

## **Responsible Sourcing Guideline of CUHKMC**

### **A. Purpose**

As part of our commitment to responsible business practices, CUHK Medical Centre Limited (CUHKMC) adheres to “Responsible Sourcing” as one of the main objectives and requirements in Supply and Procurement. Responsible sourcing refers to the process of ensuring that a business sources the products or materials or services that are obtained in a way that is socially, environmentally, and economically responsible. It involves taking into account the impact of sourcing decisions on the supplies, local communities, and the environment. CUHKMC strongly believes in conducting business in a sustainable manner that avoids negative impacts on people, the environment, and society.

To achieve responsible sourcing, CUHKMC strives to work with suppliers who share our values and abide by our principles, hoping to work collaboratively to drive positive changes across the entire supply chain.

This Guideline is thus established to outline our expectations and requirements for suppliers to ensure the highest standards of ethical and sustainable sourcing throughout our supply chain. We expect all of our suppliers to provide a copy of this Guideline to their respective employees, agents, suppliers and subcontractors, so that they are aware of our expectations and requirements.

### **B. Principles and Requirements**

Suppliers are required to review the following principles thoroughly, and commit to complying with the relevant requirements in their business or operational practices:

#### **1. Legal Compliance**

Suppliers must comply with all applicable laws, regulations, and international standards in Hong Kong and in the country(ies)/region(s) where they operate. This includes, but not limited to, laws and regulations related to labour, health and safety, environmental protection, human rights and ethical business practices. Suppliers are expected to stay updated on changes in relevant legislation and adapt their practices accordingly.

## 2. Human Rights and Labour Standards

CUHKMC expects the suppliers to uphold fundamental human rights and fair labour practices. Suppliers must provide fair, safe and healthy working conditions for their employees, and complying with all relevant labour laws and regulations. This includes, but not limited to, no child labour, forced labour, or any form of discrimination in hiring and employment on the basis of sex, disability, family status, race, and any other protections under the law. Adequate measures should also be in place to prevent accidents, injuries, and occupational health hazards. Employees should receive fair wages and benefits according to industry standard.

## 3. Ethical Practices

Suppliers should conduct their business operations with honesty, integrity, and transparency. CUHKMC expects suppliers to maintain high ethical standards, including anti-corruption practices and fair competition. Suppliers are also required to maintain accurate and proper records related to their business operations, including but not limited to, all required permits, licences and registrations, declaration of conflict of interest, giving or accepting of any gifts, entertainment or hospitality, and all financial transactions.

## 4. Environmental Sustainability

Suppliers should operate in an environmentally responsible manner. CUHKMC encourages suppliers to minimize their environmental impact by implementing sustainable practices, such as energy efficiency, waste reduction, recycling, safe disposal methods, responsible water usage, controlling emissions, implementing pollution control technologies, and responsible sourcing of raw materials, etc. Suppliers should implement effective waste management practices, and take measures to prevent pollution.

## 5. Supply Chain Transparency

CUHKMC values transparency in the supply chain and expects suppliers to work towards full supply chain transparency and to collaborate with CUHKMC to address any potential social or environmental risks. Suppliers must disclose relevant information on their policies, practices, and performance. Suppliers should also provide information about their supply chain, including the origin of their products, raw materials, and components. It is also the suppliers' responsibility to ensure that any subcontractors or third parties engaged also adhere to the principles outlined in this Guideline.

## 6. Use of CUHKMC's Name and Confidentiality

Suppliers shall not, whether directly or indirectly, use the name, trade name, trade mark, service mark, or logo of CUHKMC nor make reference to CUHKMC without the prior written consent of CUHKMC.

Suppliers shall not in any way divulge, disclose or release any CUHKMC's confidential or proprietary information, and the existence and content of any contracts with CUHKMC to any third party without the prior written consent of CUHKMC.

## 7. Protection of Personal Data

Suppliers should ensure they and their respective employees, agents and subcontractors comply with the applicable personal data protection laws and any codes of practice and guidelines issued by the relevant authorities. A supplier should promptly notify CUHKMC for any suspected breach of data security of personal data held by it concerning personal data of CUHKMC's employee(s), customer(s), director(s), agent(s) and/or representative(s) provided by CUHKMC and/or collected/received by the supplier, and (where applicable) its employees, agents and subcontractors, in the course of provision of goods/services to CUHKMC.

## 8. Continuous Improvement

CUHKMC believes in fostering a culture of continuous improvement and recognizes that responsible sourcing is an ongoing effort. Suppliers are encouraged to continuously improve their practices, invest in the necessary resources, training and programs, implement robust management systems, and engage in regular audits, etc. to build up their capacities and enhance sustainability performance.

## **C. Reporting, Monitoring and Compliance**

CUHKMC requires all suppliers to commit to complying this Responsible Sourcing Guideline and relevant policies, procedures and guidelines set out by CUHKMC (where applicable). Suppliers must communicate this Guideline and/or relevant policies, procedures and guidelines provided by CUHKMC to their employees, subcontractors, and other suppliers involved in the production and delivery of goods or services. Suppliers are also expected to implement their own systems, processes, policies or guidelines to ensure compliance with this Guideline as a condition of doing business with CUHKMC.

CUHKMC may conduct audits, inspections and assessments with suppliers at any time to identify and address any issues related to compliance with this Guideline and/or relevant policies, procedures and guidelines of CUHKMC. Suppliers shall co-operate and provide any information as reasonably required by CUHKMC for such review. If any non-compliance or improvement opportunities are identified, suppliers are required to take prompt and effective corrective actions to address the issues. If the supplier is unwilling or unable to comply with this Guideline and/or relevant policies, procedures and guidelines of CUHKMC, CUHKMC reserves the right to suspend or terminate the agreement in accordance with the relevant supplier agreement.

In addition, suppliers must immediately notify CUHKMC if they become aware of any breach of this Guideline, any allegations of non-compliance or investigations by authorities. Suppliers must take all reasonable steps to address, remedy and prevent any further violations. CUHKMC will provide supports throughout the whole process by providing guidance, sharing best practices, and collaborating on improvement initiatives.

CUHKMC may, from time to time, review and update this Guideline without prior notice to suppliers. Suppliers are recommended to visit CUHKMC's website regularly for any changes to this Guideline.

*(Last updates on 18 August 2023)*