

## **Sustainable Procurement Policy (Extract)**

BOCHK is committed to understanding and managing our environmental and social impacts in the procurement of products and services. We formulate this policy to integrate environmental and social considerations in products and services procurement and the policy is applicable to our suppliers. We will use our influence to encourage our suppliers to manage their own environmental and social impacts more effectively.

### **I. Aims**

- Minimise the environmental and social impact and contribute to society's well-being through better selection and usage of products and services from our suppliers;
- Achieve a supply chain that is resource efficient and implements environmental and social risk management;
- Enhance the communications with our suppliers and where appropriate, providing feedback about their environmental and social performance.

### **II. Principle and Standard**

- Procure and use more resource efficient and environmental products which support sustainability;
- Adopt an ethical and responsible behaviour in dealing with suppliers to raise their awareness on sustainability, and use our influence to stimulate innovation, new technologies and new design;
- We will provide guidance and training to staff involved in purchasing to better adopt this policy.

### **III. System and Procedure**

- The *Supply Chain Code of Conduct* outlines the minimum requirements on social, environmental, ethical, and governance aspects to assess the performance of suppliers. Questionnaires are included in tender documents on a regular basis and as needed, together with a corresponding evaluation mechanism;
- For higher spending and high-risk suppliers, there will be a more in-depth

understanding on their business operation practices to assess their potential social and environmental impacts;

- Site visits or third-party verifications will be conducted to ensure accuracy in assessment of suppliers' sustainability performance. Through this process we will progressively achieve a sustainable supply chain;
- For supplier who fails to meet our standards and is unwilling to remedy the situation, we will take appropriate action which may include removing such supplier from our supplier list.

#### **IV. Review and Amendment**

The Policy is subject to review and amendment on an annual basis and as required to ensure its relevance and effectiveness.