



Hong Kong's first Public Utility (Towngas) to be verified by BSI in complying with ISO 20400 Sustainable Procurement guidance standard



"Worldwide, consumers and investors are increasingly turning to companies that behave responsibly when making purchases from their supply chain partners. Sustainable procurement has thus become a key element in the sustainability strategy of many companies today."

- Mr. Felix Lee, Towngas General Manager- Corporate Supplies and Administration We at The Hong Kong and China Gas Company Limited (Towngas) recognise that a company's long-term success is closely connected with how it acts on matters of social responsibility, environmental stewardship and ethical corporate behaviour. Today, sustainability should no longer be an option but the main focus of every company's way of thinking.

Ever since the founding of Towngas in Hong Kong in 1862 and our entry into mainland China, we have placed the highest priority on sustainability and have incorporated social, environmental and economic considerations into our core strategy in day-to-day operations.

Towngas supports this initiative and has committed to sustainable procurement. In July 2019, Towngas was verified by international accreditation organization British Standards Institution (BSI) in complying with ISO 20400 Sustainable Procurement auidance standard after assessment and verification, which proves that Towngas applies sustainable considerations in the entire purchasing operations and supply chain.

The ISO 20400 guidance standard on Sustainable Procurement provide guidelines for organisation wanting to integrate sustainability into their procurement processes, and provide more value to the organisation by improving productivity, assessment of value and performance, better communication between purchasers, suppliers and all stakeholders, and encouraging innovation.

In keeping with the principles of the new ISO standard, we source sustainable products such as feedstock (natural gas and landfill gas), pipelines for gas distribution, and environmentally friendly office supplies and equipment, including energy-efficient lighting and recycled/Forest Stewardship Council (FSC)-certified paper.

Managing an efficient and sustainable supply chain is one of the important ways in which Towngas drives business growth and maintain our competitive edge. This involves choreographing key

functions, such as purchasing, supply reliability, inventory management, cost management and internal customer servicing. Good rapport and long-standing relationships have been key in achieving synergy with suppliers, allowing Towngas to continue ensuring the safety, reliability and high quality of our products and services across the breadth of our portfolio.

By committing to responsible, fair and ethical purchasing practices, Towngas nurtures long-term business relationships with partners that are competent and reliable. We established five key principles for responsible supply chain management: offering equal opportunities to all suppliers; treating suppliers equally and fairly; promoting strong buyer-seller relationships; encouraging suppliers to contribute to continuous improvement; and supporting green procurement practices. These principles are guided by our Towngas Purchasing Policy, which ensures that our

suppliers participate in a fair and competitive market, as well as our Towngas Environmental Purchasing Policy and CSR Code of Practice for Suppliers, which spells out the environmental considerations that must be accounted for in every purchasing decision.

Towngas values our suppliers and regularly engage them as partners in pursuit of our shared goals for sustainable development. In addition to following 6S management principles promoting a safe and efficient workplace, we support our suppliers also follow this methodology to improve efficiency, productivity and product quality, as well as reducing the risk of industrial accidents.

In 2020 and the years beyond, we see remarkable opportunities to help Hong Kong and China reduce their carbon emissions, and we look forward to working with our suppliers and other stakeholders to make the transition into a new era of clean energy.



Towngas Corporate Supplies and Administration Team received ISO 20400 Verification Credential



More than 200 appliance models offer a number of energy-saving and eco-friendly features such as high energy efficiencies, as well as environmentally friendly materials, processes and packaging.