

EDICO Holdings Limited 鉅京控股有限公司*

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

Stock code 股份代號 : 8450



PROBO'S LEGEND 傳奇

Environmental, Social and
Governance Report 環境、社會及
管治報告 2017/2018

* For identification purpose only 僅供識別



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OVERVIEW

EDICO Holdings Limited (the “**Company**”) is one of the most prominent companies in the industry of financial printing in Hong Kong. The Group has been committed to maintaining the leading position as a premium service provider of integrated financial printing services in the financial market for years. By offering a diverse range of high-quality integrated services including typesetting and proofreading, translation, design, printing and binding, distribution, and media placement.

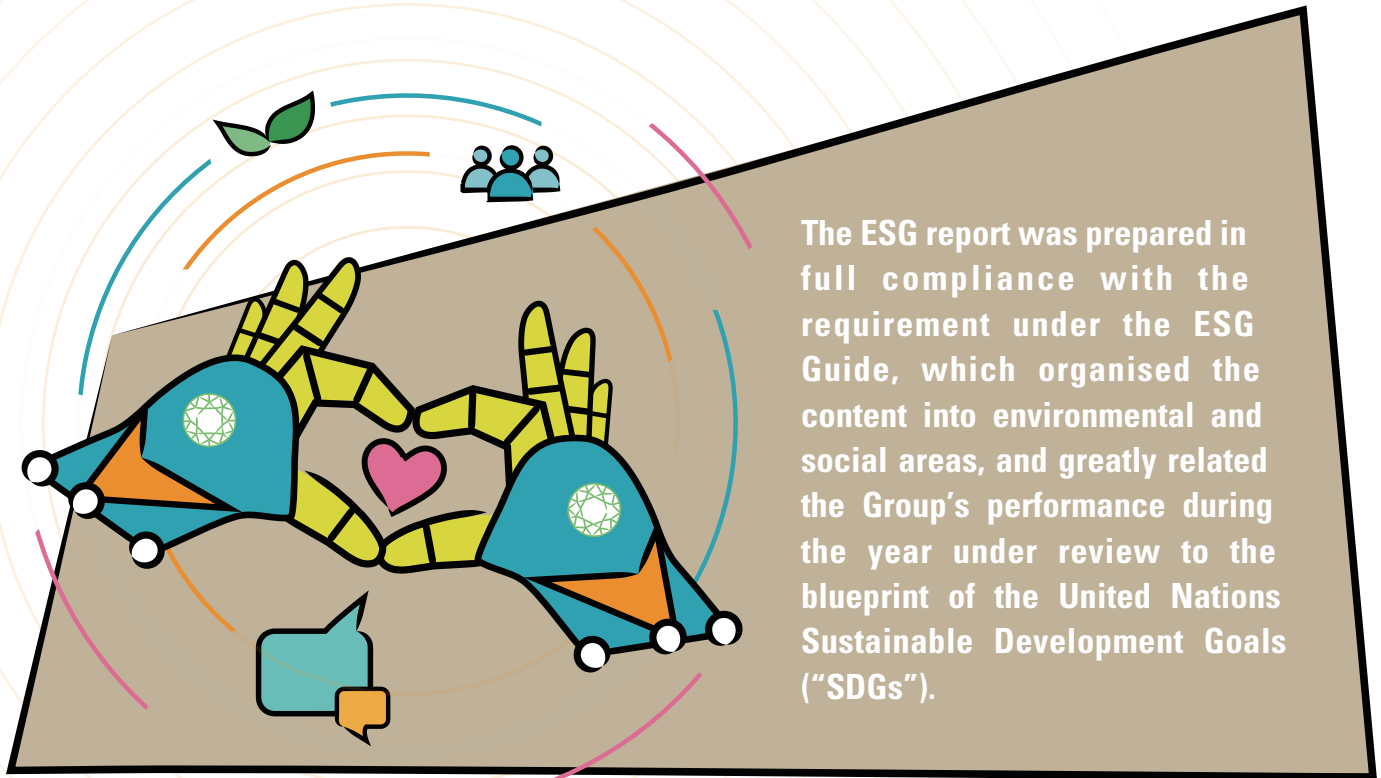
The Company has achieved magnificent success toward its ambition since its inception and developed an increasingly sound reputation in the industry.

Not only has the Company made tremendous progress in its business expansion and economic development, EDICO Holdings Limited and its subsidiaries (collectively, the “**Group**” or “**EDICO**”) have also paid great attention to environmental protection and the fulfilment of their social responsibilities. With a strong aspiration and commitment to forge an eco-friendly, resilient and reliable enterprise that pioneers in sustainable development compared to its peers in the industry, the Group never stops its footstep in exploring new ways to change its business model and operating practice in order to make contributions to addressing the pressing climate-related challenge.

Therefore, to be in strict compliance with the requirement under Appendix 20 — Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) of Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“**HKEx**”), the Group is pleased to present its first Environmental, Social and Governance (“**ESG**”) Report to demonstrate the Group’s approach and performance in terms of ESG management and corporate sustainable development for the financial year ended on 30th September, 2018.



ABOUT THIS REPORT



Alongside with the reporting principles of the ESG Guide, general disclosure of corporate ESG information was illustrated through the compliance with relevant regulations and laws material to the Group's business, and the Group's approach to managing various aspects. Environmental Key Performance Indicators ("KPIs") that need to be revealed compulsorily as required by the ESG Guide were all addressed in the section of **ENVIRONMENTAL SUSTAINABILITY** in the report, whereas some social KPIs that were believed important to the Group have been disclosed selectively as well. Plus, the ESG report was designed to follow sequential steps in accordance with the order of aspects narrated in the ESG Guide. Specifically, information of 3 aspects under environmental subject area and 8 aspects under social subject area were described in order, the logic of which was believed to be both clear and beneficial for readers' convenience.

To deliver a formalised and internationally compatible ESG report that appeals to our global readership and more importantly, improves the integrity and industrial comparability of corporate performance, the Group referenced SDGs as a linkage between the Group's ESG practice and global sustainability initiatives. The Group values the alignment of its business with the SDGs, which were elaborated in terms of what SDGs are and how they relate to daily business operations in the section of **SUSTAINABLE DEVELOPMENT GOALS**. The Group adopted such a globally-accepted reporting instrument as starting point for future business development in multiple parts in the section of **ENVIRONMENTAL SUSTAINABILITY** in the report, in particular under **A.3. The Environment and Natural Resources**.

BOARD INCLUSIVENESS

Board

- ✿ Develop and initiate sustainability strategies and guidelines
- ✿ Identify the potential risks in the road map of business development

Management

- ✿ Steer, supervise and monitor the implementation of sustainability practices
- ✿ Assess and manage all possible risks during operations

Business units

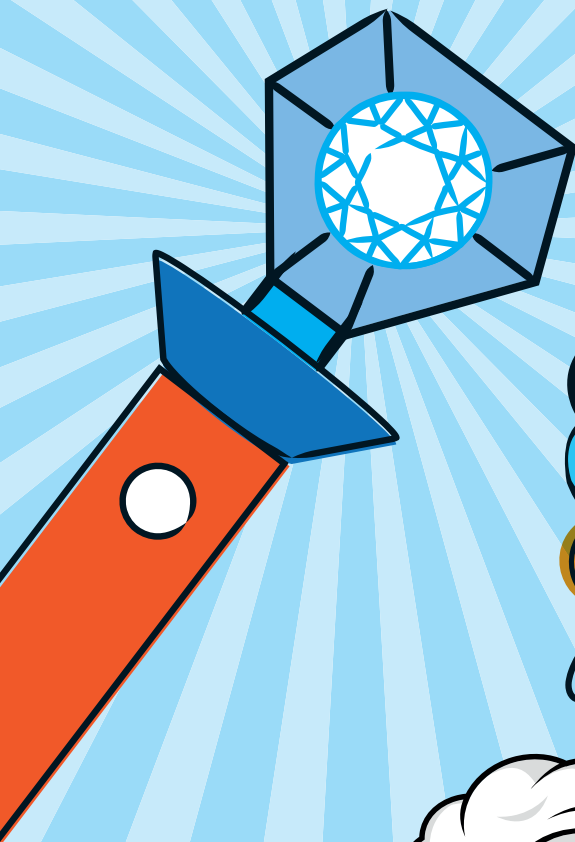
- ✿ Execute all policies at different stages of operations
- ✿ Eliminate, abate and control all risks

FEEDBACK

DECISION MAKING

LEADERSHIP

EXPERIENCES



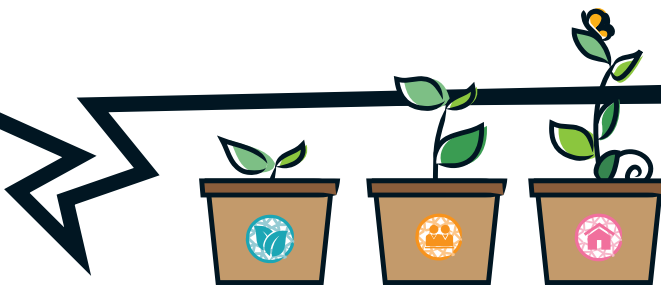
BOARD INCLUSIVENESS

EDICO realises that the capability of a business to confront the potential and ongoing consequences of climate change such as increasing pricing of Greenhouse gas (the “GHG”) emissions and shifts in consumer preferences is of paramount importance to the company’s long-term success. To make sure that the enterprise can unwaveringly and effectively incorporate ESG matters which are significant to the company into its business strategies, an effective board oversight has always been believed to be the key imperative in corporate ESG journey. Through the creation of a corporate vision in sustainable development and rigorous ESG integration process including awareness building, risk identification, opportunity evaluation, decision-making and outcome consolidation, we hope to maximise the function of the board in steering the direction of corporate business growth in a sustainable manner and enhance the overall resilience and capacity of the company in tackling various ESG related risks that have been or might be arising in the near future.

Donati Chan Yi Mei Amy

Chief Executive Officer and Executive Director

Hong Kong, 25th March, 2019



The Group has developed its internal strategies and policies with aims to create sustainable values to its stakeholders, thereby to large extent minimising the Group’s undue impact on the environment. In order to carry out the Group’s sustainability strategy from top to bottom, the Board of Directors (“**Board**”) of the Company has ultimate responsibilities for ensuring the effectiveness of the Group’s ESG policies. The Board has established dedicated teams to manage ESG issues within each business division of the Group and kept monitoring and overseeing the progress against corporate goals and targets for addressing climate change. Designated staff from the team has been assigned to enforce and supervise the implementation of relevant ESG policies cascading through the Group.

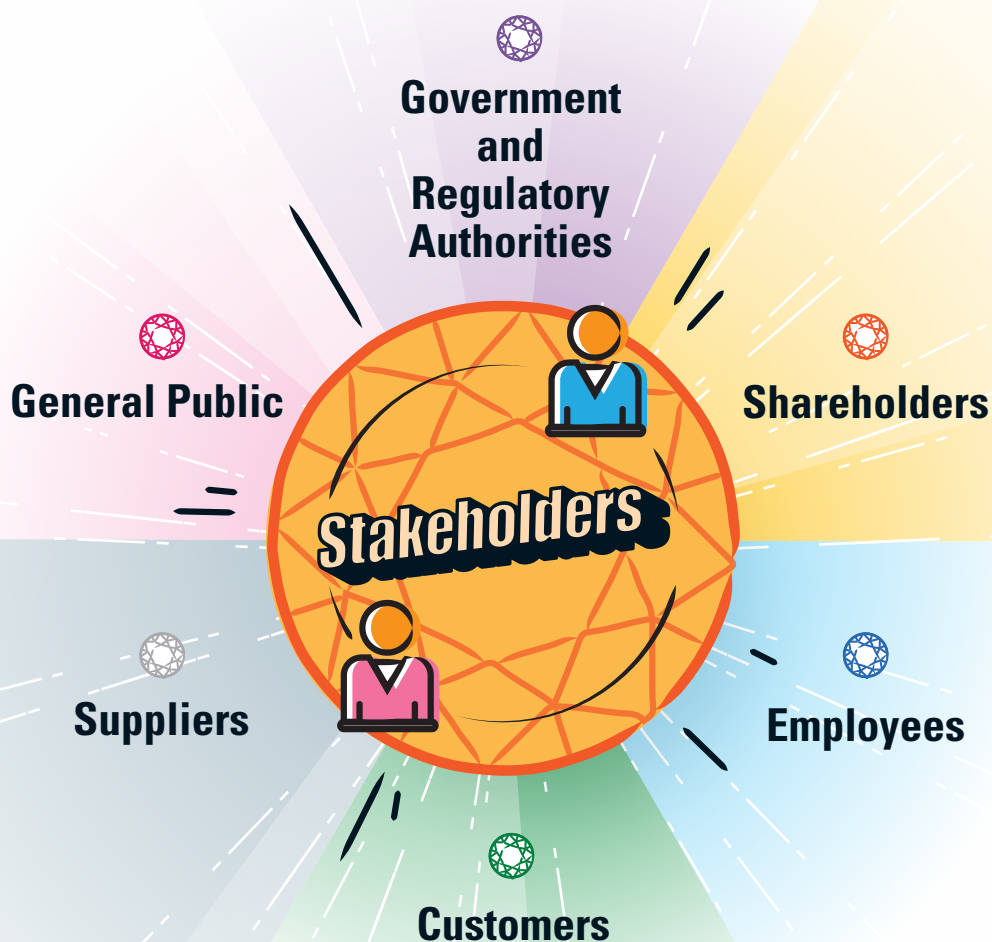
With the forward-looking guidance and well-designed plans of action to address underlying ESG matters, the management and responsible teams keep reviewing and adjusting the Group’s sustainability policies to satisfy the ever-changing needs of its stakeholders on a regular basis. For instance, through the establishment of goals and targets in conjunction with SDGs, and assignment of the responsibility for progress tracking to different management-level positions, the Group is committed to achieving an excellent performance in ESG management while also remaining competitive compared with its peers. Details of the Group’s management approaches in both environmental and social subject areas are described in different sections of this ESG report.

REPORTING PERIOD AND SCOPE OF THE REPORT

This ESG report covers the operational boundaries of the Group's working offices in Hong Kong. For corporate governance section, please refer to the Group's 2017/2018 Annual Report on pages 35 to 47 therein. The reporting period of this ESG report is for the financial year 2017/2018

("FY2017/2018"), from 1st October, 2017 to 30th September, 2018. This report has been prepared in both English and Chinese, and uploaded to the Group's website at www.edicoholdings.com.hk. If there is any conflict or inconsistency, the English version shall prevail.

STAKEHOLDERS' ENGAGEMENT



An effective communication with both internal and external stakeholders is essential to the Group in many areas. It can not only deliver the company's commitment to the long-term value creation to stakeholders who care about the

level of sustainable development of the Group, but also in return, help the Group gain a better understanding of topics material and relevant to different groups of stakeholders.

With the goal to strengthen corporate sustainability approach and performance while enhancing stakeholders' awareness of ESG and sustainability issues, the Group has put tremendous efforts into its internal and external stakeholder inclusiveness. The Group highly values the

feedback from its stakeholders and takes initiative to build a trustful and supporting relationship with them through their preferred communication channels, which are listed in the table below.

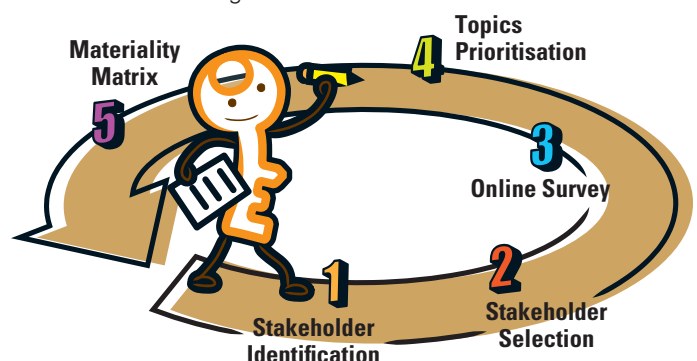
Table 1: Stakeholders' Expectations and Communication Channels

Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Business sustainability 	<ul style="list-style-type: none"> Supervision on complying with local laws and regulations Routine reports
Shareholders	<ul style="list-style-type: none"> Return on investments Corporate governance Compliance with local customs and business norms 	<ul style="list-style-type: none"> Regular reports and announcements Regular general meetings Official company website
Employees	<ul style="list-style-type: none"> Employees' compensation and benefits Career development Healthy and safe working environment 	<ul style="list-style-type: none"> Performance reviews Regular meetings and trainings Emails, notice boards, hotline
Customers	<ul style="list-style-type: none"> High quality products and services Protect customers' rights 	<ul style="list-style-type: none"> Face-to-face meetings and on-site visits Customer service hotline and email
Suppliers	<ul style="list-style-type: none"> Fair and open procurement Win-win cooperation 	<ul style="list-style-type: none"> Open tendering Purchase reviews Face-to-face meetings and on-site visits
General Public	<ul style="list-style-type: none"> Involvement in communities Compliance with local customs and business norms Environmental protection awareness 	<ul style="list-style-type: none"> Media conferences and responses to enquiries Public welfare activities Regular reports and announcements Official company website

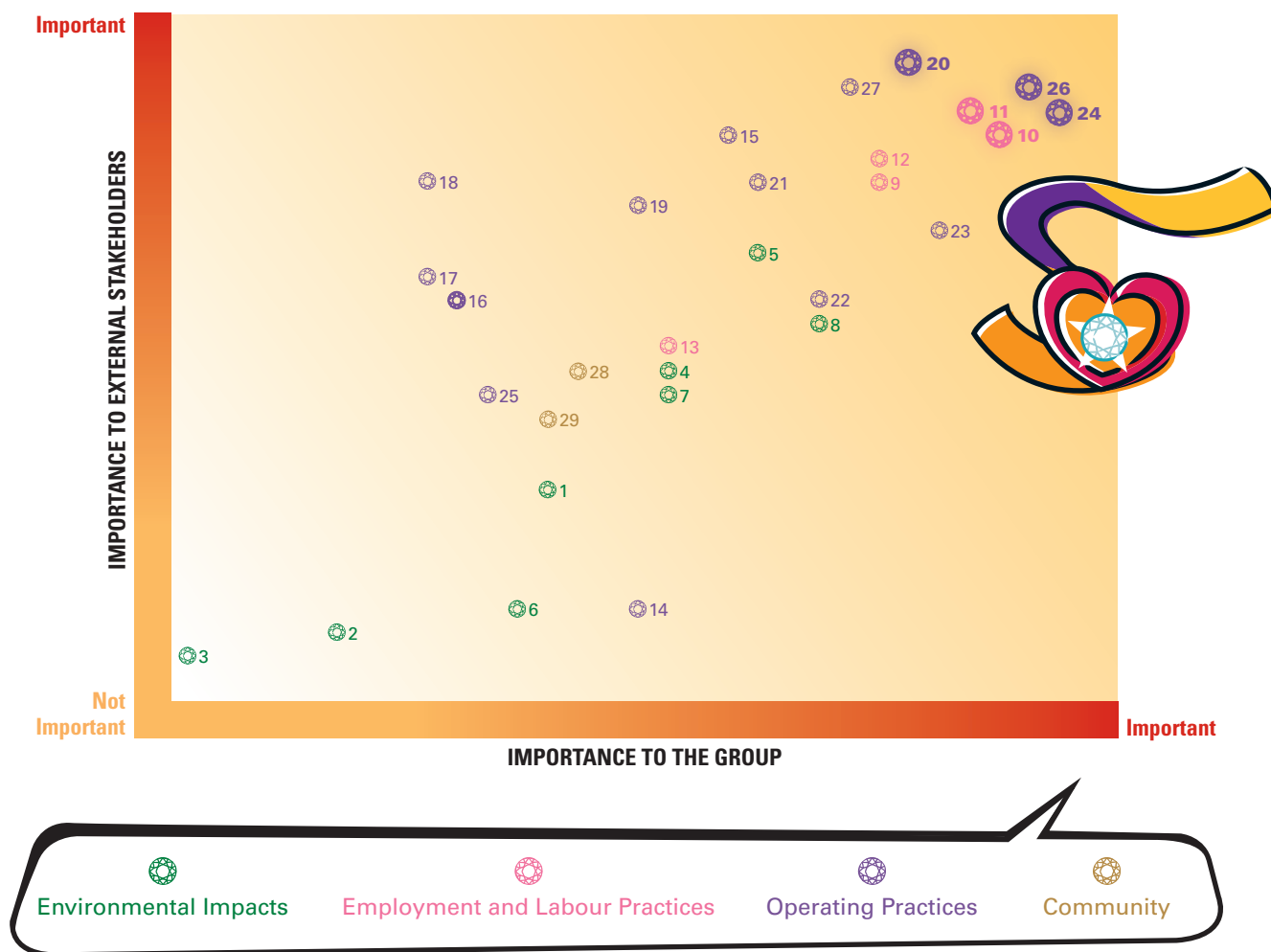
MATERIALITY ASSESSMENT

Since ESG risks and opportunities for companies vary across industries and highly depend on their specific business patterns, the Group undertook an annual review in identifying and understanding its stakeholders' main concerns and material interests for the ESG report. In FY2017/2018, the Group engaged its stakeholders to conduct a materiality assessment survey initiated by a third-party agency in order to guarantee the accuracy and objectivity of evaluations. Specifically, internal and external stakeholders including customers, suppliers, business partners, board members and employees from various business units of the Group were chosen and assessed based on their respective influence and dependence on the Group. Stakeholders regarded to be with high levels of influence and dependence on the Group were finally selected by management of the Company. They were then invited to express their concerns on a list of sustainability issues via an online survey that was designed by the third-

party agency to pinpoint the ESG issues, which were identified as material to the Group's business development and strategies. Through a science-based materiality assessment to prioritise the topics from the entire inventory of ESG issuers, the Group eventually formulated a materiality assessment matrix below, which could genuinely reflect the real concerns of its stakeholders on ESG matters and facilitate the Group to develop actions plans for more effective ESG management.



Stakeholders' Engagement Materiality Matrix



- | | | | |
|----|--|----|--|
| 1 | Air and greenhouse gas emissions | 16 | Environmental assessment of the suppliers |
| 2 | Sewage treatment | 17 | Social risks assessment of the suppliers |
| 3 | Land use, pollution and restoration | 18 | Procurement practices |
| 4 | Solid waste treatment | 19 | Health and safety relating to products/services |
| 5 | Energy use | 20 | Customers satisfaction |
| 6 | Water use | 21 | Marketing and promotion |
| 7 | Use of raw/packaging materials | 22 | Protection of intellectual property rights |
| 8 | Mitigation measures to protect natural resources | 23 | Product quality assurance and recall percentage |
| 9 | Composition of employees | 24 | Protection of consumer information and privacy |
| 10 | Employee remuneration and benefits | 25 | Labelling relating to products/services |
| 11 | Occupational health and safety | 26 | Preventing bribery, extortion, fraud and money laundering |
| 12 | Employee development and training | 27 | Anti-corruption policies and whistle-blowing procedure |
| 13 | Prevention of child and forced labour | 28 | Understanding local communities' needs |
| 14 | Suppliers by geographical region | 29 | Public welfare and charity |
| 15 | Selection of suppliers and assessment of their products/services | | |

Source: the 29 topics mentioned above were derived and summarised from the environmental and social aspects required by the ESG Guide to be disclosed.

According to the outcome of the materiality analysis matrix, the Group identified five ESG issues that were of great significance to both the Group and its stakeholders from the inventory of 29 sustainability topics, namely “26. Preventing bribery, extortion, fraud and money laundering”, “24. Protection of customer information and privacy”, “20. Customers satisfaction”, “11. Occupational health and safety”, and “10. Employee remuneration and benefits”. This review and assessment helped the Group to objectively prioritise its sustainability issues and to precisely identify the material and relevant aspects, and made for the purposeful documentation and disclosure of its ESG performance so as to align them with stakeholders’ expectations.

STAKEHOLDERS’ FEEDBACK

As the Group strives for excellence, EDICO welcomes stakeholders’ feedback, especially on topics listed as the highest importance in the materiality assessment and its ESG approach and performance. Readers are also welcomed to share their views with the Group at corporate@edico.com.hk.



The background features a sunburst pattern of light blue rays. In the center is a circular emblem with a stylized green leaf on a white geometric grid. Surrounding this emblem are four icons: a green water tap with a drop, a grey document with an arrow, a green electrical plug, and a green four-leaf clover. In the bottom left, a red and blue rocket-like shape points upwards towards a blue cube containing a white geometric star pattern.

ENVIRONMENTAL SUSTAINABILITY

The Group endeavours to support the “Green Office” concept and ramps up its efforts in the exploration and implementation of energy saving measures.



ENVIRONMENTAL SUSTAINABILITY

The Group believes that innovation is vital to the long-term success of an enterprise, which is reflected not only in its research and development in advanced technology and products that create profits for the company, but the adoption of energy-efficient machines and effective consumption of natural resources as well. As a company that mainly provides integrated printing services for customers, the negative environmental consequences caused by the Group's operations are very little compared with those in the heavy industry. The Group, though, still strives to minimise the potential environmental impact during its daily operations in various aspects. For example, the Group focuses on the awareness building of environmental protection among its employees, especially the reduction of individual carbon footprint, and strongly encourages its employees to care more about the consumption of natural resources such as paper-made products.

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources in FY2017/2018.

A.1. EMISSIONS

As a financial printing service provider, the Group's business operation does not have significant impact on the environment in terms of emissions of air pollutants, discharges into water and land, and generation of hazardous waste. In FY2017/2018, the Group complied with all relevant environmental laws in Hong Kong, including but not limited to Waste Disposal Ordinance (Chapter 354 of The Laws of Hong Kong) and Product Eco-responsibility Ordinance (Chapter 603 of The Laws of Hong Kong), and found no disregard of any influential laws relevant to waste gas or greenhouse gas emissions, water or land discharging and hazardous or non-hazardous wastes.



Given the business nature of financial printing service, Scope 1 (Direct Emission) from the Group in FY2017/2018 was too little to be considered. The greenhouse gas (“GHG”) emissions from the Group were mainly attributed to Scope 2 (Energy Indirect Emission) and Scope 3 (Other Indirect Emissions), which amounted to 158.7 tonnes CO₂e and 136.5 tonnes CO₂e respectively. The Group’s total GHG emissions added up to 295.2 tonnes CO₂e, with the GHG intensity for the Group being 3.3 tonnes CO₂e/HKD Million. Other than GHG emissions, the Group also generated

127.6 kg waste toner cartridges and 255.0 kg other commercial solid waste (with an intensity of 1.4 and 2.8 kg/HKD Million, respectively) during the year under review. As the property building management was responsible for wastewater management of buildings, the Group did not have any data of the annual sewage from offices. In FY2017/2018, the Group did not generate any hazardous waste or other air pollutants. The Group’s total emissions are summarised in Table 2.

Table 2: The Group’s Total Emissions by Category in FY2017/2018

Emission Category	Key Performance Indicator (KPI)	Unit	Amount	Intensity* (Unit/HKD Million)
GHG Emissions	Scope 1 (Direct Emission)	Tonnes CO ₂ e	0	—
	Scope 2 (Energy Indirect Emission)	Tonnes CO ₂ e	158.7	—
	Scope 3 (Other Indirect Emission)**	Tonnes CO ₂ e	136.5	—
	Total (Scope 1, 2 & 3)	Tonnes CO ₂ e	295.2	3.3
Non-hazardous Waste	Waste toner cartridge	Kg	127.6	1.4
	Other commercial solid waste from offices	Kg	255.0	2.8

* Intensity was calculated by dividing the amount by the Group’s FY2017/2018 revenue of approximately HKD90.6 million;

** The Group’s Scope 3 (Other Indirect Emissions) included only paper waste disposed of at landfills;

*** The methodology adopted for reporting on GHG emissions set out above was based on the “How to Prepare an ESG Report ? — Appendix 2: Reporting Guidance on Environmental KPIs” issued by Hong Kong Exchanges and Clearing Limited.

Air and GHG Emissions

The GHG emissions generated by the Group mainly came from the consumption of electricity for daily operations in offices. There is no denying that the accelerating emission of GHG is inherently linked with the climate-related catastrophic consequences that are happening across the world according to IPCC’s latest report (Intergovernmental Panel on Climate Change). To mitigate GHG emissions, the Group is aware of the role technological and economic potential plays in limiting the global temperature rise to 2°C above pre-industrial levels. Therefore, the Group has aligned its operating practice with internationally acceptable and recognised standards and recommendations in terms of GHGs reduction by the adoption of energy-efficient technologies, electricity-saving measures, and substantial reduction of paper usage. Detailed measures taken by the Group to reduce its GHG emissions are described further in **A.2. Use of Resources** of this report.

Wastewater and Solid Waste

During the year under review, the wastewater and solid waste generated by the Group were mainly municipal wastewater and municipal solid waste from daily operations of the office. In the management of commercial waste, especially plastic, paper waste and waste toner cartridges, the Group has implemented a classification method for waste collection. Solid wastes that have been sorted will then be transported to a local recycling centre or waste disposal plant for further treatment by a sanitary service company. The recycling of toner cartridges used in copiers and printers has been put great emphasis in the Group, which successfully applied the well-known ‘3Rs’ principle — Reduce, Reuse and Recycle, into daily practice in order to minimise its impact on the environment in recent years. In addition, the Group also collected and returned used spare parts of consumables to certain suppliers for recycling and reusing based on the contract. Municipal wastewater was handled by the property management and directly discharged into the municipal sewer line. Since the amount of wastewater generated highly depends on the amount of fresh water used, the Group has adopted specific measures to promote water conservation in offices, which are further described in **A.2. Use of Resources** of this report.



A.2. USE OF RESOURCES

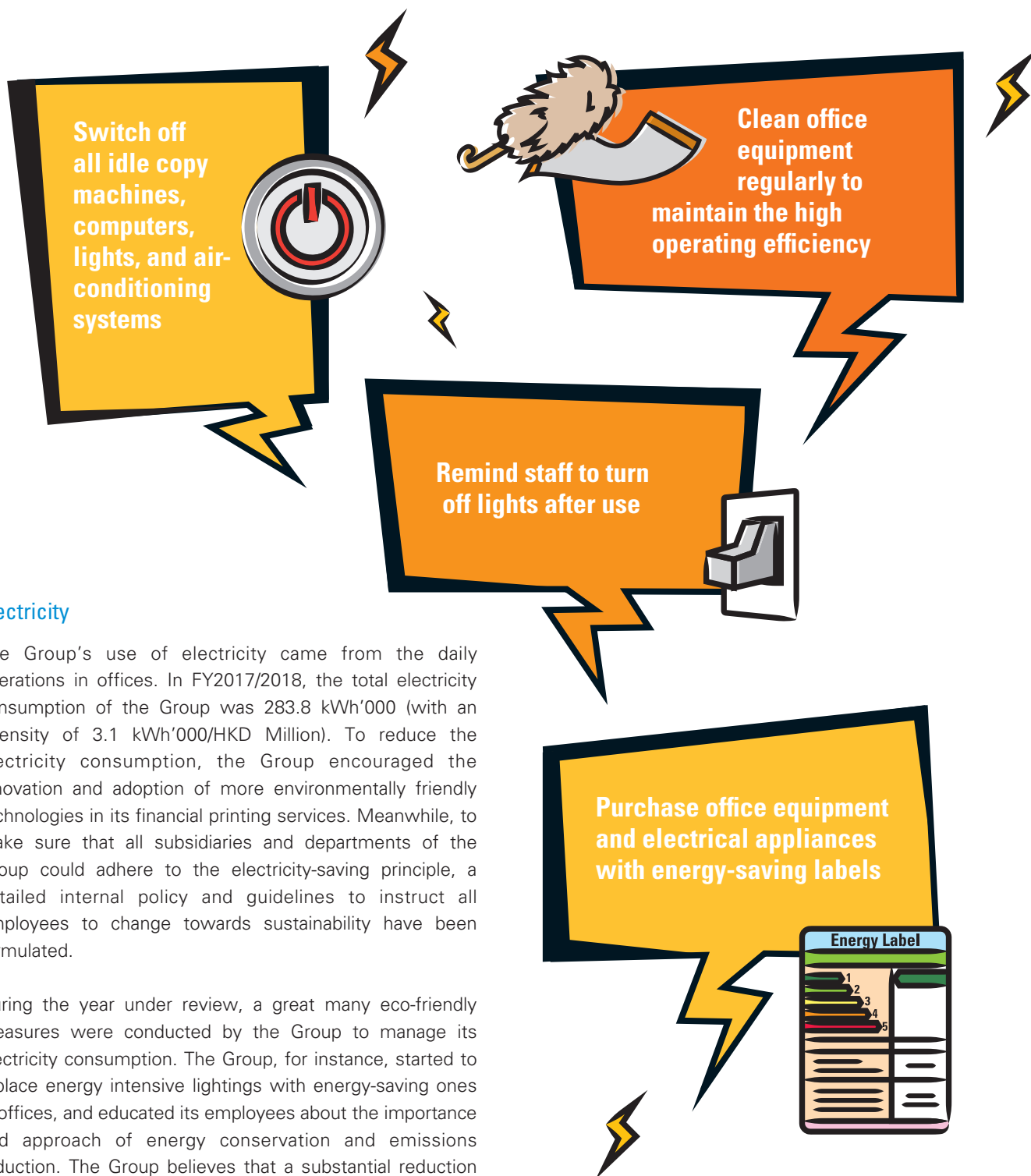
The use of natural resources, especially paper, has always been the key issue for the Group's environmental concern. To effectively manage its resources consumption, the Group kept improving its tracking of ESG related Key Performance Indicators ("KPIs") and launched the internal monitoring

programme on the procurement and use of resources. In FY2017/2018, the major resources consumed by the Group were electricity, water, paper, and toner cartridge. Given the business nature, the Group did not consume any packaging materials.

Table 3: The Group's Total Use of Resources by Category in FY2017/2018

Use of Resources	Unit	Amount	Intensity* (Unit/HKD Million)
Electricity	kWh'000	283.8	3.1
Paper	Kg	28,430.0	313.8
Paper (by outsourced printing suppliers)	Tonnes	354.5	—
Recycled Paper (by outsourced printing suppliers)	Tonnes	31.1	—
Toner Cartridge	Kg	127.6	—

* Intensity was calculated by dividing the amount by the Group's FY2017/2018 revenue of approximately HKD90.6 million.



Electricity

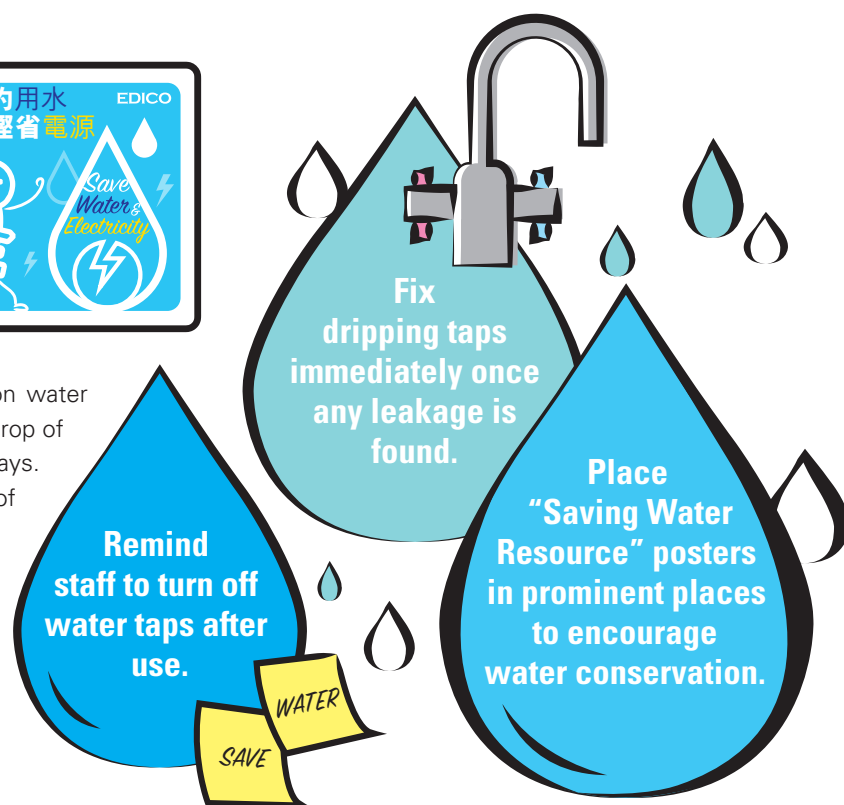
The Group's use of electricity came from the daily operations in offices. In FY2017/2018, the total electricity consumption of the Group was 283.8 kWh'000 (with an intensity of 3.1 kWh'000/HKD Million). To reduce the electricity consumption, the Group encouraged the innovation and adoption of more environmentally friendly technologies in its financial printing services. Meanwhile, to make sure that all subsidiaries and departments of the Group could adhere to the electricity-saving principle, a detailed internal policy and guidelines to instruct all employees to change towards sustainability have been formulated.

During the year under review, a great many eco-friendly measures were conducted by the Group to manage its electricity consumption. The Group, for instance, started to replace energy intensive lightings with energy-saving ones in offices, and educated its employees about the importance and approach of energy conservation and emissions reduction. The Group believes that a substantial reduction of electricity consumption could represent a significantly dwindling GHG emissions and remarkable progress towards better stewardship in ESG management. To ensure the effective use of electricity, other electricity-saving measures implemented by the Group are illustrated.

Water

Since the Group consumed water in its offices and the water bill was included in its monthly property management fee, the Group did not have any data on the amount of water consumed by its employees in FY2017/2018. During the year under review, the Group did not face any problems in sourcing water.

The Group and all its employees laid emphasis on water conservation and were dedicated to saving every drop of precious water resource by various efficacious ways. Specifically, to improve the utilisation efficiency of water resources, the Group has adopted some practices as illustrated.



A.3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group has been committed to developing its business of financial printing service according to the "Going Green and Low Carbon" concept and gearing up to incorporate the idea into every office and business unit. As the main natural resource consumed by the Group, the reduction of paper use has always been the cornerstone of the fulfilment of the Group's environmental responsibilities. In order to lower the negative impacts that the life cycle of paper exerts on

the environment, the Group realised that a highly efficient usage of paper and choosing suppliers with eco-friendly paper sources are imperative. Apart from the strategic management of paper resources, the Group also paid great attention to the daily operations involved with paper consumption in detail as illustrated below.

During FY2017/2018, the printing suppliers of the Group recycled a total of **31.1 tonnes** of paper.

1



Encourage double-sided printing and take full advantage of both sides of a piece of paper.

2



Make the best use of electronic mail, intranet and scanners to send or save documents electronically.

3



Source paper from environmental-friendly suppliers through a thorough assessment.

4



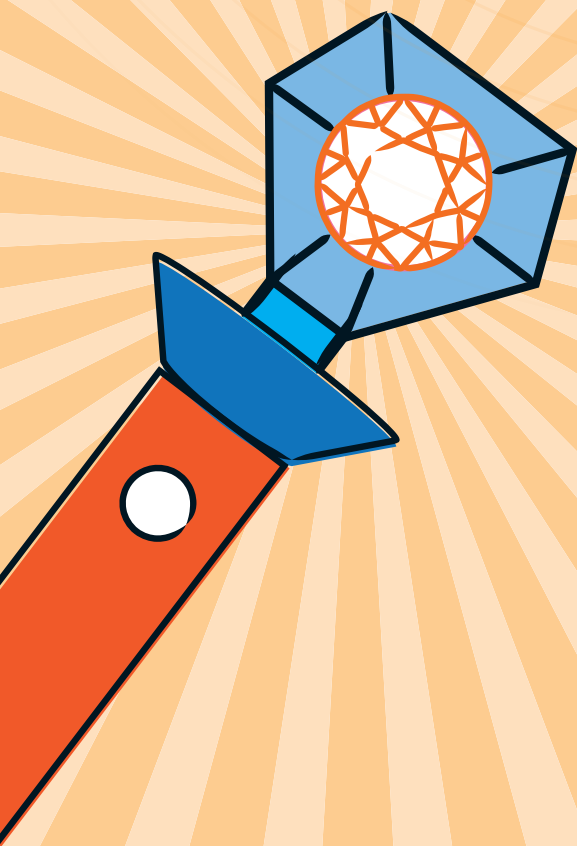
Use electronic devices to introduce printing services to customers instead of paper materials.



STAFF



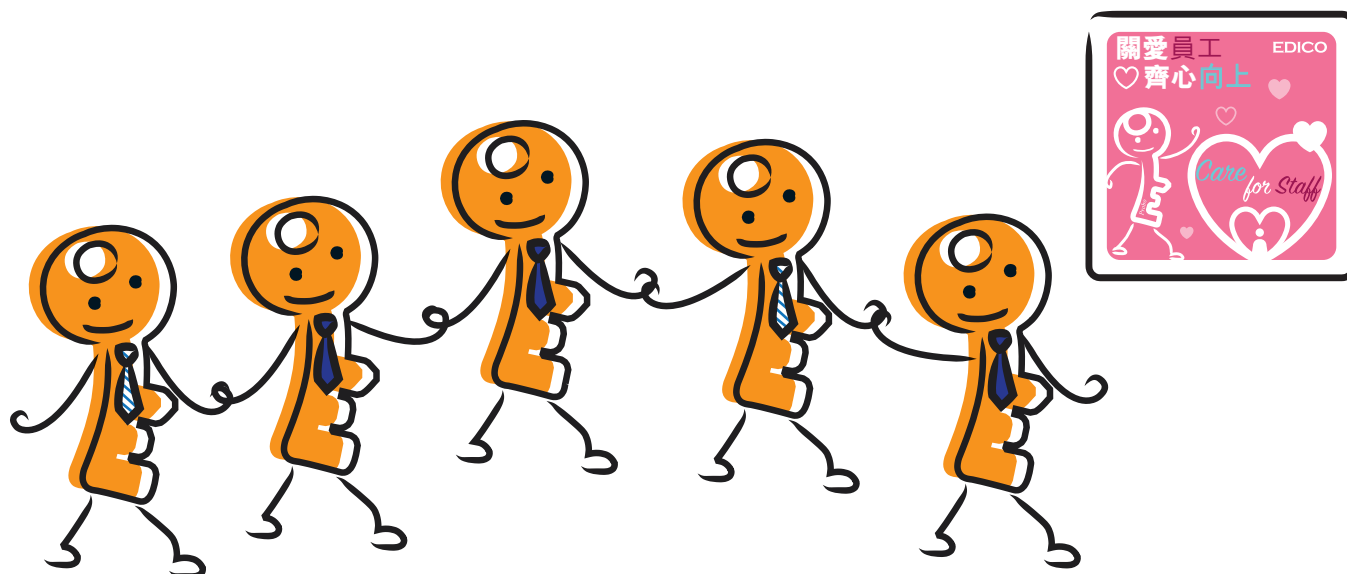
SUSTAINABILITY



The Group views talents as its most valuable assets and the key driving factor in ensuring the success and sustainable development of the Group. As such, the Group provides the staff with a safe and suitable platform for professional career development and advancement.



STAFF SUSTAINABILITY



EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

The Group has established 'Internal Control Policy Handbook and Procedure Manual', in which hiring process, termination process, promotion procedures and other employment-related matters are regulated strictly. The Group's human resources policies fully align with the applicable employment laws and regulations in Hong Kong, such as the Employment Ordinance (Chapter 57 of The Laws of Hong Kong). To make sure that the relevant internal policies are in line with the latest laws and regulations, it is the Group's Human Resources Department that is responsible for reviewing and updating corporate documents in talent management on a regular basis.

Talent acquisition is vital to the sustainable development of the Group's business. To attract high-calibre candidates, the Group offers fair, competitive remuneration and benefits based on individuals' performance, personal attributes, job experiences and career aspiration. In addition, the Group has proposed a variety of initiatives to facilitate the recruitment of staffs, such as recruitment fairs, job advertisements in newspapers, magazines and internet websites. The Group believes that its continuous efforts will tremendously help attract the most suitable and outstanding personnel to join the Group.

To motivate, reward, and recognize our existing employees who have made giant contributions to the Group, compensation reviews and salary adjustment are regularly conducted with reference to the overall market conditions, inflation rate, profitability of the Group and employee's past performance. The Group arranges reasonable working hours and rest periods for its employees. In addition to basic paid annual leave and statutory holidays stipulated by the local governments, employees are entitled to additional leave benefits such as marriage leave, birthday leave and compassionate leave. Meanwhile, any termination of employment contract would be strictly based on reasonable and lawful grounds. The Group prohibits any kinds of unlawful or unreasonable dismissals. To guarantee that any termination of employee's contract is conducted properly, for example, both Chief Financial Officer's and Chief Executive Officer's approval should be on the termination letter, statement of final payment and related documents according to the internal policy.

To cultivate employees' sense of belonging, the Group offers additional benefits to its employees including medical insurance and discretionary performance bonus. In FY2017/2018, the Group held a series of corporate activities for its employees, including Chinese New Year and Christmas lunch party, monthly birthday celebration party, Green Monday on which fruits were provided to employees for free, occasional Karaoke gathering and so forth. These events were believed as an essential part of its enterprise management, which could to large extent help employees to relieve stress, and reflect the Group's corporate culture through reinforcing the spirit of solidarity and cohesion among employees.



As an equal opportunity employer, the Group has been dedicated to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all human resources and employment decisions. For instance, training and promotion opportunities, dismissals and retirement policies are determined irrespective of employees' gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job related factors in all business units. The Group's equal opportunities policy enforces zero tolerance to any workplace discrimination, harassment or victimization in accordance with relevant government legislation, ordinances and regulations, such as the Disability Discrimination Ordinance (Chapter 487 of The Laws of Hong Kong) and the Sex Discrimination Ordinance (Chapter 480 of The Laws of Hong Kong). Disciplinary actions would be taken against the relevant employee if any non-compliance or breach of legislation related to the equal opportunities policies is discovered.

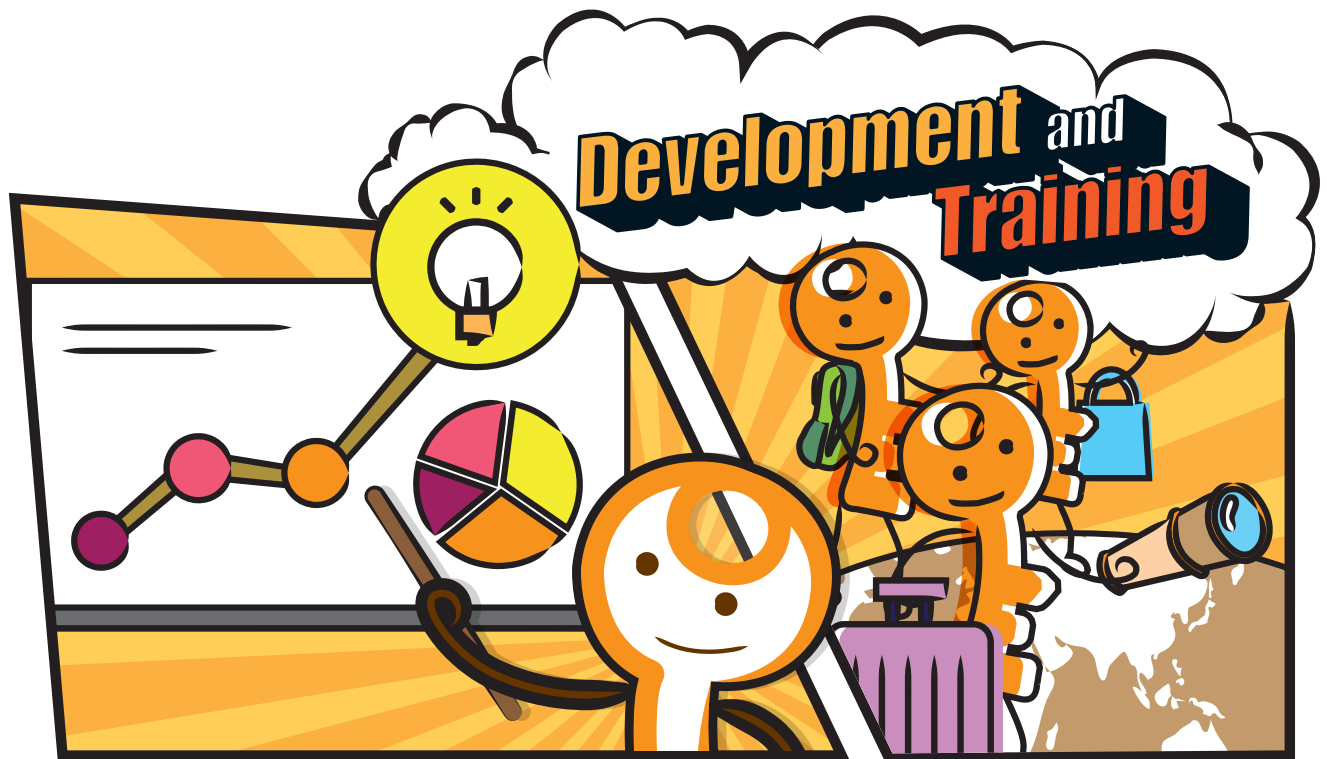
During FY2017/2018, the Group was in full compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2. Health and Safety

To provide and maintain a healthy and safe working environment, the Group's health and safety policies are in line with the workplace health and safety laws and regulations in Hong Kong, namely the Occupational Safety and Health Ordinance (Chapter 509 of The Laws of Hong Kong). The Group has established a comprehensive mechanism and stringent safety and labour practice standards to ensure workplace to minimise the risk of accidents in the workplace and to enhance employees' health and safety awareness.

During the year under review, the Group participated several fire drill scenarios to assist with evacuation preparedness, cleaned air-conditioning systems, disinfected carpets and conducted safety inspection across all departments on a regular basis. The Group has also set up first aid boxes in the workplace to confront any emergency. The Group is committed to maintaining a clean, tidy, smoke-free, non-toxic, non-hazardous, healthy and safe working environment for all employees.

During FY2017/2018, the Group was not in violation of any of the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group,



B.3. Development and Training

Training presents an opportunity to expand the knowledge base of all employees, which the Group finds quite useful for addressing employees' weakness, improving employees' performance, keeping the consistency between employees and corporate vision, and meeting employees' training expectations. Thus, the Group has provided standardised, customised trainings and guidelines to the employees in different positions, such as sales representatives and office staffs, in order to equip them with the necessary work-related skills and knowledge. The Group believes that designing and providing a series of professional trainings is a fundamental step to foster the understanding of its business philosophy among employees and to ensure the service quality.

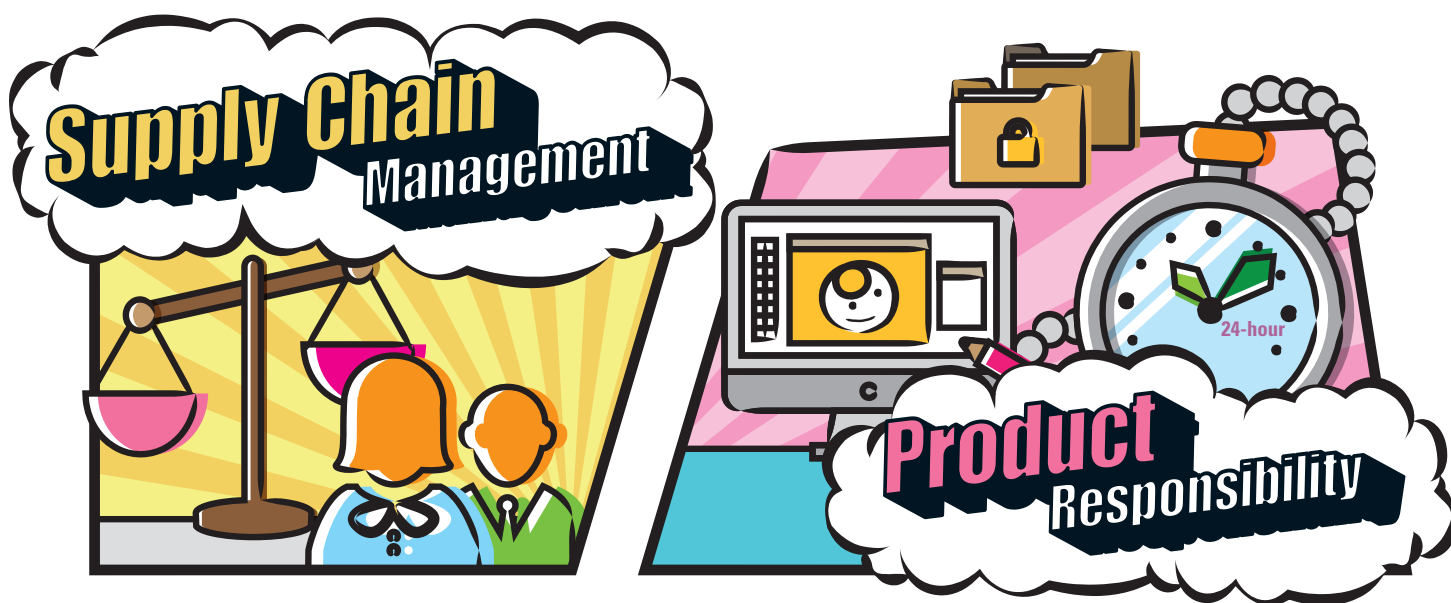
The Company normally provides comprehensive on-the-job training for newly hired employees to help them understand the company's corporate culture, business processes, work health and safety measures, management systems and group development. In addition, the Group encourages its employees to enhance their competitiveness and expand their capacity through continuous learning by attending external training/seminars/examinations and obtaining certifications.

B.4. Labour Standards

The Group strictly abides by the Employment Ordinance of Hong Kong (Chapter 57 of The Laws of Hong Kong) and other related labour laws and regulations in Hong Kong to prohibit any child and forced labour employment.

To combat illegal employment on child labour, underage workers and forced labour, and to ensure that applicants are lawfully employable, all employees are required by the Group's human resources staff to provide valid identification document prior to the confirmation of employment according to the hiring process regulated in 'Internal Control Policy Handbook and Procedure Manual'. The Human Resources Department is responsible for monitoring and ensuring the compliance with the latest and relevant laws and regulations that prohibit child labour and forced labour. If any violation is discovered, the Group will immediately terminate the employment contract with relevant employee and review its existing policy to avoid recurrence of similar incident from happening in the future.

During FY2017/2018, the Group was not in violation of any relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.



OPERATING PRACTICES

B.5. Supply Chain Management

As a socially responsible enterprise, it is critical to deliver high quality products and services to customers as well as maintain a sustainable and reliable supply chain. The Group has achieved this goal by conducting comprehensive evaluation of potential suppliers under its general procurement principles:

- (i) prioritise direct supplier with competitive price, scope of services, financial background, potential competitive factors and loyalty; and
- (ii) avoid conflict of interests and prevent bribery during procurement process.

The Group chooses its suppliers mainly based on their financial background, product/service quality, price, customer service quality, reputation, past cooperation experience, delivery time, and results from annual evaluation. Specifically, the Group strictly controls the procurement process according to internal policies. Normally, by synthesising various factors and opinions, the supplier selected by the Group should not only meet the Group's internal standards, but also be a legally compliant enterprise. During procurement, the Procurement Department also needs to contact at least three potential suppliers to compare price and make a final decision. In addition, environmental risks and product lifecycle sustainability are also taken into account by the Group seriously. The selected suppliers need to guarantee the quality of products and pay attention to the negative environmental risks that might arise during the course of operations.

The Group maintains close liaison with its suppliers to ensure that all suppliers comply with local laws and regulations and adhere to their corporate ethics. Meanwhile, to keep a credible and reliable relationship with suppliers, the internal policy "EDICO Business Ethics" regulates representatives of the Group must evaluate the performance of suppliers objectively, trade with suppliers under the principle of 'Respect and Fairness', and most importantly, firmly refuse the bribe and commission on sales that might influence the judgement of representatives on the final selection of suppliers. The Group always keeps a great relationship with its suppliers and is updated of the suppliers' situation timely through internet, phone calls, and other communication means.

B.6. Product Responsibility

With regard to the Group's product health and safety, advertising, labelling and privacy matters, the Group has been in strict compliance with related rules and regulations, as stipulated by the government of Hong Kong, including the Personal Data (Privacy) Ordinance (Chapter 486 of The Laws of Hong Kong).

The Group has established relevant management policies to ensure the quality of the Company's services and the safety of its products. A 24-hour customer service team has been set up to collect customer instructions and to respond to service inquiries promptly. Customer complaints are collected via channels such as customer service hotline, emails, or letters. For any complaints received by the customer service team, the Group would take the matter seriously by identification, substantiation, resolution and replying customers with processing results timely.



The Group is fully aware of the importance in the protection of customers' privacy and is committed to abiding by the Personal Data (Privacy) Ordinance (Chapter 486 of The Laws of Hong Kong) and other related local regulations. The Group has set up internal guidelines and instructions in guiding the staffs on how to handle customer's confidential information. Information collected would only be used for the purpose for which it has been collected, and customers would be informed of how the data collected would be used in the business. The Group prohibits the provision of consumer information to a third party without authorisation from customers. Customers always have the rights to review and revise their personal data, including opting out of any direct marketing activities. To further protect customer's information, the Integration Department has set restrictions on software installation and limitation on the business network to prevent unauthorised use, export or copying of customer data.

The Group hammers at protecting its own and other enterprises' intellectual property rights. The Staff Handbook regulates the detailed procedures and standards in intellectual property rights protection and how to handle confidential documents. Moreover, the Group follows the legitimate intellectual property application procedures in Hong Kong for its new trademark, labelling, and product design. The Group has obtained legal license for the use of certain software and information in its daily business operations.

B.7. Anti-corruption

To maintain a fair, ethical and efficient business and working environment, the Group has strictly abided by the laws and regulations relating to anti-corruption and bribery in Hong Kong, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong). The Group has formulated and enforced its anti-corruption policies as stipulated in the Prevention of Bribery Guideline. The Group will not tolerate any form of corruption. Newly hired employees are required to join the orientation programme in order to understand the Group's internal policies for anti-corruption. All employees are expected to discharge their duties with integrity and self-discipline, and strictly required to abstain from engaging in any activities related to bribery, extortion, fraud and money laundering.

The Group has set up an effective grievance mechanism that allows whistle-blowers to report verbally or in writing to the Audit Committee of the Group for any suspected misconduct. The Audit Committee will conduct investigations into any suspicious or illegal behaviour to protect the Group's interests. Investigations are handled confidentially and the management will take corrective actions to resolve substantiated frauds. The Audit Committee reports misconduct activities to the Board at least annually. When relevant criminality is suspected, a report would be made to the law enforcement authorities. In the FY2017/2018, the Group did not receive any corruption lawsuits against the Group or its employees.

During FY2017/2018, the Group was not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

COMMUNITY SUSTAINABILITY



GOAL 1



NO POVERTY — 'Eliminate poverty in all its forms everywhere.'

GOAL 2



ZERO HUNGER — 'End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.'

GOAL 3



GOOD HEALTH AND WELL-BEING FOR PEOPLE — 'Ensure healthy lives and promote well-being for all at all ages.'

GOAL 4



QUALITY EDUCATION — 'Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.'

GOAL 5



GENDER EQUALITY — 'Achieve gender equality and empower all women and girls.'

GOAL 6



CLEAN WATER AND SANITATION — 'Ensure availability and sustainable management of water and sanitation for all.'

GOAL 7



AFFORDABLE AND CLEAN ENERGY — 'Ensure access to affordable, reliable, sustainable and modern energy for all.'

GOAL 8



DECENT WORK AND ECONOMIC GROWTH — 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.'

GOAL 9



INDUSTRY, INNOVATION, AND INFRASTRUCTURE — 'Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.'

GOAL 10



REDUCING INEQUALITIES — 'Reduce income inequality within and among countries.'

GOAL 11



SUSTAINABLE CITIES AND COMMUNITIES — 'Make cities and human settlements inclusive, safe, resilient, and sustainable.'

GOAL 12



RESPONSIBLE CONSUMPTION AND PRODUCTION — 'Ensure sustainable consumption and production patterns.'

GOAL 13



CLIMATE ACTION — 'Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.'

GOAL 14



LIFE BELOW WATER — 'Conserve and sustainably use the oceans, seas and marine resources for sustainable development.'

GOAL 15



LIFE ON LAND — 'Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.'

GOAL 16



PEACE, JUSTICE AND STRONG INSTITUTIONS — 'Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.'

GOAL 17



PARTNERSHIPS FOR THE GOALS — 'Strengthen the means of implementation and revitalize the global partnership for sustainable development.'

Source: <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

COMMUNITY SUSTAINABILITY

SUSTAINABLE DEVELOPMENT GOALS

With an ambitious target to integrate the global sustainable development goals into its business strategies, the Group has referenced the SDG Compass, which is a guide for business action to advance the sustainable development goals, and commits to gradually incorporate such globally-recognised objectives into its business development and strategic decision-making step by step, from the understanding of sustainability goals, setting of priorities and long-term goals, to the integration and implementation of corporate sustainability efforts and effective reporting and communication.

Set by the United Nations General Assembly in 2015, Sustainable Development Goals (SDGs) of United Nations defined the vision and priorities of global sustainability in 2030 and called on all enterprises to maximise their innovation capabilities for addressing the challenges of sustainability and to some degrees accomplishing the 17 sustainability goals together. The collection of 17 global goals are all well-defined and comprised of a total of 169 targets, each of which has several indicators that are taken as metrics to measure the progress toward reaching the targets.

As an enterprise with a long-term vision to forge a sustainable and eco-friendly business model in the financial printing industry, the Group is currently working on the establishment of sustainable development framework by enhancing employees' environmental awareness and exploring the connections between its business and SDGs. Hence, the Group has selected Goal 9, Goal 12 and Goal 13 given the long-lasting concerns from its stakeholders as its prioritised targets in the value chain management and will proactively take corresponding measures to contribute to global sustainability.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



EDICO insists on technology innovation and adoption of more environmentally sound solutions in its financial printing services. For instance, the Group keeps allocating funds to research and development on the upgrade of office facilities, equipment and computer software for the provision of high-quality services and products to clients, which is key to remaining competitive in the printing market.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Raising the awareness of environmental protection among employees has long been an important way that facilitates the Group to capture the potential opportunities in its business development. By tremendously encouraging all employees in the office to prevent, reduce, reuse and recycle the wasted items that may still be functional in other areas, the Group hopes to disseminate the concept of sustainable consumption and production across the company.

13 CLIMATE ACTION



As the urgency of facing up to climate-related challenges has intensified over the past year amid proliferating signs of uncertainty, instability and fragility, a joint effort by all parties, including governments, private sectors and individuals turns out to be crucial to tackling climate change. In response to the call, the Group considers itself as a member of this global community and actively promotes the eco-friendly way people live and the company operates.

The Group hopes that through its unwavering efforts to put the concept of safety, harmony and green development into practice, and to make more investment in innovative ways for printing services, an effectively resource-saving and environmentally-friendly corporation that pioneers in Hong Kong will ultimately be created.



CSR EVENT

COMMUNITY INVESTMENT



The Group endeavours to fulfil corporate social and environmental responsibilities, and to make continuous contributions to the building of a cohesive and caring society. The Group places great emphasis on cultivating social responsibility awareness among employees and encourages them to voluntarily participate in charitable community activities. Besides, providing help to the elderly and supporting the growth of youngsters have always been the focus of the Group's community caring project. In FY2017/2018, the Group's Corporate Social Responsibility ("CSR") team arranged a number of activities and provided a broad range of benefits to local communities, some of which are highlighted in the areas below:



Heep Hong Society Flag Day



Heep Hong Society – Birthday Parties



Career Talk at HKDI



Curriculum Planning and Sharing with HKDI



Through the joyful engagement with the youth and voluntary support to charitable initiatives, employees of the Group have not just obtained an enhanced reputation for the company and themselves, but more importantly, acquired more 'soft' skills such as stronger sense of responsibility, capability to interact with people, and collaborations with their colleagues in a more co-ordinated way.

It is worth noting that the Group has received several awards in social contribution over the past few years. For instance, the Group was awarded the 5 Years Plus Caring Company Logo by The Hong Kong Council of Social Service, and the Family-Friendly Employers Award Scheme 2017/2018 by Home Affairs Bureau and the Family Council of Hong Kong. The Group considers such accolades as not only a recognition from the public on its efforts and performance in community contribution, but a driving force that motivates the Group to work harder, to put more back into society and to bear more responsibility in making strides in corporate and community sustainable development.



**Yum Cha Events at
Little Sisters of the Poor
St. Joseph's Home for the Aged**



**Career Talk at HKCN
Ethnic Minorities**



**Career Insights at City University
of Hong Kong**



REPORT DISCLOSURE INDEX

Aspects	ESG Indicators	Description	Page
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	11
	KPI A1.1	The types of emissions and respective emission data.	12
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	12
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	12
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	12
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	12
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	12
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	13
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	13
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	15
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	14
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	15
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	13

Aspects	ESG Indicators	Description	Page
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	15
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	15
B. Social			
Employment and Labour Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	17
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	18
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	19
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	19

Aspects	ESG Indicators	Description	Page
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	20
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	20
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	21
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	24





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