

Universe Printshop Holdings Limited

Stock Code: 8448





ABOUT THIS REPORT

Universe Printshop Holdings Limited (the “Company”, “we”, together with its subsidiaries, the “Group”) strives continuously to incorporate sustainability initiatives into our daily operations and management. While sharing the vision of becoming the preferred choice of our stakeholders, we are committed to improving our Environmental, Social and Governance (ESG) performances by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

The Group always believes that meeting stakeholders’ expectation is important to gain support and trust. As such, stakeholders are identified and engaged by various channels on regular basis. Through these engagements, the Group is able to act on strategic development to balance and maximize various stakeholders’ interests to the best possible level.

This ESG Report (“the Report”) aims to present our key performance indicators and milestones on the sustainability journey for the year ended 31 March 2018 (“FY2018”). Our reporting is limited to Hong Kong operation unless otherwise specified. All the information disclosed in this Report has been confirmed by the Board.

The Report has complied with the “comply or explain” provisions set out in the “Environmental, Social and Governance Reporting Guide” under Appendix 20 of the GEM Listing Rules. We value your feedback on the Company’s overall sustainability practices and the related review. Please provide your comments by email to <info@123print.com.hk>.



ENVIRONMENTAL PERFORMANCE

In FY2018, we measured and managed the environmental performance in several aspects throughout our daily operations.

Emission and Energy Conservation

Air pollution is one of the major environmental issues that are of great concern. As offset printing involves the use of ink and chemical solvent, our production inevitably generates volatile organic compounds (VOC). Besides, motor vehicle used by the Company also contribute to the roadside air emissions.*

We have implemented the following measures to minimise air emissions and their effects:

- Appropriate ventilation system at the production sites to reduce employees' exposure to hazardous emissions
- Separation of high emission processes from other operations
- Regular maintenance and cleaning of generators, vehicles and other machinery
- Green driving practices (e.g. smooth driving, avoidance of idling engine, unnecessary acceleration and braking)
- Shortest routing consideration
- Fuel saving measures supported and monitored by management

Emission data from vehicle use is not available in FY2018. Starting from this year, relevant data collection will be arranged.

* As at 31 March 2018, the Company owns 1 motor vehicle.

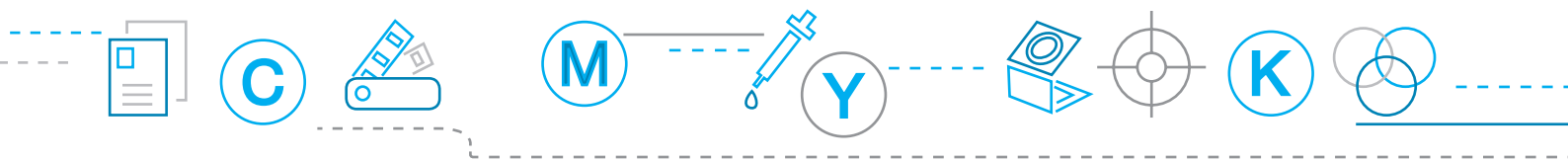


Global climate change is a challenge that businesses and organisations around the world must face and address. We are committed to minimising the adverse impact that our operations may have on the environment. Using energy efficiently will definitely help us preserve natural resources and tackle climate change.

Electricity consumption accounts for a major part of our greenhouse gas (“GHG”) emissions. To reduce our carbon footprint, we have implemented the following measures:

- Reminders and signs for office equipment (e.g. photocopiers, printer) to be switched to standby mode after use
- Regular maintenance of appliances and equipment as suggested by the relevant instruction manual
- Lighting zone segregation and individual lights made available only after office hours
- Limit access to the operation of air-conditioning units
- More environmentally friendly office temperature (24–26°C)
- Smart casual dress code for work
- Practices of switching off lighting, air-conditioning, computers and encouraging the use of energy-saving mode for all the applicable electronic appliances during lunch hours
- Reminders of ‘use when necessary’ and ‘off after use’ for lighting and air-conditioning
- Authorised staff switch on/off equipment before/after office hours

In this reporting year, we consumed 1,711,201.80 kWh of electricity with an intensity of 12,001.43 kWh/HKD’m revenue, equivalent to 885.91 tCO₂e of Scope 2 GHG emissions. The total GHG emissions and carbon intensity were 894.19 tCO₂e and 6.27 tCO₂e/HKD’m revenue respectively.



Material Consumption and Waste Management

We work diligently in reducing our waste from operations. The Group reckons the importance of waste reduction and waste management (e.g. waste classification at source for better recycling) and has thus implemented various initiatives to tackle the related issues.

Offset printing operations generate certain solid and liquid hazardous waste, including chemical solvent, ink residues and its containers. During the year, we returned empty ink containers to manufacturer for reuse or recycling purposes. Liquid chemicals, such as waste plate developer, were collected in labeled containers before handing over to authorised service providers. The Group has been granted with the Registration of Waste Producer under the Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), and complied with relevant procedural requirements.

The Group does its utmost to explore and maximise resources reuse and recycle opportunities. Paper and packaging materials constitute a significant portion of resources consumption. To fully utilise precious resources, incoming packaging materials like pallets and carton boxes were reused in the operation whenever possible. Scrap paper bins have also been set up in each shop and on each production floor, enabling convenient drop-off and collection by licensed recycler.

To reduce our raw material consumption and waste generation, we have implemented the following measures:

- Reminders, signs and posters at collection points and prominent areas to encourage waste recycling
- Replacement of photocopying and printing of publications (newsletter/leaflet/report) by e-versions
- More eco-friendly printing practices (e.g. print when necessary, print double-sided, print in black & white)
- Procurement of electrical & electronic equipment only when necessary, and scheduled regular maintenance to prolong life span
- Cartridges of larger volume or longer life-span and recycled by manufacturer
- Box files consumption reduction by reusing old ones or applying electronic filing
- Paper consumption reduction by using e-communication with at least 60% of staff members having email access
- Broken items repair to avoid waste disposal
- Used furniture recycling by reselling or donation
- Reuse of supplies and stationeries (e.g. envelopes, single-side printed paper)
- Reuse of materials for decorating festive events (e.g. Christmas and Chinese New Year, etc.)
- Resale of unwanted second-hand products
- Conversion/Upgrading of old items into useful ones



- Minimising the use of chemicals (e.g. cleaning agents)
- Use of re-useable containers, dishes, cups and coffee filters in the pantry wherever possible
- Use of shredded waste paper for packaging
- Proper size packaging to avoid using fillers
- Minimising the use of tape and strapping for sealing

We measure different types of materials used to gauge our environmental performance. The following tables presents the material consumption in our business operations:

Material Consumption	Unit	
Paper Consumption	pieces	31,637,969
Ink Consumption	kg	24,761.00
Toner Consumption	kg	1,050.07
Solvent Consumption	L	66,100.00
Plate Developer Consumption	L	5,540.00
Zinc Plate Consumption	pieces	173,022

Packaging material used	Unit	
Carton Box Consumption	pieces	47,427

Note: Data on packaging materials for FY2018 only cover carton boxes. Starting from this year, the data will cover sealing tape and transparent wrap.

Amounts of waste collected for recycling by weight are shown in following table:

Waste produced and collected for recycling	Unit	
Paper Recycling	tonnes	193.03
Ink Residue and Container Recycling	pieces	63.00
Zinc Plate Recycling	pieces	154,048
Toner Recycling	kg	73.71

Note: Hazardous and non-hazardous waste produced is not available in FY 2018. Starting from this year, relevant data collection will be arranged.



Natural Resources and Environment

While benefiting from the natural resources, we always bear in mind the responsibilities and the obligations of protecting the environment. We therefore, in our business operations, have taken considerable efforts to monitor and minimise the negative impact on the environment.

In particular, we have implemented measures as follows:

- Use of Forest Stewardship Council®(FSC™)-certified paper, as a sustainably-managed forest source option, for production.
- Use of Forest Stewardship Council®(FSC™)-certified wood or paper products for our daily administration
- Following sustainable seafood guides on company banquet and other catering events

Due to the nature of our business operation, our water consumption is not substantial. Most of the water we use for our operations is for cooling processing in production and general purpose in daily operation and these were no issues in sourcing water that is fit for purpose.

SOCIAL PERFORMANCE

Employment and Labour Practices

Employment and Labour Standard

As key enablers in achieving its economic, environmental and social objectives of the Group, our employees are always regarded as the most valuable assets. We believe that creating a workplace that offers a strong sense of belonging can inspire our employees to champion our core values. We strive to create an environment where every employee can work happily and excel to his/her full potential.

We encourage promotions within the Group so that we can gradually train our employees to take up management executives roles. We also do our best to maintain open dialogue with employees, and encourage discussion about their career goals.

To retain top-notch talents and attract young professionals, the Group regularly reviews and enhances its employees' remuneration terms and benefits. Competitive remuneration packages are structured to be commensurate with individual responsibilities, qualification, experience and performance. Eligibility requirements of various positions are set forth in written document as minimum entry criteria. The Group upholds the value of equal opportunities in terms of gender, pregnancy, marital status, disability, family status and race. Employees can report on discriminatory practices to the management or Human Resource Department.

The Group has established policy to prevent unfair dismissal. An employee cannot be dismissed when she has been confirmed pregnant or after she has given notice of pregnancy. An employee cannot be dismissed when he or she takes a paid sick leave. Each employee that tenders resignation will be interviewed by the Human Resource Department to ascertain the reason for leaving the Group. The dismissed employee shall be given due notice or wages in lieu of notice, and the notice should not be given during his/her annual leave and maternity leave.

The employees of the Group can enjoy statutory holidays, maternity leave, annual leave and work-injury leave.

We prohibit the use of child labour and forced or compulsory labour at all its units and suppliers. No employee is made to work against his/her will or work as forced labour, or subject to corporal punishment or coercion of any type related to work.

As at 31 March 2018, the Group employed 133 staff in total.



During FY2018, there was no incident of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and/or other benefits and welfare and the Group did not encounter any issue with non-compliance and/or violate any relevant laws and regulations in respect of the prevention of child or forced labour.

Workforce statistic by geographic region, gender, employment type and age group:

	Staff Number
(a) Breakdown by region	
Employees — Hong Kong	133
(b) Breakdown by gender	
Employees — Female	43
Employees — Male	90
(c) Breakdown by age group	
Employees Age < 30	43
Employees Age 30–50	62
Employees Age > 50	28
(d) Breakdown by employment type	
Employees — Part-time	1
Employees — Full-time	132

Health and Safety

Ensuring health and safety of our employees is one of our prime responsibilities. We strive to provide with our employees a safe working environment and reinforce their safety awareness by relevant information and training. The Group has formulated, implemented and regularly reviewed its safety guideline with reference to relevant laws, codes of practice, industry best practices and causes of accident. The comprehensive guideline covers aspects such as general printing process, chemical hazards, emergency plan, and risk assessment. In the event of work-related injury, the Group compensates the injured employee in accordance with the Employees' Compensation Ordinance (Cap. 282).

Reinforcing employees' safety awareness is of crucial importance as prevention is always better than cure. In addition to continuous safety training and affixing safety reminders, frontline staff are also provided with personal protective equipment (e.g. protective gloves) based on their job nature.

During FY2018, 365 working days were lost due to work injury and/or occupational diseases. In relation to the provision of a safe working environment and protecting employees from occupational hazards, no incident was in breach of any relevant laws and regulations. As a result, there is no significant impact on the Group.

Development and Training

To enable our talents to develop themselves to their fullest potential and to provide them with the essential skill sets to deliver the best, training sessions are arranged for new employees with regard to the skills set required for particular position, company policies, standards, as well as relevant laws.

In addition to on-the-job training upon employment, we provide topic-specific training based on emerging needs and regulation updates from time to time. For example, a training session on FSC Basics and Health and Safety was organised to employee representatives from different departments during the reporting year.



Operating Practice

Supply Chain Management

We are aware of the broader impact of our operations from our supply chain. Addressing the sustainability risks in our supply chain is one of our major ways of minimising potential negative impact on environmental and social, of our procurement decisions.

In selecting suppliers, rigorous mechanism based on various standards is adopted to evaluate the pricing, quality assurance system, inventory management, production capacity, as well as sustainability risk management of potential suppliers. The Group conducts review on existing suppliers regularly, and sample production materials for quality inspection when necessary.

Product and Service Responsibility

As a responsible company, we are fully aware of the importance to comply with relevant laws and regulations concerning the provision and use of our products and services, in particular intellectual property and confidentiality matters.

We support the protection of intellectual property rights, and strictly abides by all applicable laws. Upon request for printing service, we will seek customer's confirmation that the printed materials will not infringe copyright of any third party or involve defamation, invasion of privacy, counterfeiting, indecency, or obscenity. If necessary, our relevant staff may ask customers to present authorised proof for verification, and reserve the right of not providing the printing service which would connive at the breach of applicable laws.

To protect our customers' confidentiality and privacy, any use of personal information collected by the Group is strictly complied with Personal Data (Privacy) Ordinance (Cap. 486). The Group is committed to exercising due diligence in preventing information leakage or transferal to unauthorised parties. Encryption and firewall technologies are deployed, reviewed and updated regularly to prevent unauthorised access. It is also mandatory for all new employees to sign non-disclosure agreement and follow standard documentation procedures.

No sold or delivered products were subject to recalls for copyright or health, safety and environmental reasons during the reporting year.

During FY2018, the Group has complied with all relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters.

Anti-corruption

We are committed to maintaining high standard of integrity when doing business as we strongly believe that it is essential to meet the expectations of our stakeholders.

To ensure the highest possible standards of openness, probity and accountability, the Group has implemented preventive measures and whistle-blowing procedures. Anti-corruption policy and declaration procedure guideline are set forth in accordance with the Prevention of Bribery Ordinance (Cap. 201), and are communicated to employees through staff handbook. It is an offence for any employee to obtain or accept any benefit for the purpose of seeking personal gain without permission of the Group. Any employee may report suspected misconduct or malpractice in breach of applicable laws to his or her immediate head or independent directors.

During FY2018, we did not identify any non-compliance in relation to corruption, bribery, extortion, fraud and money laundering, which will have a significant impact on the Group. The Group will regularly review its internal anti-corruption system and improve it when necessary.



Community Investment

We pursue sustainable development of our community by assessing and managing the social impact of our operations and by supporting initiatives that create effective and lasting benefits to the community in which the Group operates.

During the reporting year, the Group made a total donation of HK\$650,000 to authorised charities, and was granted the Award of Distinction by The Community Chest.