



Roles of ESG and EIA in Preserving Biodiversity – A Case Study in Hong Kong

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EMERGING BIODIVERSITY LOSS RISK

FIGURE 1.3

“Identify the most severe risks on a global scale over the next 10 years”

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

1st

Climate action failure

6th

Infectious diseases

2nd

Extreme weather

7th

Human environmental damage

3rd

Biodiversity loss

8th

Natural resource crises

4th

Social cohesion erosion

9th

Debt crises

5th

Livelihood crises

10th

Geoeconomic confrontation

Source: World Economic Forum Global Risks Perception Survey 2021-2022

EMERGING BIODIVERSITY LOSS RISK

“



Climate change is a primary driver of biodiversity loss. And climate change depends on biodiversity as part of the solution. So clearly the two are linked, and cannot be separated.”

Elizabeth Mrema, Executive Secretary, United Nations Convention on Biological Diversity



MAY 2022

15 LIFE ON LAND



SDG 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and **halt biodiversity loss.**

ESG IN HONG KONG



March 2020



HOW TO PREPARE AN ESG REPORT

A Step-by-Step Guide to ESG Reporting



Appendix 27

Environmental, Social and Governance Reporting Guide

Part A: Introduction

The Guide

1. This Guide comprises two levels of disclosure obligations: (a) mandatory disclosure requirements; and (b) "comply or explain" provisions.
2. Mandatory disclosure requirements are set out in Part B of this Guide. An issuer must include such information for the period covered by the ESG report.
3. "Comply or explain" provisions are set out in Part C of this Guide. An issuer must report on the "comply or explain" provisions of this Guide. If the issuer does not report on one or more of these provisions, it must provide considered reasons in its ESG report. For guidance on the "comply or explain" approach, issuers may refer to the "What is "comply or explain"?" section of the Corporate Governance Code in Appendix 14 of the Main Board Listing Rules.
4. (1) An issuer must publish its ESG report on an annual basis and regarding the same period covered in its annual report. An ESG report may be presented as information in the issuer's annual report or in a separate report. Regardless of the format adopted, the ESG report must be published on the Exchange's website and the issuer's website.

(2) Where the ESG report does not form part of the issuer's annual report:
 - (a) To the extent permitted under all applicable laws and regulations and the issuer's own constitutional documents, an issuer is not required to provide the ESG report in printed form to its shareholders irrespective of whether such shareholders have elected to receive the issuer's corporate communication electronically or otherwise under rule 2.07A.
 - (b) The issuer must notify the intended recipient of:
 - (i) the presence of the ESG report on the website;
 - (ii) the address of the website;

APPENDIX 27

ROLES OF ESG ON BIODIVERSITY IN HONG KONG



Building resilience

- Efficient resources allocation for biodiversity-friendly practices



Investor attraction

- Access to financing on ecological restoration projects

EIA IN HONG KONG



Cap. 499 Environmental Impact Assessment Ordinance

► Timeline

Point in Time: 01.07.2022* Go

Search (What's Changed?)

- Long Title
- Part I Preliminary
 - 1. Short title
 - 2. Interpretation
 - 3. Application
- Part II Environmental Impact Assessment
 - 4. Certain projects to be designated projects
 - 5. Application for brief or permission to apply directly for environmental permit
 - 6. Environmental impact assessment report
 - 7. Public inspection of reports
 - 8. Approval of environmental impact assessment report
- Part III Environmental Permits
 - 9. Prohibition against carrying out designated project unless environmental permit has been issued, etc.

An Ordinance to provide for assessing the impact on the environment of certain projects and proposals, for protecting the environment and for incidental matters.

[1 April 1998] L.N. 70 of 1998
(Format changes—E.R. 1 of 2021)

(Enacting provision omitted—E.R. 3 of 2015)

Part I

Preliminary

- 1. Short title**

(Amended E.R. 1 of 2021)

 - (1) This Ordinance may be cited as the Environmental Impact Assessment Ordinance.
 - (2) (Omitted as spent—E.R. 3 of 2015)
- 2. Interpretation**

In this Ordinance the expressions defined in Schedule 1 have the meanings set out there.
- 3. Application**
 - (1) This Ordinance binds the Government.
 - (2) Sections 26 and 27 do not have effect to permit proceedings to be taken against, or to impose criminal liability on, the Government or on a person doing anything in the course of

TECHNICAL MEMORANDUM on Environmental Impact Assessment Process

(Environmental Impact Assessment Ordinance, Cap. 499, S.16)



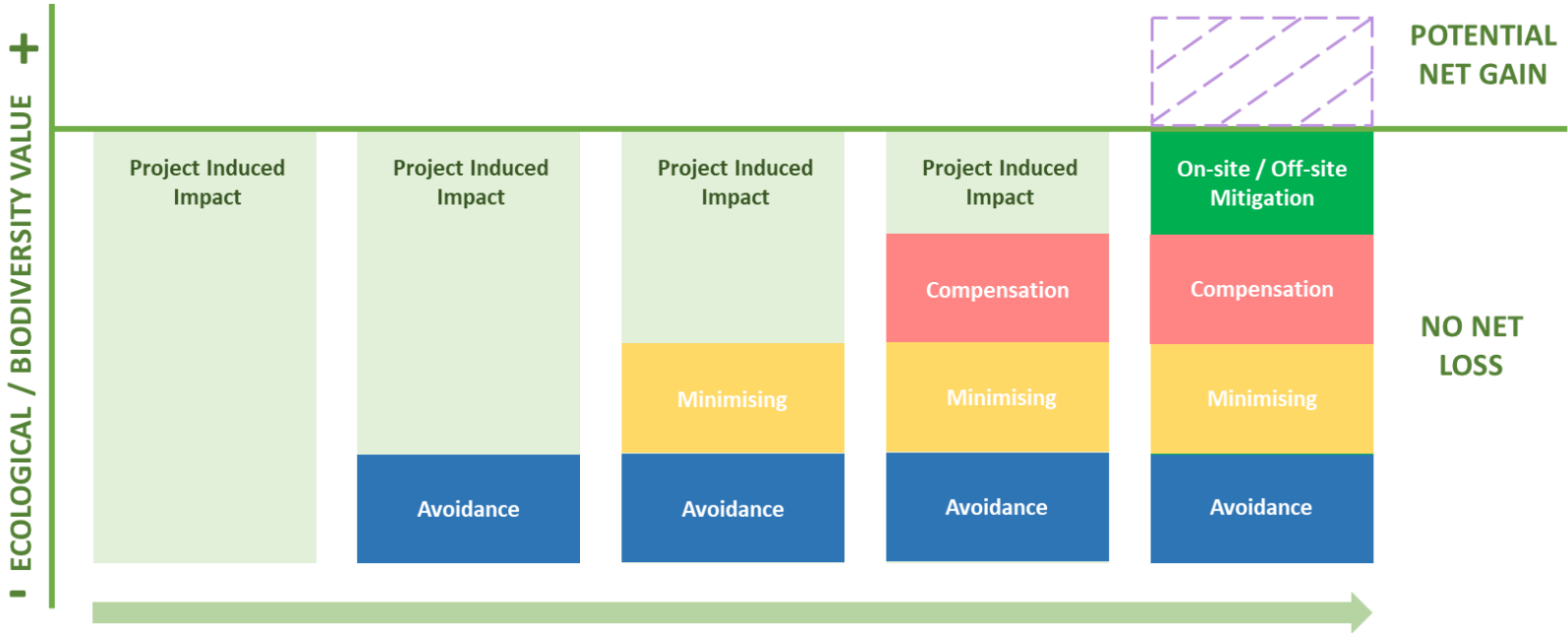
Hong Kong Environmental Protection Department



BROAD APPROACH OF ECOIA IN HONG KONG



MITIGATION HIERARCHY IN HONG KONG ECOIA



ROLES OF EIA ON BIODIVERSITY IN HONG KONG



Provide information



Identify impacts



Recommend mitigations



CASE STUDY

MTR management of Lok Ma Chau Wetland



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LOK MA CHAU ECOLOGICAL ENHANCEMENT AREA - EIA

- Sheung Shui to Lok Ma Chau (LMC) Spur Line EIA
- 32 ha of ecological compensation
- 5-yearly review programme for Habitat Creation and Management Plan
- Long term management with ecological monitoring

NO NET LOSS IN ECOLOGICAL FUNCTION



LOK MA CHAU ECOLOGICAL ENHANCEMENT AREA - ESG



Biodiversity

We manage our impact on biodiversity – different plants, animals and microorganisms – by complying with all legal requirements and regulations; taking practical and appropriate measures to protect important natural habitats and maintain the diversity of plants and animals within the areas in which we operate; implementing relevant mitigation measures to minimise our impact on the natural environment; and exercising special care for sites of special scientific interest and protected areas as defined by local statutory regulations and international convention.

(MTR Corporate Responsibility Policy)

Biodiversity Preservation					
L	Lok Ma Chau Wetland	Biodiversity and conservation	HK\$ 4–5 million per year	HK\$ 24 million (from 2017)	HK\$ 24 million
		Total:	HK\$ 40,220 million	HK\$ 28,505 million	HK\$ 26,075 million

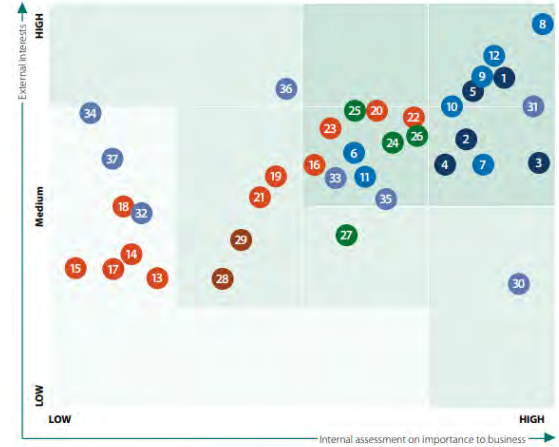
(Sustainable Finance Report 2021)

4.1.6 Biodiversity and Conservation: Ecological restoration of forests and wetlands and soil remediation

(MTR Sustainable Finance Framework)

Materiality Matrix

Our materiality assessment results, which were reviewed by the External Review Panel, are presented in the following matrix.



The top right quadrant lists out highly material issues, while the least material issues are shown at the bottom left. The results for this year's assessment are similar to last year, with the major changes summarised below:

Issues	Change in materiality level compared to last year	Remarks
27 Biodiversity	From high to medium	Level of importance and impact on economy, environment and society decrease as indicated in the stakeholder engagement results
34 Technology development and access	From medium to low	

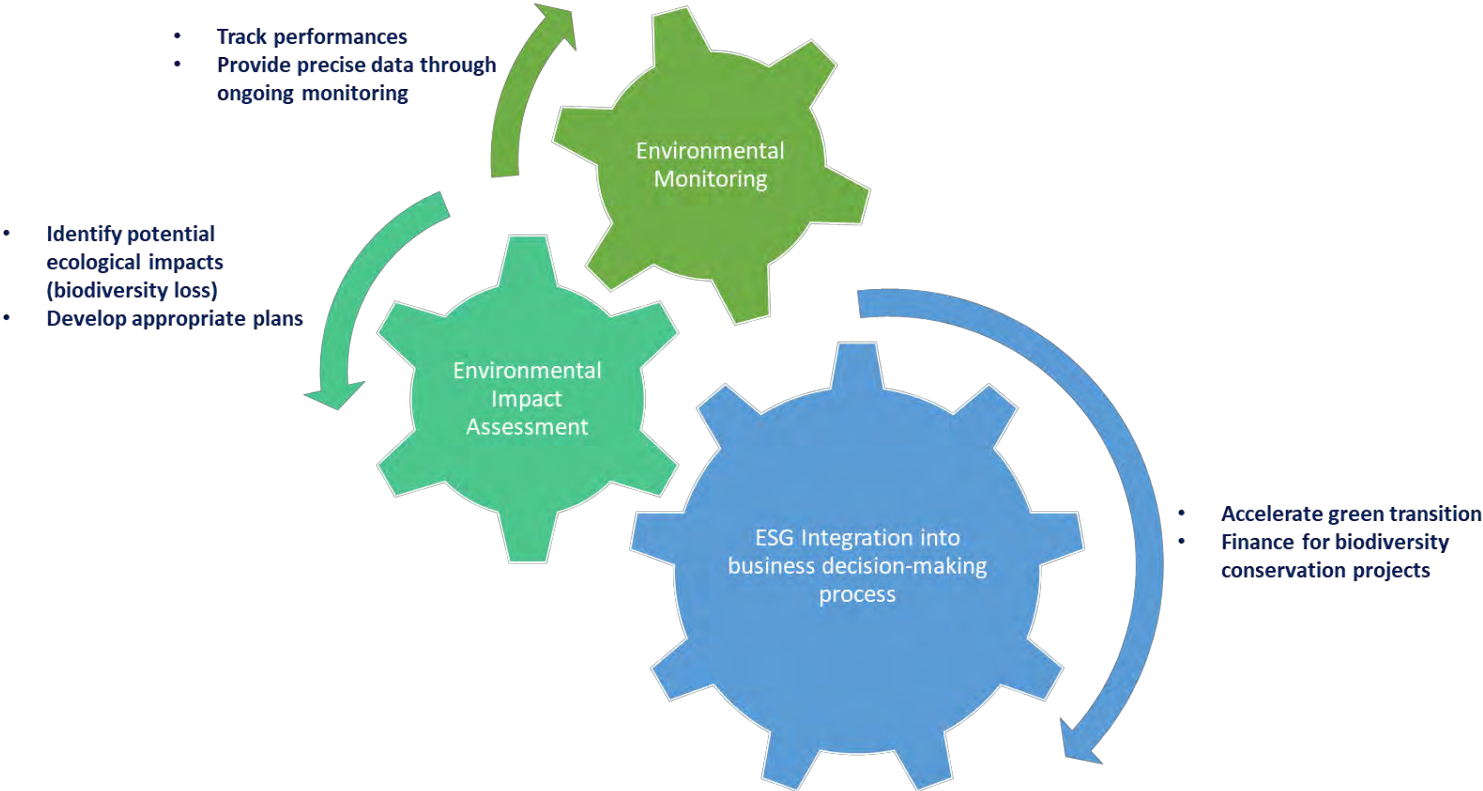
(Sustainable Report 2022)

LOK MA CHAU ECOLOGICAL ENHANCEMENT AREA

- Over 243 types of birds are discovered (50 % of Hong Kong record)
- Account for 9% of world population of Black-faced Spoonbills
- About 40 new birds species have been documented compared to 2007
- Home for precious birds and mammals



OPPORTUNITIES BETWEEN ESG & EIA IN BIODIVERSITY MANAGEMENT



THANK YOU!

Do you have any questions?

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