



SUSTAINABLE PROCUREMENT CHARTER NEWSLETTER

可持續採購約章 通訊



October 2018

Issue 1

THE BIRTH OF SPC

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A new Charter is born!

The Green Council launched the Hong Kong Green Purchasing Charter (HKGPC) in 2007 to promote and assist the business community in considering and implementing environmentally responsible and preferable "green" purchasing.

With the worldwide release of a new international standard, *ISO 20400 Sustainable Procurement – Guidance* in April 2017, as well as the United Nations determination to promote sustainable procurement as one of the ways to achieve its *Sustainable Development Goal #12 – Responsible Consumption and Production*, the procurement landscape has changed. Progressive companies are becoming increasingly expected to no longer focus solely on "green purchasing", but also to address social and economic considerations. Grasping this shift, the Green Council has launched a new **Sustainable Procurement Charter (SPC)**, as an appropriate and timely direct successor to the HKGPC.

All members of the SPC are committed to implementing and strengthening sustainable procurement with reference to ISO 20400.

EVENT RECAP

Current Founding Members:

- 1) Baguio Green Group Limited
- 2) The Bank of East Asia, Limited
- 3) Chung Tai Printing (China) Company Limited
- 4) CLP Power Hong Kong Limited
- 5) D&G Technology Holding Company Limited
- 6) HKT Limited
- 7) The Hong Kong and China Gas Company Limited
- 8) Hong Kong Baptist University
- 9) The Hong Kong Electric Co., Ltd
- 10) Kerry Properties Limited
- 11) MTR Corporation Limited
- 12) New World Development Company Limited
- 13) Ocean Park Corporation
- 14) PCCW Limited

Charter Launch!



The official launch of the Sustainable Procurement Charter was held on July 12th, 2018. Mr. Wong Kam-sing, GBS, JP, Secretary for the Environment of the Hong Kong SAR Government attended as the Guest of Honour. The Launching Ceremony was led by Mr. Shih Wing-ching, Chairman of Green Council, Ms Linda Ho Wai-ping, Chief Executive Officer of Green Council, Green Council executive members, and thirteen (13) representatives of SPC founding members. In support of the Charter launch, Dr. Mushtaq Memom of the United Nations delivered a well-received speech regarding the importance of sustainable procurement. The event was an overwhelming success with over 100 participants.

Guest speakers included:

- Ms Sandy Song, Acting Assistant Director - Development, Research and Administration - of the Hong Kong Observatory
- Dr. Mushtaq Memom, Regional Coordinator, Resources Efficiency of the United Nations Environment Asia Pacific Office
- Mr. Felix Lam, Head of Sustainability of Green Council
- Mr. Keith Gaunlett, Senior Consultant of ArcBlue Consulting Group
- Mr. Tom Haythorn, Senior Sales Consultant of SAP Ariba Greater China

Panel discussion moderator:

- Prof. Stephen Ng, President, Institute of Purchasing & Supply of HK

Seminar 1: More than just “Going Green”

As the title of the seminar suggested, the first SPC seminar focused on why and how procurement should address environmental, social and economic impacts whenever possible. Held on July 13th 2018, the seminar provided current information on the impact of climate change to Hong Kong, and presented the latest trends and development of sustainable procurement, highlighting its challenges and opportunities in responding to the issue of climate change.



Guest speakers



Seminar attendees

ISO 20400 Workshop

A one day workshop on *ISO 20400: Sustainable Procurement Guidance* was held on September 7th, 2018. Thirty (30) representatives from fifteen (15) companies participated. Along with gaining valuable information and insight from expert presentations, participants were challenged through “practice exercises” in: setting procurement policy, strategies and objectives; making decisions on life-cycle costing; and identifying supply chain risks, etc.



A group exercise involved the development of a theoretical green specification for office furniture, with each participant required to suggest one criterion for inclusion. The result was impressive with many suggestions, including timber from sustainable sources, VOC limits in paint, low formaldehyde, environmental packaging, assembly without glue, use of recycled materials, etc. The participants realized and noted that many of the sustainable criteria were not included in their companies' current purchase specifications.

Founding Members Meeting

Our first Founding Member Meeting was held on September 10th, 2018. To foster the implementation of sustainable procurement, members will set their 2019 objective(s) for continual improvement and share these with the other members. The Green Council will also formulate and conduct a benchmarking survey among members to understand the current implementation status and assist members to better apply their resources in working towards sustainable procurement.

The ISO 20400 Workshop was the second of such workshop organized and conducted by Green Council officials.

The Bank of East Asia is the 14th Founding Member, and the first to join since the SPC Launching Ceremony

Visiting Sites:

- WEEE PARK at Hong Kong EcoPark Tuen Mun, is the first Waste Electrical and Electronic Equipment (WEEE) Treatment and Recycling Facility. Currently, the plant provides recycling services for household appliances and computers.
- LI TONG GROUP at Tin Shui Wai, provides a post-consumer take-back platform for electronic devices that services the commercial sector.

Study Tour

A study tour was arranged in May by the HKGPC to two recycling plants in Hong Kong. Participants included several SPC Founding Members as well as some former HKGPC members.



WEEE Park



Li Tong

2016 Global Estimate of Modern Slavery Prepared by the International Labour Office (ILO):

- 40 million people were victims of modern slavery. This included:
 - 25 million people in forced labor
 - 15 million people in forced marriage
- Modern slavery was most prevalent in Africa, followed by Asia and the Pacific.
- One in four victims of modern slavery was a child.
- Women and girls accounted for 71 per cent of modern slavery victims.

"It is not acceptable for any organization to say, in the twenty-first century, that they did not know. It is not acceptable for organizations to ignore the issue because it is difficult or complex. And, it is certainly not acceptable for an organization to put profit above the welfare and well-being of its employees and those working on its behalf."

Rt Hon Theresa May MP

UK Home Secretary 2015

(Transparency in Supply Chains etc. - A practical guide)

PROCUREMENT INSIGHT**Will companies be taken to court if they do not manage their supply chains?**

The 2013 Rana Plaza disaster was a result of failure in supply chain management. The collapse of an illegally and poorly built eight-story textile factory in Bangladesh killed 1,314 workers, mainly young women, and shocked the world by exposing the hidden problems of outsourcing.

Many companies might not know where their purchased products are being made under the complicated subcontracting relationships. However, following the Rana Plaza disaster, many consumers are expecting retailers to be willing and able to identify exactly where their products are sourced from, as well as what the conditions are like for workers at such factories. But with multiple tiers of suppliers, lengthy and complicated supply chains, and operations across many countries, it can seem almost impossible to gain the clarity required to monitor and spot issues.

To tackle the possible modern slavery problems in supply chains, businesses need full oversight of their supply networks. Some countries have already enacted laws to improve human rights issues in supply chains, for example:

- California Transparency in Supply Chains Act 2012
- UK Modern Slavery Act 2015
- France Duty of Vigilance Law 2017

In general, these laws require large companies to:

- Disclose their efforts on their supply chains to eradicate modern slavery; or
- Establish, implement and publish a plan to conduct human rights due diligence.

Any company that does not comply with these laws may be subjected to penalties or fines. Although such laws are not applicable to Hong Kong, comparable requirements and expectations may be publicized and increasingly exerted by socially responsible investors (e.g. influential individuals and groups) as well as agencies publishing corporate sustainability indices or ratings.

OCTOBER 2018

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One planet procure with care

UPCOMING EVENT(S)

25-28, October

Eco Expo Asia - International Trade Fair on Environmental Protection

Location: Halls 3&6, AsiaWorld-Expo, Hong Kong International Airport, Lantau, Hong Kong

HOW TO JOIN THE CHARTER

If you are interested in joining the Sustainable Procurement Charter, please contact Green Council Limited at:

Tel: +852 2810-1122 or

Email: info@greencouncil.com

You can also obtain more detailed information at

http://greencouncil.org/en/page.php?sub_id=43WEEE