

Environmental Management of

LEGAL & PROCUREMENT DIVISION

Companies, particularly major ones, care about their image and reputation. The last thing that we want are headlines in the press suggesting the improper exploitation of natural resources that may in turn harm our reputation and the bottom line of the business. We are seeking to influence our supply chain to adopt more environmentally acceptable ways of supporting our green procurement strategy and we believe it will work well. However, it will take time before it produces a visible effect.”

*David Avery
Head of Procurement & Contracts*

Divisional Environmental Policy

- ▶ Compliance with environmental laws and policies and the adoption of appropriate best practices including international environmental standards
- ▶ Promotion and support of Corporate and Divisional environmental policies through good communication ensuring continuous improvement through regular review
- ▶ Actively assist the users of Legal and Procurement Division services to minimize the use of natural resources in the selection of materials and services
- ▶ Conduct appropriate training programmes to raise the profile and understanding of environmental policies with both staff and key suppliers and contractors
- ▶ Set environmental objectives and targets for the Legal and Procurement Division and put in place a suitable implementation programme

Major Achievements in 2000

Green Procurement

In 2000, the Corporation spent about HK\$1 billion on supplies and services, not including new railways and Capital and Revenue Works. We appreciate that by influencing our suppliers and contractors, the Corporation can make a wide-ranging and potentially very large contribution towards making better use of our resources.

To ensure that environmental factors (including those related to waste minimization) are considered when purchasing new products or services, the Corporation is currently looking into “green procurement”.

The Legal and Procurement Division is currently developing procedures which will require suppliers to specify and comply with environmentally acceptable disposal procedures. A supplier environmental approval scheme will be introduced in 2001. The target is to undertake environmental performance reviews with each of our suppliers by the end of 2004.

Another reflection of the Green Procurement approach is the Corporation's pioneering use in Hong Kong of the Partnering system when working with contractors and consultants on new design projects. By bringing together the traditionally separate client, designers / engineers and construction contractors at the early stages of a new project, project designs, construction methods and sequences are being developed by all of the stakeholders involved in the delivery process. This improves the efficiency and "implementability" of the project, which saves energy, time and materials.

Key Objectives and Targets in 2001

Green Procurement

To raise environmental awareness by incorporating the Corporate and Divisional Policies into the pre-qualification and tender process and seeking suppliers to adopt acceptable environmental practices and policies to the following programme:

- ▣▣▣▣ Pre-qualification process to include environmental assessment of 100% of tenderers by the end of 2001.
- ▣▣▣▣ Tender process to include environmental assessment of 50% of tenderers by the end of 2001 and 100% by the end of 2002.

EMS

To develop and implement the Divisional Environmental Management System to the following programme:

- ▣▣▣▣ Development of system by end 2001
- ▣▣▣▣ Roll down and implement by end 2002
- ▣▣▣▣ Commence the audit of the system by the beginning of 2003

Supply Chain

To ensure that the regular performance reviews of the supply chain include environmental criteria against which improvement targets can be set by the Corporation's Divisions to the following programme:

- ▣▣▣▣ Identification of environmental criteria to incorporate into supplier agreements by end 2001
- ▣▣▣▣ Conduct performance review with 50% of supply base by end 2002
- ▣▣▣▣ Conduct performance review with 75% of supply base by end 2003
- ▣▣▣▣ Conduct performance review with 100% of supply base by end 2004

To work with the supply chain to ensure environmentally acceptable disposal procedures are identified and complied with the following programme:

- ▣▣▣▣ Disposal procedures identified by end 2002
- ▣▣▣▣ Commence audit of compliance by end 2003

To work with the supply chain to identify at least two related new products / technology items each year for use within the Corporation's Divisions

e-tendering and purchasing

To seek to reduce paper consumption by the use of electronic means of tendering and purchasing to the following programme:

- ▣▣▣▣ 30% reduction by the end of 2001
- ▣▣▣▣ 50% reduction by mid 2002 