

# Hong Kong Chapter of IFMA

## Green / Sustainability Roundtable Report

### **IFMA Green Week digs up sustainability questions and answers**

Last month, IFMA chapters in the U.S., Canada and the Pacific Rim participated in a “Green Week” discussion with their members. The discussions ranged from assessing current efforts and drivers toward sustainability, determining where IFMA members can make the biggest measurable impact with their sustainability efforts to identifying potential strategies for initiating energy and water conservation practices within a month. Scheduled between January 28<sup>th</sup> and February 1<sup>st</sup> 2008, the campaign was launched to help IFMA develop the association’s formal sustainability platform. The Hong Kong chapter participated in the event and the results of their round-table discussions will help IFMA HQ develop a facility management sustainability platform.

### **Hong Kong Chapter Response**

The Hong Kong Chapter roundtable discussion was held on the evening of the 30<sup>th</sup> January 2008 at the Business Environment Council, Jockey Club Environmental Building, Kowloon Tong. Members and friends participating in the event included:

Geoff Dixon (GD), Standard Chartered Bank  
Graeme Smith (GS), MMoser  
Charles McGrigor (CMcG), MMoser  
Mike Hudson (MH), HKUST  
Tony Garland (TG), Current Hong Kong IFMA Chapter President, PCCW  
Kevin Edmunds (KE), Business Environment Council  
Elton Battersby (EB), Lehman Brothers  
Encon Hui (EH), representing BSOMES  
M.C. Yip, (MCY), representing the HKIFM  
Peter Young (PY), Hong Kong Land  
Brian Crockford (BC), Immediate Past Chapter President, Microsoft  
Natina Wong (NW), JP Morgan  
Arnald Ng (AN), Reporter, ISG  
John D. Gilleard (JDG), Moderator / Report Editor, The Sloane Partnership  
Ken Lee, IFMA Hong Kong Chapter Administrator

Absent with written responses:

Daniel Chan, (DC) The Hong Kong Polytechnic University  
Peter Shaw (PS), HSBC

# Roundtable Discussion Questions

\* 1. Are you working to make your facility more sustainable? Do you have specific and measurable goals related to sustainability? Are these goals linked to your organization's business strategy?

MH: Big issue in the university; the academic [community] is concerned about sustainability; University President has set [formal] targets on sustainability.

GD: one of the bank's initiatives is "the greatest race of earth" about making everybody engaged, in making personal pledges to support global initiatives. Peter Sands, CEO of Standard Chartered is currently working with Al Gore to encourage sustainability.

GS: Started a sustainability group within the organization; MMoser has 2 accredited in-house Leed AP; MMoser has [current] projects certified; currently developing a knowledge base about green building rating systems.

TG: Currently we focus on IAQ and Energy efficiency. *"We don't measure all the current IAQ recommendations (8 out of 12) and we rotate the buildings looked at each year due to lack of resources to look at all 5.5m sq. ft. On energy efficiency we benchmark internally on a year on year basis... You have to get everyone in your organization involved. 8,000 – 10,000 people. Over the last year Corporate Social Responsibility (CSR) has become a major driver for the company doing. I expect that there will be some serious action on sustainability over the next year or two."*

EB: *"We use an Australian system – Green Star System. [With a new project] we went for Green Star accreditation [but] we are probably going to fail based on the energy consumption, etc. We use the Green Star checklist because 1) we cannot find a consultant that is familiar with the LEED on a regional basis; 2) our space is just office space. We have certain targets per square foot (sqft) in different areas such as, cooling load per sqft."*

MCY: *"We help clients to look at the energy side and advise them; some clients [undertake] annual renovation work to [help maintain] employee / customer satisfaction; we also advise client on life cycle analysis."*

BC: *"Our environmental focus is in 2 areas. 1) using technology e.g. energy modeling using Microsoft dynamics, and 2) reducing the company's environmental global footprint. [Currently the company is] building a huge data center in US. This project will be LEED accredited. (Currently, all new projects have a minimum project target to at least LEED Silver standard.) The company has also recently appointed a global sustainability director."*

NW: *"JPMorgan has an on-going energy management, recycling program etc. The company tracks energy use and waste management figures to see where improvements can be introduced. This yea (2008) I have initiated a regional restack response with respect to minimizing waste [and hence] reduce our contribution to [Hong Kong's] landfill"*

*concern. We have also looked at the JP design standard to see if we can re-use the system furniture.”*

A show of hands indicated that sustainability goals were linked to their organization’s business strategy – 11 / 12.

PS (written response): *“We have just completed our first 3-Year set of Environmental Targets at end 2007 and are now developing new Targets for the 4-Year period 2008-2011. These Environmental Targets are embedded in our Group Corporate Real Estate strategy, in our Group Sustainable Development strategy and aligned with our Group Strategy. See our website [www.hsbc.com](http://www.hsbc.com) for information under Corporate Responsibility.”*

\* 2. What are the current sustainable practices within your organization? What type of challenges have you experienced in dealing with these practices?

PY: *“There is no remarkable value of green buildings. We are [long term] supporters of HKBEAM with respect to IAQ, recycling, energy management program, etc. The company is looking for a commercial payback in 5 years time [for new initiatives]. The company has a goal for 10% reduction in KW across the portfolio, green cleaning standards within 2 years. We also support our client’s sustainability agenda.”* PY acknowledged two major challenges, i.e. 1) finding the right people [sustainability experts] who know what we are talking about, and 2) changing people’s behaviour in when implementing sustainability

GD: *“We have a group called program care that looks after people, a sort of charitable program within the community. Through our people care program we [have] shared with them our energy targets for 2008 as well as encouraging the people [employees] to do the smart thing.”*

C: *“It depends on who is the client. We typically point out the benefits [of sustainability] and advise the client with respect of what are the right things to do. Awareness [of sustainability] is definitely growing.”*

EB: *“[One current challenge is] finding the right people who know how to do things better and differently. We talk to a lot of the companies [who] have great ideas but when we talk about delivery, there is nothing value added they can provide. For example, when we wanted to change the whole power distribution system we could not find the right people.”*

BC: *“[Many companies] are reluctant to make public statements [concerning sustainability targets] due to sensitivity issues and the challenge of [for whatever reason] not following through.”*

PS (in a written report): [The bank] has a global program to drive energy efficiency improvements, reduce CO2 emissions, water consumption, and waste to landfill tonnage and increase recycling / reduce consumption. [In addition] environmental guidelines for design, material selection and construction for CAPEX property projects, sustainable banking and lending policies in line with “Equator Principles” and much more [have been

implemented]. See our website [www.hsbc.com](http://www.hsbc.com) under Corporate Responsibility for more information.

**\* 3. Poll question: Who within your organization is driving these initiatives? Are these initiatives being driven by:** (By show of hands – count hands)

Facility management	5/13
C-suite	6/13
Employees	1/13
Other (identify)	

4. Are there entities outside your organization (e.g. shareholders, citizens) who are forcing your organization to make changes?

BC: No

MH: *"[The HKSAR Government] has issued technical circular on sustainability. Public bodies such as universities that are financed using government funding must abide by these circulars."*

KE: *"[Currently, Hong Kong] has no particular legislation. [However], there will be legislation on waste disposal charging in the next 2 -3 years. A mandatory building energy code is also being considered [currently voluntary]. IAQ standards – HK has the highest standards in the world – are voluntary codes, although the HKSAR government may legislate in the future. [After which] the FM will face increasing legislative challenges."*

EH: *"BESOMES are not so vocal but we are very active in participating in related consultation exercises, e.g. IAQ, building energy codes, etc. We collect views from our members and subsequently submit a formal report to the relevant government department, e.g. Electrical Mechanical Services Department (EMSD). This year, the HKSAR Government will be taking steps to introduce energy efficiency legislations."*

C: *"Everyone thinks it is a good idea but no one wants to take the leadership role. To succeed direction must come from the boardroom."*

\* 5. What sustainable practices do you consider the most achievable to attain within your organization over the next year?

GD: *"We have just completed our energy plan. [The plan deals with] recycling, energy [usage and] travel. [With regard to travel] we are also investigating greater use of video conferencing and how to improve our facilities to meet the needs of our end users."*

MH: *"Over the last summer we asked students from the university to assess the carbon footprint of the university as a whole. [As a consequence], we are likely to set targets to reduce the carbon footprint."*

NW: *"JPM have implemented a 'shred' program in order to make sure contractors follow our environmental policy [with respect to disposed] confidential papers."*

BC: *Cathay Pacific recently introduced a carbon credit [offset program] for customers. Customers can now offset the cost of a long haul flight to Europe at a cost of HK\$200 [US\$25]. MS also has a set of global principles for FM personnel to follow, e.g. all new facilities to be either LEED silver or LEED gold; increased / enhanced collaboration tools such as live meeting, video conference tools, executive solution etc to keep executive on the ground. (NB: MS staff travel over two billion KM every year!)*

DC: *"The HKBEAM, LEED or equivalent all provide a very useful check list and recommendations to make a building sustainable. Each building has its own factors for making itself green. I think material and energy are the two main areas. On the operational side, facility managers should re-consider the design criteria for indoor environmental quality with an aim to optimize energy consumption and material usage."*

PS: *"Replacement of all incandescent lighting across the Hong Kong portfolio with CFL's and LED 's where appropriate. In addition, the bank energy efficiency is the prime decision driver when replacing building assets such as air-conditioning equipment."*

6. What three areas would you need assistance to develop sustainable practices over the coming year?

MH: *"Funding for chillers replacement."*

EB: *[During the design & build phase] "we need greater knowledge with respect to sustainable issues and legislation with respect to accessible recycling."*

PY: *1) [Issuance by the HKSAR Government of ] sustainability guidelines for the upcoming 3 years. 2) Tools for "life cycle costing, etc".*

MC: *"Public recognition on IAQ, energy savings. We (HKIFM) try to persuade our clients to rent buildings that are more energy efficient and with better IAQ. However, clients [frequently only] look at the [\$] numbers only and don't care. We have also to go back to the cost and benefit analysis. If the government can help, implementation will be easier."*

\* 7. Are you working towards making changes to policies, practices and occupant behaviors? What changes have you made or plan to make? What have you encountered?

DC: *"According to recent PolyU research results on thermal comfort, education can be an effective tool [to foster greater awareness of] sustainable IAQ and thermal comfort control. For example, we are able to demonstrate that Hong Kong people prefer a cooler temperature due to the Cantonese translation of the 'air conditioning' system into 'cold air' system. Through education [with respect to] thermal comfort, we believe that occupants can switch their expectation from 'slightly cool' to 'slight warm', equivalent to a 2°C rise. [We should also encourage the public to] wear the right [appropriate clothes]. The higher the cloth insulation index - measured by a unit called 'clo' - the higher lower the dissatisfaction percentage. We naturally wear to adapt to the expected thermal environment. However, very often, we wear to adapt to the engineered thermal environment. The same can also be applied to the IAQ expectation. There are too many misunderstandings related to energy consumption [and IAQ issues where] we do not get the expected outcome."*

PS: *"We have a dedicated Corporate Sustainability team of 15+ staff in Asia-Pacific based in Hong Kong who are responsible for driving awareness, education and changes in the outlook of all employees and communication to customers and stakeholders. For example see our significant investment in sponsoring NGO's in Asia-Pacific principally WWF and their Climateers program. Again further information available on our website [www.hsbc.com](http://www.hsbc.com) under Corporate Responsibility Hong Kong."*

8. If you were asked to address energy use within your organization, at this moment in time, what hindrances exist that would prohibit you from starting within the month?

BC: *Landlord*

MH: *"Expectations from occupants. They work at night so lights / ac are required to be on. They have a different priority in which energy saving is not on their agenda."*

EB: *"Many staff do work very late [and we are required] to provide them with the right facilities to work. [Our] greatest hindrance is the IT department. IT over specifies the room. They measure to a different scale / set. Real estate [typically] want to keep rooms smaller but IT want it BIG."*

PY: *"The communication technology. We recently have financial institutions leasing space [where] we have to triple the emergency power supply, double the normal power supply etc"*

TG: *"Half the energy costs in our situation go towards telecommunication systems, an area we have no control over. The telecommunications equipment these days are becoming more like datacenters with the same energy use concerns."*

9. Have you developed sustainable practices concerning water? If you were to initiate sustainable water practices, what tools would you need to achieve success?

No organization had implemented a water recycling scheme.

PY: *"Water is cheap"*

KE: [ [Demand for water on the mainland will inevitably grow] *"and we may not be able to continue to simply buy water from China [in the quantity that we need]."*

TG: *"There is a conflict between elements of sustainability. The EMSD encourages people to change from air cool chillers to water cool chillersto save energy but water cool use significant amounmts of water. When more people change their system to water cool this will potentially exacerbate a future water shortage problem."*

10. Have you developed sustainable practices concerning waste? What have you done?

MH: *"Hazarded / laboratory waste is collected separately and disposed of at the Tsing Yi refuse centre."*

KE: *"[For information] The Tsing Yi collection center only collects from the public sector, [not the private sector]. In addition, fluorescent tubes from private sector currently go to*

*landfill. The HKSAR Government Govt is talking to large landlords to recycle some fluorescent tubes.”*

*TG: “The same is true for BTM Gas – we cannot get rid of it as the government is monopolizing the only facility for burning it in Hong Kong. We are having to store the gas currently.”*

\* 11. Are you using any government programs such as Green Lights, Energy Star, EcoLogo as a guide?

HKBEAM  
LEED

12. Where would you say you have placed your focus? Has it been on inexpensive retrofits or major projects requiring capital expenditures?

*MH: “Capital expenditures related to retrofit of all light fittings, electronic ballast where pay-back period has been a few years.”*

*BC: “HK has a very efficient, excellent public transport system. [Nevertheless] most retrofits go to landfill and are not recycled.”*

*EB: “Our current focus is new build. When we look at new project we look at what we can do to ensure the project is sustainable.”*

*PY: “Energy is the biggest environmental impact for a new building. Make the plant more efficient. However, trying to get an intelligent operator is difficult.”*

\* 13. Do you promote a life cycle view of costs within your organization so that financial decision makers and organizational leaders understand the long-term savings that result from sustainability?

*GS: “Not just the end users but also the contractor and supplier, the whole supply chain.”*

*MH: “[One major problem for Government funded organizations is] capital cost is normally separated from the recurrent cost [thus discouraging an effective LCC policy].*

*GD: “We do pay attention to life cycle costing issues.”*

*PY: [There is a general perception] that the more green the product, [the greater will be the] capital / operating cost. However, in our experience some green products can be cheaper in both initial cost and operating cost. [PY cited a recent example of a chiller replacement project where the ‘green’ plant had the lowest initial cost & operating cost.]*

*PS: “Yes, all significant capital expenditure investments have to meet an internal Business Case which considers life cycle cost and benefits.”*

No organization utilized LCC software.

14. Do you or your colleagues have a difficult time getting others to understand the expected return on investment for capital improvements?

NO

15. What are your thoughts concerning retro commissioning? Do you think that others within the profession understand what this entails? How can facility managers be encouraged to consider using this sustainable practice in their organization?

TG / MH: Yes

PY: *“On new buildings, we employ an external / special commissioning company to do it. For existing buildings we have another layer of specialist to do it.”*

EH: *“Some members have very high expectation, e.g. building re-commissioning organizations but so far no positive results.”*

DC: *Retro-commissioning is an important issue. That links to the new approach in maintaining satisfaction of indoor environmental quality.*

\* 16. Do you know how to start the formal process to write a generic "sustainability RFP"? How could IFMA help in generating generic contracts?

JG: Generally most panelists questioned the value of “generic” RFP content.

EB: *“Our investment policy – making sure our RE investments do not lead to bad publicity.”*

GS: *“We receive RFP from client and have very little content on environment. We give a detailed list of questions correlate to LEED requirements”.*

PS: *What is involved in a “sustainability RFP”? Sustainable Development is a wide-ranging political/economic issue involving many facets. We are integrating our improving environmental requirements into all RFP's and Tender documentation.*

\* 17. Is anyone working toward a LEED certification? If so, which certification (LEED-NC, LEED- EB, LEED-CI)?

BC: *“China is more geared to US Standard.”*

GS: *“We are getting a lot of demand for it in the last couple of months.”*

PS: *“The fit-out of our new HSBC China HQ Building in Shanghai will be certified to LEED-CI.”*

\* 18. What do you need from IFMA to better achieve sustainability goals at your organization?  
What types of resources would make it easier for you to make your facility more sustainable?

PY: FMJ is useful.

JG: e-training

C: Environmental management system for company

\* 19. Are you seeking any training related to sustainability? What would you envision the training to cover?

Generally the group stated that it was difficult to recruit somebody with knowledge and skills on sustainability. JG informed the panel that the MSC in FM at the PolyU contains an elective taught subject on sustainability.

TG: *"At the moment IFMA has 9 core competencies and they are considering introducing courses on sustainability and potentially a credential in the future."*

NW: *"We have safety officers, first-aid people and H&S but not an officer on sustainability."*

GD: *"It should be everyone's job."*

TG: *"I agree. Hong Kong has a legislative post of safety officer. Would it be better to have a post on sustainability? I think the government has only achieved something on safety when they moved from prescription to performance. I'm not sure that being prescriptive in sustainability will achieve anything"*

**\* 20. Poll question: We know that collectively IFMA members manage more than 37 billion square feet. If IFMA and its members as a whole were able to make a measurable impact in improving the environment through sustainability, where do you think we could make the biggest impact? (By show of hands – count hands)**

Energy savings	12/13
Waste reduction	
Water reduction	
Improved air quality	

21. Recent studies claim there is no significant difference in average costs for green buildings as compared to non-green buildings. There is little or no added cost to build a green building and budgets fall well within the cost range of non-green buildings. How do you feel about these statements?

BC: *"Cannot make a statement like that without supporting data."*

MH: *"Define what is meant by the term "Green Building"; making a building sustainable is not a cost issues."*

PY: *"A recent company example where the project was awarded HKBEAM Platinum grade did increase the cost!"*

DC: *"This question is too ambitious. I am inclined not to use the terms green and non-green buildings because the principal term is not well defined. However, if the concept of green and non-green is defined by the level of achievement in some 'green building*

*code' or 'green building performance assessment' it should be possible to make useful \$ comparisons to specific building."*

*PS: "I agree. It all depends upon business policy, early design, decision making and willpower!"*