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INFORMATION PACK FOR THE SEED PROGRAM OF MISSION MOONSHOT

Sustainable Consumption Study

August 2021

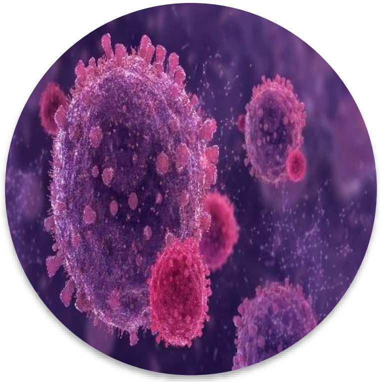
The Pressing Sustainable Consumption (SC) Issue

It is predicted that, if we do nothing to diminish our impact on climate change…*

As soon as in the 2030s…

- Ice caps and crucial ice sheet would continue to melt and swell sea levels by 20cm
- 60% of coral reefs would be highly endangered
- Dwindling crop yields would push 100 million more people into extreme poverty
- Climate change-related illnesses would kill an extra 250,000 people each year



* World Economic Forum. (2020) Here's what to expect over the coming decades

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Hong Kong: High Consumption and High Waste City

Per capita		
Energy Consumption	38.7GJ in 2018	↓ Decreased vs. 2009
Carbon Emission	5.4 tonnes CO_2-e in 2018	
Waste Production	1.5kg/day in 2019	↑ Increased vs. 2010
Fresh Water Consumption	133m^3 in 2019	Big user among international peers*
Seafood Consumption	71 kg in 2017	Rank 2nd in Asia**

Source: * Civic Exchange; ** Our World in Data

Definition of Sustainable Consumption

The use of goods and services
that respond to **basic needs** and bring a better **quality of life**,
while minimising the **use of natural resources**, **toxic materials**
and emissions of **waste and pollutants** over the **life cycle**,
so as not to jeopardise the needs of **future generations**.

(Oslo Symposium on Sustainable Consumption in 1994)

Sustainable Development means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."
("Our Common Future", 1987, the World Commission on Environment and Development)

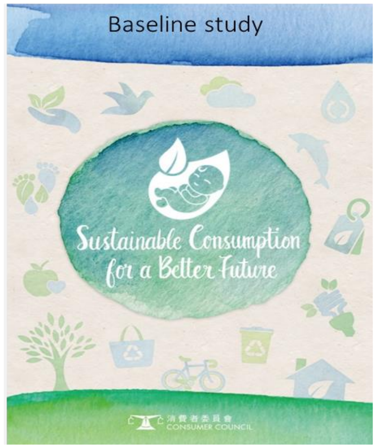
Vision of Consumer Council

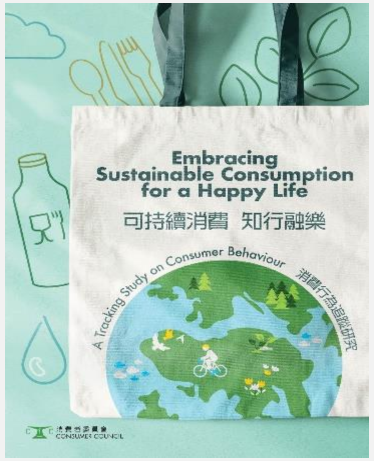
To be the trusted voice in striving for consumer betterment
towards safe and **sustainable consumption**
in a fair and just market

3 Pronged Approach

(1) Public Education
(2) Information Dissemination
(3) Tracking of Consumer Behaviour

Consumer Council's Sustainable Consumption Study Reports





(2016) Sustainable Consumption for a Better Future – A Study on Consumer Behaviour and Business Reporting:

https://www.consumer.org.hk/ws_en/competition_issues/reports/2016/sustainable-consumption.html

(2021) Embracing Sustainable Consumption for a Happy Life – A Tracking Study on Consumer Behaviour:

https://www.consumer.org.hk/ws_en/competition_issues/reports/20210617.html

What are the changes after 5 years?

Are consumers more supportive for SC?

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THE 2020 STUDY

Study Objectives

(1) Collect information on consumers' knowledge, attitude, and behaviour towards SC;

(2) Review whether consumers' attitude and behaviour have changed since the Council's baseline survey; and

(3) Formulate recommendations on government policies, business practices and consumer education directions with a view to promote SC at consumer and business level.

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Methodology

Telephone Survey	Face-to-face Survey*	Focus Groups
■ 1,005 respondents aged 15 - 64 ■ June to August 2020	■ 512 respondents aged 15 – 64 ■ June to July 2020	■ 30 individuals in 4 groups • Full-time students aged 15 – 24 • Working adults aged 25 – 44 • Working adults aged 45 – 64 • Non-working adults aged 25 – 64 ■ September 2020
Statistical Analysis	**Sustainable Consumption Index (SCI)**	**Overseas Practices**
■ Two survey datasets are weighted separately according to the 2016 Population By-Census data and then merged for statistical analysis	■ SCI is generated from 8 evaluated aspects, which are categorised into two indexes : • Consumer Awareness & Attitude • Consumer Behaviour & Readiness	■ Desk research on 13 jurisdictions (Australia, Canada, Denmark, France, Germany, Japan, Luxembourg, Singapore, South Korea, Sweden, Switzerland, Taiwan, The UK) which have good performance and track records in sustainability

* Only telephone survey was conducted in the baseline survey. In 2020, on-street face-to-face survey was conducted concurrently with telephone survey, with a view to pave the way for transition of methodologies to facilitate future tracking studies while ensuring the continuity and comparability of the SCI. For both surveys, quota were applied on gender, age, working status, monthly personal income, monthly household income, education attainment and living district.

Key Findings

- Understanding
- Perceived Impact
- Concern
- Awareness
- Attitude
- Behaviour
- Readiness
- Support

Remarks for Figures:

(%) Statistics of current survey

(%) Statistics of baseline survey

(-) New question added to 2020 survey, thus no statistical comparison to the baseline survey is available

* Statistically significant difference is observed between 2 surveys (at 95% confidence level)

Response percentages may not add up to 100% due to rounding

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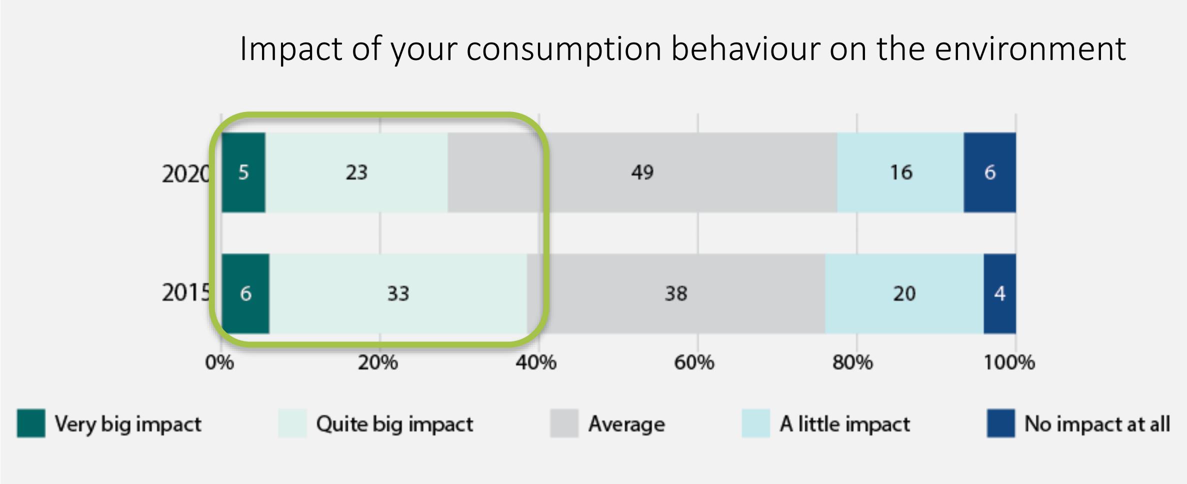
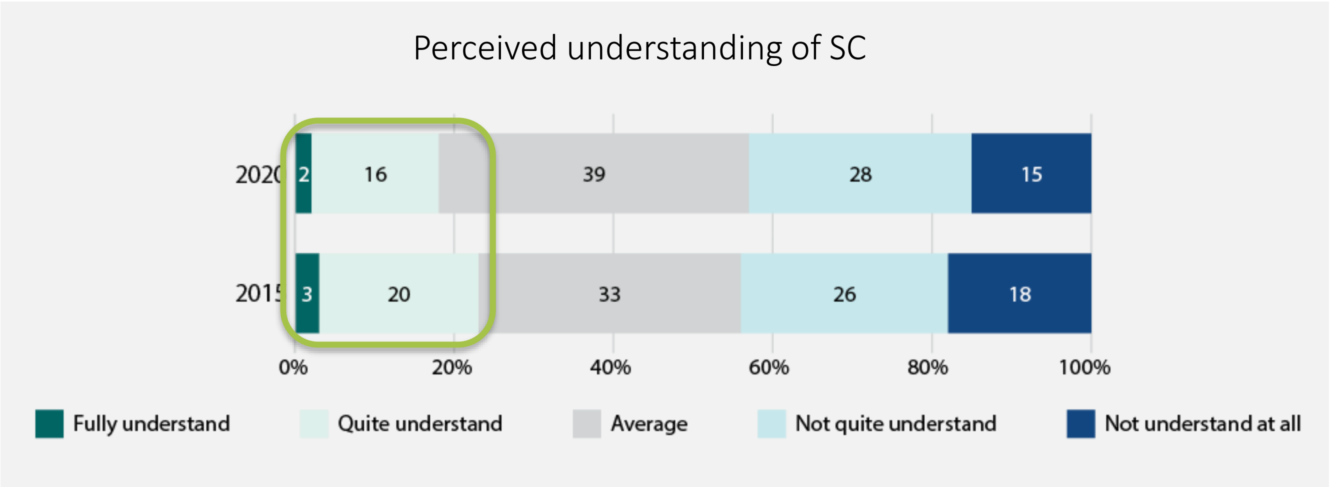
Understanding of SC and Perceived Impacts

Drop in perceived impact on the environment and understanding towards SC concept





- **Very big or quite big impact:** drop from 39%* to **28%**
- **Fully or quite understood:** drop from 23%* to **18%**

Both statistics have decreased as compared with the baseline survey

- Divergent views on an individual's impact on the environment
- Lack of familiarity with the literal term of "SC"

Seldom read or heard of the term "SC" in daily life

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Key Concern

Consumers associated SC more to environmental issues closely related to their daily life

1	Energy conservation (**71%** strongly/moderately correlated) (70%)	3
2	Waste reduction **(71%)** (75%)	1
3	Avoid pollution in production **(71%)** (66%)	4
4	Waste recycling **(67%)** (72%)	2
5	Climate change **(65%)** (64%)	7
… …		
7	Air quality **(64%)** (63%)	8
… …		
12	Protection of endangered species **(58%)** (62%)	10
13	Sustainable use of biological resources **(57%)** (63%)*	9

Top 4 aspects remain as most related to SC ranked by respondents

Fewer consumers related SC with sustainable use of biological resources

Key Concern (cont'd)

The ranking of consumer concern about product information highly matches with baseline survey

1	Pollution caused by the products during use **(71% very concerned/concerned)** (67%)
2	Pollution in the production process **(69%)** (67%)
3	Product lifespan **(69%)** (durability of the product, 67%) which might have both economic and waste considerations
	… …
6	Whether the product is excessively packaged **(55%)** (44%)*

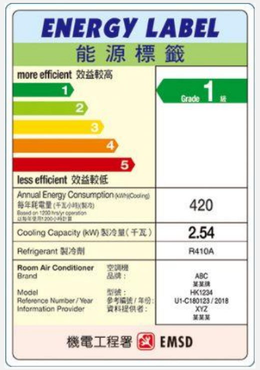
Pollution

Lifespan

Awareness

Relatively higher level of awareness of Environmental Label than Feed-in Tariff

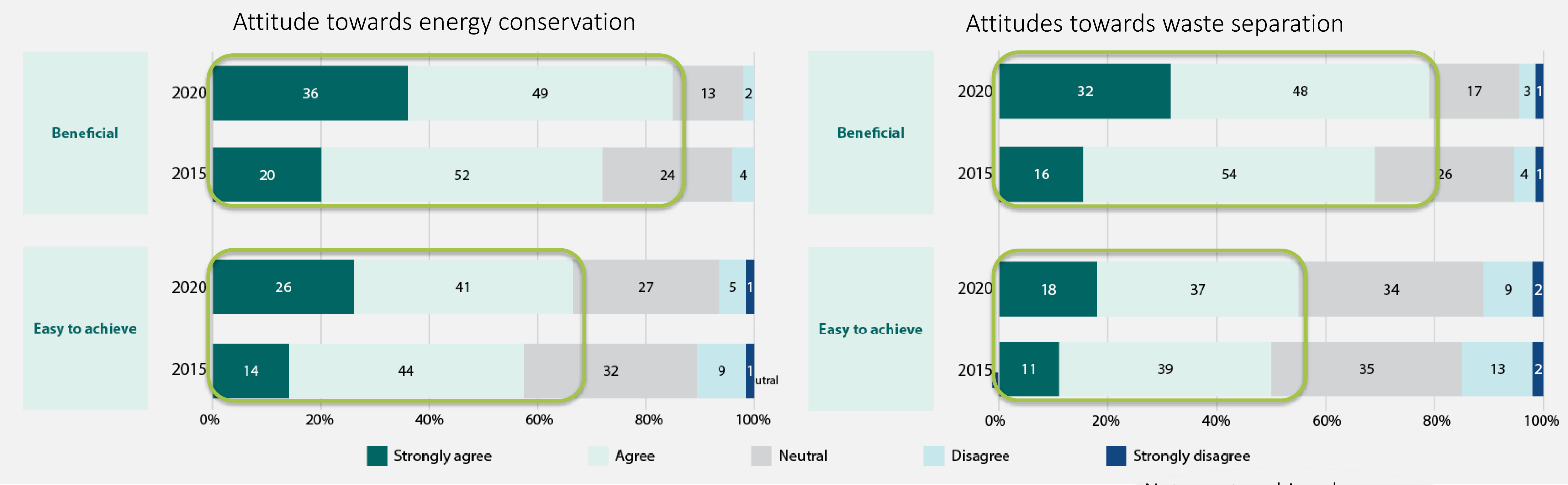
89% Aware of Environmental Label



20% Aware of Feed-in Tariff Scheme

Attitude: Energy Conservation, Waste Separation

Recognised benefits but not equally agreed about "easy to achieve"



- Vast majority of respondents strongly agreed or agreed energy conservation: **85%** (72%)*; or waste separation: **80%** (70%)* are **beneficial** to the environment.
- Agreement drops sharply when it comes to whether it is **easy to achieve** (energy conservation: **67%** (58%)*; waste separation: **55%** (50%)*), though such percentages have improved as compared with the baseline survey.

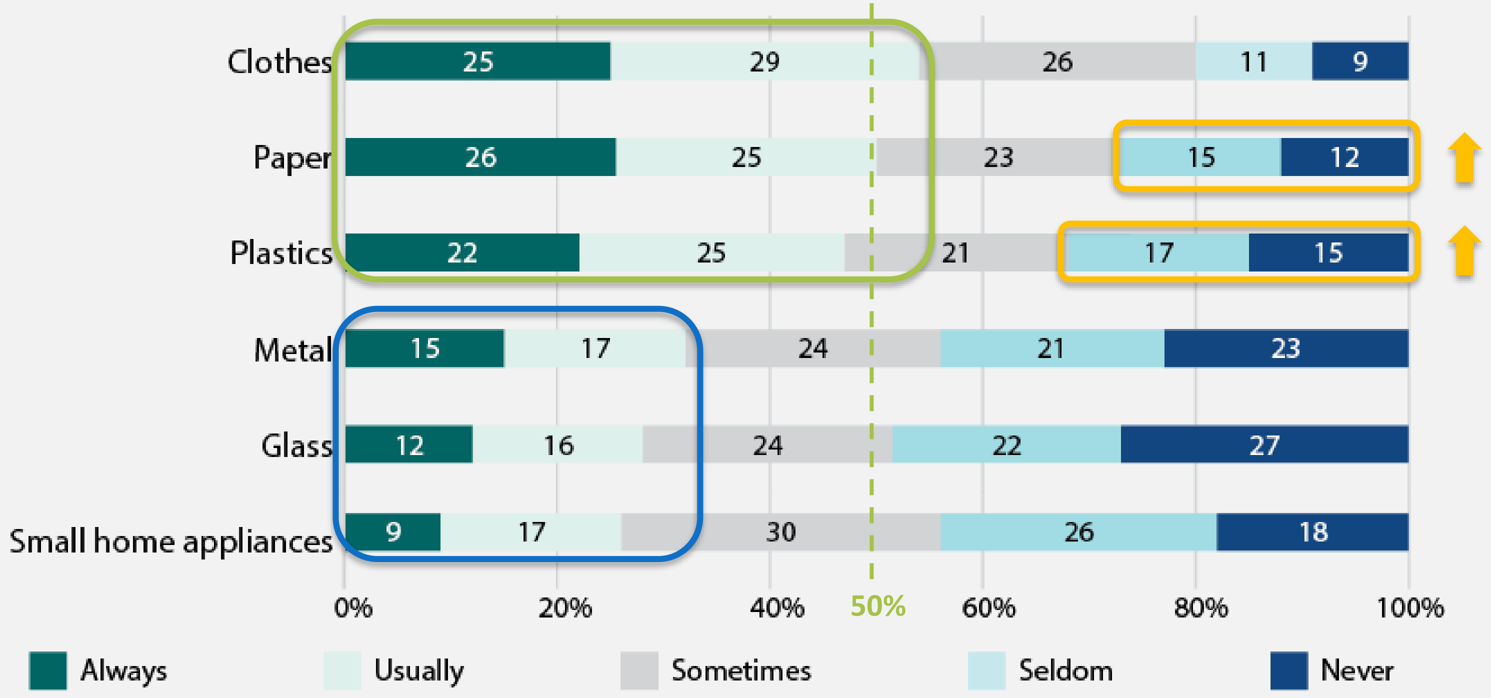
Not easy to achieve because…
Facilities not enough/far away (61%)(-)
Lazy/troublesome (59%)(-)

Homemakers or retired: do not know how to recycle/separate waste

Behaviour

Consumers' action in recycling remains reluctant

How often do you put the following items into recycling bins or return them to recycling companies?



- Around half of respondents **always or usually recycled** clothes **(54%)** (-), paper **(51%)** (54%), or plastics **(47%)** (48%)

- Around 3-in-10 **always or usually recycled** metal **(32%)** (34%), glass **(28%)** (28%) or small home appliances **(26%)** (-)

- Increased respondents who **seldom or never recycled** paper **(27%)** (22%)* or plastics **(32%)** (27%)*

I heard that recyclables in three-coloured waste separation bins were dumped together with other refuse

Behaviour (cont'd)

More likely to take up:

- Buy appliances with Grade 1 Energy Label (88% strongly agree/agree) (78%)*
- Give priority to purchase products with Environmental Label (80%) (-)
- Buy claimed water-efficient products (76%) (69%)*
- Avoid excessively order (80%) (-)
- Avoid buying single-use products (70%) (56%)*
- Repair broken domestic appliance (73%) (64%)*

Why?

Behaviour (cont'd)

Low Take-up:

- Try to eat more vegetable and less meat **(60% strongly agree/agree)** (-)
- Pay attention to return policies when shopping online to avoid discarding unsuitable products **(58%)** (-)
- Borrow seldomly used items from friends, relatives or neighbours **(48%)** (53%)
- Consider to buy simple, environmental friendly packaging or packaging-free products first **(48%)** (-)
- Consider to buy local produce **(40%)** (-)
- Consider to buy organic food first **(35%)** (-)

Why?

Readiness

Perceived not enough choice

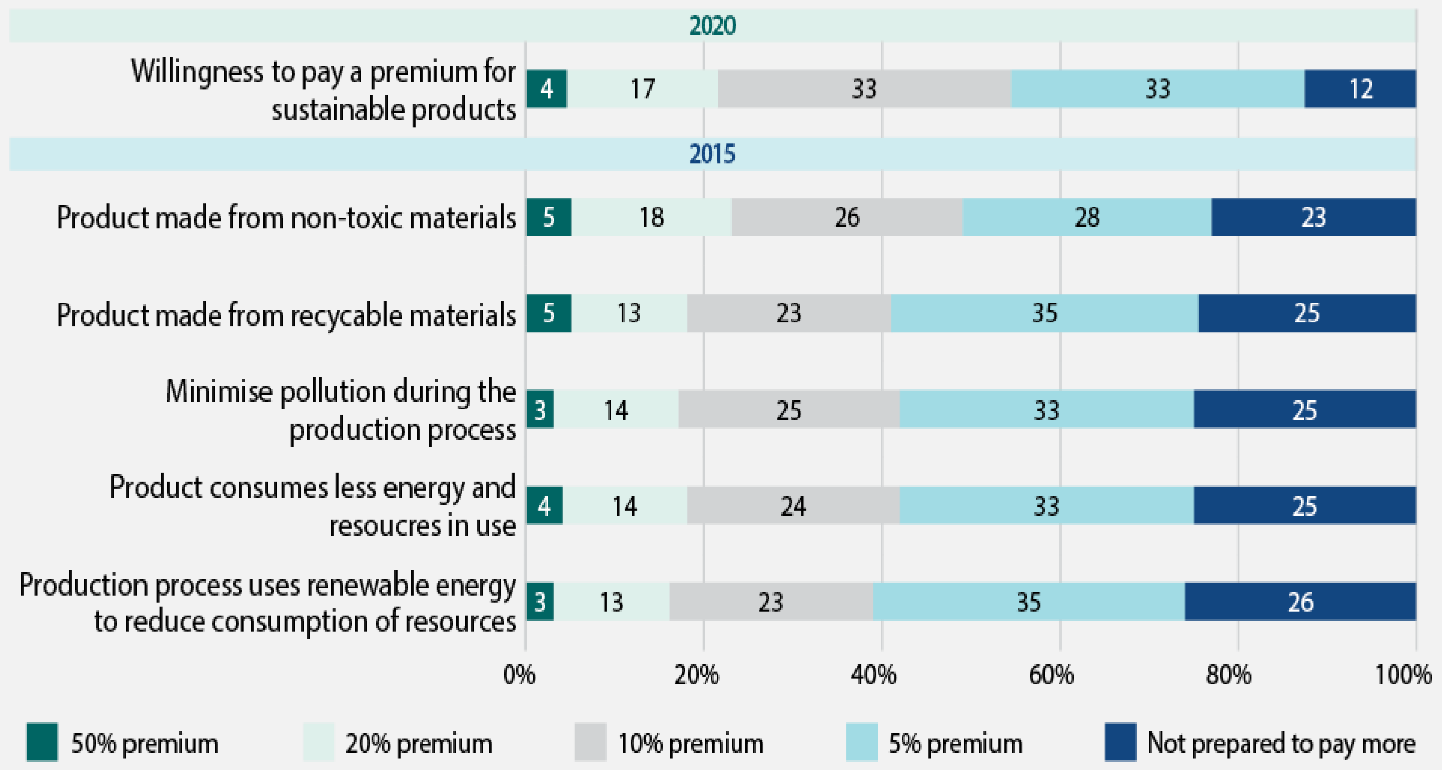
- 54% (58%) of respondents usually purchased sustainable products
- Over one-third (36%) (-) perceived the availability of sustainable products were not enough or not enough at all

Reasons for usually purchase		Reasons for not usually purchase
1 Environmental protection (64%) (69%)	Same Top 2 of baseline survey	1 Not enough information (64%)(56%)*
2 Energy conservation (56%) (66%)*		2 Too expensive (48%) (44%)
3 Waste reduction (51%) (44%)	Same Top 3 of baseline survey	3 Not easy to acquire (45%) (43%)

Readiness (cont'd)

Improvement in willingness to pay extra $$

Willingness to pay a premium for sustainable products



(Response percentages do not add up to 100% due to rounding)

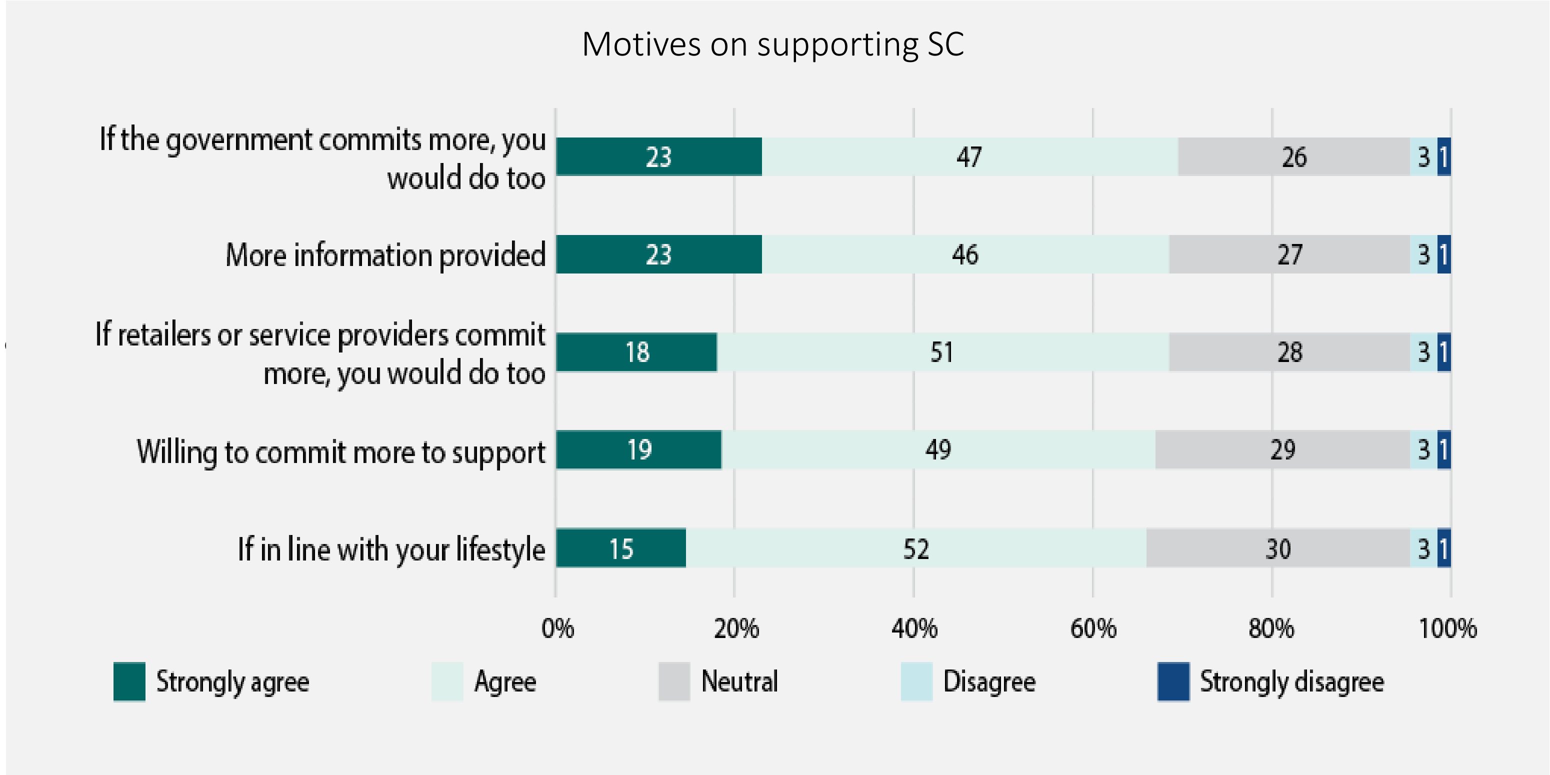
- Vast majority of respondents **(87%)** was willing to pay a premium for sustainable products (baseline survey: 74% - 77%)
- **66%** willing to pay extra 5% or 10% (baseline survey: 54% - 58%)

It depends on price. If it is a few dollars more expensive, I will choose organic food. If I have to pay $20 to $30 more for organic food, I may not choose it.

Support

Improvement in consumer support is observed

- **58%** of respondents would **give priority to those companies which are environmentally friendly** (60%)



Over two-thirds **(68%)** (63%)* of respondents were willing to commit more if

(1) stronger government's commitment **(70%)** (63%)*

(2) more information provision **(69%)** (63%)*

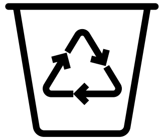
(3) retailers/ service providers commit more **(69%)** (60%)*

General increase

- Awareness
- Attitude
- Behaviour
- Readiness

Needs improvement

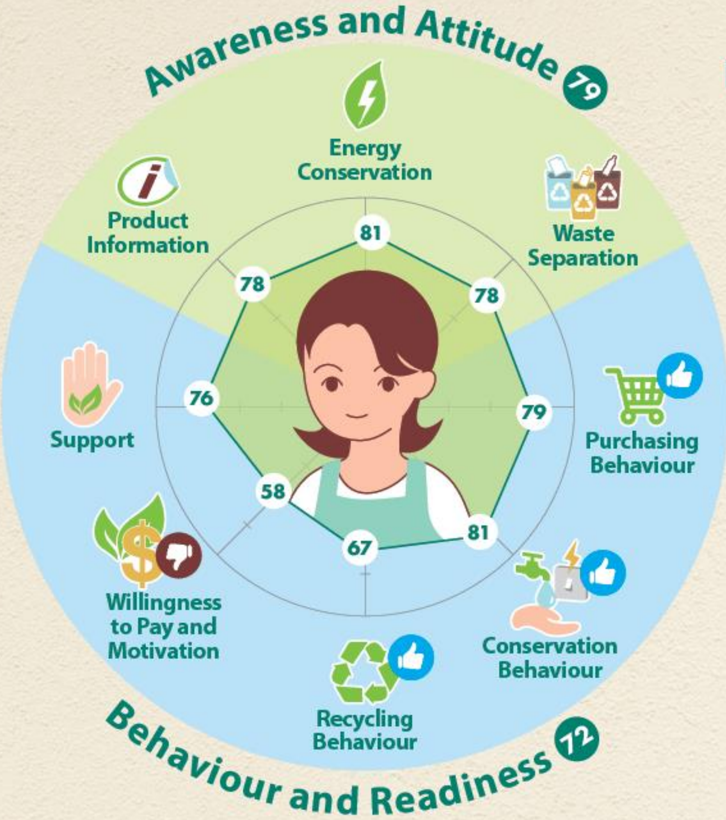
- Recycle behaviour



Characteristics of Consumer Segments

SC Idea Followers
Students (Aged 15-24)

- Willing to pay extra for sustainable products
- Reluctant in using less air conditioners
- Less in recycling plastics, metal and small home appliances
- Less in buying local produce



SC Action Takers
Homemakers (Aged 25-54)

- Borrow seldomly used items
- Buy local produce
- Use washing machine only when there are enough clothes
- Recycle plastics, metal and glass
- Reluctant in paying extra for sustainable products

Strong Poor

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Characteristics of Consumer Segments (cont'd)

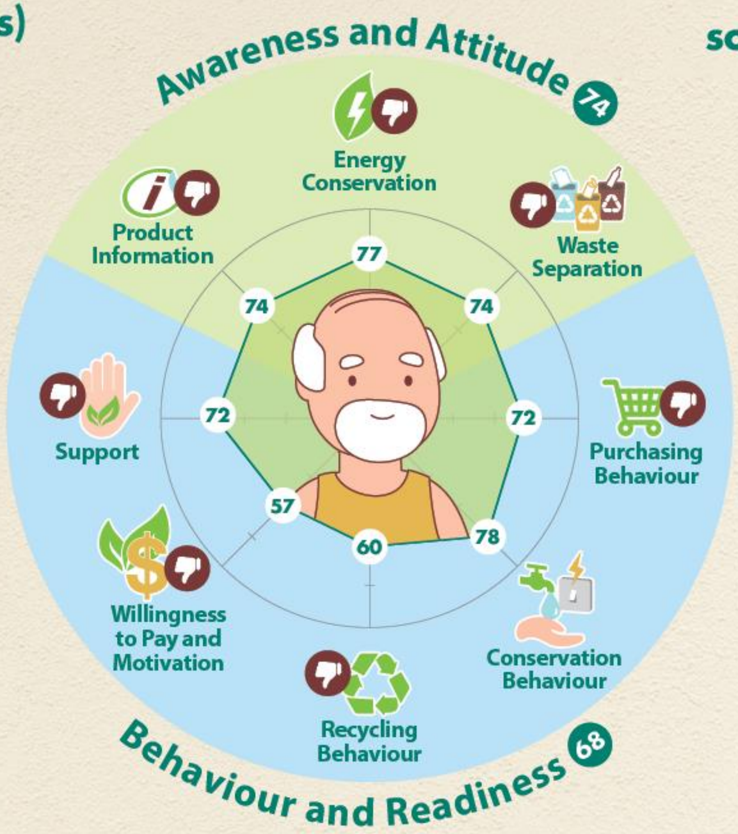
SC Aspiring Supporters

Professionals, Managers, Executives and Businessmen (PMEBs) (Aged 25-54)

- Show the highest support towards SC
- Concern about pollution caused by the use of a product
- Find energy conservation beneficial
- Find waste separation easy to achieve
- Willing to pay extra for sustainable products
- Buy more organic foods
- Buy appliance with Grade 1 Energy Label, "Environmental Label" and water-efficient products
- Avoid buying single-use products

SC Slow Adopters

Grass-root non-working soon-to-be-olds (Aged 55-64)



- Show the least support towards SC
- Less concern on pollution caused by the use of a product
- Less concern on cruelty to animals in research and testing process
- Fewer in finding energy conservation beneficial
- Fewer in finding waste separation easy to achieve
- Less in buying simple packaged or packaging-free products
- Less in borrowing seldomly used products
- Reluctant in recycling plastics
- Reluctant in paying extra for sustainable products

Strong　Poor

- Product Information
- Waste Reduction and Recycle
- Product Repairability and Durability
- Sustainable Lifestyle

* Thirteen jurisdictions were selected for in-depth desk research. They were selected based on various factors, including: (i) reference from Government's strategics/actions plan; (ii) jurisdictions which had a good track record and momentum of sustainable development (as reference from the Environmental Performance Index); and (iii) neighbouring Asian jurisdictions.

Practices in Selected Jurisdictions

Product Information

- Australia: **Guidelines on "Green marketing and the Australian Consumer Law"** sets out principles for businesses to consider when practising green marketing, such as claims must be accurate, able to substantiated and specific
- France: **Anti-Waste Law for a Circular Economy** lays down policy on labelling to facilitate sustainable choice: prohibit "biodegradable" claim; make sorting more efficient through a single logo; apply a repairability index; require information provision on availability of spare parts
- Singapore: **Logo for Products with Reduced Packaging** enables consumers to identify products that have reduced the amount of packaging materials
- South Korea: **Environmental Technology and Industry Support Act** provides a legal basis to punish false eco-labels; a set of guidelines illustrates with cases the types of unfair labelling and advertising

Practices in Selected Jurisdictions (cont'd)

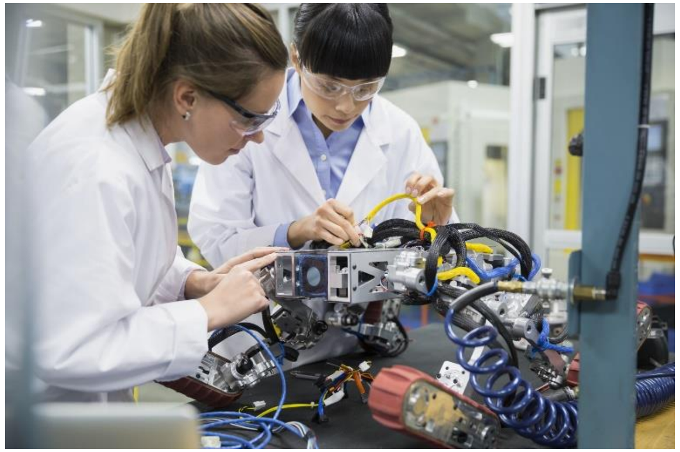
Waste Reduction and Recycle

- Denmark, Germany and Luxembourg: **Deposit and refund systems** for beverage containers
- South Korea and Switzerland: **Charges** are imposed on waste disposal
- Denmark and Japan: **Mobile apps** are used to help rescue surplus food
- EU: **Ban single-use plastics**
- UK: **Supermarkets** are taking initiatives in **reducing plastic waste**
- Switzerland: **Interactive map** of recycling points facilitates consumers to locate recyclables drop off point
- France: **Prohibits large supermarkets from throwing away good quality food** approaching the "best before" date
- Singapore: **Mandatory packaging reporting** requires regulated businesses to submit annual reports on the types and amounts of packaging they put on the market
- Taiwan: **Waste Disposal Act** obligates households to separate waste; the **4-in-1 Recycling Programme** established Recycling Fund which subsidises the recycling disposal system; trial programme to award consumers **who return recyclable containers** for food delivery
- Canada (Vancouver): Several types of **single-use items, such as plastic straws and disposable cups, are banned or restrictions will be imposed**

Practices in Selected Jurisdictions (cont'd)

Product Repairability and Durability

- France: Legislations which **restrict the practice of planned obsolescence**; and **extend the duration of the legal guarantee** for a product
- Sweden: **Tax deduction** for repairing services (i.e. clothes, shoes, bicycle and appliances)
- EU: Ensure **"right to repair"**



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Practices in Selected Jurisdictions (cont'd)

Sustainable Lifestyle

- South Korea: **Green Credit Card** awards users eco-money points when they
  - purchase low-carbon and eco-friendly products;
  - use public transport; and
  - save utility rates including electricity, water, and gas.

  The eco-money points can be redeemed for cash or use for various purposes

- Taiwan: **Green Point App** awards users green points when they
  - purchase green products;
  - take public transport; and
  - participate in eco-friendly activities.

  The green point can be redeemed for green products, used for discounts when purchasing green products and green services

RECOMMENDATIONS

A Tripartite Relationship between Consumers, Businesses and the Government

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Consumers

Strengthen drivers for behavioural change: Facilitate consumption choice and recycling management

Businesses

Adopt sustainability principle in product life cycle and value chain

Government

Establish policies and legislations to nurture consumers' behavioural change and ensure businesses' sustainable production and responsibility

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Drivers for Behavioural Change of Consumers

Recommendation 1: Nurture SC Understanding and Culture through Public Education and Creation of Support Platform

- Launch consumer awareness and education **campaigns**
- Foster SC **education at schools**
- Develop a **single and easily accessible information platform**

Recommendation 2: Strengthen Availability and Choice of Products and Services with Relevant Incentives

- Modify **GREEN$** Electronic Participation Incentive Scheme to attract consumers' participation

Recommendation 3: Rebuild Recycling Habit by Convenient, Stringent and Transparent Waste Management System

- Expand **recyclable collection network**
- Set and carry out more **stringent requirement and monitoring on contractors of collection services**
- **Record and report quantity of the recyclables** collected and recycled

Role and Responsibility of Businesses

Recommendation 4: Adopt Sustainable Principles Along the Value Chain, from Production to End-of-life Disposal

- Adopt the concept of **circular economy, optimal use of resources and waste reduction**

Recommendation 5: Provide Accurate Information about the Sustainability of Products and Services

- Provide **reliable, useful, appropriate and substantiated information,** e.g. environmental labels certified/accredited by credible and authoritative third party
- Strengthen **transparency of the value chain**

Recommendation 6: Set Measurable Sustainability Targets and Roadmaps

- **Set sustainability strategy and targets**
- Conduct **trainings**, **disseminate**, **monitor** and **report**

Role and Responsibility of the Government

Recommendation 7: Promote Research in Advancing SC Related Pattern

- Invest in **studies, investigations and innovations** (resources usage; waste generation; sustainability of existing products and services; innovative technology)

Recommendation 8: Establish Long-term and Holistic Policy to Foster Recycling and Sustainable Industry

- Establish mechanism to **foster recycling**
- **Improve quality** of recycled materials and **create market**
- Provide **funding or incentives** to enterprises which adopt sustainable production policies or provide sustainable products/services

Recommendation 9: Introduce Legislation and Enforcement Measures to Achieve Specific SC Goals

- Combat **green washing** and **misleading labelling**
- Regulate **single-use plastics**
- Make **repair of goods** easier and cheaper

DRIVING SUSTAINABILITY: RESPONSIBLE MODELLING AND EFFECTIVE COMMUNICATION

Date: 24 June 2021

Time: 09:00 – 12:30

Venue: Henry Cheng International Conference Centre, CUHK Campus

Sessions:

- Sustainable Consumption
- Sustainability Communication

Co-organiser: Centre for Business Sustainability, CUHK

Event webpage:

https://cbs.bschool.cuhk.edu.hk/event/sustainability-conference-bsi-recognition-ceremony-2021/

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EMBRACING SUSTAINABLE CONSUMPTION FOR A HAPPY LIFE

THANK YOU