



## **LION ROCK GROUP LIMITED**

獅子山集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1127)

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

*\* For identification purpose only*

## **INTRODUCTION**

Lion Rock Group Limited (referred to as the “Group”) is a global printing services company that principally engaged in providing quality printing services to international book publishers, trade, professional and educational conglomerates and print media companies. The Group’s printed products comprises mainly of illustrated leisure and lifestyle books, educational text books, learning materials and children’s books. The Group has production plants principally located in the People’s Republic of China (referred to as the “PRC”), Australia and Singapore.

While promoting a sound business growth, the Group is also committed to building an environmentally-friendly corporation while maintaining high quality standards in our service and operations. The Group considers social and environmental responsibilities as one of the core values in business operations, the Group strives for greater sustainability and transparency, as well as to deliver service that foster a sustainable environment for future generation.

This report summarizes several subjects of the Group’s business practices for the Environment Social Governance report (referred to as the “ESG” report) and its relevant implemented policies and strategies in relation to the Group’s operational practices and environmental protection.

The reporting period of this report is from 1 January 2017 to 31 December 2017 (the “Reporting Period” or the “Year 2017”).

## **REPORTING FRAMEWORK**

The report follows the ESG reporting Guide, as set out in Appendix 27 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## **REPORTING SCOPE**

The report content is focused largely on the Group's sales offices and its manufacturing sites in the PRC, Australia and Singapore, unless stated otherwise. Thus, the PRC, Australia and Singapore's operations represent the majority of the Group's social, environmental and economic impacts, while the minorities are the operations in the UK, the USA and Hong Kong.

## **MATERIALITY ASSESSMENT**

The Group has maintained close communication with our stakeholders since our listing. Through multiple discussions and direct communications, the Group understands the core issues that matter most to our stakeholders.

The recognition of sustainable development and environmental reform are the most fundamental elements to the operation of the Group; as well as the relationship and happiness of all our employees have become the leading priorities in the Group's operation.

The Group is dedicated to fair and equal treatment in all areas of human resources, including recruitment and promotion, compensation and dismissal, working hours, benefits and welfare.

## **LISTENING TO OUR STAKEHOLDERS**

We believe that understanding the views of our stakeholders lays a solid foundation to the long-term growth and success of the Group. We develop multiple channels to a broad spectrum of stakeholders in order to provide them with the opportunity to express their views on our sustainability performance and future strategies. To reinforce mutual trust and respect, we are committed to maintaining enduring communication channels, both formally and informally, with stakeholders to enable us to better shape our business strategies in order to respond to their needs and expectations, anticipate risks and strengthen key relationships. We have identified employees, customers, suppliers, business partners, shareholders, government and the community at large as our key stakeholder groups. The information collected through different communication processes serves as an underlying basis for the structure of this ESG report.

## **OUR APPROACH TO SUSTAINABILITY DEVELOPMENT**

As a responsible company, we continue to step up sustainability measures as a corporate responsibility as well as meeting the standards of our customers. To make our investors and stakeholders properly informed for assessment, the Group has set out below its efforts to minimize the negative influence to the environment, promote our employees' well-being and contribute to the community during the reporting period.

## **OUR MISSION**

Our mission is to facilitate and encourage human creativity, innovation and inspiration through the classic book platform. With this mission, we believe the following 5 core values we hold lead us to success:

### *A Will to Succeed*

We are dedicated to create long term and sustainable value for our investors. As such, we continuously pursue excellence in our performance, not only in financial, but also in non-financial aspects.

### *Integrity and Honesty in All Areas of our Business*

We stress on business ethics. We behave, and require our business partners to behave in an honest and moral manner.

### Respect for People

We treat our staff, customers, partners and suppliers with mutual respect and sensitivity. We value their contributions and keep pace with them.

### Protection of the Environment

We are committed to minimize our potential adverse impacts on the environment and preserve natural resources.

### Pride in our Service and Product Quality

We treasure our customers and strive to satisfy them with quality products and services to customers.

## **ENVIRONMENTAL RESPONSIBILITY**

The Group is aware of the environmental impact created from the operation of our working offices and manufacturing sites, thus the Group encourages our staff to not just think green, but also act green. The Group is committed to provide quality printing services to our client in a manner that minimizes our potential adverse impact on the environment and preserve natural resources. We strive to comply with relevant environmental laws and regulations of Environmental Protection Department in all relevant countries. Due to the nature of our business, our commitment to the environment focuses on the conservation of energy, investments on efficient green technologies, and waste reduction.

### Aspect A.1: Emissions

The Group's business does not produce material amounts of greenhouse gas, the emission of volatile organic compounds (VOC) is inevitable in the printing operation. Other than VOCs, the printing process will also generate ink contaminated water and waste. We aim to minimize their emission and their environmental hazard.

#### *Air Emission*

The Group strives to improve the air quality at the roadside and improve traffic flow problem. We encourage our employees to use public transportation to replace many separate emission-producing vehicles with few transit vehicles that generally emit less pollution on a per person basis.

The key air pollutants generated from the Group's use of vehicles are 223,532.10 g of Sulphur Oxides (SO<sub>x</sub>), 961.54 g of Nitrogen Oxide (NO<sub>x</sub>), and 37,029.64 g of Particulate Matter (PM).

## Greenhouse Gas Emission

The Group's main business carbon footprint is the greenhouse gas emission from the use of electricity and paper consumption in our manufacturing sites.

(i) Greenhouse Gas Emission from 1 January 2017 to 31 December 2017

<b>Emission Sources</b>	<b>CO<sub>2</sub>e Emission (in tonnes)</b>	<b>Total Emission (in percentage)</b>
<b>Scope 1 Direct Emission</b>		
Company Vehicles	173.19	0.10%
Fuel Consumption	336.66	0.19%
Tree Planting	(1.31)	(0.00%)
	<u>508.54</u>	<u>0.29%</u>
<b>Scope 2 Indirect Emission</b>		
Purchased Electricity	<u>16,795.69</u>	<u>9.44%</u>
<b>Scope 3 Other Indirect Emission</b>		
Production Material	75,098.10	42.22%
Emission from Waste Processing	85,230.98	47.92%
Business Travel	156.77	0.09%
Electricity Used for Fresh Water	30.75	0.02%
Paper Consumption	37.18	0.02%
	<u>160,553.78</u>	<u>90.27%</u>
<b>Total</b>	<u>177,858.01</u>	<u>100.00%</u>

There was 177,858.01 tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation in the reporting period. The annual emission intensity for current year was 3.67 tCO<sub>2</sub>e/tonnes of paper consumed for production

We make an effort to reduce the emission. We have established the procedure regarding to the management of emissions to the atmosphere. Each of our manufacturing sites will be assigned with officer, manager or department in charge of the emissions generation. To mitigate the emissions, we have adopted various measurements in the Group as listed below:

- Use and store the production chemicals properly in accordance with the Material Safety Data Sheet (MSDS) and Company policies to avoid unnecessary generation of emissions;
- Substitute the raw materials, equipment and production technique that is high hazardous to the environments or/and of low utilization coefficient with not or low hazardous one or/and of high utilization coefficient;
- Keep good maintenance of plant, machine and electric generator to reduce exhaust gas due to the poor functioning;
- Use soy ink and digital printing to reduce the emission of VOCs; and
- Exhaust air treatment system was induced since 2013 to reduce the emission of VOCs to the atmosphere.

### *Waste Management*

The waste produced by the Group's operation is mainly generated in the daily life and by the operation of the office, including paper, plastic, glass, and kitchen waste. The Group assigned administrative staff to manage and transport the wastes and recyclables for both garbage and recycled waste pick-ups.

The staff's duty includes but not limited to the following:

- To organize and maintain the garbage and recycled waste holding areas;
- To place appropriate signage on walls and bins, stating what type of waste or recyclable should be placed in the bin;
- To collect all used ink-jet cartridges for recycling; and
- To sort recycled waste into appropriate receptacles, informing employees on sorting methods if needed.





During the reporting period, the Group has worked together to increase the quantity of waste being recycled:

Year 2017

<b>Recycled Waste</b>	<b>Total volume (in tonnes)</b>
<b>Paper</b>	11,068.64
<b>Zinc</b>	264.76
<b>Pallet</b>	100.09
<b>Steel</b>	50.27
<b>Plastic</b>	42.13
<b>Aluminum</b>	22.78

#### *Hazardous and Non-Hazardous Waste Management*

The Group has set out clear and concrete instructions on waste management. Wastes are classified by recyclable, hazardous and non-hazardous, and they are to be stored separately. The Group has assigned different recyclers in different sites to collect recyclable wastes such as scrap paper and used printing plates regularly.

The Group's Site Operation Manager's responsibility including but not limited to:

- Establish mechanisms to verify the integrity of segregated waste streams;
- Highlight locations/activities where the nature and quantity of waste disposal can be reduced – by avoidance, reduction, re-use, re-cycling technique, reduction in impact techniques;
- Highlight avenues where material life can be extended;
- Planned audits and reviews of contracted disposal services; and
- Communicate the importance and actions of employees in the control process.

For hazardous wastes, which are mostly chemical water, rags, ink residue and other photographic wastes, the Group works with licensed waste disposal contractors to handle these wastes responsibly as the statutory requires. Amount of waste disposed are recorded and matched with contractors report to ensure they are entirely disposed in the most appropriate manner.

Furthermore, employees are regularly being reminded to protect the environment through varies of channel, including emails, notices and promotion slogan. The Group's non-hazardous wastes which are mainly paper, zinc and pallet will be used for landfill and are collected by respective governmental departments or environmental agencies in compliance with the local regulations.

With our effort to reduce wastes as much as possible, the following diagram represents the amount of hazardous and non-hazardous waste in tonnes during the Reporting Period.

For the Year 2017

	<b>Total volume (in tonnes)</b>	<b>Waste Intensity (per tonnes of paper consumed for production)</b>
<b>Hazardous waste</b>	173.23	0.00
<b>Non-hazardous waste</b>	13,770.54	0.28

## Aspect A.2: Use of Resources

The Group is committed to continually monitor and improve environmental performance as an integral and fundamental part of business strategy and operating methods, as well as to comply with relevant government policy and environmental legislation.

### *Energy*

The Group's main energy consumption comes from electricity, natural gas and liquefied petroleum gas in our operation.

The following table shows the energy consumption by types, volume and intensity.

For the Year 2017

<b>Energy</b>	<b>Unit</b>	<b>Total volume consumed</b>	<b>Energy Intensity ( per tonnes of paper consumed for production)</b>
<b>Electricity</b>	kWh	25,393,754	524.12
<b>Natural Gas</b>	Mj	4,918,055	101.51
<b>Liquefied Petroleum Gas (LPG)</b>	Mj	460,567	9.51

### *Efficient Electricity Use*

Our operations generated green house gases indirectly by electricity consumed to power our facilities. The Group has committed to minimize energy usage. The commitments are driven by energy saving intuition. The following measures are implemented by the Group:

- Light and air conditioner should be turned off when leaving the company;
- Electronics facilities will be turned off or switched to energy saving mode when they are not in use;
- Energy efficient lightings and cooling system were installed across all our offices and branches;
- Continually upgrade its computer equipment, servers, and monitors to energy efficient models; and
- Maintain an average indoor temperature of between 24 and 26 degrees.

## Packaging

We regularly communicate with our customers to minimize the packaging material as we aim to protect our environment. Paper cardboard, wood and wrap are our major packaging materials. During the Reporting Period, the total packaging material used for finished products is as follows:

### For Year 2017 Total Packaging Material Used for Finished Products

<b>Types of material</b>	<b>Total quantity consumed</b>	<b>Unit</b>
<b>Bag</b>	404,109	Each
<b>Carton</b>	2,014,236	Each
<b>Expandable Polyethylene</b>	54,057	Each
<b>Edge board Protector</b>	269,400	Roll
<b>One-sided Bubble wrap</b>	11,265	Sheet
<b>Pallet</b>	98,487	Each
<b>Paper</b>	160	Ream
<b>Carton Corrugated Paper</b>	1,430,853	Sheet

### Aspect A.3 The Environment and Natural Resources

#### *Energy Efficiency Initiative*

In the PRC manufacturing site, the Group has set up a sun shade netting to reduce the temperature of the production plants by 5 degree, allows us to reduce the use of air conditioners by keeping the room temperature from rising through transpiration.



### *Paper Reduction*

Consumption of paper significantly draws negative impact to our world. Voluminous paper consumption leads to deforestation. Serious efforts are needed to ensure that the environment is protected. With the aim of minimizing the impact of our business operation on the environment, the Group implements measures for environmental protection that minimizes our paper usage at our office and strives to use paper in the most efficient way and make it convenient for staff and clients to do so.

The following are the practical guidelines to help the Group to implement a cost-saving, paper reduction program:

- To promote reduction strategies, such as reusing paper that has been printed on one side for draft or internal printing, and sharing printed copies of information in our office rather than printing multiple copies;
- To provide paperless billing options for clients and to impose smart printing modes for staff;
- To encourage our staff to use electronic communications for directories forms, reports and storage when possible;
- To recycle all paper, carton box and envelope that have non-confidential information from the Group.

During the Reporting Period, the Group's total paper consumption for production and office use is 60,275.94 tonnes.

### *Water Utilization*

Waste water is the next pollution we try hard to reduce. Plate-making and other printing process requires a lot of water for rinsing zinc plates and generates waste water contaminated with ink. Sewage will be collected and processed by qualified sewage treatment companies. In the PRC, our factory will recycle the industrial wastewater and reuses it after treatment. For domestic wastewater, we will examine the water quality before drainage to ensure they meet the national and local environmental requirement.

In addition, we have adopted a number of measures to save water as following:

- Always turn taps off tightly so they do not drip;
- Collect rainwater in one of our Australia factories;
- Make use of dual-flush toilet to save water;
- Adopt effective water-saving production methods and instruments;
- Use a number of digital printing machines which will eliminate the chemically tainted wastewater during the offset printing process;
- Check the hoses and pipes for leaks, cracks, and other damage regularly and repair it in a timely manner;
- Give priority to effective water-saving products in purchase decision

During the Reporting Period, the Group has consumed 149,900 kilolitres of water.

## Green Technologies

### *Cleaner Water Heater*

The Group has continually upgraded its operation equipment to more energy efficient models. In January 2017, the Group has eliminated the use of wooden pallets to boil water and incorporated a highly energy efficient environmentally-friendly water heater, that is the Air Compressor Hot Water System for the PRC staff in dormitory.

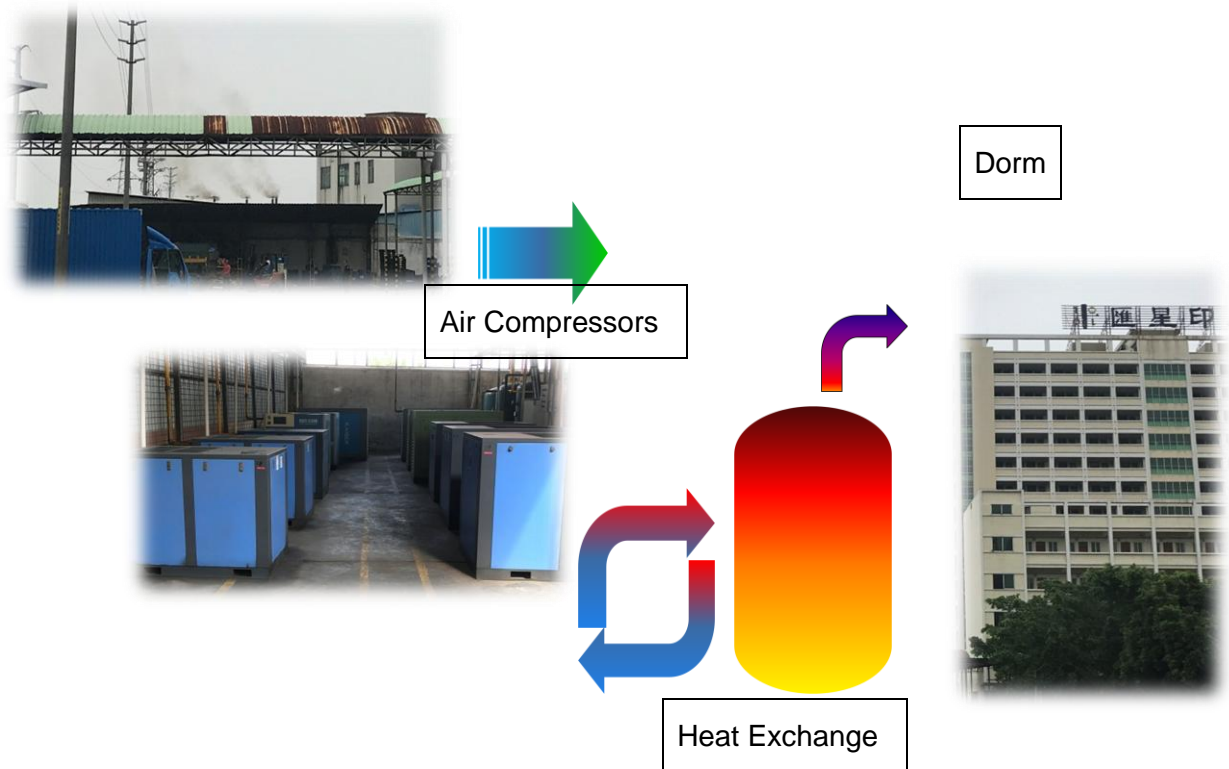
### *The Air Compressor Hot Water System*





## *Air compressor Water Heating System*

This water heater is a technology that harvest thermal energy from the air, which is different to the traditional water heaters that directly heat the water. This system is driven by an air compressor, taking up outdoor thermal energy transferring it into water through a heat exchanger, the whole process has exceptionally low electricity consumption, giving it a significantly energy saving performance.



## *Eco-Friendly Silk Screen Printing*

During the production process, hazardous solvents commonly found in inks include ethanol, isopropanol, ethylene glycol, xylene, toluene, cyclo-hexanone and petroleum distillates. These solvents also contain volatile organic compounds (VOCs). VOCs are chemicals that can cause indoor health problems such as lung irritation and outdoor problems such as smog. In May 2017, the Group has integrated a new treatment system for silk screen process in order to eliminate the VOC gas emissions and decrease the possibility of our staff being exposed to hazardous gas in the PRC site.



### *Environmental Filtering System*

#### *Plate Developer Filter System for Plate Processors*

Plate washing is one of the processes that involve heavy water usage. A new plate developer filter system has been installed in our PRC factory to filter the used water for re-use.

In addition, with the distillation function of the new system, the developer distilled solution can supply purified water and the concentrated solid powder produced can be recycled.

#### *Fountain Solution Filtering System*

Our PRC factory has replaced the printing machines' filter system to a new fountain solution filter system. Such efficient filtering system allows us to extend the fountain solution life, as it maintains the solution for two to three months instead of two weeks; it reduces the use of water, alcohol and the machine downtime when replacing a new solution.

## **SOCIAL RESPONSIBILITY**

The Group believes building strong and lasting relationship with our employees and suppliers is essential to the on-going commitment as a socially responsible manner. Besides, maintaining an honest and authentic dialogue is indispensable as a responsible organization and partner to our stakeholders.

### *Aspect B1: Employment and Remuneration Policies*

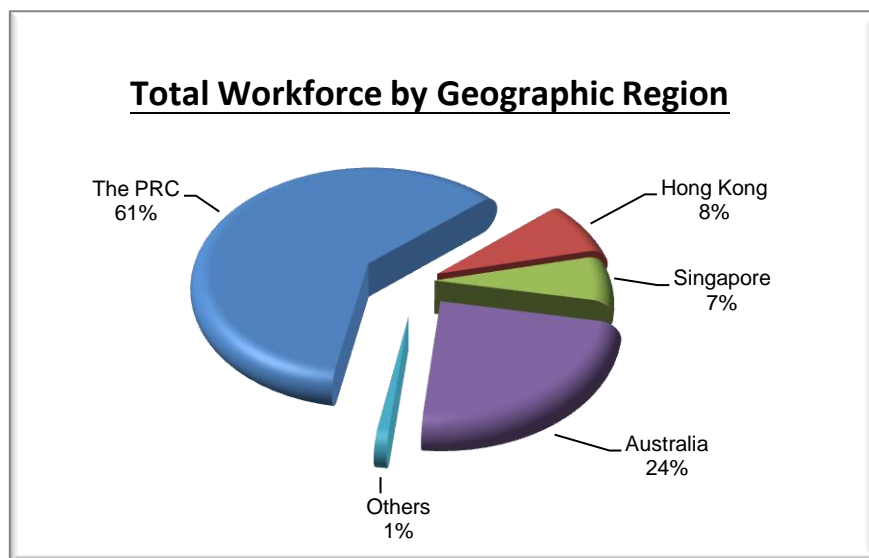
Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group's employees are subject to review regularly. Employees are entitled Retirement Fund, Share Options and Share Award Schemes, transportation allowance, discretionary bonus and various types of paid leave (marriage, study and examination, compensation, paternity, maternity and funeral) in addition to annual leave and sick leave. Details are set out in the Staff Handbook of respective sites, to ensure transparency of information on the employees' responsibilities and rights.

The Group's essential policies and procedures are also included in the Staff Handbook which is reviewed and updated regularly. The Group discourages and disallows any behavior that violates the regulations under Staff Handbook. Offenders will receive warning, and the Group has the right to terminate employment contract with offenders for serious violations. During the reporting period, the Group did not find significant violations of laws and regulation relating to human resources.

### *Employment*

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics, gender or age. The Group has Staff Handbook outlining the terms and conditions of employment, expectation for employees' conducts and behaviors, employees' rights and benefits. There are policies established and implemented that promote harmony and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance on sexual harassment or abuse in the workplace in any form, which is a violation of the labor laws in all countries.

During the Reporting Period, the Group has 1,222 full-time employees. The following chart sets out a breakdown in percentage of the Group's employees by geographic region. In 2017, most of the employees in the Group are from the PRC, which consists of 741 employees (61 percent of the total workforce); while Australia consists of 289 employees which is 24 percent of the total workforce. In contrast, Singapore and Hong Kong consist of 7-8% of employees, which made up of 83 and 96 employees respectively, while operations in the USA and the UK represents the least percentage, 1% which consist of 13 employees.



In addition, Human Resources Department conducts a comprehensive recruitment review process to ensure that the data provided by the candidates are accurate. The Group's recruitment and promotion process are carried out in a fair and open manner for all employees; employees are recognized and rewarded by their contribution, work performance and skills, and outcomes will not be affected by any discrimination on the grounds of age, sex, physical or mental health status, marital status, family status, race, skin color, nationality, religion, political affiliation and sexual orientation and other factors.

The Group strictly prohibits the employment of children or forced labor and sets out the policies in our labor code to eradicate child labor, juvenile workers and forced labor.

### Aspect B2: Health and Safety

We strive to provide a safe and healthy workplace for our employees as we comply with all applicable rules and regulations regarding to Occupational Safety and Health (OSH) such as The Work Safety Law of the PRC and Work Health and Safety Act 2011 in Australia. We adopt policies and measures to promote occupational health and safety, including but not limited to:

- OHSAS 18001 for Occupational Health and Safety is received and applied in our PRC plant
- OSH guidelines and practices are established for ensuring healthy and safe working conditions for our employees
- A safety orientation was provided to our new employees so as to ensure a thorough understanding of health and safety, and their roles and responsibilities
- Necessary protective equipment, such as safety shoes and ear protection, are provided to our factory workers
- Regular inspections would be carried out and any unsafe condition would be reported and investigated
- OSH seminars and workshops are held regularly in order to raise awareness of occupational safety

The following table shows our work-related fatalities and injury statistic for the reporting period:

	Year 2017
Number of work-related fatalities	-
Number of work-related injuries	24
Lost days due to work-related accidents and disease (occupational)	361 days

The Group is not aware of any material non-compliance with the above-mentioned relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards during the reporting period.

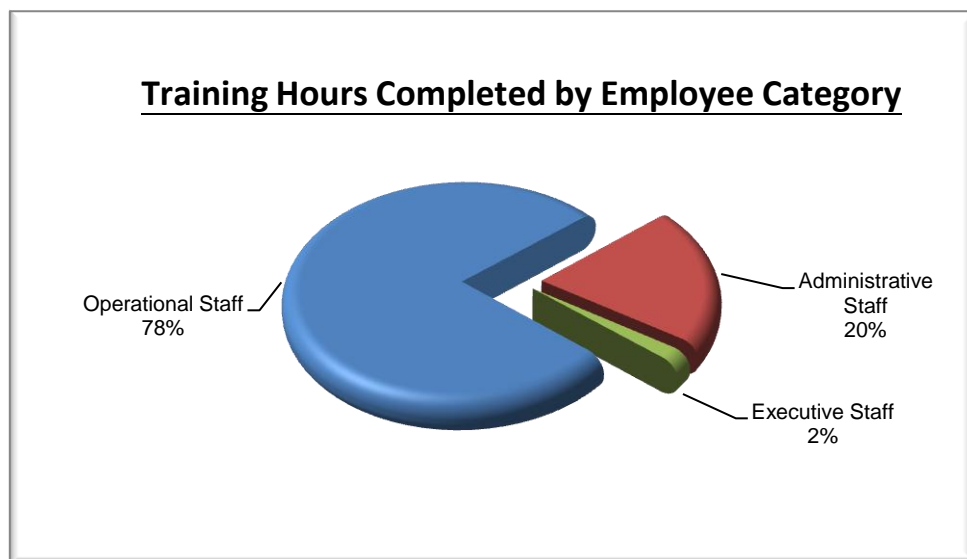
In addition, the Group has assigned responsible person to identify any actual and potential hazards and risks to each individual and work towards safe and hygienic work environment, and to ensure that office and work environment is in line with or higher than requirements of relevant laws. Our respective operation site managers have also arranged rescue, fire and evacuation drills to improve staff safety awareness; and employees are expected to comply with the policies and procedures, and cooperate in all safety trainings.



Aspect B3: Development and Training

The Group regards the staff as our most valuable assets; we dedicate significant resources to attract and retain our talented employees, and to ensure that people will grow alongside business.

The diagram below shows the percentage of employees trained by employee category.

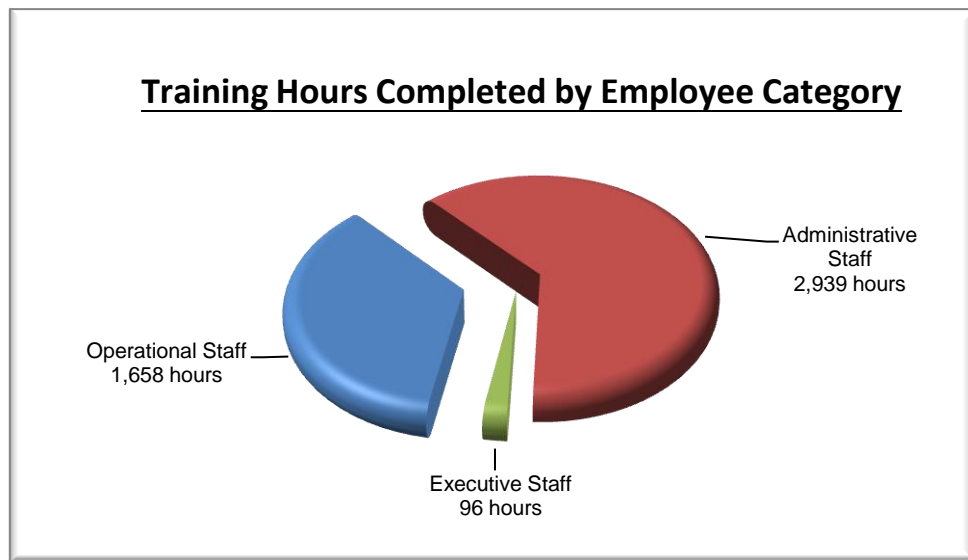


During the Reporting Period, a total number of 811 employees have attended to the training courses, while 630, 166 and 15 of the employees were operational, administrative and executive staffs respectively, in with 493 of them were male and 318 were female.

In addition, on-the-job training and off-the-job seminars facilitated by the Management of the Group will be held from time to time. Such session will usually provide a detailed explanation and discussion of technical knowledge encountered by our staff in the recent projects. We highly encourage our staff to attend internal training courses to develop personal skills and expand their knowledge.



The diagram below shows the training hours by employee category.



During the Reporting Period, the Group has provided 4,693 training hours for all of our staffs, which consists of 2,939, 1,658 and 96 hours for our administrative, operational and executive staffs respectively, with an average of 18, 3 and 6 training hours per person.

The Group has provided different kinds of training for our top management and staffs to enhance their level of communication and team building skills.

#### Gold of the Desert King



## First Aid Training



## PDF Training



Furthermore, directors are given with guidance and preparation meetings about the Group's business and his/her duties responsibilities under the Listing Rules and the relevant statutory and regulatory requirements when newly appointed. The directors will be regularly briefed on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance and upkeep of good corporate governance practices.

Aspect B4: Labor Standard

The Group established and implemented Staff Manual which contains policies relating to relevant labor laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, diversity and other benefits and welfare.

In addition, the Company strives to ensure an equal and fair working environment. The Group has strictly complied with the Labor Ordinance and does not tolerate any form of sexual harassment, harassment and abuse in the workplace, which is a violation of the employment law in Hong Kong, the PRC, Australia and Singapore. .

The prohibition of child labor and forced labor practices are also set in accordance with all relevant laws and regulations that applied in the Group. Before hiring any job applicant, our Human Resources Department will verify their age by checking their documents that prove the age of applicant and ensure that the applicant's look is consistent with the photograph on the ID card. For the Year 2017, no violation regarding the age of employment and labor dispute has occurred between the Group and employees.

## **OPERATING POLICIES**

### **Aspect B5: Supply Chain Management**

The Group is committed to developing and maintaining effective and mutually beneficial working relationships with our business partners (suppliers, subcontractors, transporter, etc.). The Group requires each of our business partners to comply with the code of conduct of social responsibility and business ethics we set out. The Group will assess whether our business partners fulfill the code requirement annually. Violation of the code will lead to instant termination of the business partnership.

The Group strives to focus on ethical supply chain management while producing a global supply chains. During the Reporting Period, the Group has 1,357 suppliers all over the world, which mostly consists of 690, 250, 218 and 171 suppliers from Australia, the PRC, Singapore and Hong Kong respectively.

Furthermore, the Group gradually takes environmental consideration into account in our procurement process. To integrate the environmental vision into the procurement of product supplies, the Group avoids disposable products and chooses suppliers who provide durable products with less packaging materials. Priority will be given to environmentally friendly materials and office goods, so as to raise our suppliers' awareness of sustainable development.

### **Aspect B6: Product Responsibility**

The Group is committed to supplying quality books and printed products and providing quality services that consistently meet or even exceed its customers' expectations. Quality management system is used to ensure the product quality; the Group has received a number of certifications, including ISO9001, ISO14001, ICTI Code of Business Practices and G7 Master Qualification.

Under the quality management system, quality assurance is performed to examine the product's quality against the acceptance quality level standard at every stage of the production process. Incoming raw materials, such as paper and ink, are periodically tested against customers' technical specifications. Colors are matched against the customer's approved blue print. Finished goods undergo a number of tests and visual inspections, before packaging and delivery to ensure the exact specifications of the customers are met. We have also maintained a professional customer services team with high service standard to ensure responsiveness to

clients' needs. By implementing the highest level of standard on quality management, we provide not only excellent products, but also safe and secured products to our customers. We will ensure quality management systems in place, which will allow us to deliver the expected level of quality and service.

Due to our brand new machinery and high quality of craftsmanship, we have consistently earned recognition and awards in relation to our excellent printing capabilities. During the Reporting Period, we won 2 Benny, 2 Awards of Recognition and 8 Certificates of Merit in Premier Print Awards.

#### *Public Interest and Accountability*

For the management of personal data privacy, we are committed to protecting privacy and confidentiality of personal data of our customers. Our employees are instructed to handle customer information with due care. We collect and use customer information in a responsible and non-discriminatory manner. Only designated employees can assess customer information for business use. They are required to sign non-disclosure agreement upon employment to state that they are not allowed to disclose any information to unauthorized third parties.

The Group ensures our goods and services are conducted in a manner consistent with the highest ethical standards. This helps ensure high products quality at all times to gain the confidences of customers and the public.

#### *Fair and Open Competition*

The Group promotes fair and open competition that aims to develop long-term relationships based on mutual trust. We ensure that all parties involved in the procurement process participate fairly, honestly and in good faith. We recognize that adherence to the principles of competition is essential to the maintenance of the integrity of the procurement process.

### Aspect B7: Anti-corruption

We are committed to achieving and maintaining the highest standards of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. It is every employee's responsibility and it is all interest of the company to ensure that any inappropriate behavior or organizational malpractice that compromises the interest of the shareholders, investors, customers and the wider public does not occur.

The Group has adopted Code of Conduct in the Group's Compliance that includes provisions for conflicts of interest, privacy and confidentiality of information, use of computer software control, bribery and anti-corruption.

Whistle-blowing policy is also implemented to encourage employees and others who have serious concerns about any aspect of the council's work to come forward and voice those suspected misconduct, illegal acts or failure to act. Employees who breach anti-corruption policy will face disciplinary action, which could result in dismissal for serious misconduct.

During the Reporting Period, no litigation regarding bribery has been instituted against the Group and its staff.

### Aspect B8: Community Investment

We are committed to operating as a responsible corporate and continually supporting the economic and social vitality of local communities through corporate sponsorships, charitable donations and supporting youth development.

As part of the printing industry and community, we direct our charitable efforts towards Industry related events as the primary focus. Furthermore, we see youth development as a foundation for the advancement of society; during the year, we have sponsored an outstanding student for attending Printing Bachelor Degree in Wuhan University in the PRC.

In order to promoting a caring culture, we encouraged and provided options for staff to receive, rice cakes, rice dumplings or to donate cash in equivalent to charitable organizations. In our Australia sites, our staff will be granted with community leave for them to participate in the emergency activities such as firefighting or flood relief.

## **SUSTAINABILITY**

The Group understands the importance of achieving economic, environmental and social sustainability for the long term success of our business. Our sustainability guidelines lay out our principles and actions for managing and performing ethically and sustainably, throughout our operational flow. We will continue to deliver safe and quality services served by our enthusiastic team members, without endangering the environment. We will also continue to provide hearty service to our customers and contribute back to the community.

## **CORPORATE GOVERNANCE**

All management level has the responsibilities to maintain a good corporate governance practices. Meetings are held regularly and once the management or the staffs notice any improvement on the corporate practices or needing to review any relevant operating practices.