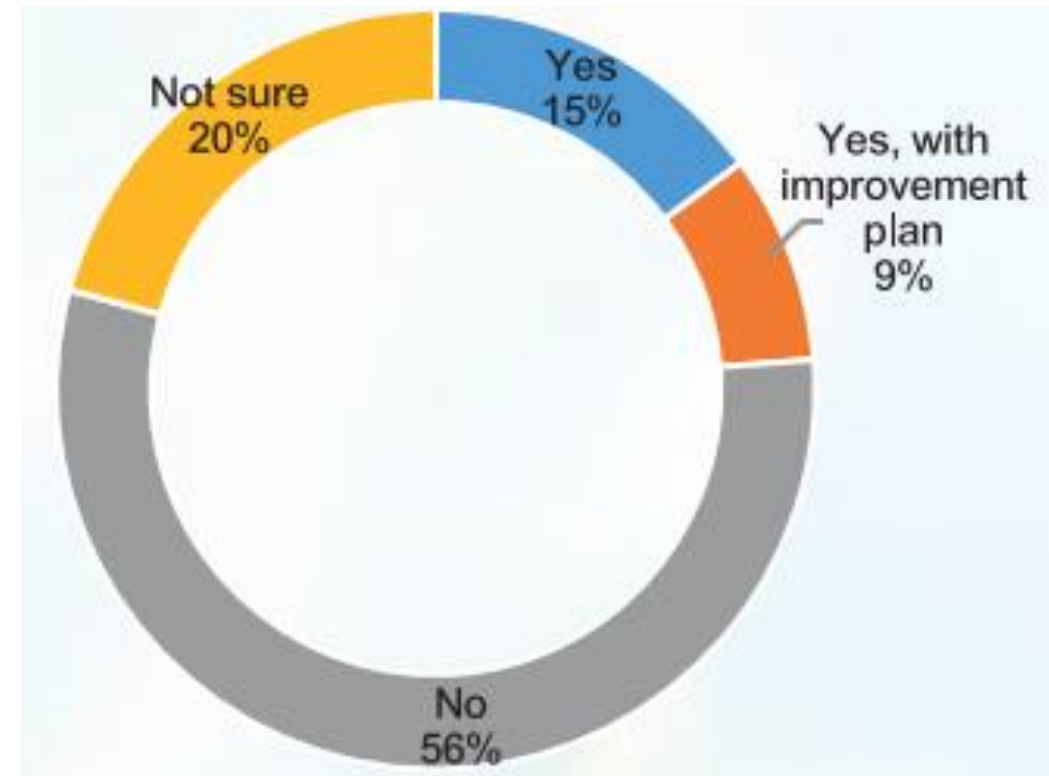


Environmental Target Setting

40% of the Manufacturers and Suppliers and 24% of the brands have set or planned to set environmental targets.



Manufacturers and Suppliers

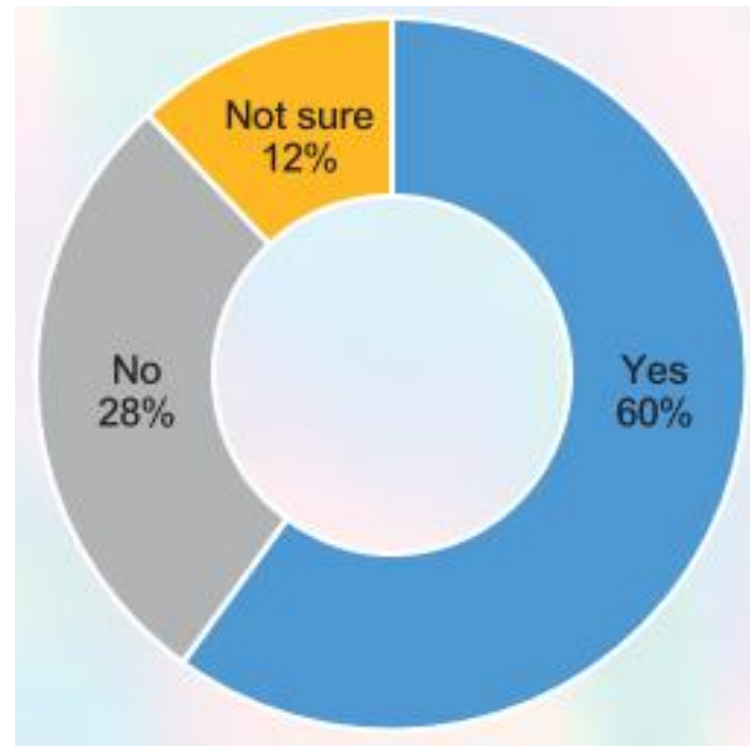


Brands



Manufacturers and Suppliers - Green Materials Adoption

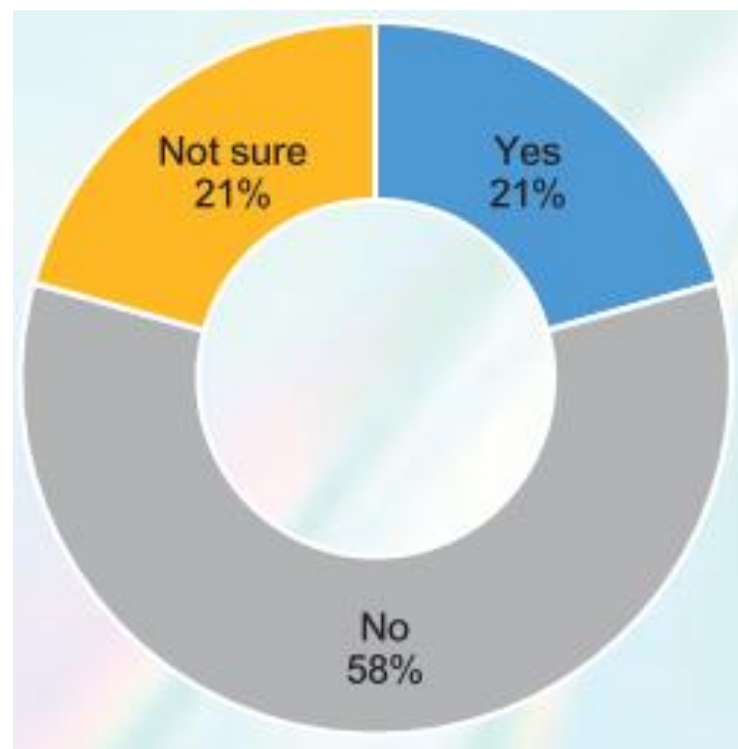
60% of the respondents have adopted green materials.





Manufacturers and Suppliers - Green Technologies Adoption

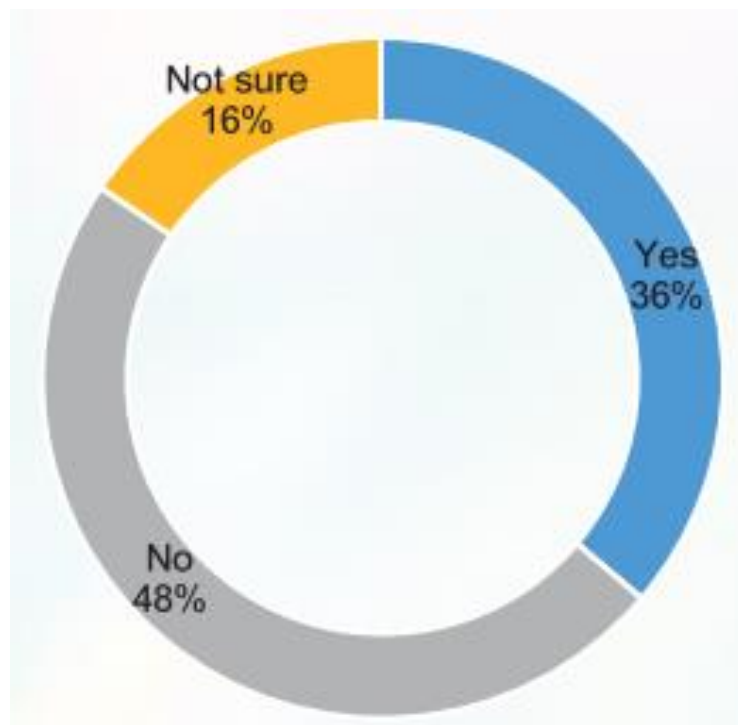
Around 80% of the respondents has not yet adopted or were not sure about the application of green manufacturing technologies.





Manufacturers and Suppliers - Environmental Audit

36% of the respondents have conducted environmental audit in the past 3 years.

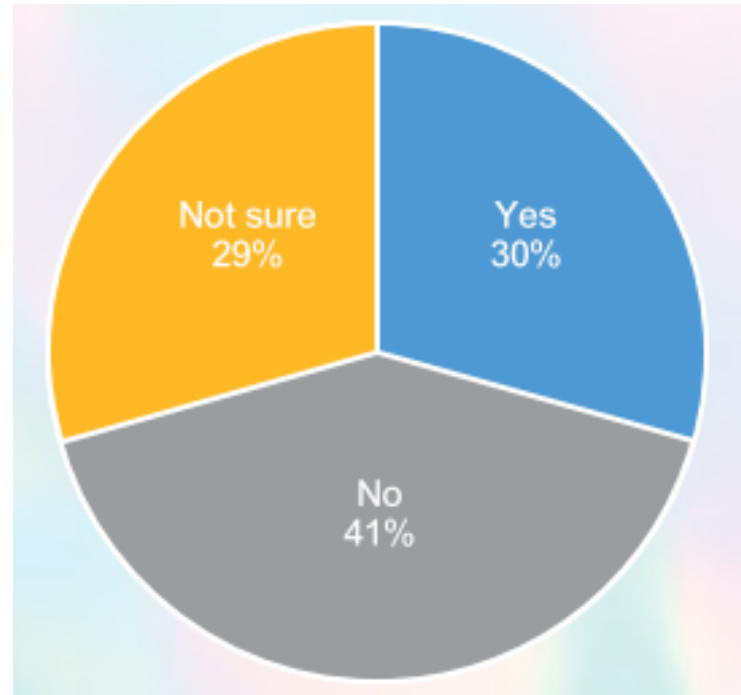




Brands

- Green Procurement Policy

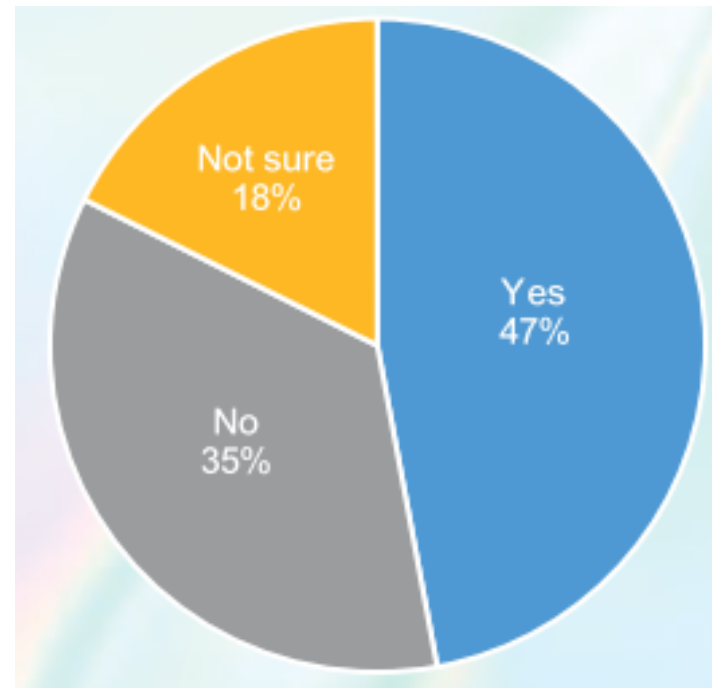
30% of the respondents have implemented green procurement policy.





Brands - Sustainable Products

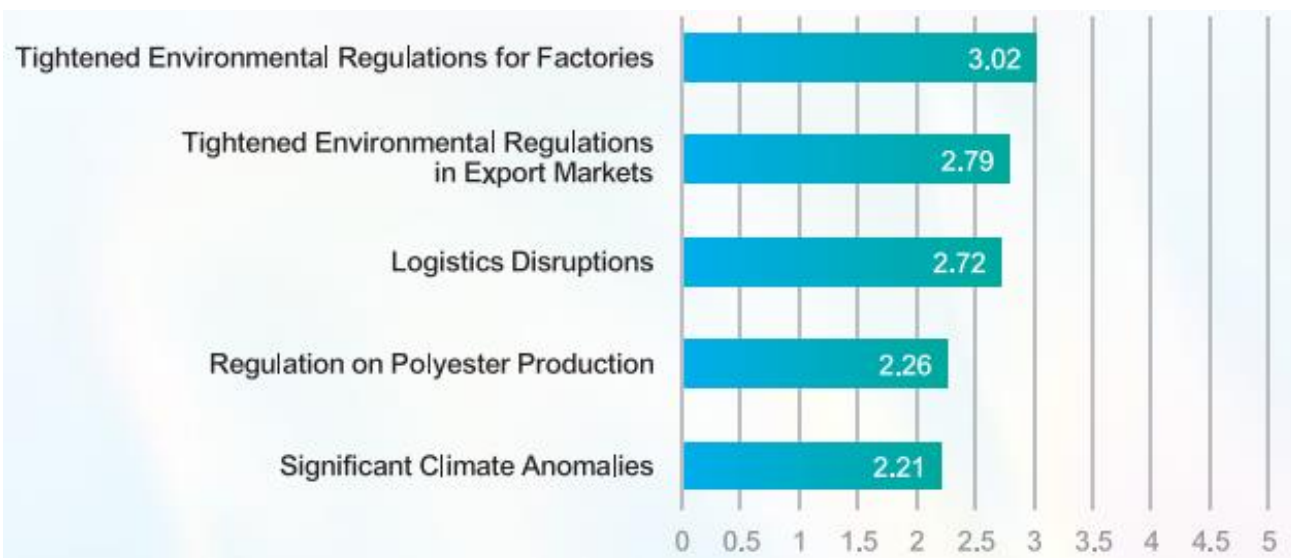
47% of the respondents are selling sustainable products.



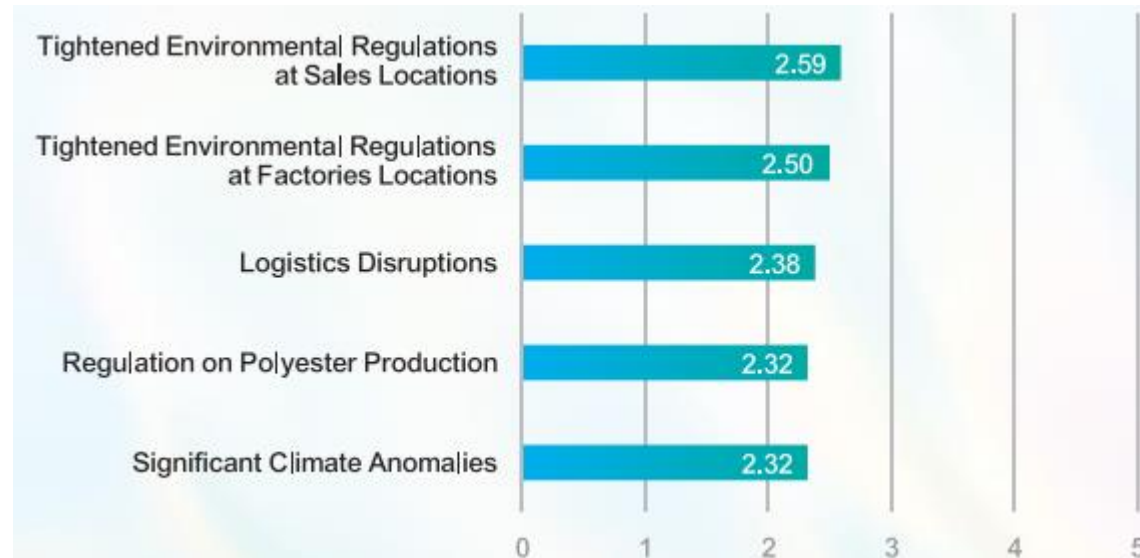


Towards Sustainability Transformation

Most respondents are in the early stage of planning for sustainability transformation.



Manufacturers and Suppliers

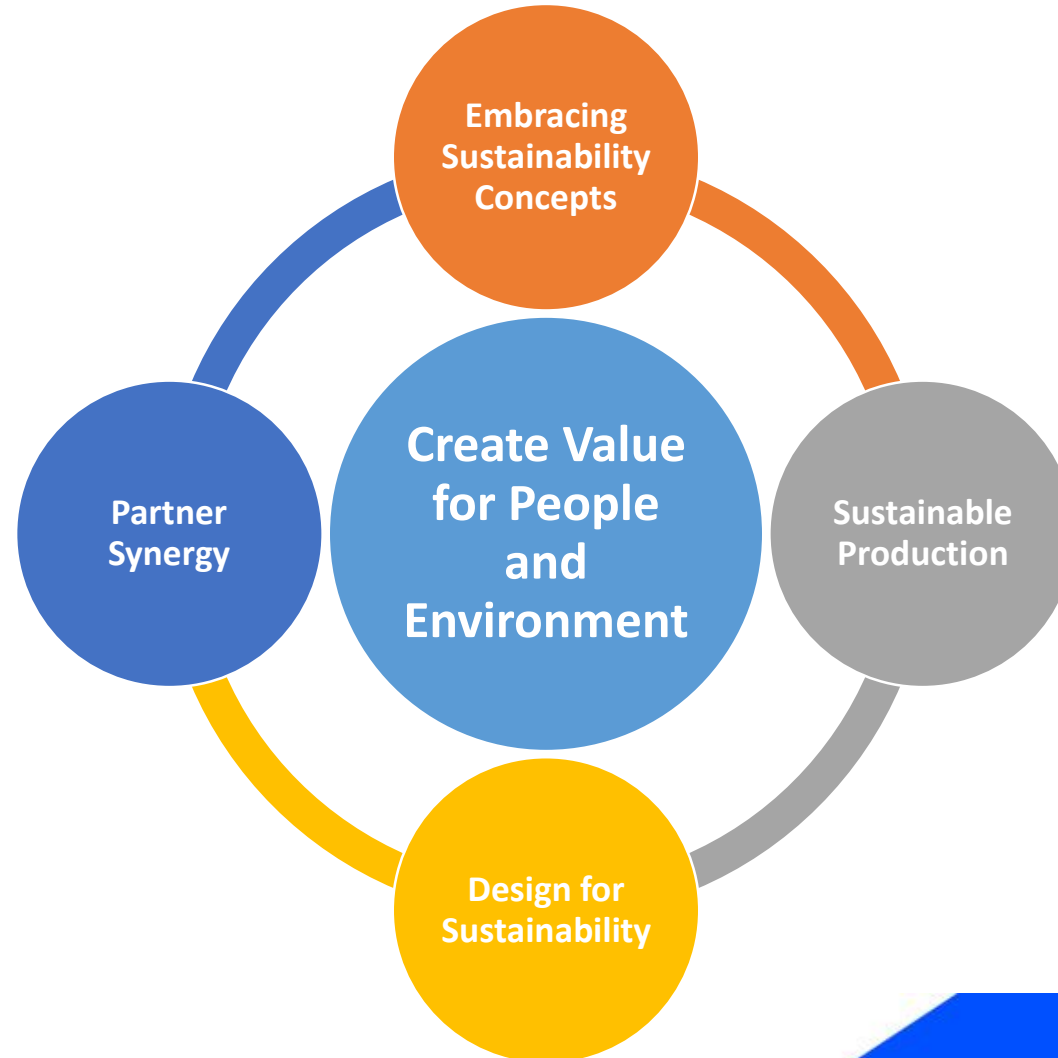


Brands



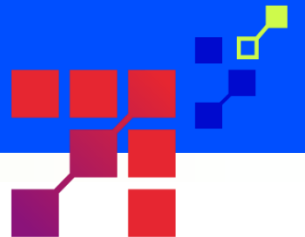
Get Ready?

Many Hong Kong SMEs in the fashion and textile industry have started catching up with the international sustainability trend by implementing their own sustainability measures.



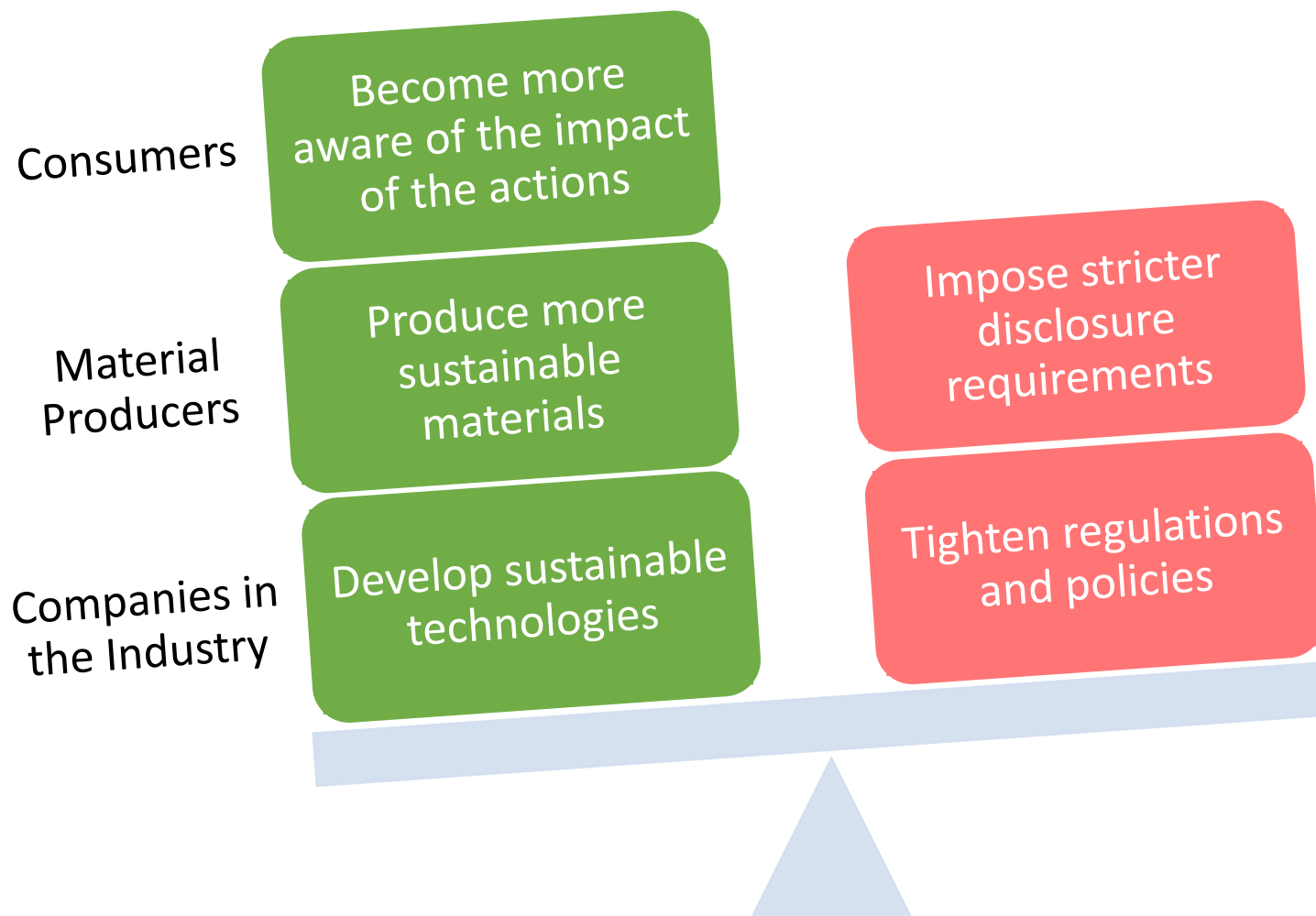


Opportunities and Challenges for the Industry





Opportunities and Challenges





Recommendations for Manufacturing and Operation

Handling of Surplus Products	Design and Manufacturing	Selection of Raw Material
<ul style="list-style-type: none">• Implement Make-to-Order (MTO) production strategy• Adopt upcycling technology	<ul style="list-style-type: none">• Develop eco-friendly and intelligent production line• Adopt advanced wastewater treatment technology to reduce pollution	<ul style="list-style-type: none">• Apply widely-accepted certificates and labels• Follow the technical guidelines published by authorities• Raise awareness of related procurement guidelines



Recommendations for Technology and Talent Preparation

Training, Skill Development and Technical Advancement	Sustainability Subsidies and Incentives	Public Education on Sustainability
<ul style="list-style-type: none">• Arrange workshops, seminars, sharing sessions or symposiums• Perform self-assessment or engage third-party consultancy• Join hands to develop platforms or discussion	<ul style="list-style-type: none">• Develop investment plans for adoption of new tech• Develop green finance, such as green loans	<ul style="list-style-type: none">• Establish on-going public engagement channels and events• Include organising workshops as part of the marketing campaign



Report Website



Organiser

Implementation Agent

Funded by Trade and Industrial Organisation Support Fund, Trade and Industry Department
 工業總體支援基金
 Trade and Industrial Organisation Support Fund

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<https://sustineri.org.hk/category/report-zh-hant/?lang=zh-hant>





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Scan Now

Complete 1-minute online survey to evaluate your sustainability performance!

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esg@hkpc.org / 2788 6588



Thank you

Hong Kong Productivity Council
香港生產力促進局

HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong

香港九龍達之路78號生產力大樓

Tel: +852 2788 5678 Whatsapp: +852 5283 4131

www.hkpc.org

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