

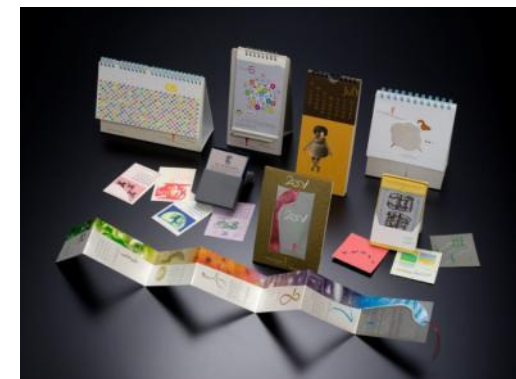
Polytrade Paper Our Journey to Carbon Neutrality



February 24, 2012
Mr. Charles Chan

Who are we?

- Established in 1977 in Hong Kong
- Specializes in quality designer paper and environmental-friendly paper, mostly imported from USA and Europe
- We focus on providing paper solutions to customers rather than just being a merchant.



Our Environmental History

- ✓ First paper merchant in Hong Kong to introduce US recycled paper
- ✓ First paper merchant in Hong Kong to be FSC™ certified
- ✓ First paper merchant in the world to be certified carbon neutral according to PAS2060



Our Carbon Management Journey

- Observations :
 - Rising operation / energy costs
 - Increased emphasis for environmental-friendly suppliers and products in foreign and local markets.
i.e. green purchasing
 - Foreign mills are working on low-carbon products



Our Carbon Management Journey

Reasons for managing carbon footprints

- ✓ Cost Reduction, Increase Competitiveness & Prepare for the future
- ✓ Corporate Social Responsibility; giving back to society
- ✓ Enhance corporate image
- ✓ Increase staff awareness for climate protection & increase belongingness
- ✓ Increased client inquiry on environmental performances
- ✓ Walk the talk & be an environmental-friendly supplier

Sustainable Business!

Our Carbon Management Journey

Milestones:

2008: Measured our corporate carbon footprint.



2009: Introduction of low carbon-made paper, IMPACT



2009: Measured and offset our carbon footprint



Our Carbon Management Journey

2010: Our first carbon neutral product launch event



2010: Call for entry event - “Think. Carbon. Free”



Why PAS2060?



Why did we go carbon neutral with PAS2060?

Other companies also claim to be carbon neutral...

- Planting trees
- Buying offsets from other sources
- Direct donations to environmental projects

**Are all these offsetting methods equal?
Can they claim themselves as carbon neutral?**



Why did we go carbon neutral with PAS2060?

PAS2060 Key features:

- **Strict requirements for footprint measurement**
 - Standardize what emissions to include in the scopes
- **Only high quality offset credits are accepted**
 - Gold Standard carbon credits
- **Reduction targets and carbon reduction action plan are required**
 - Encourage carbon reduction, which is the solution to saving the environment.

Why did we go carbon neutral with PAS2060?

2011: Polytrade Paper became the first commercial company in Asia to acquire carbon neutral status in accordance with PAS2060 standard, a specification for carbon neutrality claims.

We want to do better in climate protection and be a sustainable corporation



Challenges

Communication with Management:

“When do we get **PROFIT** from the investment?”



- ✓ Many benefits are long term and intangible.
 - Brand image
 - Socially responsible supplier
 - Customer confidence
 - Operation cost reduction

Challenges

Staffs Uncertainty:

“We are BUSY already!”

“The company is just trying to keep track of our activities & cut our benefits.”

- ✓ Arranged meetings to clearly communicate goal and reasons to achieve carbon neutrality.



Challenges

Data Collection:

External data for some scope 3 emission is difficult to collect from outsourced suppliers. Data are sensitive or not readily available

- ✓ Explain clearly to suppliers the reason for collecting the data and give them more time to prepare.
- ✓ Make reasonable assumptions and approximations



Implementation

- Introduced a set of “Green Guidelines” and “Green Tips” that are placed through out the office and warehouse.
- Switched office paper from a virgin paper to a 50% recycled paper.
- Had energy audit and changed from spot light bulbs to energy-efficient LED lights.



Business Value of PAS2060

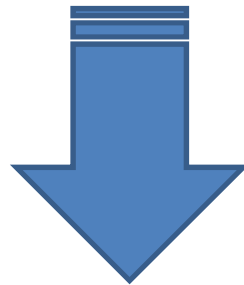
Printing Paper:

Switched from paper made from virgin pulp to a 50% recycled woodfree paper.



0% Recycled
Emission factor
3.0114kgCO₂e/kg

21%



50% Recycled (PCW)
Emission factor
2.354kgCO₂e/kg

Business Value of PAS2060

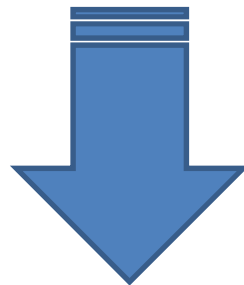
Printing Paper:

Reduction in printing paper consumption



YEAR 2010

160 reams
80,000 sheets of A4



YEAR 2011

58 reams
29,000 sheets of A4
(As of Oct)

Business Value of PAS2060

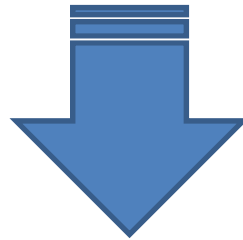
Electricity Consumption:

Comparison of electricity consumption after switching to LED bulbs & implementing lights-off policies

YEAR 2010

Head Office
Feb - Aug
20,512kWh

32%

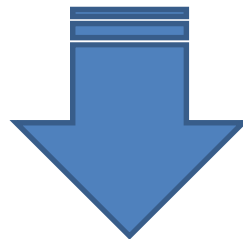


YEAR 2011

Head Office
Feb - Aug
13,847kWh

Sales Office
Feb- Aug
18,474kWh

10%



Sales Office
Feb - Aug
16,586kWh

Business Value of PAS2060

Increase awareness and publicity

Seminar



Leaflet



Business Value of PAS2060

Increased Exposure:

- Invited for interview by associations and press.
- Been invited and participated in various environmental awards
- Invited by associations and institutions to share our experience.

City U



BEC

HKIM



Business Value of PAS2060

Strengthen Corporate Image

- Reinforced our image as a forerunner and specialist in the environmental-friendly paper industry.
- Result in an increase in client confidence. Clients consult us with questions regarding paper choices.
- Resulted in increased inquiries, leads to cross-selling opportunities.
- Invited by government departments & clients for internal training and sharing.

Going Forward:

Carbon Disclosure Project (CDP)

Request the biggest companies around the world to disclose their carbon information



2011, Hong Kong SAR government participated for the first time.

“ The Hong Kong SAR Government consulted the public on the climate change strategy and action agenda in end 2010. It is proposed that a community-wide **carbon intensity reduction target of 50 to 60% by 2020** as compared with the 2005 level be adopted..”

Going Forward:

We are committed to reduce our corporate GHG emissions per employee by 5% by the end of 2013. (base on 2010 levels)

- Put in place a reduction plan. Lists out the proposed upgrades and schedule.

Implementation year	Location under implementation	Measure	Qty	Investment Estimate HK\$	Estimated Saving Per Year				Payback Years
					kWh	tCO ₂ e	% of 2010 Polytrade carbon footprint	HK\$	
2011	HQ, 3/F Union	Change 60W MR16 to micro fluorescent or LED	115	\$40,250	12,363	10.38	12.80%	\$16,071	2.5
2012	HQ	Replace T8/T12 (36W/40W) lights to T5 in frequent use	118	\$29,500	5,546	4.66	5.70%	\$7,210	4.1
2013	HQ	Replace T8 (36W) 3-tube T8 lights by 2 tube T5 (main Office)	28	\$16,800	5,908	4.96	6.10%	\$7,680	2.2
2014	HQ	Replace T8/T12 (36W/40W) lights to T5 in frequent use	46	\$13,800	4,324	3.63	4.50%	\$5,621	2.5
2015	3/F Union	Warehousing target 10-zones PIR control of 5 x 28W lights each	10	\$10,000	2,800	2.35	2.90%	\$3,640	2.7

Going Forward:

- Continue to engage in responsible sourcing; source environmental-friendly paper from mills that are truly sustainable.

Low Carbon Made Paper

Production Carbon Emission Calculated with PAS2050 Method.
50% less carbon emission compared to virgin paper



Do it 100%

Cyclus Offset 100% Recycled Paper
環美再造書寫紙 (100%)



RePrintDeLuxe

Recycled Art Paper
雅然特亮再造粉紙

Polytrade Paper, a sustainable business

Thank You

