



Sustainability
Report 2019
With 2018 summary



“You find paint everywhere – be it in classrooms, offices, restaurants, hotels, hospital wards or nurseries and residents. We should care about what is in our paint, in the same we care about what is in our food.

“Hong Kong is full of some of the most discriminating consumers in the world. But do we ever stop to think what is on our walls, either in the office or at home where either our work colleagues or family spend so much time?

eicó's founder, Joakim Cimmerbeck

eicó

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Vision

At eicó, we believe that genuine sustainability has no destination. Rather, it is a mindset that should permeate every strata and facet of the company. We are working continuously to improve all eicó operations, from raw material sourcing and manufacturing, through to final product delivery. We strive to measure ourselves against exacting environmental standards, which will lead us closer to true sustainability.

We understand that we have a duty to future generations to safeguard the environment but we also work to ensure consumer demand and satisfaction are never compromised.

We are committed to delivering the best possible quality paint, while leaving minimal impact on the various environments in which we operate.

The Product

- **Raw Materials**

eicó paint is comprised of three main elements: pigments (colours); for example Titanium Dioxide, which is a bright, white pigment. a binder (latex, copolymer or acrylic); and a solvent, high quality water. Also used are additives in certain paint products.

eicó uses and commits to continue to use only the best quality raw materials available. The solvent is fresh water and the pigments used are VOC free and (when possible) organic. eicó is committed to use no heavy metal or harmful substances in its products.

- **Chemicals**

Volatile Organic Compounds (VOCs) is a collective term for a wide range of chemicals released into the air when paint is manufactured and applied. eicó paint has a very low / zero Volatile Organic Compound (VOC) level and has benchmarked its paints against the levels set out by the European Union – the toughest standards of anywhere in the world. eicó paints have been specified for numerous hospital and school projects because it is APEO (Alkylphenol ethoxylates) and NEFO (Nonylophenol ethoxylates) free. APEO's and NEFO's are additives used in detergents and many paint products that are harmful to aquatic life and should not enter our water systems as well as being endocrine disruptors.

These additives have poor biodegradability and their toxicity (including that of their metabolites) act as endocrine disruptors. eicó is also free from all heavy metals.

- **Testing**

eicó goes further in its testing than is required by the EU. Whereas most either calculate or conduct internal tests to measure VOC, eicó uses third parties unrelated laboratories. We test all our products every second year in accredited independent university laboratories. Iceland University has one of the best testing facilities available and their tests show “all” VOC readings not just the “harmful” ones. We also test our products in an accredited laboratory in China and Europe. Furthermore, these tests offer total integrity and credibility. We do not use our own environmentally related tests in any aspect of our PR or in any way to promote our products – i.e. published tests on eicó paints are all independent. We are also conducting practical tests of our and our competitors products to learn more about the risks and to further work on improving paint and product advise.

Business Practices

- **Factories**

eicó paints are manufactured in Iceland and Sweden where the majority of the energy used in the factories comes from geothermal and hydro-power sources. This energy is clean, pure, renewable and limited to no pollution compared to traditional carbon-based energy.

Employees live locally, within commutable distance. We are actively promoting the use of non-fossil fuel transport or the use of public transport. Our factories are also “green audited”.

- **Shipping**

As Europe is a net importer from Asia the ships returning to Hong Kong are typically up to 90% empty. By using this unfilled space to export paint to Hong Kong, eicó is not adding to its carbon footprint. In addition, eicó tins are shaped in such a way as to maximise available storage space.

- **Purchasing**

Wherever it is possible, eicó commits to using office supply products that contain recycled content. All cleaning products are non-toxic and organic where available. eicó is committed to recycling all offices and other eicó facilities. Water used in the office and factories is strictly monitored to ensure no waste. Bottled water is not available to staff who are encouraged to freely use tap water. All low efficiency light bulbs have been replaced with energy-saving equivalents. Unnecessary travel is actively discouraged and public transport preferred. Use of air conditioning units/heating appliances strictly monitored.

Business Practices cont'd

- **Staff**

aicó pledges to treat all employees with the utmost respect and offer them an accident free and safe working environment. Competent and dedicated employees are the cornerstone for achieving and maintaining a quality oriented organisation. Such employees will be recognized and rewarded accordingly. All employees are expected to commit fully to the sustainability goals of aicó.

- **Community**

aicó seeks to be involved in programmes and initiatives that aim to make a positive impact on the local community and the environment. We are involved with schools and other organisations targeting the young to teach about sustainability, recycling and all things environmental improving.

- **Consumers**

aicó wants to help customers work and live in a healthier environment. Choosing a safe and environmentally friendly paint product should be easy and accessible. To this end, aicó is committed to a marketing strategy that not only advertises its paint, but educates consumers and encourages them to be more discriminating about their environment. This is especially pertinent in Hong Kong. To achieve these goals, aicó must continue to be of the highest quality and good value for money.

2018 summary

GOOD DEEDS

- We continue to see a steady increase of commercial installations and commercial clients. After a slowdown in new clients during last year we saw, especially towards the end of the year a massive increase and almost without exception they came to eico for our sustainability commitment. We did spend a lot of time during the year trying to understand why we previously were seeing a slowdown in new clients. We concluded that marketing and visibility is the main driver. Clients if they know and can will use a better and safer product.
- As our retail business grows (mainly by word of mouth) we realize that in regards to volume our core customer base are families with children. We are the product of choice for families who care about SAFETY. This message is fast spreading among this key customer base. Similar to previous year this hold true still.
- The year that passed we again did participate and were invited to various sustainability events and received the awards and certifications that followed. One sad reflection in this; we have seen and feel that it is name dropping rather than truly wanting to improve. As we are getting more and more a household name in the sustainability decorative market, we also experience a big increase in people that wants to be in one way or another associated. However, so few really mean what they say and with, sadly very few, exceptions it is a one-off meet and greet. I like to stress this and think it should be made a slogan that all businesses and the government should use. **Sustainability can never be about profit. However, a company that is truly sustainable should make a profit.**

- We also have continued with our commitment to remain as eco-friendly and sustainable as is possible when running a business. Using public transport and efficient car-pooling is a central tenet of this commitment. We have started this passed year recycling all office and storage refuse. This is in collaboration with HK Recycles Limited. We are discussing with them how we can further recycle and our ultimate goal is to offer full tin recycling. We will be working with them on various educational and marketing campaigns to get more pressure on society to finally be a city that is fully committed to recycle. We also continue to promote the updating of pre-owned furniture. We have updated several the past year both for clients and own “skip-finds”. Many of these are given a new lease of life and are once again treasured pieces in someone’s home.
- We continue to work on a standard industry-wide data comparison tool. Too many paint suppliers are unchallenged on their eco-credentials. The unsavoury fact is, any company can make any claims about their eco-standards and environmentally friendly commitments. eicó is working hard to bring transparency to the sector and wants to enable clients to better make comparisons between product offerings. To this end, we have improved our credentials and simplified them visually. Our clients are in no doubt as to the makeup of our products, and the business practices we employ. We have also become members of various sustainability committees and acting as advisors for some businesses in this regard.
- We will continue to ask clients to return all their leftover paint. We will re distribute it for free to schools, artists and other that needs paint but cannot afford it. This is a scheme we like to further and we like to find ways to possibly collaborate with the bigger providers and maybe forget for once that we are competitors and do something good. A change for good.

We still need to improve

- We established the "HK Sustainability Guild" in 2016 but unfortunately no forward movement during the past years. The board has disbanded and left is only eico. It is a similar story to the overall sustainability. The companies we are approaching are all very keen but few actually really mean what they say. This year, more than any other year, we have found that sustainability is mainly a marketing tool for most companies. Running fruitless events and very public but inefficient activities. **Sustainability is not marketing. This needs to be in bold. This is truer than ever. The numerous institutions and individuals that ride on the sustainability trend without adding anything is despicable and something we like to address. Lobbying for an all-encompassing organization that includes representation from all parts of society would be the "best" solution. BECAUSE Sustainability is not marketing**
- We are working on recycling tins in HK but so far all our efforts are in vain. However, because of our latest collaboration we are a step closer, even if there are still plenty of issues to solve before we reach our ultimate goal. Total recycling.
- HKSG remains the imaginative dream it was a few years ago. Finding people that actually care and wants to help has proven to be significantly harder than one could imagine. We are not giving up and continue to work towards a goal for a HK wide Guild that will be working towards a sustainable Hong Kong.
- Certification is still an issue for us. We understand we need it in order for the industry to compare offerings, however eicó is a company committed to transparency, and all too often certification schemes obfuscate, over complicate and do not add to the goal of educating the consumer on product safety. We still try to avoid commercially based certifications.
- This is having an effect on our business volume because many demands LEED or similar. Only because they do not know better. It is a way to keep big companies big and smaller more adaptable companies small. We are working on ways around it or if must find a way to re-distribute our budget to buy non-effective certification. That would be a painful and erroneous way but we need to sustain as a company to be able to make a long-term impact.

2019 GOALS

- We continue to work towards a 100% recycling target. With a recycling partner it should be easier.
- Work with Environmental schemes here in Hong Kong for a better market penetration. We need to show that we can make it as a company to get followers and the established companies to dare implement real changes. During the past year we got new certifications this needs to continue into the new year.
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- Continue the work on the sustainability Guild. Team up with companies that share our vision to become greener, healthier, more efficient and less harmful to our environment.
- More media attention for all things sustainable and promote the effort of “Doing the right thing”

Long-term sustainability Goals

- **100% Transparency**

eicó wants to be instrumental in changing the way paint and paint products are marketed and how they can be classified as 'eco-friendly'. To this end, we are working on the publication of a full report on all aspects of eco paints which will enable the end user to compare effectively one product against another. We are setting the standard by disclosure and actual results from our tests. Today's market standard is based on mathematically calculated "one time tests" that are, normally, never disclosed unless the results are favourable. eicó believe in transparency and the right for the client to choose.

- **Greenhouse Gas Emissions**

eicó are already carbon neutral in our production facilities. Furthermore, we aim to purchase carbon emission offsets for all work-related travel, where possible. We also actively encourage staff and all stakeholders in eicó to participate in schemes that further help the reduction of GGE.

- **100% tin recycling**

All eicó tins are 100% recyclable and shaped to reduce storage space by 8%. We are currently seeking a company in Hong Kong who will recycle these tins to avoid them ending up in landfill. To date, no such company exists here but, eicó has made it a goal to find a solution.

- **Outside contractors**

eicó is aware that there still exists a culture in Hong Kong where short term gain is more important than any other aspect of business. It is our goal eventually to have our own team who will be well-versed in the eicó culture and committed to carrying out work in the most sustainable way possible. It is also our intention to work only with companies that share our commitment and ambitions in becoming a eco-smarter and environmentally aware.

Independent Accreditation

- eicó's interior wall and ceiling paints (where applicable) proudly bear the Ecolabel. To qualify for the Ecolabel, eicó had to comply with a tough set of criteria laid out by a panel of European experts and stakeholders, including consumer organisations and industry insiders. The paint's entire product life cycle was taken into account – from the extraction of the raw materials to production, packaging and transport.

For further information on the Ecolabel visit:

<http://ec.europa/environment/ecolabel>

- eico's manufacturing (Sweden) quality policy conforms to the environmental system standard ISO 14001 and the quality standard of ISO 9001
- Iceland has Green Book-keeping Audit approval. This Audit is looking at all aspects of process and usage with the environment in mind
- All our full disclosure testing is conducted by Iceland University
- Testing results from China and European accredited laboratory