



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 2020**

* For identification purpose only

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I. ABOUT THIS REPORT

Lion Rock Group Limited (referred to as the “Company”) and its subsidiaries (collectively referred to as the “Group” or we) is a global printing services company that principally engages in the provision of printing services to international book publishers, trade, professional and educational conglomerates, print media companies and government departments. The Group’s printed products comprise mainly of illustrated leisure and lifestyle books, educational textbooks, learning materials and children’s books. The principal printing facilities are located in the People’s Republic of China (the “PRC”), Australia, Malaysia and Singapore.

This report summarises several subjects of the Group’s business practices for the Environmental, Social and Governance (referred to as the “ESG”) report (referred to as the “Report”) and the relevant implemented policies and strategies in relation to the Group’s operational practices and environmental protection. For information regarding corporate governance, please refer to the section “Corporate Governance Report” in the Group’s annual report for the year ended 31 December 2020.

The Report covers the period from 1 January 2020 to 31 December 2020 (the “year” or “2020”).

Reporting Framework

The Report has been prepared with reference to the ESG reporting guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

In preparation of this Report, due diligence has been taken to adhere to the Reporting Principles of “Materiality”, “Quantitative”, “Balance” and “Consistency” as set out in the ESG Reporting Guide. The materiality assessment, as disclosed in page 5 of this Report, has ensured the Report presents the most material ESG topics pertaining to our businesses. Whenever deemed material, the Report details any standards, methodologies, assumptions and/or calculation tools used, or source of conversion factors used, as well as explanations of any inconsistencies to previous reports.

Reporting Scope

The content of the Report covers the Group's ESG policies and measures, and compliance of the major subsidiaries which include 惠州市匯星印刷有限公司 ("1010 Printing"), Left Field Printing Group Limited ("Left Field"), and C.O.S. Printers Pte Ltd. ("C.O.S.") located in the PRC, Australia and Singapore respectively. With regard to data disclosure, the reporting scope additionally covers the Group's printing services management arm located in Hong Kong, United States and United Kingdom to provide more complete representation. During the year, the Group has acquired a new factory, Papercraft Sdn. Bhd. ("Papercraft"), in Malaysia in February 2020 and we have included this factory into the Report. Other than this, there were no changes to the reporting scope compared to the previous year.

Comments and Feedback

We make every effort to ensure the consistency between the Chinese and English versions of this Report. However, in the event of any inconsistency, the English version shall prevail.

The progress of the Group depends in part on valuable comments from stakeholders. For any clarifications or advice regarding the content of this Report, please send your comments and suggestions to investor@lionrockgrouphk.com.

II. MESSAGE FROM THE MANAGEMENT

Dear valued stakeholders,

I am pleased to present to you Lion Rock Group Limited's fifth ESG Report. Symbolising the "can-do spirit" of Hong Kong, the Lion Rock is an iconic mountain of the Kowloon Peninsula. Pledging to this spirit, the Group takes a proactive stance to be the first-movers and forerunners of the industry. We strive to address sustainability in the same manner.

Long before 'sustainability' was coined, our operations across subsidiaries had embraced environmental and social responsibilities. They had never been considered separate from our business activities. Our policies and management systems have always taken on a systematic and robust approach. Furthermore, we do not stop at regulatory compliance, but go further by continually looking for ways to enhance our sustainability performance. At respective subsidiaries, special committees are devoted to such tasks, such as the Clean Production Management Working Group in 1010 Printing and Workplace Health and Safety Committee in Australia.

The Coronavirus Disease 2019 ("COVID-19") pandemic has brought upon unprecedented challenges to the book industry. Printing plants and bookshops were forced to close down for months and some of the Group's overseas customers have cut back on their printing orders due to the macroeconomic uncertainty. To maintain our business, the Group has included the pandemic into our enterprise risk management policies. We raise our hygiene standards to the highest level to ensure our employees work comfortably. We also minimise face-to-face communication with customers and suppliers, and arrange special work managements for employees to combat with COVID-19. In case of any face-to-face communications, we provide protective and disinfection products, as well as require customers and employees entering our offices to wear masks.

In efforts to slash our environmental impacts, the subsidiaries have invested resources in three major production system upgrades during this year. At both of our facilities in Australia and the PRC, the automated processes contribute to raise the quality of the effluent discharges, as well as lower hazardous waste generation. Noise emission has also been reduced through the implementation of noise reduction measures, such as acoustic baffle covers.

The Group's subsidiaries are also demonstrating model approaches to social responsibility. Our Singaporean subsidiary, C.O.S., continues to be a member of the Ethical Trading Initiative (ETI) - a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. As a pledged corporate member, C.O.S. agrees to adopt the ETI Base Code of labour practice ("ETI Code") not only within its operations but also its supply chain.

Sustainability is not equivalent to mere corporate responsibility, but is also to do with how we ensure our business longevity. We believe people are our greatest assets and tailor macro-level development of our human capital to the Group's corporate strategy. At respective subsidiaries, the Group develops yearly training plans that comply with relevant statutory requirements and addresses the needs of our workforce. We recorded approximately 4,348 of training hours, of which 1,370 hours were non-safety related. Various apprenticeships and vocational programs through local institutions provide professional certificates in continuous development.

Externally, the Group is committed to supporting the economic and social vitality of local communities through corporate sponsorships and charitable donations. As a member of the printing industry and general community, we contributed to charity foundations and book designers associations for printing products of local charities' events and award catalogues respectively. Furthermore, the Group sees high literacy as a foundation for the advancement of society. During the year, the Group has made sponsorships to a range of activities valued at a total of approximately HKD129,000.

The Group shall continue to make advancements in our sustainability journey with exemplary approaches and passion. I would like to thank you for the support.

Yours faithfully,

Yeung Ka Sing

Chairman

III. APPROACH TO SUSTAINABILITY

The Board of Directors (the “Board”) of the Group spearheads the sustainability performance via regular meetings with major organisational functions such as compliance affairs, workplace health and safety, and human resources. At respective subsidiaries, special committees are devoted to enhancing sustainability performance, such as the Clean Production Management Working Group in 1010 Printing and Workplace Health and Safety Committee in Australia. The management conducts regular reviews of ESG-related metric materials to respective subsidiaries. Furthermore, the Group identifies and evaluates the materiality of the diverse range of ESG topics that are interrelated with our business operations (See next section: Materiality Assessment). The most material ESG topics which guide the Group’s corporate strategy are validated by the Board. As we advance our sustainability journey, the Group endeavours to raise the Board’s knowledge and awareness of the ESG landscape.

Materiality Assessment

Sustainable development encompasses a holistic spectrum of environmental and social aspects. It is crucial for the Group to determine the most material aspects in order to harness the related risks and opportunities. The Group adopts a three-step process of identification, prioritisation and validation to ensure sustainability topics are being managed and reported in accordance with their materiality.

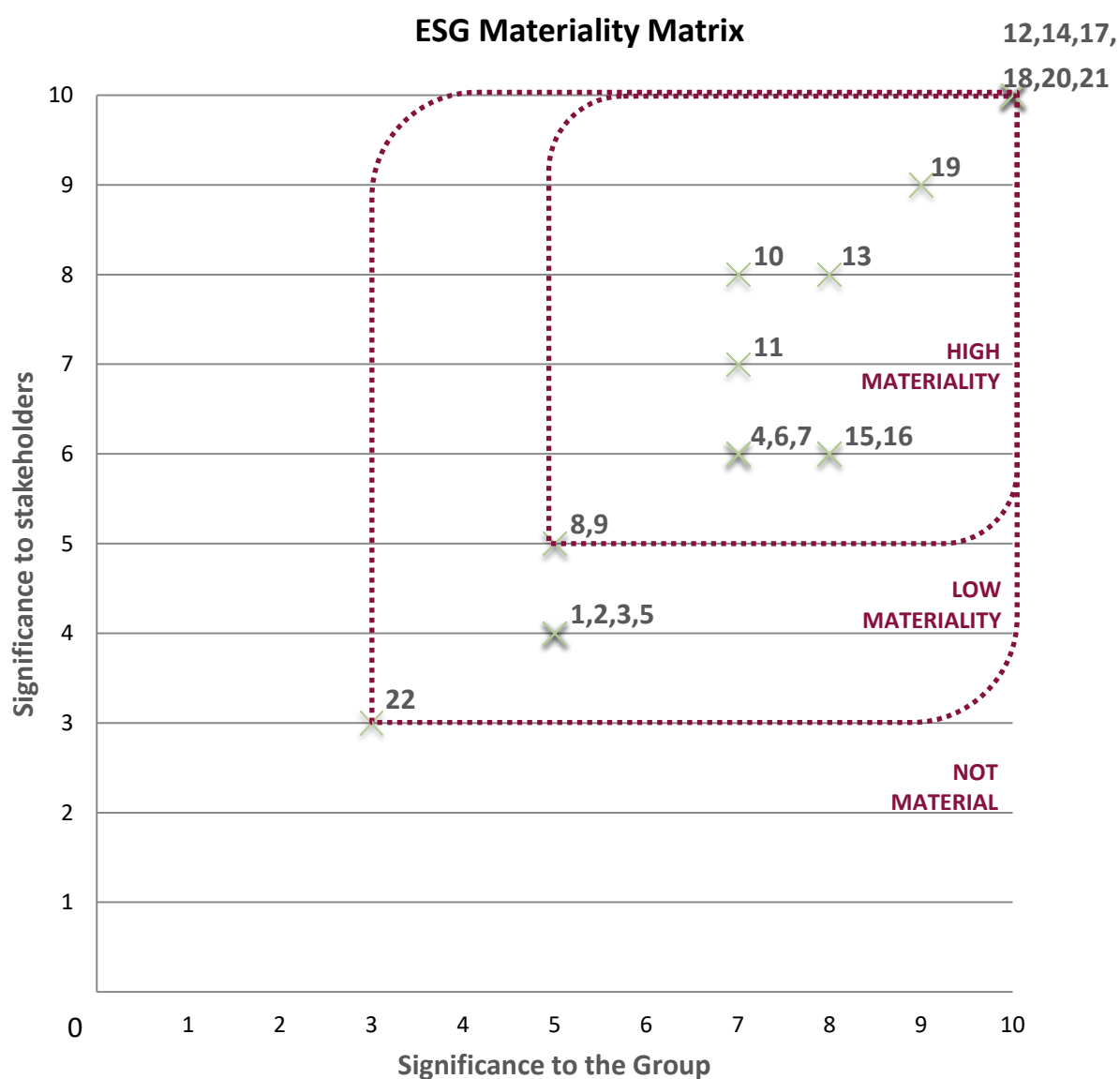
(1) Identification

In accordance with the ESG Reporting Guide, all fundamental sustainability topics were identified. In the context of the latest sustainability landscape, the Group has determined the following 22 topics that are deemed to have impacts on the environment and society through the operations.

ESG Aspects		Material ESG issues for the Group
A. Environmental	<i>A1 Emissions</i>	1. Air emissions 2. Effluent discharges 3. Greenhouse gas emissions 4. Hazardous waste management 5. Non-hazardous waste management
	<i>A2 Use of Resources</i>	6. Energy consumption 7. Water consumption 8. Packaging material consumption
	<i>A3 The Environment and Natural Resources</i>	9. Environmental risk management (including climate-change related)
	<i>B1 Employment</i>	10. Employment and remuneration policies 11. Equal opportunity and diversity
	<i>B2 Health and Safety</i>	12. Occupational health and safety
	<i>B3 Development and Training</i>	13. Employee development
	<i>B4 Labour Standards</i>	14. Anti-child and anti-forced labour
	<i>B5 Supply Chain Management</i>	15. Supply chain management 16. Sustainable procurement
	<i>B6 Product and Service Responsibility</i>	17. Quality and safety of the products/services 18. Customer satisfaction 19. Personal data privacy protection 20. Protection of intellectual property rights, ethical marketing communication and product labelling
B. Social	<i>B7 Anti-corruption</i>	21. Anti-corruption and anti-competitive practices
	<i>B8 Community Investment</i>	22. Community investment

(2) Prioritisation

The Group sought the views of senior management of respective operational regions to determine the materiality of the selected ESG topics. The senior management, who possesses a high-level view of all the topics and has access to stakeholders' feedback, was asked to score the significance of each ESG topic to stakeholder groups and the Group in each of his/her perspective. The topmost-right quadrant determines the high materiality topics.



Highly material topics

Ranking	Numbers	Topics
Highest	12	Occupational health and safety;
	14	Anti-child and anti-forced labour;
	17	Quality and safety of products/services;
	18	Customer satisfaction;
	20	Protection of intellectual property rights, ethical marketing communication and product labelling;
	21	Anti-corruption and anti-competitive practices
	19	Personal data privacy protection
	13	Employee development
	10	Employment and remuneration policies
	11	Equal opportunity and diversity
	15	Supply chain management;
	16	Sustainable procurement
	4	Hazardous waste management;
	6	Energy consumption;
	7	Water consumption
Lowest	8	Packaging material consumption;
	9	Environmental risk management (including climate-change related)

(3) Validation

The Board has reviewed and validated the materiality process, and hence the Report discloses the Group's performance on all high and low materiality topics. To address matters most material to the Group's stakeholders, topics of high materiality are discussed in more depth throughout the Report.

Stakeholder Engagement

The Group believes that identifying and addressing stakeholders’ views lay a solid foundation to the long-term growth and success of the Group. The Group engages with a wide network of stakeholders, including employees, customers, suppliers, shareholders, government and regulatory authorities, as well as the community.



The Group develops multiple engagement channels that provide opportunities for stakeholders to express their views on the Group’s general business conduct and sustainability management. The engagement channels are summarised in the following table. To reinforce mutual trust and respect, the Group is committed to maintaining effective communication channels with stakeholders in both formal and informal ways. This can enable the Group to better shape its business strategies in order to respond to their needs and expectations, anticipate risks and strengthen key relationships.

Stakeholders	Engagement channels	Topics of interest/concern	The Group's actions
Shareholders	<ul style="list-style-type: none"> • General meetings • Regular corporate publications including financial reports and ESG reports • Circulars and announcements • Direct enquiries • Corporate website 	<ul style="list-style-type: none"> • Business strategies and sustainability • Financial performance • Corporate governance 	The Board spearheads our sustainability performance via regular meetings with major organisational functions such as compliance affairs, workplace health and safety, and human resources. At respective subsidiaries, special committees are devoted to enhancing sustainability performance, such as the Clean Production Management Working Group in 1010 Printing and Workplace Health and Safety Committee in Australia.
Employees	<ul style="list-style-type: none"> • Performance appraisals • Training sessions • Social media • Staff handbook 	<ul style="list-style-type: none"> • Training and development • Employee remuneration and welfare • Occupational health and safety • Equal opportunities 	The Group dedicates significant resources to attract and retain talented employees. Approximately 4,348 training hours were recorded, of which 1,370 hours were non-safety related. As an equal opportunity employer, we have established policies and implemented to promote a harmonious and respectful workplace. To encourage social bonding in the workplace, the Group arranged recreational events, such as staff leisure activities, company trips and festive celebrations.
Customers	<ul style="list-style-type: none"> • Business meetings • Complaints and feedback channels • Social media • Corporate website • Emails 	<ul style="list-style-type: none"> • Service quality and reliability • Client data security • Business ethics 	The Group is committed to protecting the privacy and confidentiality of personal data collected. The Group has established clear protocols on handling personal data recorded from our customers and employees. Personal data inventories are secured to prevent any unauthorised or accidental access, such as encryption, firewalls and physical protection.

Stake-holders	Engagement channels	Topics of interest/concern	The Group's actions
Suppliers	<ul style="list-style-type: none"> ▪ Business meetings ▪ Supplier assessment ▪ Continuous direct communication ▪ Emails 	<ul style="list-style-type: none"> • Fair competition • Business ethics 	<p>Our business partners must ensure all operations are environmentally responsible, uphold human rights and business ethics. Suppliers and subcontractors are required to submit statements declaring conformity to the respective code of conduct. Self-assessment questionnaires and/or internal audits are used to evaluate the supply chain. To promote accountability, some suppliers' premises are provided with confidential communication channels to report actual or suspected breaches of the code of conduct.</p>
Government and regulatory authorities	<ul style="list-style-type: none"> ▪ Statutory filings and notifications ▪ Regulatory or voluntary disclosures 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Business strategies and sustainability • Environmental protection 	<p>With strict compliance to laws and regulations, we adopt the lowest level of acceptance for corruption risks to build a culture of zero tolerance to corrupt practices. Periodic corruption risk assessments are conducted to review current practices and procedures.</p> <p>Regarding environmental protection, in our PRC facility, we further reduced our VOC (Volatile Organic Compounds) emissions from production processes to a minimal level compared to last year.</p>
Community	<ul style="list-style-type: none"> ▪ Community activities ▪ Corporate donations ▪ Corporate website ▪ Social media 	<ul style="list-style-type: none"> • Fair employment opportunities • Environmental protection 	<p>The Clean Production Management Working Group established in 1010 Printing takes a proactive lead towards industry best practices through the exploration of clean production technology, as well as the formulation and improvement of production processes.</p> <p>At our PRC facility, we made major investments in advancing the treatment of our effluent discharges. The state-of-the-art system utilises automated components that generate processed wastewater of uniform quality as required.</p>

IV. ENVIRONMENTAL RESPONSIBILITY

The Group is committed to providing quality one-stop shop printing solutions and services to clients in a clean and sustainable manner. The activities typically engage in the processes of digital manipulation, colour management, proofing, plate production, printing (offset and digital, bindery and stitching), quality check of finished products, packaging and delivery, warehousing and direct mailing. Environmental impacts of facilities are managed by the Environmental Management Systems (EMS) of each respective subsidiary. The EMS ensures strict environmental compliance and continual improvement towards cleaner practices. Periodic reviews of the system are conducted to ensure its effectiveness. The facilities in the PRC and main site in Australia are certified to the EMS requirements of the ISO14001:2015 standards – incorporated into the ISO Integrated Management Systems (IMS). The clean production management working group established in 1010 Printing takes a proactive lead towards industry best practices through the exploration of clean production technology, as well as the formulation and improvement of the production processes.

Aspect A1: Emissions and Wastes Generated

The Group implements robust systems to ensure all discharges to air, water and land are compliant with regulatory standards. During the year, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to air emissions, effluent discharges, noise emissions, greenhouse gases, and wastes at all operating regions. Major applicable laws and regulations are detailed in respective sections.

Air emissions

The air emissions of the Group are mainly released from vehicle usages and production processes. Company fleets and machineries undergo regular maintenance which ensures fuel efficiency and emission reduction. Production processes at the PRC facility are another source of air emissions, such as VOCs, benzene, toluene, xylene, and non-methane hydrocarbons. They are treated by our waste gas treatment equipment. Emission licenses are acquired and renewed with periodic exhaust gas monitoring. Qualified third-party testings are also carried out at least once a year, which ensure major problems with processes are rectified.

The major applicable laws and regulations related to the control of air emissions include, but are not limited to, the PRC Law on Air Pollution Control, Environmental Protection Acts of Australia, Air Pollution Regulations of Singapore, and Environmental Quality Act in Malaysia. In addition to keeping air emission levels meeting statutory requirements, the Group commits to curbing air pollutants further.

- In the PRC facility, we substantially reduced our VOC (Volatile Organic Compounds) emissions from production processes to an immaterial level owing to the previously investment in advanced emissions treatment systems for silk screen printing and offset printing processes.
- In PRC and Australia, we have replaced the company fleets with less polluting models, which minimise the fuel consumption and air emissions.
- In Singapore, we keep indoor air quality in check to ensure concentration of general irritants, such as respirable dust, do not exceed regulatory levels. In canteens of the PRC facility, oil fumes generated are treated by the stove hood prior to discharge.
- We aim to prioritise the use of clean energy for warehouse forklifts with fewer pollutants emission. We also implement on-site measures to ensure there are no idling vehicles on-premises.

During the year under review, the Group's air emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter (PM) released from vehicle exhaust and stationary combustion of LPG fuel were recorded. The Group released 1,312.0 kg, 0.6 kg and 18.7 kg of Nitrogen Oxides, Sulphur Oxides, and Particulate Matter respectively in 2020. The Group's production processes released a minimal amount of Volatile Organic Compounds (VOC) in 2020.

Air emissions	Unit	2020	2019	YOY change
Nitrogen Oxides (NO _x)	kg	1,312.0	1,444.0	(9%)
Sulphur Oxides (SO _x)	kg	0.6	0.9	(33%)
Particulate Matter (PM)	kg	18.7	17.5	7%
Volatile Organic Compounds (VOC) ⁽¹⁾	tonne	-	9.5	(100%)

Note (1): The operations in the PRC released minimal amount of VOC emissions in 2020.

Effluent discharges

The wash water from plate-making processes results in effluent discharges which require treatment. Each facility ensures the effluent discharges to be handled properly, either by qualified subcontractors or on-site processing, prior to discharging to municipal sewers. Processing records from subcontractors will then be retained by the Group. Our facilities also generate domestic wastewater that will be monitored prior to discharging. The Group monitors and tests a comprehensive list of parameters (including pH, BOD, COD, suspended solids, and other specific compounds) on a regular basis to ensure regulatory compliance and no adverse environmental impacts of effluent discharges. The major applicable laws and regulations related to the control of effluent discharges include, but are not limited to, the PRC Law on Water Pollution Control, Environmental Protection Acts of Australia, Environmental Protection and Management (Trade Effluent) Regulations of Singapore, and Environmental Quality Act in Malaysia. During the year under review, apart from the chemical water disclosed as hazardous waste in page 18 of this Report, the Group did not discharge any significant amount of wastewater during the production process.

Noise emissions

The activities of the Group are minor sources of noise emissions, which include mechanical noise from the use of machinery and equipment, as well as aerodynamic noise from transportation vehicles and air compressors. Subcontracted construction projects are also another source of noise emissions. The Group conducted regular maintenance of machineries, pre-startup inspections and related induction trainings which ensure noise levels to keep within regulatory limits. Operational hours are always conducted within stipulated time frames as under regulations. Adherence to strict procedures ensures these hazards are managed effectively. Regular monitoring of noise emission levels ensures operations are compliant to regulatory levels. All equipment used meets noise-related specifications and employees use personal protective equipment that mitigates against noise hazards. During the Year, the Group covered the folding machines with acoustic baffle covers which reduced the noise by approximately 6 decibel.

The major applicable laws and regulations related to the control of noise emissions include, but are not limited to, the PRC Law on Prevention and Control of Environmental Noise Pollution, Environmental Protection Acts of Australia, Workplace Safety and Health (Noise) Regulations 2011 of Singapore, and Guidelines for Environmental Noise Limit and Control in Malaysia. In Australia, noise and vibration reduction opportunities are included as criteria for considering any changes to the workplace layout, selection of new or modified plant or equipment, as well as in the event of any significant changes to site noise generations and community complaints or concerns. Noise assessments are conducted to determine the impact of noise emissions on the local community. To serve as a precautionary measure, employees or routine contractors that subject to higher noise level exposures are required to undertake an approved audiometric hearing test within three months of work commencement and every two years thereafter.

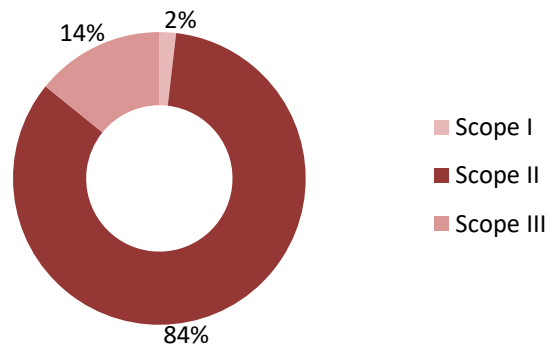
Folding machines with acoustic baffle covers



Greenhouse gas (GHG) emissions and climate change mitigation

To implement an effective approach to climate change mitigation, it is important to have a comprehensive understanding of the carbon emission sources of the Group. The carbon footprint of the Group is primarily due to electricity usage, accounted under Scope II emissions. During the year under review, the Group generated a total of 21,366.8 tonnes of carbon dioxide equivalent (tCO₂e) of greenhouse gases (Scope I and II), resulting in a carbon intensity of 15.6 tCO₂e per HKD million revenue generated.

GHG Emissions in 2020



Greenhouse gas emissions ⁽¹⁾		Unit	2020	2019	YOY change
Scope I (Direct Emissions)		tCO ₂ e	457.6	517.3	(12%)
Stationary combustion		tCO ₂ e	352.2	289.9	21%
Mobile combustion		tCO ₂ e	107.8	229.2	(53%)
GHG removal from trees on premises		tCO ₂ e	2.4	1.8	33%
Scope II (Indirect Emissions)		tCO ₂ e	20,909.2	21,955.6	(5%)
Electricity purchased		tCO ₂ e	20,909.2	21,955.6	(5%)
Scope III (Other Indirect Emissions) ⁽²⁾		tCO ₂ e	3,528.7	4,293.4	(18%)
Business air travels		tCO ₂ e	30.9	155.4	(80%)
Waste decomposition at landfills		tCO ₂ e	3,497.8	4,138.0	(15%)
Total	(Scope I and II)	tCO ₂ e	21,366.8	22,472.9	(5%)
	(Scope I, II and III)	tCO ₂ e	24,895.5	26,766.3	(7%)
Carbon intensity	(Scope I and II)	tCO ₂ e per HKD	15.6	13.9	12%
	(Scope I, II and III)	million revenue	18.1	16.7	8%

Note (1): Boundary has been set using GHG Protocol's financial control approach

Note (2): Scope III emissions from production materials are excluded, as there are limitations in obtaining an accurate representation. Scope III emissions from fresh water and sewage processing are excluded, as they are considered immaterial.

The Group is committed to reducing the carbon footprint. Scope I and II emissions are addressed through our energy reduction initiatives (See Section: A2.1 Energy Consumption). Scope III emissions incur throughout our value chain, and we have employed the following measures to minimise such emissions.

- The Group uses a central booking system for business trips and chooses direct flights to reduce emissions. The Group encourages the use of video conferencing or emails for communication as far as possible to minimise the carbon footprint from overseas business trips.
- The Group carries out regular leakage checks and replacement of pressure gauges, pressure hose and connectors of air compressors to reduce possible leakage of refrigerants.
- The Group makes every effort to reduce waste generation and raise recycling rates to lessen GHG releases from landfill decomposition.

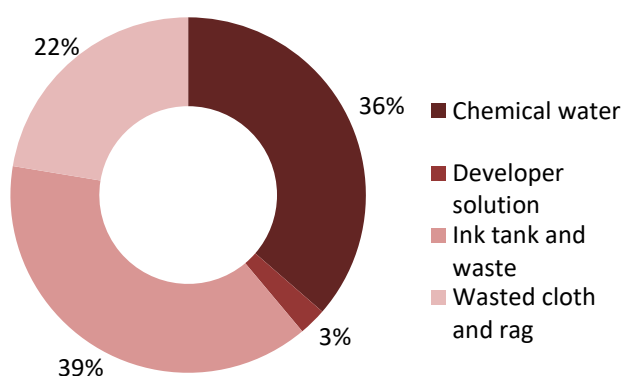
Hazardous waste management

All collected hazardous waste, mainly production chemicals, is transported and treated by authorised contractors who possess qualifications to handle hazardous waste. The amount of disposed waste is checked for consistency with contractor reports to ensure all matter is disposed entirely in the most appropriate manner. All hazardous waste is stored at designated storage points that are leak-proof and rain-proof. The Group has established clear protocols at each stage to ensure all hazardous matter is handled and stored in a safe and secure manner. Any incidents of spillage or leakage will be handled under proper protocol and documented. To prevent contamination of storm water drainage, it is prohibited to wash away any amount of spillage, designated cloths are to be used. The Group also implemented emergency protocols to ensure prompt action in the event of suspected contamination. In the event of large-scale contamination, drainage system gates are closed while the contaminated water body is sent to the emergency pool for treatment.

The major applicable laws and regulations related to the control of hazardous waste include, but are not limited to, the PRC Law on Prevention and Control of Environmental Pollution from Solid Wastes, Environmental Protection Acts of Australia, Environmental Protection and Management (Hazardous Substances) Regulations of Singapore, and Environmental Quality (Scheduled Wastes) Regulations in Malaysia. To embody sustainable development principles, the Group aims to explore opportunities to replace raw materials, equipment and production techniques that are highly hazardous to the environment with less hazardous alternatives. We segregate the hazardous waste to ensure those recyclables are recycled, such as toner cartridges that are returned to suppliers for recycling.

During the year under review, the Group generated a total of 175.4 tonnes of hazardous waste, resulting in a hazardous waste intensity of 0.13 tonnes per HKD million revenues generated.

Hazardous waste generated in 2020

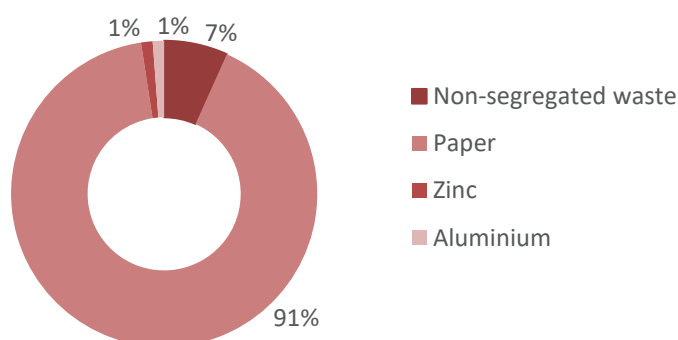


Hazardous waste	Unit	2020	2019	YOY change
Chemical water	tonne	63.8	99.3	(36%)
Developer solution	tonne	4.4	4.2	5%
Volatile organic solution	tonne	-	14.4	(100%)
Ink tank and waste	tonne	67.9	109.5	(38%)
Waste cloth and rag	tonne	39.3	45.6	(14%)
Total hazardous waste generated	tonne	175.4	273.0	(36%)
Hazardous waste intensity	tonne per HKD million revenue	0.13	0.17	(24%)

Non-hazardous waste management

The typical non-hazardous waste generated by the Group's facilities includes paper, aluminium, cardboard and domestic waste. Waste disposed at landfills is carried out by qualified contractors. As waste reduction more often incurs less environmental impacts compared to waste recycling, the Group strives to place greater emphasis on the reduction of waste generated than waste reusing and recycling.

Non-hazardous waste generated in 2020



The major applicable laws and regulations related to the control of non-hazardous waste include, but are not limited to, the PRC Law on Prevention and Control of Environmental Pollution from Solid Wastes, Environmental Protection Acts of Australia, and Solid Waste and Public Cleansing Management (Licensing) Regulation of Malaysia. Seeking to contribute to the closed-loop economy, we employ the following measures and initiatives to reduce the generation of non-hazardous waste, and to raise recycling rates.

- The Group organises and maintains waste separation systems and recycling bins for collecting materials such as waste paper, metal and plastic. To facilitate proper waste segregation, we provide trainings to employees on sorting methods and set up smart printing modes to the staff as well.
- The Group monitors and evaluates the usage of material to avoid overstock, as well as strengthens production inspection throughout production processes to reduce and avoid rework. Regarding any construction wastes, the contracted parties are clearly specified in the infrastructure contracts or the contract attachments, including waste storage sites, site management, and clearance requirements etc.

- In Australia, we offer various environmentally-friendly options as part of our efforts to integrate sustainability principles into our downstream activities. In addition to paperless billing options, we provide web-printing and digital printing services to further reduce paper wastages. Moreover, the Group provides a wide range of recycled and non-recycled content papers to the customers for selection. We also work closely with recycling companies to maximise recycling rates, such as reel cores and plastic strapping etc.

During the year under review, the Group generated a total of 12,076.2 tonnes of non-hazardous waste, resulting in a non-hazardous waste intensity of 8.79 tonnes per HKD million revenues generated. We collected 10,050.5 tonnes of paper for recycling. Metal waste from production processes included zinc, aluminium and iron, and as much as 146.4 and 143.2 tonnes of zinc and aluminium were recycled respectively.

Non-hazardous waste	Unit	2020	2019	YOY change
Landfill/incineration	tonne	1,638.9	1,894.3	(13%)
Recycled	tonne	10,437.3	11,549.2	(10%)
Total non-hazardous waste generated	tonne	12,076.2	13,443.5	(10%)
Non-hazardous waste intensity	tonne per HKD million revenue	8.79	8.37	5%

Aspect A2: Use of Resources

The Group is committed to continually monitoring and improving the efficiency of resources as an integral part of business strategy and operating methods, as well as complying with relevant government policies and environmental legislations. During the year, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to the use of energy and water resources at all operating regions. Major applicable laws and regulations are detailed in respective sections.

Energy

The Group's energy profile consists of the use of electricity, natural gas, LPG, petrol and diesel for facility operations. Electricity use fuels the majority of our operations, accounted for 92% of total energy consumption in 2020. We conduct periodic internal audits of our fuel and electricity consumption. Benchmarking against historical data, the internal audits help determine avoidable energy usage and highlight avenues for more efficient fixtures, equipment and devices. The management also liaises with energy suppliers and networks to respond to prevailing trends and techniques in the energy landscape. During the year under review, the Group consumed 8,510.1 GJ and 94,670.6 GJ of direct and indirect energy respectively, resulting a total energy intensity of 75.1 GJ per HKD million revenues generated.

Energy consumption	Unit	2020	2019	YOY change
Direct	GJ	8,510.1	8,266.8	3%
Natural gas	GJ	5,334.4	5,037.2	6%
Petrol (gasoline)	GJ	767.3	1,299.2	(41%)
Diesel	GJ	1,223.5	611.9	100%
LPG	GJ	1,184.9	1,318.5	(10%)
Indirect	GJ	94,670.6	98,583.1	(4%)
Electricity purchased	GJ	94,670.6	98,583.1	(4%)
Total (Direct and Indirect)	GJ	103,180.7	106,849.9	(3%)
Energy intensity	GJ per HKD million revenue	75.1	66.5	13%

The major applicable laws and regulations related to energy use include, but are not limited to, the PRC Law on Energy Conservation. The Group is committed to minimising fuel and electricity consumption through the following initiatives.

- 1010 Printing's clean production management working group formulates the departmental energy consumption quota that assists departments to plan energy-saving initiatives in advance. Monthly reporting is reported to the company's upper hierarchy.
- In the PRC facility, we invested in a centralised vacuum air supply system and replaced 33 old vacuum pumps. In addition to cutting high maintenance costs, the new system is estimated to save approximately 5,100,000 kWh of power yearly - equivalent to savings of RMB 294,000 per year.
- We have installed energy-efficient LED lighting and cooling systems in production areas. We have replaced computer equipment, servers, and monitors with energy-efficient models, and minimised energy usage through the utilisation of power-saving modes.
- We deploy as much natural light as possible, and operate the lighting system through different zones to minimise unnecessary lighting use.

Water resources

Production processes such as plate-washing and general amenities make use of water. The facilities of the Group withdraw water mainly from municipal water supplies, while surface water and groundwater is used in Australia. We have not encountered any issues in sourcing water that is fit for purpose. However, water resources should not be taken for granted and should be conserved to ensure a sustainable future. As the world's driest inhabited continent, Australia takes water conservation seriously. Our Australian facility sites are united in mitigation against the drier climate trends. All water usage is monitored and reported in yearly reports across our facilities. By benchmarking water usage with historical data and highlighting water-intensive activities, the quantity of water used can be reduced.

The major applicable laws and regulations related to water use include, but are not limited to, the Water Law of PRC and Environmental Protection Acts of Australia. The Group practices the following initiatives to curtail our water consumption.

- In the PRC facility, the plate developer filtration system generates output water that is re-used. Burden on external water sources is also alleviated through the facility's fountain solution filter system that extends the lifespan of the process solutions.

- As part of our general maintenance programme, we check pipes and taps for leakages and damages on a regular basis, and ensure any leakages and damages to be repaired promptly. We monitor water readings at regular intervals when no water is being used to prevent any hidden water leakages.
- We ensure that service infrastructures are established and maintained to discourage the use of potable waters for non-essential purposes, such as a clear indication of the water nature of piped water services throughout the facility sites.
- We make extensive use of water recycling opportunities, such as capturing the first flush waters for less sensitive uses. At one location, we have installed rainwater catchment tanks and reuse greywater for cleaning and irrigation.
- We give priority to water saving products, such as the adoption of low or dual flush toilets and low-flow faucets or water outlets. This is carried out in tandem to the promotion of water saving habits throughout the premises.

During the year under review, the Group consumed a total of 132,613.3 cubic metres of water, resulting in a water intensity of 96.6 cubic metres per HKD million revenues generated.

Water consumption	Unit	2020	2019	YOY change
Total water consumption	cubic metre	132,613.3	132,051.5	-
Water consumption intensity	cubic metre per HKD million revenue	96.6	82.2	18%

Packaging material

Finished products at the Group use standard packaging materials such as carton boxes and wrapping film. The Group is in the early design phase of considering more sustainable approaches to product packaging, while adhering to the needs of the customers. During the year under review, a total of 3,051.6 tonnes of packaging materials were consumed for finished products, resulting in an intensity of 2.2 tonnes per HKD million revenues generated. In the PRC facility, we establish monthly target quotas for major types of packaging materials to further reduce the consumption.

Packaging consumption	Unit	2020	2019	YOY change
Total packaging consumption	tonne	3,051.6	3,254.9	(6%)
Packaging consumption intensity	tonne per HKD million revenue	2.2	2.0	10%

Aspect A3: The Environment and Natural Resources

The Group strives to build an eco-conscious culture that ingrains positive lifestyles and habits among employees. For corporate social activities and other events, low-carbon dietary choices and products from social enterprises are prioritised. Waste reduction plans are rolled out for large-scale events. In Australia, the new staff induction trainings at some of our locations include an eco-awareness component. As staff become more aware, small contributions are made to saving the environment, and pave the way for future sustainability endeavours of the Group. With the integration of policies maintained in the sections of “Emissions” and “Use of Resources” above, the Group strives to minimise our impacts to the environment and natural resources. We ensure our operation by-products do not degrade the atmosphere, and the surrounding water and land bodies. We mitigate against climate change impacts through the energy and water conservation efforts.

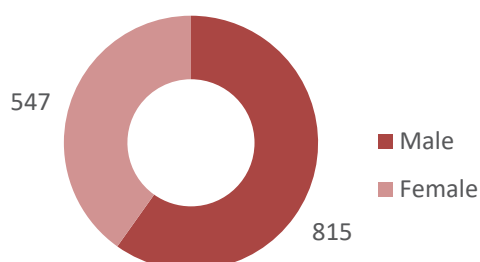
V. SOCIAL RESPONSIBILITY

The Group ingrains social responsibility into all aspects of its operations. We seek to address the needs and views of our staff by maintaining honest and authentic dialogue. We commit to offering a fair and safe workplace with staff development opportunities. Furthermore, the Group commits to delivering quality products grounded on ethical business conduct and supply chain management, as well as to meaningful engagements with the community.

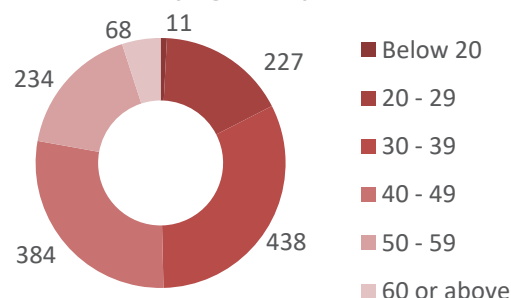
Aspect B1: Employment

As at the end of the year, the Group employed 1,362 employees of which 815 and 547 are male and female staff respectively. Among which, 1,287, 7 and 68 were full-time, part-time staff and temporary, with a balanced distribution across the age range of 20 to 49 years. In terms of the workforce by region, approximately 59% of the Group's employees are located in Mainland China and Hong Kong, with the remaining staff located in Australia, Singapore, Malaysia, UK and USA.

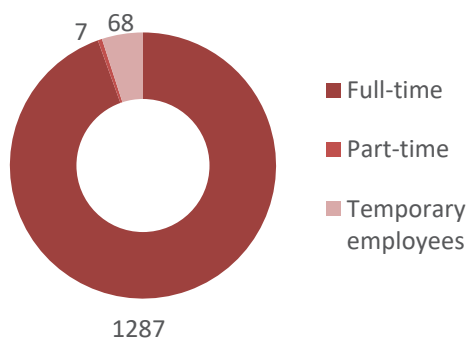
Workforce by Gender in 2020



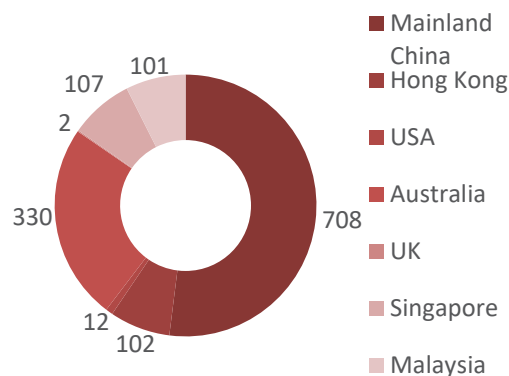
Workforce by Age Group in 2020



Workforce by Employment Type in 2020



Workforce by Region in 2020



Based on the principles of fairness and equality, the Group's human resources policies adhere to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, equal opportunities, diversity and other benefits and welfare. During the year, the Group has not encountered any incidents of non-compliance with all major applicable laws and regulations related to employment at all operating regions. Major applicable laws and regulations include, but are not limited to, the Labour Law of the PRC, National Employment Standards and Fair Work Acts of Australia, Employment Act of Singapore, Employment Act in Malaysia as well as Hong Kong Employment Ordinance.

Remuneration and welfare

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The Group's human resources policies outline the terms and conditions of employment, expectations for employees' conduct and behaviors, and employees' rights and benefits. The remuneration package of employees may include incentive schemes, discretionary bonuses and/or over-time payments, in addition to salaries. Any applicable restrictions on wage deduction are stated transparently in the human resources policies. The promotion and remuneration of the Group's employees are subject to periodic review according to staff performance. Salary structure will be reviewed on a regular basis. Employees also receive fringe and welfare benefits, including retirement benefits, occupational injury insurance and other miscellaneous items, according to the terms specified in the human resources policies of respective subsidiary. In our PRC facility, we offer free-of-charge on-site dormitories for workers.

Recruitment, promotion and dismissal

The human resources department of respective subsidiary conducts a comprehensive recruitment review process based on pre-determined job function requirements. The Group's recruitment and promotion processes are carried out in a fair and open manner for all employees, where they are recognised and rewarded by their contribution, work performance and skills. It is ensured that outcomes will not be affected by any discrimination on the grounds of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation and other factors. In the case of dismissal, we will investigate in the root cause of the dismissal and adhere to the Group's human resources policies. We ensure the entire procedure is compliant with statutory requirements, and will take humanise approach if needed. The Group's human resources policies outline the terms and conditions of employment, expectations for employees' conducts and behaviors, and employees' rights and benefits.

During the year under review, the Group's employee turnover rate was 45.2%. The table below presents the turnover rate by gender, age and geographical region.

Turnover rate	Unit	2020	2019
Group	%	45.2	51.6
By Gender			
Male	%	47.1	53.7
Female	%	42.2	48.3
By Geographical Region			
Mainland China	%	66.8	76.4
UK	%	50.0	0
Singapore	%	25.2	14.1
Australia	%	23.9	20.6
Hong Kong	%	23.5	18.3
Malaysia	%	10.9	-
USA	%	-	-

Anti-discrimination and diversity

We embrace inclusive employment that builds a respectful workplace. The Group is an equal opportunity employer and does not discriminate on the basis of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation. Personnel staff, line managers and all other employees who may be involved in staff recruitment receive trainings in non-discriminatory practices. We promote a harmonious and respectful workplace for all. In Singapore, two employees with hearing impairment are hired as part of our team. With the aim to ensure fair and equal protection for all employees, the Group has zero-tolerance for sexual harassment or other forms of abuse in the workplace in any form, which is a violation of the labour laws.

The Group will assist all staff to integrate into the work environment, such as providing special vest and uniform to identify disabled workers and making reasonable and appropriate adjustments to the work process according to any special needs. Mentorship programmes are arranged to assist them adjusting to the working environment and building rapport with co-workers.

Employee communications

The policies and procedures of the Group included in staff handbooks are reviewed and updated on a regular basis. Staff Handbooks vary among locations and functions of the factories and offices. Staff that are affected by the change of labour related policies will have opportunities to participate in consultation sessions. The Group is open to diversified opinions and has established different channels for communications such as staff opinion survey and staff suggestion scheme. The Group discourages and disallows any behavior that violates the regulations in staff handbooks. Offenders will receive a warning and the Group has the right to terminate the employment contract with offenders for any serious violations. The staff grievance mechanism of the Group provides confidential channels by which staff may report suspected cases of rights infringements, which are then handled according to formal procedures. Other communication channels include annual performance appraisals, leadership meetings, consultative committee meetings, staff suggestion box, as well as toolbox talks.

Work-life balance

We seek to cultivate a culture of healthy work-life balance. According to the working hour management policy, we monitored working hours through the electronic attendance systems. In the case of overtime work due to production demands, employees are informed at least half a day in advance and are never coerced into such arrangements. The Group, subject to the human resources policies of respective subsidiary, assists staff to balance commitments outside of work through a range of leave types, such as maternity, paternity, parental, compassionate, paid community leave, as well as long services leave. Reviews are held in a regular basis to refine and improve work-life balance arrangements. The Group arranged recreational events such as staff leisure activities, company trips and festive celebrations to encourage social bonding in the workplace. A Sports & Recreation Team was formed in Singapore to promote cohesive bonding among employees. In our PRC facility, staff are offered accommodation in on-site dormitories, amenities include gym facilities, billiard rooms and a library.

Aspect B2: Workplace Health and Safety

The Group is committed to creating and maintaining a workplace that minimises safety risk and maximises the health and welfare of our employees. It is of paramount importance to ensure a safe and healthy workplace for our employees. The safety committees have established the safety management systems for various facilities, which are applicable to all employees, contractor workers and visitors to our premises. Each committee meets periodically and ensures the latest updates related to legislation and industry practices are identified and addressed in the safety management systems. The Health and Safety Committee has established the Emergency Safety Plan to handle emergency issues. During the year, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to occupational health and safety at all operating regions. Major applicable laws and regulations include, but are not limited to, the PRC Law on Work Safety, Work Health and Safety Acts of Australia, Workplace Safety and Health Act of Singapore and the Occupational Safety and Machinery Act in Malaysia.

Fire drills conducted in the PRC facility



The Group spares no effort to safeguard the safety of our employees and the workplace. We adopt the best practices through the following safety policies and procedures.

- All safety management system responsibilities and accountabilities are identified and allocated. We conduct safety risk assessments that identify and control work hazards within the prescribed hierarchy of control and residual risk evaluation within the guidelines. We take a prevention-orientation approach where on-site inspections are conducted frequently to rectify any non-conformances before further complications. For example, we conduct weekly inspections to identify any unsafe conditions and actions.

- We implement transparent mechanisms to report hazards, injuries, illnesses and close calls. All accidents will be investigated and reviewed by safety committees. Line managers will then follow up the cases by assigning corrective actions according to the root causes of the incidents. Any non-compliance to safety rules and regulations, negligence of duties and irresponsibilities are subject to investigation.
- We have systematic claims management mechanisms for personnel injured at work. In the unfortunate event of an accident, we place great importance on the healthy rehabilitation process. We assist a smooth rehabilitation process whereby the well-being and self-esteem of the individual can be promoted.
- We ensure that persons performing tasks are competent and training attendance records are well documented. All new employees undergo general safety orientation. Sign-in procedures are implemented for contractors and visitors to ensure their safety. All subcontracted works, such as construction work, are to be performed with equally stringent safety standards. Prior to work commencement, we request the safety risk assessment reports and monitor at regular intervals. All related staff is required to join training on the proper use of tools. Constant contacts with supervisor will keep staff informed on the updated safety inspections, injury, illness, statistics and other safety-related issues.

Training sessions at the PRC factory



- The holistic well-being of our staff is cared for through the provision of stress management counselling services and health seminars at several locations. The Group sponsored voluntary health screening to managerial grade staff.
- In the PRC, the Occupational Health and Safety Management System is certificated to the requirements of OHSAS 18001:2007, and it is subject to yearly internal audit. Moreover, management designates a safe production fund that commits to safety system enhancement. In Singapore, we made multiple efforts to improve working environments for workers, such as building sheltered corridors and areas around the premises.

The health of employees is our utmost priority during the outbreak of COVID-19. We adopted special work managements such as work-from-home policies and flexible working hours, so that our staff can act against pandemic under flexible commuting plans. Furthermore, we stopped employees' travel plans to reduce the chances of transmission.

During work hours, we provide protective and disinfection products such as face masks, face shields, alcohol-based hand sanitisers, hand soaps and gloves at the workplace, and require employees to wear masks at all times at the workplace. Apart from that, we require employees to check body temperature before reporting for duty and after lunch every day. We practice safe distancing to avoid close contact at work place.

During the year under review, the Group's operations recorded no cases of work-related fatalities and 35 cases of injuries. The total lost days due to work injury amounted to 1,372 days. A total of 2,978 hours of safety-related trainings were recorded which alerted staff to the latest regulatory updates as well as safe operational procedures.

Workplace safety	Unit	2020	2019	YOY change
Number of work-related fatalities	Cases	0	0	-
Lost days due to work injury	Day	1,372	787	74%
Number of work-related injuries	Cases	35	40	(13%)

Aspect B3: Development and Training

People are our greatest assets. We develop the most suitable macro-level development plan according to the Group's corporate strategies. At respective subsidiaries, the Group develops yearly training plans that comply with relevant statutory requirements and cater to the needs of our staff. During annual appraisal sessions, the in-depth consultations can identify the micro-level training needs. The Group has also provided internal and external training programmes such as induction training, on-the-job training, mentoring schemes, and cross-departmental training. To further promote continuous development, staff are entitled to educational leaves for attending external programmes, such as external public trainings, lectures and seminars. The Group provides tuition reimbursements to eligible staff for engaging in programmes that enrich job knowledge. During the year, the Group has not encountered any incidents of non-compliance with statutory requirements related to staff training and development at all operating regions.

The Group dedicates significant resources to attract and retain talented employees, and to ensure that staff grows in competence and skill sets alongside the business. Initiatives included but were not limited to the following:

- To ensure the effective implementation of the yearly training plan, 1010 Printing requires each training activity to prepare a Training Implementation Plan. Prior to the training, training goals and nature are identified, and teaching materials are prepared subsequently. Session evaluations are carried out by collecting feedback from both trainees and trainers.
- External safety officers are invited to conduct safety training sessions in order for our staff to receive the most updated information. Related staff will also join specific training sessions as well.
- During the year, the Group recorded approximately 4,348 training hours, of which 1,370 hours were non-safety related. Various apprenticeships and vocational programmes through local institutions provide professional certificates to the staff for continuous development.
- We encourage knowledge sharing among employees by arranging sharing sessions among staff, circulating training materials and industrial news, as well as providing a communal platform to share reference books and articles.

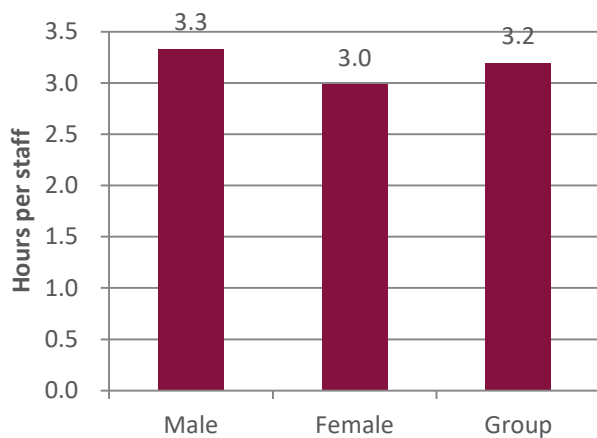
Training session conducted in the PRC



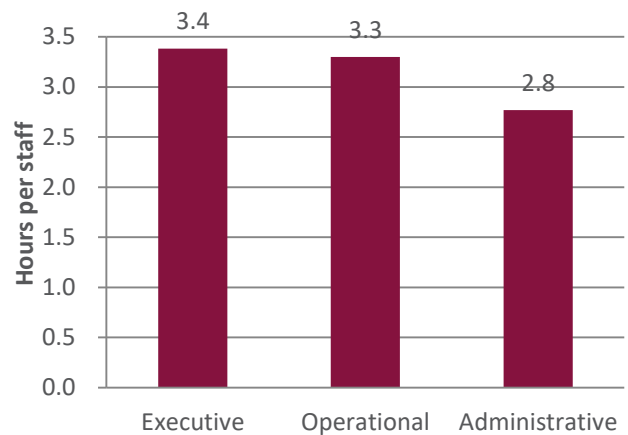
During the year under review, a total number of 1,082 staff participants have received training, of which 655 and 427 were male and female respectively. In terms of employee category, the total numbers of participants in executive, operational and administrative were 18, 852 and 212 respectively.

During the year under review, the Group has provided a total of approximately 4,348 training hours with an average of 3.2 hours per staff. In terms of gender category, the average training hours amounted to 3.3 and 3.0 hours per male and female staff respectively. An average of 3.4, 3.3 and 2.8 training hours per staff were received by executive, operational and administrative staff respectively.

Average Training Hours by Gender in 2020



Average Training Hours by Function in 2020



Aspect B4: Labour Standards

The Group has established and implemented anti-child and anti-forced labour policies that meet the highest legal and ethical standards. We do not engage in or condone the unlawful employment or exploitation of children in the workplace or the use of forced labour. Staff handbooks contain clear policies relating to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, diversity and other benefits and welfares. The Group recorded arrival time and leaving time of the employees. Different kinds of allowances are given to the employees regarding the family status of the employees to support work-life balance. Employment contracts stipulate terms and conditions in adherence to statutory regulations, and are available in multiple languages if necessary. The Group also protects the rights and freedoms of every individual as no worker is asked to surrender identification documents nor lodge fees or deposits as a condition of employment. Cases of child labour in our businesses are averted by conducting age verification of all job applicants. The Group requires employees to be professional at all times. Any employees that are suspected to a breach of the policy should submit reports through grievance mechanisms of respective subsidiaries and all protocol implementation is reinforced through periodic audits.

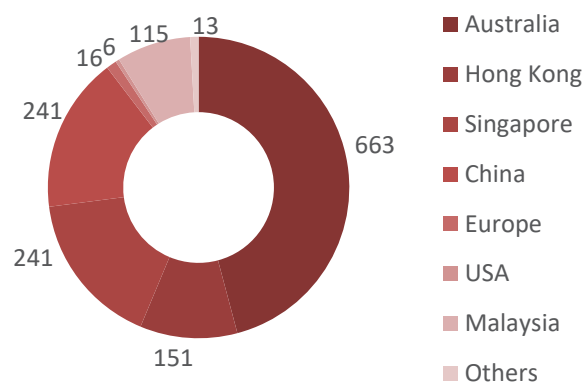
C.O.S. operations have established a Human Rights Policy Statement that embodies the principles contained in the Universal Rights covering UNGC (United Nations Global Compact) and ILO (International Labour Organisation) Core Conventions on Labour Standards. The Group supports the freedom of association and the right to express views. Trade union representatives are not discriminated against and have access to carry out their representative functions in the workplace. Seeking to avoid complicity in human rights abuses, C.O.S. selects and evaluates suppliers and contractors, taking into consideration of respective human rights policies, and to monitor their performance where appropriate. Any contract labours that are provided by the agencies will be carefully monitored, particularly across borders.

During the year under review, the Group has not encountered any incidents of non-compliance with applicable laws and regulations related to anti-child and anti-forced labour practices at all operating regions. Major laws and regulations applicable include, but are not limited to, the Labour Law of the PRC, as well as employment and modern slavery legislation of Australia and Singapore, and Malaysia Act 350- Children and Young Person (Employment) Act 1966.

Aspect B5: Supply Chain Management

Leveraging on our status as a major industry player, we recognise the multiplied impacts through engaging our suppliers. The Group is committed to developing and maintaining effective and mutually beneficial working relationships with our business partners. During the year, we have partnered with a total of 1,446 suppliers and subcontractors which are mainly from Australia, Malaysia, Hong Kong, Mainland China and Singapore.

Number of Suppliers by Region in 2020



All subsidiaries require suppliers to comply with all local and national laws, which are laid out in the supplier code of conduct. They must ensure all operations are environmentally-responsible, uphold human rights and business ethics. Suppliers and subcontractors are required to submit statements declaring conformity to the respective code of conduct. Their supply chains are assessed by the self-assessment questionnaires and/or internal audits. In Papercraft, both new and existing suppliers are required to fill out the New/Existing External Provider Evaluation Form to ensure the compliance with local laws and requirements. To promote accountability, confidential communication channels are provided in some supplier premises to report actual or suspected breaches of the code of conduct.

In Australia, the subsidiary conducts periodic spend analysis across different procurement categories to classify critical and non-critical suppliers based on volume and substitutability. As part of the ongoing supplier risk assessment, we carry out periodic re-evaluation on high-risk suppliers with regard to their product/service quality and performance, environmental, quality management, and other factors.

In addition to engaging suppliers, sustainable procurement is another avenue to mitigate the impacts of supply chain activities. We collaborate with key suppliers in support of environmentally-responsible procurement of goods and services. During the year, we allocated spending to the following sustainable products and services.

- C.O.S is certified by Forest Stewardship Council (FSC), which uses paper products that are managed and produced in a sustainable approach, coating free paper products and inks with low volatile organic compounds (VOCs). Papercraft has applied for FSC certification, and was audited by dnvGL Auditor on 11 November 2020.
- Our electrical and electronic products in offices have energy savings functions. Suppliers provide recycling services and replaceable compounds such as plastic products of our machines. We comply with regulations such as Restriction of Hazardous Substances Directive of the European Union.
- In Papercraft, staff are asked to minimise energy use, for example, turning on sleeping mode if PCs are not in use and switching off lighting during lunch break. Also, paper should be limited to minimal use, such as prioritising e-filing and print paper in 2 sides.
- We prioritise the procurement of office equipment with energy-saving features, replaceable parts as well as the supplier-provided recycling schemes of components and accessories.

2020 was a challenging year to our Group because of the COVID-19 pandemic. The Group maintains good communication and coordination with our customers to ensure short-term demand-supply synchronization. We adopted digitised methods to avoid any unnecessary face-to-face communications. Also, we have suspended public activities and events, as well as any site visits. We conducted more frequent cleansing and disinfection measures, and conducted maintenance of air ventilation systems at our offices and manufacturing sites. Furthermore, we checked temperature of customers when they enter our offices and manufacturing sites, and required them to put on face masks. We provided protective and disinfection products such as alcohol-based hand sanitisers to customers at our offices.

Aspect B6: Product and Service Responsibility

Product quality and safety, and customer satisfaction

Displaying ability, professionalism and reliability in everything we do, we offer products and services with added value. We strive our best to understand the current and future customer needs and complete our jobs professionally. The printing production process consists of five main stages which include: consultation; pre-press (digital manipulation, colour management, proofing, plates production); printing, post-press; and finally quality check, packaging and delivery, warehousing and direct mailing. The process principally involves, but is not limited to, printing and printing materials, machine ink and parts, publishing and allied industries, folding collating and binding, printing machinery, printed stock and warehousing, print and image management service provider, call centre services, design and prepress, digital sheet printing, digital web printing, lamination and mounting, offset sheet printing, offset web printing, secure print facilities, e-data storage, mailing & distribution, warehousing (dispatch and inventory management), and all associated activities.

The Group offers quality products and services grounded on responsible operating practices. We commit to meeting customer needs through innovation and sound business ethics. We provide printing services to international book publishers, trade, professional and educational conglomerates, print media companies and government departments. The Group's printed products comprise mainly of illustrated leisure and lifestyle books, educational textbooks, learning materials and children's books.

At some major facilities, the Group's Quality Management System (QMS) is certified under the requirements of the ISO 9001:2015 standards. During the year, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services, and methods of redress.

Major applicable laws and regulations include, but are not limited to, the Product Quality Act of PRC, as well as Trade Practices Act and Fair Trading Regulations of Australia.

With a customer-focused and evidence-based approach, the Group strives for continual improvement of product quality. The Group's QMS is implemented through the following processes.

- Quality assurance is performed to examine the product's quality against required parameters at each stage of the production process. Input raw materials are tested against technical-specifications of the customers, while colour reproductions are delivered to the customer's requirements. Finished products undergo inspections prior to packaging and delivery to clients.
- We conduct due diligence in ensuring procured goods or materials are safe and non-toxic, such as requesting accreditation from suppliers as required. At major facilities, product risk assessments concerning health and safety are carried out, as well as internal audit programmes.
- We develop key performance indicators regarding our quality performance, which assists in understanding the needs of our customer's requirements. We also ensure claims for products and services offered are met.
- We conduct periodic customer satisfaction analysis, in the form of surveys and/or monthly monitoring at the majority of our subsidiary operations. For example, surveys disseminated in the PRC yielded a response rate of 50% from 100 customers, and helped us to determine the areas we can strengthen in the following year.
- We build a customer service team that handles customer complaints and formal complaint mechanisms handled all cases in a fair and systematic manner. During the year under review, there were no products subject to recalls for safety and health reasons. Furthermore, the customer service team dealt with all the complaints.
- We conducted periodic customer satisfaction analysis through surveys.

To ensure stable supply, the Group has updated our inventory policies and liaised with key supply chain partners to ensure effective control of imports and exports in compliance to movement control regulations. We have assessed supplier risks and conducted supply chain mapping. In order to enhance resilience in our supply chain, we continue to search for the most suitable sources of supply.

Ethical operating practices

The Group places great value in conducting all aspects of our businesses with integrity and honest values. From the protection of data privacy and intellectual property to ethical marketing communication, robust management approaches were adopted to ensure even the most trivial aspects will not be overlooked. Compliance audits are planned and conducted at least once a year. During the year, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to the protection of data privacy and intellectual property and to the ethical marketing communication at all operating regions. Major applicable laws and regulations include, but are not limited to, the Criminal and Civil Law of PRC, the Privacy Acts, Trade Marks Acts, Competition and Consumer Acts of Australia and Singapore, and Personal Data Protection Act 2010 in Malaysia.

Information security safeguarding

The Group is committed to protecting the privacy and confidentiality of the collected personal data. The Group has established clear protocols on handling personal data recorded from our customers and employees. We collect data only in a lawful and fair way, for directly related purposes of which the data subject is clearly notified. Adhering to protocol requirements, we ensure the data is accurate and not kept longer than necessary. Personal data inventories are also secured to prevent any unauthorised or accidental access, such as firewalls and physical protection.

The Australian subsidiary is engaged in ancillary services through our proprietary cloud-based hosting services platform, IPALM™. Customers are offered a wide spectrum of electronic services to enhance their customer and/or supply chain management. The Group has established the privacy policy on handling personal data recorded from our customers, staff, as well as end-users of our online services. We make extensive use of technology platforms such as the web server logs, Google Analytics, social media features and widgets. Complaint mechanisms are in place for individuals to submit any cases of privacy breaches. The Group secures the personal information from unauthorised access, use or disclosure. All personal information transmitted to the websites is also protected through the use of encryption, such as the Secure Socket Layer (SSL) protocol. Recognising the materiality of security risks, the Group evaluates security risks related to the use of information technology. Security risk assessments are carried out at least once every two years, and prior to any major enhancements and changes associated with the systems or applications. Technical compliance tests on information and operating systems against security standards are also conducted at least once a year as well.

Intellectual property rights protection

Business end-user piracy is applicable to all businesses no matter what industry or sector. We maintain a clear registry on the use of legitimate software, as well as copyright and trademark for operation and contractual obligation. Ongoing assessment of the management approach is conducted through top management reviews, as well as periodic audits on the integrity of the registry. Our expectations are communicated clearly to employees and all business partners.

Aspect B7: Anti-corruption

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability. We adopt the lowest level of acceptance for corruption risks to build a culture of zero tolerance to corrupt and anti-competitive practices. Anti-corruption code of conducts at respective subsidiaries stipulate our management approach towards anti-corruption compliance. During the year, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations at all operating regions. Major applicable laws and regulations include, but are not limited to, the Criminal Law of the PRC, Anti-Corruption Acts of Australia and Singapore, and the Malaysian Anti-Corruption Commission (Amendment) Act.

All staff are required to comply the code of conducts at all times, wherever they are located. The Group prohibits the provision or receipt of gifts and/or entertainment that could be considered of material value. Senior management is also provided with clear guidance on what constitutes abuse of office, such as misuse of the company's assets for personal interest. With regard to conflict of interests, the fundamental rule is to avoid any conflict of interest as far as practicable. In the event of an inevitable case, the conflict of interest is required to be declared so that appropriate resolution actions can be taken.

The development of robust internal controls is the key to our management approach. All accounts must accurately reflect and properly describe the transactions and all assets, liabilities, revenues and expenses must be properly recorded in the books. Any offering and acceptance of gifts or advantages are recorded and handled via a transparent mechanism. Each subsidiary has a form of whistle-blowing channel where any suspected cases of misconduct or failure to act will be reported and handled.

The Group promotes a fair and open competition through the code of conducts on combating anti-competitive practices. We prohibit cartels, and any activities of trade associations and industry bodies which prevent, restrict or distort competition. No discussion or agreement is carried out on matters related to pricing, production volume and tender with competitors. The Group recognises that adherence to the principles of competition is essential to the development of long-term relationships with our stakeholders on mutual trust.

The cultivation of a corporate culture of integrity and probity is reliant upon the Group's business ethics training programme on topics such as related legislations and laws, company policies and restrictions, and any types of corruption risks. The Group has ensured that all new and existing staff understand the company's code of conduct and probity requirements such as through induction trainings and yearly refresher sessions. To ensure the continuous enhancement of our anti-corruption internal controls, periodic corruption risk assessments will be conducted through reviewing current practices and procedures.

Aspect B8: Community Investment

The Group is committed to operating as a responsible corporate and to continually supporting the economic and social vitality of local communities through corporate sponsorships and charitable donations. As part of the printing industry and general community, the Group directs the charitable efforts towards youth development as the primary focus. Furthermore, the Group sees high literacy as a foundation for the advancement of society.

During the year, the Group has made donations and sponsorships to a range of activities, valued at a total of approximately HKD129,000. The following is a summary of our noteworthy activities during the year:

- Left Field supported the ASX Refinitiv Charity Foundation in the form of in-kind print sponsorships for events held by local charities and initiatives, which have been valued at approximately HKD77,000.
- Left Field supported the Australian Book Designers Association in the form of in-kind print sponsorships for events held by local charities and initiatives, which has been valued at approximately HKD52,000.