

OUR PARTNERS AND SUPPLIERS



MANAGING OUR SUPPLY CHAIN

We work closely with our suppliers, contractors and partners to foster the success of our business. Under the guidance of our Code of Conduct, we maintain the integrity of our supply chain and encourage our partners to adopt sustainable and ethical practices such as anti-collusion measures.

We maintain various procedures including pre-assessment and on-going assessment to regularly assess and monitor supplier performance in areas such as packaging and product quality, while we also incorporate environmental, safety and quality benchmarks into our assessment criteria. We further conduct random visits to ensure that there is no forced employment along our supply chain.

In view of the logistical impacts we faced during COVID-19, we implemented contingency measures to address the challenges, such as giving priority to source from suppliers in Hong Kong, Mainland China and neighbouring countries.

2,945

SUPPLIERS

15.73

YEARS

**the average number
of years our suppliers
work with us**

76%

**OF WHICH ARE
LOCAL SUPPLIERS**

267

SUPPLIERS

**were screened using
environmental and/or
social criteria**



- | | | |
|--------------|-----------------|-------------------|
| 01 Australia | 11 India | 21 Switzerland |
| 02 Austria | 12 Japan | 22 Taiwan |
| 03 Belgium | 13 Korea | 23 Thailand |
| 04 Canada | 14 Malaysia | 24 U.S.A. |
| 05 China | 15 Middle East | 25 United Kingdom |
| 06 Denmark | 16 Singapore | |
| 07 Finland | 17 Slovakia | |
| 08 France | 18 South Africa | |
| 09 Germany | 19 Spain | |
| 10 Hong Kong | 20 Sweden | |

SUSTAINABLE PROCUREMENT

We continue to minimize environmental impacts throughout our supply chain. One priority is sourcing materials from geographically close regions such as Mainland China and Japan to reduce our carbon footprint, and as far as possible, select secondary materials in the market and by-products from other industries as alternatives to raw materials.

Priority is given to suppliers who demonstrate sound sustainable practices, such as environmental management, energy efficiency, and obtain ISO 14001 environmental system certification (particularly within our Mainland China business units). We conduct regular assessment and communication with our suppliers, including reviewing their environmental certification and management measures and identifying areas for improvement across their sustainability performance.

Another initiative comes through the use of Purchasing Procedure for Indirect Materials and Works which guides our selection of environmentally-friendly materials and minimizes packing materials for import shipments. We also adhere to the procedure to minimize the use of hazardous commodities and control our purchase of certain items that have a significant impact on the environment (significant environmental control items) such as ozone depleting agents.

CREATING Synergies through New Partnership

While GIC remains the leading cement manufacturer in Hong Kong, we never cease to innovate our products.

The GGBS we manufacture at our slag grinding plant has a lower carbon footprint compared to Ordinary Portland Cement ("OPC"), offering a more eco-friendly and cost saving cementitious product for our customers. GGBS can also be used to replace Pulverized Fuel Ash ("PFA") as an additive in concrete production, as the supply of the latter will be reduced significantly in the immediate future due to the reduction of coal in the fuel mix of Hong Kong's power generation. To foster the adoption of this new product in the Hong Kong market, in mid-2020 we established Greentex Construction Materials Limited ("GCML"), a joint venture ("JV") company owned by Green Island Cement Company Limited ("GICL") and Wintex Inc. Limited to promote GGBS in the market.

Antony Ng, one of the founders of Wintex Inc. Limited did not hesitate to accept our invitation to establish the JV since Wintex Inc. Limited has been a long-term supplier of both raw materials to GIC and also admixtures to the local concrete industry. With more than 40 years of expertise in the concrete industry, Antony and his partners at Wintex conducted thorough trials and tests to understand the properties of the GGBS. They also demonstrated the strength and environmental benefits of GGBS and how it will benefit stakeholders of local concrete companies by providing a more durable, cheaper and environmentally-friendly concrete for Hong Kong. Building on their strong client network and customer service experience, they successfully help GIC to promote this new product to the concrete industry.

For both GIC and Wintex, the early stage of establishing this JV represented a new direction off their traditional path. By complementing the relative strengths and weaknesses of both companies, they were able to overcome differences in company practices and culture to fully optimize the partnership. As the market demand for green building materials increases, coupled with the fading out of PFA, the Greentex JV will continue to innovate and deliver more sustainable products to our stakeholders.



01 KK Choi
Director

“GIC and Wintex are companies with different working cultures, so we needed time to align the differences in operational processes and working methods under this new relationship. Since both YT and Antony are my old friends, the teething process was smooth and the JV works seamlessly.”

02 Antony Ng
Sales and Operations Manager – Greentex

“Like every new relationship, we remain open to communication and compromise to work out our partnership. Data and evidence are key to resolve any disagreements and we maintain a scientific mindset to reach a common goal.”

