

SUSTAINABLE PROCUREMENT CHARTER NEWSLETTER



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October 2020

Issue 4

SPC UPDATES

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Things have undoubtedly changed a lot since our all-members meeting in January 2020. On behalf of Green Council, we hope everyone is safe and healthy during this difficult time. In this issue, we will provide updates in regard to the Charter, and the latest procurement news. We hope you enjoy this issue, and we hope to see you all soon!

NEW SPC MEMBERS

Green Council is pleased to announce that so far in 2020, we have seven new members joining the Charter! Below are their introduction in alphabetical order. We hope to see all members soon after the pandemic is eased:

BioLogiQ Elite (HK) Ltd

At BioLogiQ, we are dedicated to our stakeholders a long-term commitment to innovation and sustainability development. BioLogiQ is a manufacturing company specialising in bio-based polymer resins that reduce fossil fuel-based use and greenhouse gas emissions. BioLogiQ is investing for growth in Asia and North America with current production facilities in Guangdong Province and Idaho, USA. We make NuPlastiQ from 100% USDA certified renewable resources and by blending with traditional plastic, our BioBlend products offer sustainable solutions to flexible and durable packaging, agricultural and other commercialised applications.

BioLogiQ is delighted to be part of the SPC and look forward to sustainability learning and collaboration opportunities with the Green Council and SPC members.

Hysan Development Company Limited

Hysan is a leading property investment, management and development company in Hong Kong, with a portfolio of more than 4 million square feet of high-quality office, retail and residential properties. It operates primarily in the city's prime retail/office district of Causeway Bay.

"Sustainability" is one of Hysan's core values. We aim to create positive and visible changes for our stakeholders and the communities we serve for generations to come. Through the procurement and the use of green products and services in our portfolio, and by supporting initiatives from the Government and NGOs, we actively promote good purchasing practices among employees, tenants, shoppers and the general public.



Smart Solutions For A Sustainable World

Representative: Ms Linda Lee, Vice-president of Responsible Sourcing.

Ms Linda Lee greatly values the importance of embracing environmental, social and economic considerations into procurement decisions and creating sustainable value throughout the supply chain. Since its set up in 2019, Linda has led BioLogiQ Elite (HK) Ltd's efforts in taking on sustainable procurement initiatives and practices, part of which is a process of evaluating major suppliers in relevant sustainability aspects contributing to the SDGs.



Representative: Mr. Mark Tung - General Manager and Head of Corporate Communications.

Mark joined Hysan in 2007, and is responsible for the Group's communications with the media and other stakeholders. He is also a director of Lee Gardens Association, a business and community association for the Lee Gardens area, and is a member of the Communications and Membership Committee of the Hong Kong Green Building Council.



Representative: Ms Agnes Lo, HR manager

Agnes is the HR manager for several locations, including Hong Kong, US, France, and Africa since Jan 2018.

Agnes has more than 10 years' experience in Human Resources with a demonstrated history of working in the telecommunications industry. Skilled in Human Resources, Talent Management, Performance Management, Personnel Management, and Employee Engagement. I hope this Sustainable Procurement Charter, one of our CSR project, can be beneficial to the social environment.



Representative: Ms Coey Chow, Procurement & Sales

Coey oversees all purchasing and sales and storage for our timber products and make sure they are environmentally certified.



Representative: Ms Olivia Chan, General Manager (Contracting)

Olivia graduated from the Shun Yan University with a Bachelor Degree in Business Administration and joined PPS in 2010 as a sales and marketing executive. Olivia primarily responsible for the environmental and cleaning services business in Hong Kong

Kai OS Technologies (Hong Kong) Limited

KaiOS Technologies powers an ecosystem of affordable digital products and services, and exists to empower people around the world through technology. Its flagship product, KaiOS, is the leading mobile operating system for smart feature phones with more than 120 million devices shipped in over 100 countries. Kai's mission is to open up new possibilities for individuals, organizations, and societies by bringing mobile connectivity to the billions of people without internet in emerging markets, as well as providing those in established markets with an alternative to smartphones. KaiOS is based on HTML5 and other open web technologies. Devices running on the platform require limited memory, while still offering a rich user experience through access to apps like the Google Assistant, WhatsApp, YouTube, Facebook, and Google Maps.

KaiOS Technologies fully recognizes the impact of its procurement activities on the environment, society and the economy and acknowledges its responsibility to manage the impacts. We will considerate environmental, social and governance (ESG) factors into our corporate procurement processes and decisions. KaiOS commits in sustainable procurement as a long term goal to enhances the overall sustainability of our supply chain, as well as the competitiveness of the company and our suppliers. We will also follow the ISO 20400 Sustainable Procurement Guidance to implement KaiOS' internal policy and promote the importance of sustainable procurement to our employees.

Kinform Timber Company Limited

Sustainable Procurement has been one of the leading trends gaining traction these few years and we believe that this will continue to expand across all industries. As a timber trading company located in HK, we are very familiar with the term 'sustainable procurement' – Not only are our timber products PEFC and FSC certified meeting BEAM PLUS criteria, we also keep up to date with ISO 20400: Sustainable Procurement Guidance in hopes to further our knowledge on green purchasing.

Moving forward, Kinform Timber would like to increase our awareness for responsible and ethical sourcing whilst acknowledging the different areas of environmental, social and economic impacts of sustainable development.

Pollution & Protection Services Limited

Established in 1976, Pollution & Protection Services Limited (PPS) is one of the leading cleaning services companies in Hong Kong. With over 1,500 staff serving over 200 sites across various types of facilities, we provide efficient and professional cleaning solutions. In addition to general cleaning, we provide a wide array of special cleaning services such as marble floor crystallization and restoration, fumigation and pest control, hotel housekeeping services, hotel overnight kitchen and public area cleaning, external window cleaning, bus and ferry cleaning, carpet cleaning, post construction cleaning, grease tank cleaning, waste disposal etc. Our projects range from residential buildings, commercial & industrial properties to shopping arcades, hotels & service apartments, club houses, government and transportation institutions.

Sustainable procurement guidelines for cleaning materials and equipment have been developed within our company for several years. Not only the frontline staff, but also the senior procurement officer should think carefully about what to buy before making decision and avoid the unnecessary waste. Besides, we higher recommend our in-house procurement team to purchase an environmental-friendly material and equipment for all sites.



A Member of FSE

Representative: Ms Tracy Tsang, Senior Officer - Administration & Procurement

Urban Property Management Limited

Urban Property Management Limited (UPML) is one of the leading property asset and facility management companies in Hong Kong. With the strong brand reputation of professional excellence over the past decades, UPML is currently appointed to manage 390 projects and is serving over 1 million people in Hong Kong.

UPML is always devoted to shoulder corporate social responsibility and to strive for sustainable development throughout the company as well as the managed projects. We believe that the embedding of sustainable procurement in our business operations not only allows us to make a significant contribution in environmental protection, but also empowers us to achieve a continued success and maintain our leading position in the industry.

In the near future, UPML would participate in the Charter meetings and lead us to step beyond Green with a notable achievement in sustainable procurement.

UPDATE ON SPC INITIATIVES

Webinar: How to Prevent Fraud and Corruption



Anti-corruption is one of the essential topics related to procurement, and it has been well reflected. One example is the recent publication titled "2020 Global Fraud Investigation Report" by the Association of Certified Fraud Examiners. The report pointed out that the loss of each company due to fraudulent accounts for an average of US\$125,000 per case. The report also pointed out that the provision of fraud awareness training by companies is one of the effective measures to increase the reporting rate and reduce fraud.

In another example, the Hong Kong Stock Exchange (HKEx) has added mandatory disclosure requirements in the "Environmental, Social and Governance Reporting Guidelines" for fiscal years beginning on or after July 1, 2020, in which companies need to describe the anti-corruption training provided to directors and employees. This shows the importance of increasing anti-corruption awareness through training to improve top management's understanding of fraud.

In recognition of the importance of Anti-Corruption, Green Council has hosted a webinar "How to Prevent Fraud and Corruption", deep diving on these topics:

1. Causes of fraud
2. Early warning signs of fraud
3. Related laws
4. Common procurement fraud and corruption
5. Preventive measures and systems

If you missed the session, you can re-watch the entire webinar here: <https://youtu.be/ltQJSYCJdT4> (Cantonese version only)

PROCUREMENT NEWS

Impact of modern slavery

Boohoo, a UK-based international online fashion retailer founded in 2006, has been promoting fast fashion and made great financial success. However, on 5th July, The Sunday Times reported that an undercover journalist working at Boohoo's supplier in Leicester was told to expect pay of £3.50 an hour, which is 60% lower than the UK minimum wage, £8.72. The revelations of Boohoo's labor exploitation caused a significant drop of share price over 40% in a few days under the share sold-off by institutional investors. It is indeed a valuable lesson for companies to focus on proper workplace practices by increasing their transparency on supply chain, strictly following the code of conduct, shifting the world away from modern slavery.

<https://www.thetimes.co.uk/article/boohoo-fashion-giant-faces-slavery-investigation-57s3hxcth>

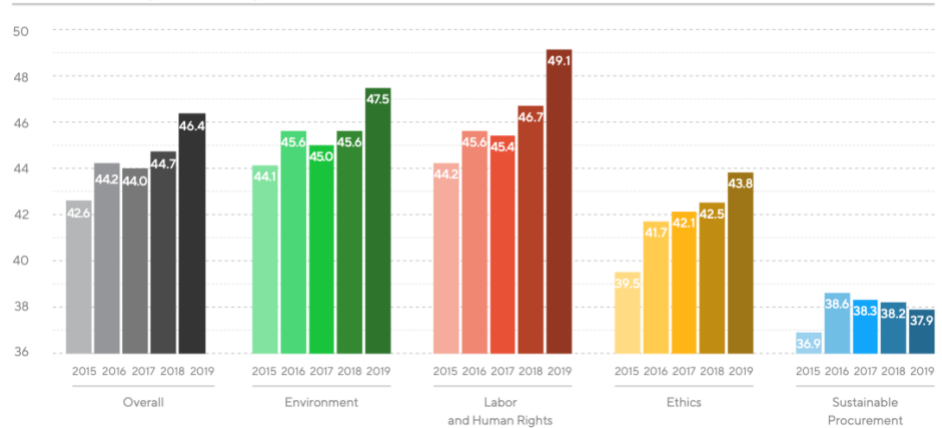
Procurement's sustainability track record getting worse, says EcoVadis

EcoVadis recently published the **Business Sustainability Risk and Performance Index for 2020**, which covers data from more than 40,000 global companies in the manufacturing, food and beverage, construction, wholesale, transport, information and communication technology; and finance, legal and consulting industries.

The report concluded that overall company supply chain sustainability efforts around labor, ethics and environmental (CO2 emissions) have progressed. However, sustainable procurement (which measures two factors: suppliers' environmental practices and supplier's social performance on labor rights and other worker issues) still lags behind and worsened in 2019 (Diagram below)



Performance in Key Sustainability Themes



The report also stated that "...companies continue to focus on societal impacts linked to their own operations, while risks that may be lurking in their supply chains are not prioritized to the same degree,"

In an interview with David McClintock, Marketing Director of EcoVadis, he suggested that procurement teams should develop more robust data-sharing and compliance practices to move from analysis to problem-solving.

You may download the EcoVadis report here, which includes information on the methodology, and industry breakdown :

<https://resources.ecovadis.com/sustainability-impact/ecovadis-index-2020?no-gate=>



IGPN calls for submissions of good practices for environmentally preferable products/services and green purchasing

The International Green Purchasing Network (IGPN) invites organizations to share their experience and examples to help identify lessons learned and good practices on the synergized between environment friendly products/services and green purchasing. The results of this exercise will be compiled and edited by the IGPN Secretariat and opened on line by the IGPN website or the UNEP One Planet network SPP program website. The submission deadline is on 30th November, 2020.

Being a member of IGPN, Green Council also invites our SPC members to share good practices in green purchasing, any member who is interested please visit http://www.igpn.org/news/2020/09/call_for_submissions_of_good_p.html.

OTHER UPDATES

Joining the United Nation's Sustainable Development Solutions Network, Hong Kong Chapter:

In June of 2020, Green Council has officially joined the United Nation's Sustainable Development Solutions Network, fully embraced the United Nations' Sustainable Development Goals to help Hong Kong entities to transform from focusing exclusively on "green" (e.g. environmental responsibility and stewardship) to also encompassing other sustainability elements (e.g. social inclusiveness, economic considerations, and governance involvement) through our new initiative launched this year: Corporate Membership Programme.

Being accredited by the United Nations Environment Programme as one of the Major Groups and Stakeholders:

In September of 2020, Green Council has been accredited by the United Nations Environment Programme (UNEP) with observer status to the United Nations Environment Assembly (UNEA) and its subsidiary bodies. As an accreditation NGO, Green Council will be able to participate in UNEP meetings of global groups, interaction with representatives of governments, and a platform to influence policy formulation.

HOW TO JOIN THE CHARTER

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

Tel: +852 2810-1122 or

Email: info@greencouncil.org

You can also obtain more detailed information at

<https://www.greencouncil.org/spc>

