

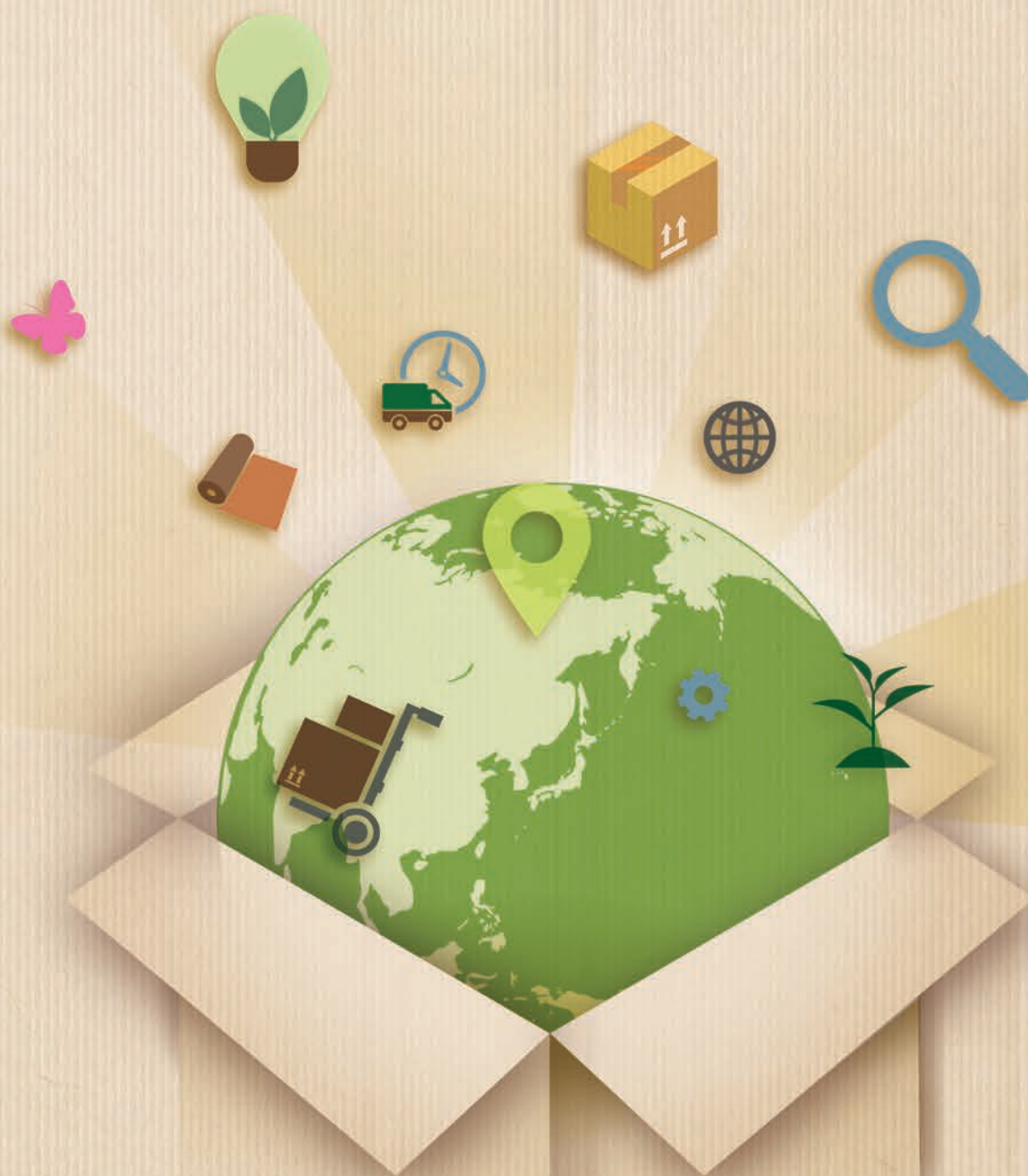


PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1820



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2018

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Environmental, Social and Governance Report 2018
Pacific Millennium Packaging Group Corporation

Environmental, Social and Governance Report

ABOUT THIS REPORT

Pacific Millennium Packaging Group Corporation (the “Company”, together with its subsidiaries the “Group”) is delighted to publish its first environmental, social and governance (“ESG”) report, summarizing its commitments and performance as a responsible corrugated packaging supplier and an employer operating the business responsibly to the environment and community.

Reporting Scope

The reporting period of this report is from 1 January 2018 to 31 December 2018 (the “Reporting Period”), covering the Company’s offices and production plants in Hong Kong and Mainland China as listed below:

Office	<ul style="list-style-type: none">• Hong Kong• Shanghai
Production plant	<ul style="list-style-type: none">• Qingdao• Suzhou• Tongxiang• Nanjing• Dalian• Tianjin• Shenyang• Wujiang• Changshu• Huizhou• Taicang

Taking into account the scale, the number of staff and revenue distribution of office operation, the disclosure of key performance indicators (“KPIs”) only covers production plants, based on the principle of materiality.

Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx”). The board of directors of the Company (the “Board”) acknowledges its responsibility for ensuring the truthfulness, accuracy and completeness of this report.

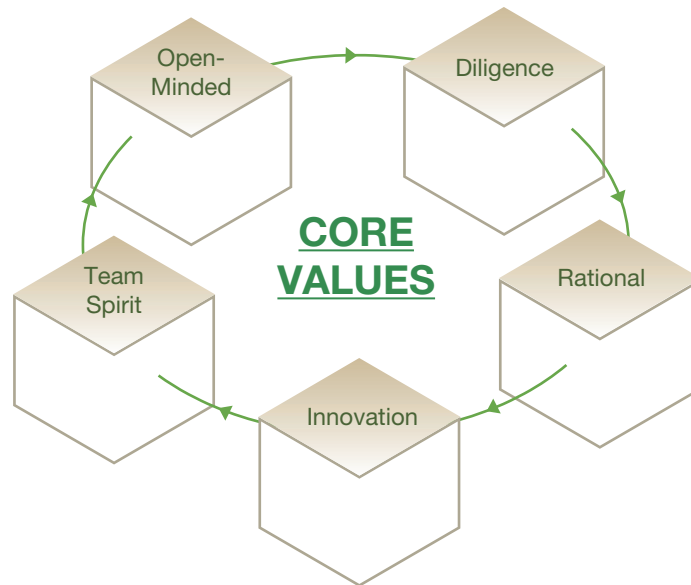
Contact & Feedback

We value your feedback on this report and our sustainability performance. If you have any comments or suggestions, please email to contact@pmpgc.com.



Environmental, Social and Governance Report

ABOUT THE GROUP



The Group has been engaging in the manufacturing and sale of corrugated packaging products including corrugated boxes, pallets, display stands, heavy duty packaging and specialized packaging products, and corrugated sheet boards for over 20 years. We also provide integrated packaging services to meet the needs of several customers for one-stop packaging solutions. All the Group's plants in Mainland China are equipped with corrugated board production lines and mainly produce corrugated board and corrugated box.

We strive to leverage the advantages of the Group's large-scale operations and emphasize lean management, as well as implementation of strict quality control standards. At the same time, we are committed to continuously improving the degree of automation of machinery and equipment and accelerating innovative application of information technology in business management. With our extensive industry experience and leading market position, we believe that we are in a good position to grasp the development potential brought by demand growth and market consolidation for China's corrugated paper packaging industry in Mainland China, and to further increase our market share.

We have a solid and long-term business relationship with the well-known brand customers and suppliers. We have built a large, diversified and stable customer base which our major customers are leading players in their respective industries, including food and beverages, non-food and beverage consumables, home appliances and electronics, durable goods and garments, industry, machinery, e-commerce and express delivery. At the same time, we work closely with suppliers to source raw materials so as to deliver high quality corrugated packaging products to our customers.

Our commitments to providing quality packaging products and innovative packaging solutions as well as environmentally and socially responsible practices have distinguished us from our competitors and put us in a better position in attracting and maintaining internationally renowned customers.



Environmental, Social and Governance Report

OUR SUSTAINABILITY STRATEGY

With the vision of being the best paper-based packaging group in Mainland China, the Group is strongly committed to performing the best corporate citizenship by demonstrating our accountability and responsibility.



The environmental, health and safety (“EHS”) team is set up to identify, control and supervise EHS matters, which will be detailed in the following sections in this report. To manage our ESG risks in a holistic manner and ensure effective business operations, the Group has established an integrated management system, covering areas in quality, environment and occupational health and safety (“OHS”). The management system is formulated based on relevant Guobiao (Chinese national standards) and ISO standards. It acts as a foundation to guide our business directions so as to deliver high quality products to our customers, control our environmental footprints and maintain a healthy and safety workplace for our staff.



Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

The Group has been maintaining a close relationship with our stakeholders as we believe they play a crucial role in our sustainability journey. Key stakeholders of our business include investors, customers, employees and suppliers. Through continuous communication, we collect their views and opinions, helping us identify ESG-related risks and formulate our sustainability framework to address those risks.

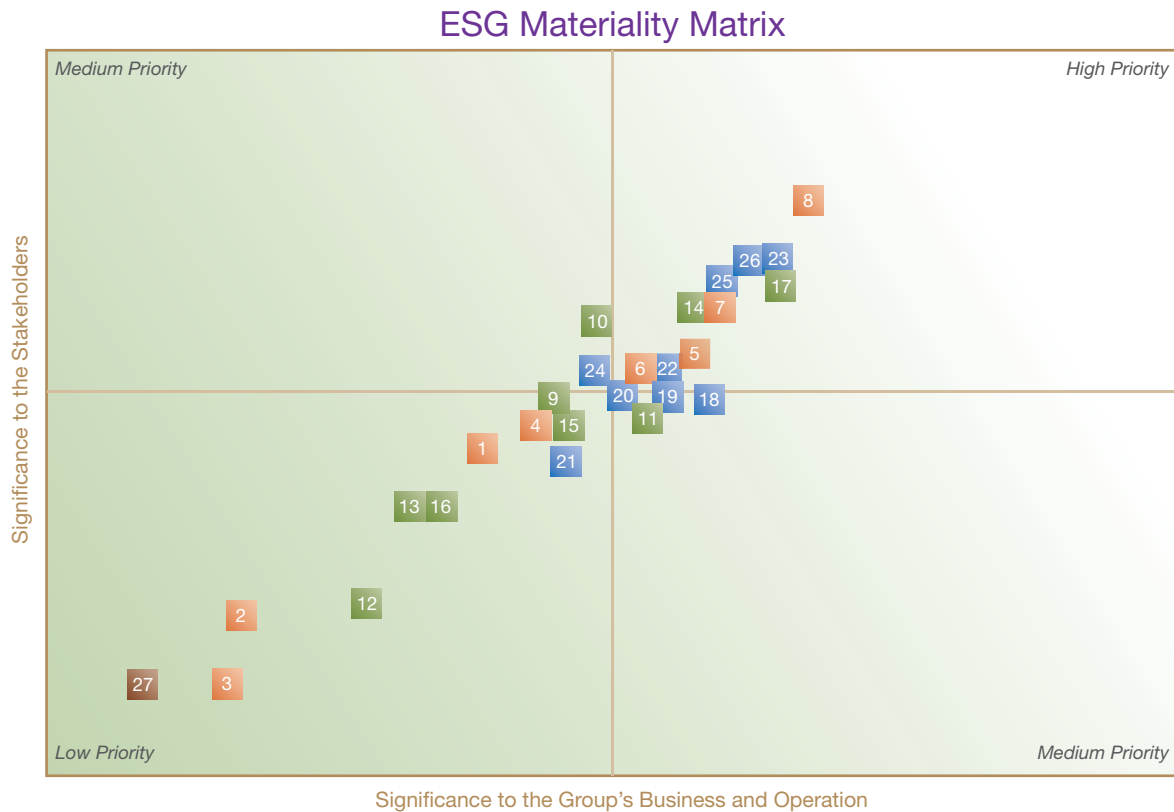


Stakeholder	Communication Channel
Investors	<ul style="list-style-type: none"> • Company website • Annual and Interim Reports • Regular meetings
Customers	<ul style="list-style-type: none"> • Company website • Annual and Interim Reports • Customer service and complaint channels • Customer satisfaction survey
Employees	<ul style="list-style-type: none"> • Orientation and training • Performance review • Team building activities • Grievance mechanism • Opinion box and email
Suppliers	<ul style="list-style-type: none"> • Selection assessment • Performance assessment • Procurement process

During the Reporting Period, we have identified 27 ESG-related topics and conducted an online survey to prioritize those topics in terms of their significance to the Group and to stakeholders. Both internal and external stakeholders have participated in this survey which helps the Company to understand their concerns. The survey consists of a set of rating questions, covering the areas on environmental protection, community investment, operational practices and employment.

Environmental, Social and Governance Report

A materiality matrix is plotted to present the results of the assessment:



High Priority

- 5 Water & effluents
- 6 Use of materials
- 7 Waste management
- 8 Environmental compliance
- 14 Occupational health & safety
- 17 Prevention of child and forced labour
- 22 Intellectual property
- 23 Customer privacy & data protection
- 25 Ethical business
- 26 Socio-economic compliance

Medium Priority

- 10 Labour/management relations
- 11 Employee retention
- 18 Customer satisfaction
- 19 Customer service quality & complaint handling
- 20 Customer health & safety
- 24 Responsible supply chain management

Low Priority

- 1 Air emission
- 2 Greenhouse gas emission
- 3 Climate change
- 4 Energy efficiency
- 9 Labour rights
- 12 Diversity & equal opportunity
- 13 Non-discrimination
- 15 Employee training
- 16 Employee development
- 21 Marketing & product and service labelling compliance
- 27 Community investment

Based on the results, we categorize those ESG topics into high, medium and low priority to facilitate strategic planning and resource allocation. Looking ahead, we will continue seeking improvement opportunities and work towards corporate sustainability.



Environmental, Social and Governance Report

RESPONSIBLE TO THE ENVIRONMENT

“POLLUTION PREVENTION, EMISSION REDUCTION, STRICT COMPLIANCE, CONTINUOUS IMPROVEMENT”

The Group is strongly committed to fulfilling our responsibility to the environment. To effectively address and manage environmental issues in our production, all of our production plants are certified with ISO 14001:2015 Environmental Management System. The EHS team is appointed by the Group to periodically identify potential environmental impacts arising from the Group's operation and supervise environmental controls closely.

Environmental strategies

- Emphasize strict compliance with industry standards, corporate requirements, environmental laws and regulations
- Practise cleaner production by selecting raw materials responsibly, using resources efficiently and reducing waste generation
- Make use of technological innovations to optimize production processes and reduce environmental footprints
- Arrange production schedule efficiently to reduce resource consumption

Environmental targets

- 100% compliance rate on waste disposal, water discharge, air emission and noise generation
- Zero complaint
- Zero chemical leakage

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of waste and use of resources in Hong Kong and Mainland China, including but not limited to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise.



Environmental, Social and Governance Report

Energy Use

In our daily operation, electricity and fuels are the major types of energy consumed. Monthly energy consumption data are systematically recorded and consumption indicators are set to effectively track and manage our energy usage. When our consumption exceeds the relevant indicators, analysis and action plans are carried out for improvement. The total energy consumption and intensities during the Reporting Period are as below:

Type of Energy	Unit	2018
Electricity	kWh	26,230,139.51
Intensity	kWh per ten thousand m ² production volume	551.54
Diesel oil	litre	218,516.50
Intensity	litre per ten thousand m ² production volume	5.30
Unleaded petrol	litre	197,113.55
Intensity	litre per ten thousand m ² production volume	4.46
Natural gas	m ³	6,759,912.18
Intensity	m ³ per ten thousand m ² production volume	153.12
Coal	tonne	1,427.83
Intensity	tonne per ten thousand m ² production volume	0.42

We strive to increase energy efficiency by continuously improving our production processes. In the meantime, we actively raise employees' awareness of energy conservation by promoting the concept of environmental conservation and placing reminders around the workplace. A range of energy-saving initiatives is adopted at our offices and production plants:

- Make use of renewable energy such that approximately 20% of the total electricity consumption of Tongxiang production plant is generated from photovoltaic power
- Opt for machineries and electrical appliances with higher energy efficiency that meet current national and industry standards
- Replace traditional light bulbs with more energy-efficient LED bulbs
- Conduct regular maintenance to prevent electricity leakage
- Inspect and maintain company fleet regularly to reduce fuel consumption and corresponding air pollution
- Turn off unnecessary lights or electrical appliances when they are not in use
- Control room temperature at an optimal level



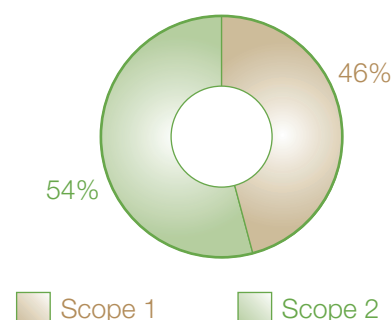
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Greenhouse Gas Emission

The greenhouse gas ("GHG") emissions of the Group are mainly from the use of purchased electricity and combustion of fuels by motor vehicles and stationary sources. Carbon audit is conducted every year in accordance with ISO 14064:2006 standard to understand our carbon footprint.

By implementing the abovementioned energy conservation initiatives, we are committed to reducing our carbon footprints. During the Reporting Period, the Group emitted a total of 41,802.35 tCO₂e of GHG, with an intensity of 0.88 tCO₂e per ten thousand m² production volume.

Greenhouse Gas Emission

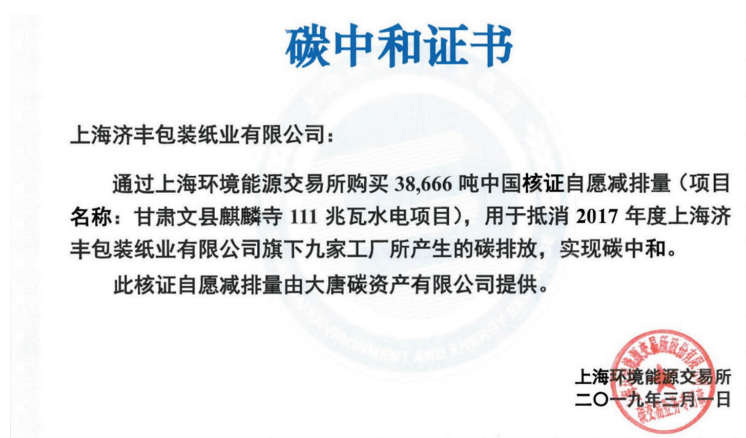


GHG Emission	Unit	2018
Scope 1 ¹	tCO ₂ e	19,387.63
Scope 2 ²	tCO ₂ e	22,414.72
Total GHG emission	tCO ₂ e	41,802.35
Intensity	tCO ₂ e per ten thousand m ² production volume	0.88

Carbon Neutral

As a participant in the corrugated packaging industry, we strive to go further to shoulder our responsibility. Since 2009, the Group has been offsetting its carbon emission by purchasing credits, being the first and the only carbon neutral corrugating packaging manufacturer in Mainland China.

On 1 March 2019, the Group purchased 38,666 tCO₂e of Chinese Certified Emission Reductions ("CCER") from the Shanghai Environmental and Energy Exchange, offsetting its carbon emission in 2017. With this 10-year continuous commitment, we strive to lead the corrugated packaging industry to green development and fulfil our environmental responsibility.



¹ Scope 1 represents direct GHG emissions generated by the use of unleaded petrol, diesel oil, natural gas, coal and refrigerant.

² Scope 2 represents indirect GHG emissions generated by the use of purchased electricity.



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In addition to energy conservation and offsetting carbon emissions, we are committed to earth-friendly materials and designs, and green supply chain. The Group pays close attention to all developments in carbon trading market in Mainland China as we strongly support a society that minimizes pollution and emissions for a greener and healthier planet.

Water Conservation

The Group is committed to conserving our water resources by using it responsibly and efficiently. Monthly water consumption data are collected and consumption indicators are set to track our usage pattern. When our consumption exceeds the relevant indicators, analysis and action plans are carried out for improvement.

To maximize water utilization, water is reused as much as possible to reduce the amount of freshwater usage in our production. Water-saving initiatives include regularly inspecting water facilities to prevent water leakage and placing water-saving signs next to water taps to remind our staff of conserving water resources. During the Reporting Period, there was no issue in sourcing water and the total water consumption was 165,553.65 m³, with an intensity of 3.48 m³ per ten thousand m² production volume.

Freshwater Consumption	Unit	2018
Total	m ³	165,553.65
Intensity	m ³ per ten thousand m ² production volume	3.48

We strive to discharge minimum amount of wastewater in our production through technological innovations and process modifications. To ensure the quality of wastewater discharged complies with national and local standards, relevant discharge permits are obtained. Industrial wastewater, containing chemicals or waste oil, is prohibited to discharge into the domestic sewer. It is separated and stored in special containers and then treated by licensed collectors. For domestic wastewater, it is treated to reach an acceptable level by our in-house treatment facility before discharge. Regular inspections on the discharged water quality are also carried out by third parties from time to time. During the Reporting Period, the total wastewater discharged was 83,285.56 m³, with an intensity of 1.75 m³ per ten thousand m² production volume.

Wastewater Discharge	Unit	2018
Total	m ³	83,285.56
Intensity	m ³ per ten thousand m ² production volume	1.75

Material Use

Being a responsible corporate citizen, we opt for FSC-certified paper when purchasing paper for the Group. With an aim to further reduce our paper consumption, we practise double-sided usage to maximize paper utilization. Waste paper should be placed in collection boxes for recycling. Making use of electronic communication channels, unnecessary use of paper should also be eliminated. In addition, reminders are placed in the workplace to promote employees' awareness of conservation. During the Reporting Period, the Group consumed a total of 30.49 tonnes of office paper, with an intensity of 0.001 tonnes per ten thousand m² production volume.



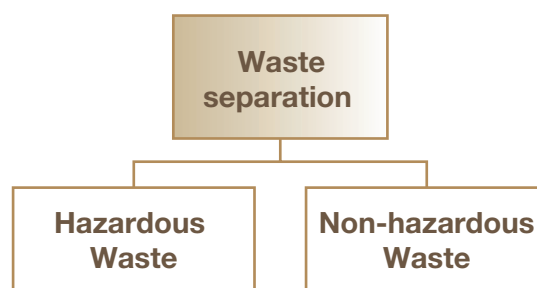
Environmental, Social and Governance Report

In addition, our production involves the use of packaging materials in finished products including raw paper, metal, wood and other materials. During the Reporting Period, a total of 41,212.65 tonnes of packaging materials was consumed, with an intensity of 0.87 tonnes per ten thousand m² production volume.

Type of Packaging	Unit	2018
Raw paper	tonne	40,810.00
Metal	tonne	27.07
Wood	tonne	10.75
Other (such as packing rope and stretch warp)	tonne	364.83
Total	tonne	41,212.65
Intensity	tonne per ten thousand m ² production volume	0.87

Waste Management

Waste separation is the key approach in our waste management as it helps facilitate proper waste handling and divert useful materials from landfills. All waste is first separated into two main types, hazardous waste and non-hazardous waste, as they require different strategies on collection, storage, transferal and disposal.



Hazardous waste, generated from our production processes such as organic solvents, waste oils and rags, is properly segregated, collected and centrally stored. Designated collection bins with clear labels are placed at specific areas for effective separation. Qualified waste collectors are appointed for further handling and treatment.

Non-hazardous wastes such as waste paper, food waste and domestic waste, are further segregated into recyclable or non-recyclable waste and handled by recyclers or licensed waste collectors respectively. All the materials are reused as much as possible before recycling or final disposal to maximize resource utilization.

During the Reporting Period, the Group generated a total of 5,830.54 tonnes of hazardous waste and 23,045.97 tonnes of non-hazardous waste. Respective intensities are as follows:

Type of Waste	Unit	2018
Hazardous waste	tonne	5,830.54
Intensity	tonne per ten thousand m ² production volume	0.12
Non-hazardous waste	tonne	23,045.97
Intensity	tonne per ten thousand m ² production volume	0.48



Environmental, Social and Governance Report

Air Emission Control

Air emissions from the Group's operations comprise of mobile source emissions such as nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matters ("PM") from the use of company vehicles and stationary source emissions from the production processes. We are committed to strengthening our air emission control procedures and optimizing our production processes in order to reduce exhaust generation. Exhaust gas is first collected and then treated by mitigation controls, such as activated carbon adsorption, before emission.

To make sure the level of air pollutants in the emitted air is well below the legal requirements, emission permits are obtained at our manufacturing sites and regular inspections on the quality of the emitted air are conducted internally and externally. During the Reporting Period, the Group's total air emissions are as follows:

Air Emission ³	Unit	2018
NO _x	kg	176.70
SO _x	kg	2.94
PM	kg	13.01

To reduce the level of air pollutants in our emissions, several mitigation and reduction initiatives are introduced:

- Conduct regular maintenances of air pollution control facilities
- Provide relevant training on operational skills of air control procedures and equipment
- Perform vehicle assessment to ensure strict compliance with relevant emission standards
- Arrange company vehicle schedule in a centralized manner to achieve highest efficiency

Noise Generation

Noise is generated from machineries such as generators and compressors at our production plants. In order to reduce the noise level and nuisance to the surroundings, low-noise machineries are opted and regular maintenance is performed to ensure the equipment is in good operating condition. If necessary, sound insulation or absorption controls are implemented to further reduce the noise level. We are also committed to strictly adhering to noise level standards according to the relevant laws and regulations by carrying out regular internal and external inspections.

Employee Involvement

Apart from taking the lead in integrating green initiatives into our daily operation, we strive to instill the culture of environmental conservation within the Group. Relevant training and activities are held to strengthen employees' awareness and knowledge in environmental protection.



Tree planting activity

³ Air emission consists of generation from the use of vehicle fuels only.



Environmental, Social and Governance Report

A RESPONSIBLE PRODUCER

“SERVICES AND PRODUCTS WITH QUALITY, BUSINESS WITH INTEGRITY, CONTINUOUS IMPROVEMENT”

As a responsible corporate, we endeavour to build a long-term relationship with our customers and supply chain by providing quality services and products with integrity and trust.

Product Responsibility

Upholding excellence in our products is our top priority. All of our production plants are certified with ISO9001:2015 Quality Management System, demonstrating our commitment on quality management. We monitor the entire production cycle, from incoming raw materials to final products, to ensure our products meet our quality standards and customers' expectations systematically. Third-party testing and inspections are also conducted to ensure the product quality.

At the same time, we ensure our products do not impose any safety or health issues. All raw materials and ancillary products procured should be complied with industrial and international standards such as the Restriction on Hazardous Substances Directive (“RoHS”) and the Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”), as well as customers' requirements. If our products are found to have any safety or health issues, we will recall the products immediately and stop the related production. We will also carry out a comprehensive investigation in order to avoid similar occurrence in the future.

In addition, we shall not publish any advertisements that contain false or misleading information. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising and labelling matters of products and services in Hong Kong and Mainland China, including but not limited to the Product Quality Law of the People's Republic of China.

Customer Satisfaction & Privacy

We strive to deliver the best experience to our customers by understanding their needs and providing satisfying products and services. To keep abreast of market trends and customer needs, annual customer satisfaction surveys are conducted for customers with business contacts. Survey results are then analyzed for continuous improvement. When we receive complaints from our customers, we are committed to addressing the matter in a timely manner. We will promptly implement improvement plans to avoid similar occurrence in the future.

In addition, we take customer privacy seriously. We keep confidentiality of customers' data and shall not disclose the information directly or indirectly to a third party. Customer information is collected only when it is necessary. Unauthorized access and use of customers' data are prohibited. Internal training is also arranged to strengthen staff awareness of information protection. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to privacy matters of products and services in Hong Kong and Mainland China, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong.



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Supply Chain Management

We have been maintaining a long-lasting relationship with our suppliers as they are an integral part of our business. In order to deliver high quality products to our customers, it is essential for the supply chain to align with our standards and commitments. We also expect they share the same practices on ESG matters.

When selecting new suppliers, we will assess their performance in terms of quality management, delivery time, equipment condition, training given to workers, environmental management, OHS management etc. Where necessary, we will arrange onsite inspections to verify their actual performance. Only those who meet our requirements will be qualified onto our approved supplier list.

Our suppliers have to comply with the Supplier Code of Conduct, outlining our requirements on suppliers' ESG matters. Suppliers are encouraged to actively fulfil the requirements to ensure compliance and perform even better than our requirements so as to strengthen their corporate images and create shared values. The Code of Conduct focuses on eight ESG-related areas: legal compliance, child labour and forced labour, salary, equal opportunity, freedom of association, EHS, working hours and intellectual property rights. They are also required to sign a commitment on complying with RoHS and REACH. In addition, supplier performance appraisal is conducted annually to ensure that they are up to our standards. If any non-conformity is found, corrective action will be requested.

Business Ethics

We have been pursuing the highest ethical standard. As stated in our Staff Handbook and Business Ethics Policy, any form of fraud, bribery, extortion, and money laundering is strictly prohibited in the Group. All employees are required to strictly abide. In any suspicious case, employees are welcomed to report to the management through the whistle-blowing hotline or staff opinion box and prompt investigations will be carried out. Additionally, the same standards are also extended to our suppliers. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong and Mainland China, including but not limited to the Prevention of Bribery Ordinance of Hong Kong and the Anti-Money Laundering Law of the People's Republic of China. No legal case relating thereto was brought against any member of the Group nor any of its directors and employees.

At the same time, we highly value innovation and respect intellectual property ("IP") rights. The Group's "Staff Handbook" has clearly stipulated the employees' obligations in relations in respect of confidentiality. In the event of leak of confidentiality that causes damages to the Group, the informant will be fully liable. In addition to compensating for the loss, the persons responsible will be disciplined according to "Staff Handbook" or legally liable. In During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to IP rights in Hong Kong and Mainland China, including but not limited to the Patent Law of the People's Republic of China.



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A RESPONSIBLE EMPLOYER

“PEOPLE-ORIENTED, SAFE PRODUCTION, INNOVATION, CONTINUOUS IMPROVEMENT”

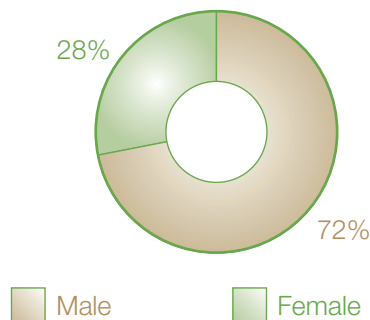
We always believe that people are our most important assets. To maintain a committed and innovative workforce, we focus on offering competitive remuneration, safeguarding their health and safety, providing development opportunities and maintaining a pleasant working environment.

Employment

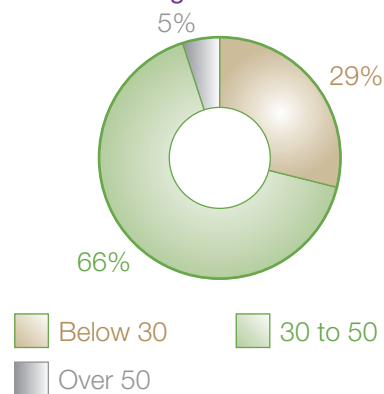
Employee is a crucial part of our continuous success and thus we offer competitive remuneration packages to our staff, which are in line with relevant national and local labour laws and regulations. We practise fixed working hours and arrange over-time work only with prior consent from employees. We also fulfil our responsibility to provide social securities for all employees in accordance with local regulations.

As at 31 December 2018, the Group had a total of 1,725 employees, who are distributed in Hong Kong and Mainland China. The ratio of female to male employees is approximately 2:5. Employees aged between 30 and 50 account for 66% of the total workforce while employees aged below 30 and above 50 represent 29% and 5% respectively.

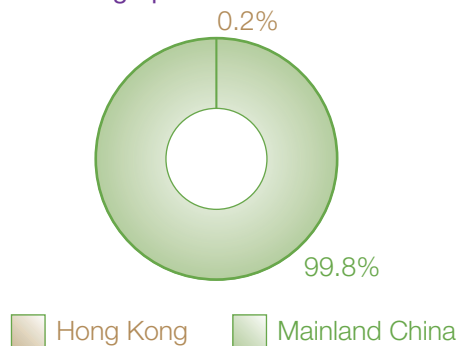
Gender Profile



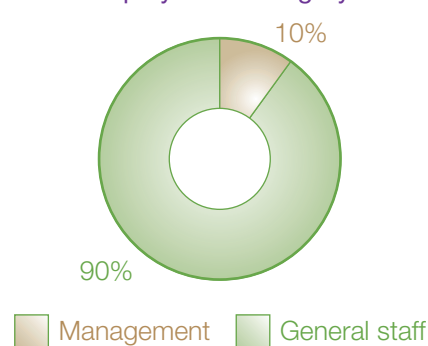
Age Profile



Geographical Distribution



Employment Category





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Child and forced labour are strictly prohibited. To make sure our people are above the statutory working age, identification documents are checked at the beginning of the employment process. Frequent inspections are also conducted to ensure strict compliance. If child labour is found in our workplace, he/she should stop working immediately and physical health check will be conducted with our companion. In addition, we also ensure all of our staff work consensually and are free from any form of forced labour.

We treat our staff with fairness and open-mindedness and thus we are committed to creating an equal and harassment-free working environment. All employees and job applicants are treated equally, regardless of race, sex, marital status, pregnancy, disability status or other forms of difference that is unrelated to the job requirements. All decisions on recruitment, promotion, performance evaluation and salary adjustment are made solely based on qualifications, experiences, capabilities and performances. We also respect the freedom of association and the right of collective bargaining by supporting our employees to form the labour union. Managerial representatives are committed to maintaining regular communications with the union on labour issues.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, child and forced labour in Hong Kong and Mainland China including but not limited to Labour Contract Law of the People's Republic of China, the Labour Law of the People's Republic of China and the Employment Ordinance of Hong Kong.

Occupational Health & Safety

We attach high importance in maintaining a workplace free from occupational hazards. To safeguard employees' health and safety, the EHS team conducts occupational risk assessments to identify potential OHS hazards in our workplace and implement corresponding control measures to address those risks. The EHS team is also responsible for managing our in-house safety equipment by carrying out regular inspections and maintenances. A comprehensive set of OHS policies is formulated to provide guidance to our employees regarding fire safety, machine operation, process handling etc.

We are committed to reducing the labour intensity of our work duties and reducing the risk of personal injury by adopting new technologies, improving production processes and increasing the degree of automation. Employees are always reminded to wear personal protection equipment, such as masks, ear plugs and safety glasses, when performing manual handling duties. Besides, the following safety practices are adopted:

- Conduct comprehensive factory-wide safety inspections regularly on fire safety facilities, machinery conditions, personal protection equipment conditions, staff discipline, work injury handling, safety training etc.
- Install first-aid equipment in all of our production plants
- Inspect fire-fighting equipment regularly to ensure they are in good conditions
- Conduct fire drill at least once a year to raise staff awareness of safety
- Opt for low-noise machineries when purchasing new production machines

Environmental, Social and Governance Report



To ensure safe production, we provide OHS training to all new hires and existing staff. All new employees are required to attend and pass OHS courses before employment commences. In addition, regular training and promotional activities are organized to keep our staff updated on OHS information, to enhance their safety awareness and to facilitate continuous improvement. The EHS team reviews our safety education every year to ensure effectiveness.



Body Check-up

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards in Hong Kong and Mainland China, including but not limited to the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Production Safety Law of the People's Republic of China and the Occupational Safety and Health Ordinance of the Hong Kong.

Development & Training

Being a people-oriented corporate, we provide our employees with a working environment filled with fulfillment and growth opportunities. Through ongoing evaluations and annual performance reviews, employees' performances are assessed in an objective and fair manner to guide every employee's career path and enable them to perform to their utmost potentials.

We actively encourage our staff to further develop their strengths by offering various training programmes so that they can grow with us. All new hires are provided with orientation and induction programmes to help them swiftly adapt to the new working environment, covering topics such as the Group's policies, requirements and corporate culture. For employees appointed for specific technical positions, they are further provided with specialist training on necessary skills and knowledge to perform their duty.



Environmental, Social and Governance Report

Training plan is formulated each year to manage our training programmes systematically. We ensure that all of our staff receive at least one comprehensive training session each year in order to keep them up to date with the latest industry information and knowledge. During the Reporting Period, the Group arranged 42,347 hours of training totally for employees and the average training hours completed per employee is approximately 15.8. The distribution and average training hours per employee by gender and employee category are set out below:

	Gender		Employee category	
	Male	Female	Management	General staff
Percentage	72%	28%	11%	89%
Average training hours completed per employee	15	16	33	14



Oversea training opportunity at the Oskin Leadership Institute in USA



Factory visit in Japan

Apart from internal training opportunities, we encourage employees to enhance their work-related skills and knowledge by providing sponsorship for external training programmes.

Employee Relationship

We value the relationship with our employees and strive to establish an ongoing dialogue to understand their needs and opinions. Employees are welcomed to express their complaints or suggestions through various communication channels including performance reviews, company activities and the grievance mechanism. The Grievance Committee is established to handle, investigate and provide feedback on the received cases.

Realizing the importance of interpersonal relationships, we encourage our staff to interact with each other by promoting work-life balance and strengthening the sense of belonging within the Group. We have arranged various recreational and team-building activities to let our people relax from work, to recognize their hard work throughout the year and to establish a closer bond among fellow colleagues. During the Reporting Period, the Group has organized the following activities:

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Sightseeing Tour



Staff Birthday Party



Annual Dinner



Team Building Activity



Sports Competition



Football Competition



Barbecue Activity & "Eating Watermelon" Competition



Tug of War



Seaside Activity

RESPONSIBLE TO THE COMMUNITY

As a corporate citizen, we fully recognize our responsibility to contribute and give back to our community. We actively engage and encourage our employees to do the same by organizing various charitable activities. Looking ahead, the Group will continue to look for opportunities where we can contribute more.



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HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Policies & Procedures	Explanation/Reference Section
Aspect A Environmental			
A1 Emission	Information on: — the policies; and — 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 wastes.	— Quality/Environment/ Occupational Health and Safety Management System Manual — Greenhouse Gas Inventory Management Procedure — Air Pollution Control Procedure — Waste Control Procedure	RESPONSIBLE TO THE ENVIRONMENT — Waste Management, Air Emission Control, Greenhouse Gas Emission & Water Conservation
KPI A1.1	The types of emissions and respective emissions data.	N/A	RESPONSIBLE TO THE ENVIRONMENT — Air Emission Control
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A	RESPONSIBLE TO THE ENVIRONMENT —
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A	Greenhouse Gas Emission RESPONSIBLE TO THE ENVIRONMENT — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A	RESPONSIBLE TO THE ENVIRONMENT — Waste Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	— Quality/Environment/ Occupational Health and Safety Management System Manual — Air Pollution Control Procedure	RESPONSIBLE TO THE ENVIRONMENT — Air Emission Control
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	— Quality/Environment/ Occupational Health and Safety Management System Manual — Waste Control Procedure	RESPONSIBLE TO THE ENVIRONMENT — Waste Management



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Policies & Procedures

Explanation/Reference Section

A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	<ul style="list-style-type: none"> — Quality/Environment/ Occupational Health and Safety Management System Manual — Energy and Resource Control Procedure 	RESPONSIBLE TO THE ENVIRONMENT — Energy Use, Material Use & Water Conservation
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).	N/A	RESPONSIBLE TO THE ENVIRONMENT — Energy Use
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	N/A	RESPONSIBLE TO THE ENVIRONMENT — Water Conservation
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	<ul style="list-style-type: none"> — Quality/Environment/ Occupational Health and Safety Management System Manual — Energy and Resource Control Procedure 	RESPONSIBLE TO THE ENVIRONMENT — Energy Use
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	N/A	RESPONSIBLE TO THE ENVIRONMENT — Water Conservation
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	N/A	RESPONSIBLE TO THE ENVIRONMENT — Material Use
A3 The Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> — Quality/Environment/ Occupational Health and Safety Management System Manual — Noise Pollution Control Procedure 	RESPONSIBLE TO THE ENVIRONMENT — Noise Generation & Employee Involvement
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul style="list-style-type: none"> — Quality/Environment/ Occupational Health and Safety Management System Manual — Noise Pollution Control Procedure 	RESPONSIBLE TO THE ENVIRONMENT — Noise Generation & Employee Involvement



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Policies & Procedures

Explanation/Reference Section

Aspect B Social

B1 Employment

Information on:

- the policies; and
- 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.

- Staff Handbook
- Labour Policy
- Grievance Policy

A RESPONSIBLE
EMPLOYER —
Employment, Employee
Relationship

KPI B1.1

Total workforce by gender, employment type, age group and geographical region.

N/A

A RESPONSIBLE
EMPLOYER —
Employment
N/A

KPI B1.2

Employee turnover rate by gender, age group and geographical region.

N/A

B2 Health and Safety

Information on:

- the policies; and
- 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.

- Quality/Environment/
Occupational Health and
Safety Management
System Manual
- Safety Production
Management System

A RESPONSIBLE
EMPLOYER —
Occupational Health &
Safety

KPI B2.1

Number and rate of work-related fatalities.

N/A

N/A

KPI B2.2

Lost days due to work injury.

N/A

N/A

KPI B2.3

Description of occupational health and safety measures adopted, how they are implemented and monitored.

- Quality/Environment/
Occupational Health and
Safety Management
System Manual
- Safety Production
Management System

A RESPONSIBLE
EMPLOYER —
Occupational Health &
Safety

B3 Development and Training

Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.

- Staff Handbook
- Training Management
System

A RESPONSIBLE
EMPLOYER —
Development & Training

KPI B3.1

The percentage of employees trained by gender and employee category (e.g. senior management, middle management).

N/A

A RESPONSIBLE
EMPLOYER —
Development & Training

KPI B3.2

The average training hours completed per employee by gender and employee category

N/A

A RESPONSIBLE
EMPLOYER —
Development & Training



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Explanation/Reference Section

B4 Labour Standard	Information on: — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	— Labour Policy	A RESPONSIBLE EMPLOYER — Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	— Labour Policy	A RESPONSIBLE EMPLOYER — Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	— Labour Policy	A RESPONSIBLE EMPLOYER — Employment
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	— Supplier Code of Conduct — Supplier Management Procedure	A RESPONSIBLE PRODUCER — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	N/A	N/A
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	— Supplier Code of Conduct — Supplier Management Procedure	A RESPONSIBLE PRODUCER — Supply Chain Management
B6 Product Responsibility	Information on: — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	— Quality/Environment/ Occupational Health and Safety Management System Manual — Customer Satisfaction Management Procedure — Customer Complaint Management Procedure — Product Recall Procedure — Business Ethics Policy	A RESPONSIBLE PRODUCER — Product Responsibility, Customer Satisfaction & Privacy
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	— Business Ethics Policy	A RESPONSIBLE PRODUCER — Business Ethics



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Explanation/Reference Section

KPI B6.4	Description of quality assurance process and recall procedures.	— Quality/Environment/ Occupational Health and Safety Management System Manual	A RESPONSIBLE PRODUCER — Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	— Business Ethics Policy	A RESPONSIBLE PRODUCER –Customer Satisfaction & Privacy
B7 Anti- corruption	Information on: — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	— Staff Handbook — Business Ethics Policy	A RESPONSIBLE PRODUCER — Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	N/A	A RESPONSIBLE PRODUCER — Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	— Staff Handbook — Business Ethics Policy	A RESPONSIBLE PRODUCER — Business Ethics
B8 Community Investment	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.	— Business Ethics Policy	RESPONSIBLE TO THE COMMUNITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	N/A	N/A
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	N/A	N/A