



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 2020

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# Environmental, Social and Governance Report

## ABOUT THE REPORT

### Reporting Introduction

This report is the third Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) published by Pacific Millennium Packaging Group Corporation (the “**Company**”), aiming to disclose the administrative approaches and relevant performance in environmental, social and governance aspects of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**us**” or “**our**”), in order to convey stakeholders with our corporate strategies and practices from the perspective of environment and social responsibility.

### Reporting Guidelines and Principles

This Report is prepared in accordance with the disclosure requirements and recommendations specified in the “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**HKEX**”).

The Group performs its reporting responsibility based on the “comply or explain” disclosure requirements by following the reporting principles of “materiality”, “quantitative”, “balance” and “consistency” and makes presentation and disclosure on a year-on-year basis.

### Reporting Period and Scope

Unless specifically stated, the reporting period of this Report is for the financial year ended 31 December 2020 (the “**Reporting Period**”).

The Group’s entities include two offices and twelve production plants through Mainland China and Hong Kong. Considering that the Hong Kong office and the Shanghai office have no significant impact on the Group’s environmental and social issues in terms of manpower number and revenue contribution, hence the reporting scope only covers the Group’s twelve production plants, located in Suzhou, Tongxiang, Nanjing, Qingdao, Tianjin, Dalian, Shenyang, Wujiang, Changshu, Huizhou, Taicang and Laixi respectively (the “**Reporting Scope**”).

Compared with the last ESG report, the new production plant in Laixi, Shandong is completed and starts to manufacture in November 2020. Meanwhile, the new production plant in Foshan is still under construction and expected to be completed in July 2021. The Group will continue to update its data information and alter its Reporting Scope when appropriate. Nevertheless, we will make sure that our data collections allow for consistent comparison.

### Feedback and Contact

We sincerely appreciate your suggestions, recommendations and feedback on this Report, which can be submitted to us at [contact@pmpgc.com](mailto:contact@pmpgc.com). Your valuable opinions will encourage us to improve the Group’s ESG strategies and performance.

## ABOUT THE GROUP

The Group is a corrugated packaging supplier in the People’s Republic of China (“**PRC**”) with more than 20 years of experience and is principally engaged in the manufacturing and sale of (i) corrugated packaging products including corrugated boxes, pallets, display stands, heavy duty packaging and specialised packaging products; and (ii) corrugated sheet boards, in the PRC. We also provide integrated packaging services to meet the needs of several customers for one-stop-shop packaging solutions.

## Environmental, Social and Governance Report



Our bright and efficient production environment

A total of twelve production plants in northern, north-eastern, eastern and southern regions of the PRC are under the Group's operation. All of them are equipped with corrugated board production lines and mainly produce corrugated sheet boards and corrugated boxes.



Qingdao plant



Suzhou plant



Tongxiang plant



Nanjing plant



Tianjin plant



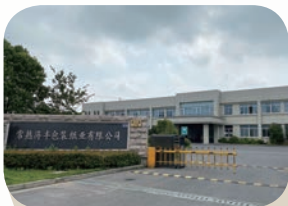
Dalian plant



Shenyang plant



Wujiang plant



Changshu plant



Huizhou plant



Taicang plant



Laixi plant

With our long-term partnership with many well-known brand customers and suppliers, and the Group's 20-years rich knowledge and experience in the corrugated paper packaging industry, we strive to leverage on the advantages of the Group's large-scale operations and emphasize lean management, implementation of strict quality control standards, while continuously enhancing the level of automation and intelligence by upgrading production facilities and purchasing new machinery and equipment, and accelerate the innovative application of information technology in business management.

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

## Environmental, Social and Governance Report

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### CHAIRMAN'S STATEMENT

Dear stakeholders,

The Reporting Period was a very challenging year for us and also the paper packaging industry due to the outbreak of coronavirus disease (COVID-19) (the “**Pandemic**”) and the global recession. Benefit from the rapid development of e-commerce, and the growth in domestic demand on food and beverages and basic necessities in the Mainland China, our net profit increased by approximately 2.9% for the Reporting Period as compared with the corresponding period of last year. The adherence to the strategies of ESG and sustainable development by all employees and management staff of the Group during the Reporting Period had also played an important role in achieving this operational result. As the world's largest emitter of carbon dioxide, China strives to reach the peak of carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060, demonstrating its determination to tackle climate change. As a responsible paper packaging product manufacturer rooted in Mainland China, the Group has been seeking practical measures to manage greenhouse gas (“**GHG**”) emissions and implementing carbon emissions review and neutrality certification for twelve years, which appropriately responded to these two goals of the country.

To meet the concept of green development of the Group and in respond to the GHG emissions goals of China, we will continue to adhere to the path of low carbon emissions and sustainable development.

In our view, addressing climate change is not only a critical social responsibility, but also a prioritized strategy. The Group wishes to develop an effective and systematic plan to manage GHG emissions based on the expectations for products from our customers, the plan of our business development, the features of our GHG emissions and the possibilities in technology. Moreover, environmental protection and compliance are the blood and gene of the Group, which permeates every corner of our production and operation. We have integrated the concept of green operation and low carbon into every aspects of business development, resulting in full compliance with the relevant laws and regulations.

During the intense fight on the Pandemic in early 2020, the Group fulfilled its social responsibility by urgently producing packaging products for medical equipments and delivering the same to the affected areas while the safety of the working employees were also assured.

When the Pandemic subsides, we will be able to resume our work and production in a quick and comprehensive way mainly due to the Group's lean management methods and the unremitting effort of all employees. For instance, frequent on-line learnings or trainings, active mental care for employees, etc, are offered to them.

We always uphold an optimistic outlook for our business, the Group will continue to fully integrate national policies and industry trends and cooperate with partners, with a view to achieving better economic returns for all of our stakeholders.

I would like to take this opportunity to sincerely show my great appreciation towards the Group's stakeholders for their continuing support to the sustainable development of the Group.

Sincerely yours,

**Mr. CHENG Hsien-Chun**

*Chairman*

23 July 2021

## Environmental, Social and Governance Report

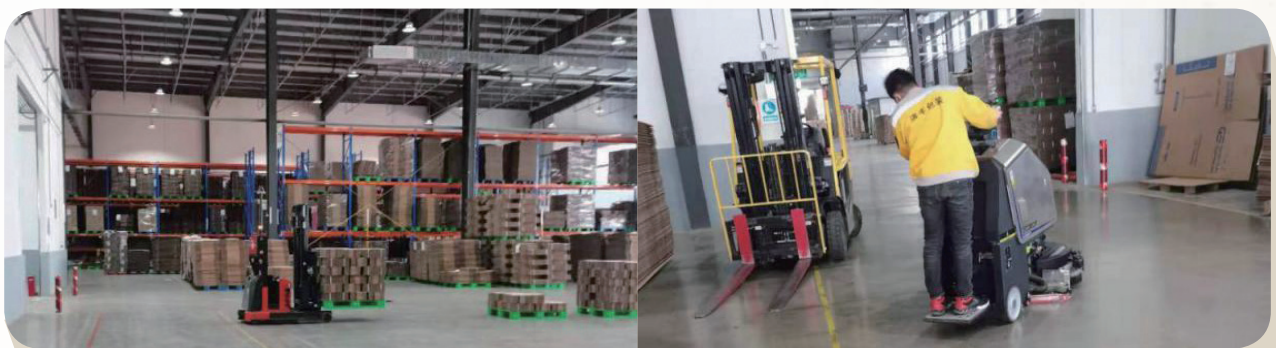
### OUR SUSTAINABILITY STRATEGIES

The Group considers sustainability as a direction for its long-term stable development and is committed to improving the sustainability of production and reducing its impacts on the ecological environment.

As a responsible corporate citizen, the Group has always maintained a responsible attitude towards environment and society and engaged in vigorously promoting the development of sustainability. Our ESG strategy is to incorporate sustainability initiatives into the operations and management of our production plants. We have insisted on procuring the Forest Stewardship Council (“**FSC**”)—certified raw papers as major raw material whenever possible which facilitate management and protection of forest resources. The Group is also the advocator and practitioner of the concept of “green economy”. We put green conception into practice to create a green production environment. As the first enterprise in China’s packaging industry to voluntarily realize “carbon neutral” through production activities, our packaging products reflect the true meaning of “green packaging”.

The Group attaches strategic importance to the development of sustainability. We have established and authorized the environment committee of the board of directors of the Company (the “**Environment Committee**”) in charge and the environment, health and safety (“**EHS**”) team as executing component to manage the Group’s environmental issues. In accordance with the Corporate Governance Code set out in Appendix 14 to the Listing Rules, the board of directors of the Company is responsible for assessing and identifying the Group’s risks associated with ESG and ensuring that appropriate ESG risk management are in place. The Environment Committee is in charge of reviewing and supervising on the policies and measures pertaining to material environmental issues and ensure that our production plants comply with applicable laws and regulations. All plants cooperate with the EHS team with mutual assistance and report relevant environmental, health and safety issues to it regularly, and jointly promote the sustainable development of the Group on a constant basis.

The Group is also committed to enhancing level of automation of plant machinery and equipment and accelerating the innovative application of high-tech in corporate governance. Based on the use of conventional automation equipment, Shandong production plant also increased the application of intelligent cleaning equipment and unmanned forklift. These practices can not only reduce the work intensity of employees, but also improve the production efficiency and reduce the comprehensive emission cost.



Unmanned forklift and intelligent cleaning equipment used in new plant

To bring sustainability vision into reality, the Group sets environmental objectives and measures that cover all areas of our production plants and continuously explores opportunities and gradually take actions to move towards sustainable development. We have established a comprehensive management system of Quality, Environment, Occupational Safety and Health in compliance with all applicable laws and regulations. After years of establishment and practice, these management systems used to implement the ESG strategy have been proven to be effective. The environmental impact of our operations has been significantly mitigated under the certified management systems.

## Environmental, Social and Governance Report



## STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

### Stakeholders Engagement

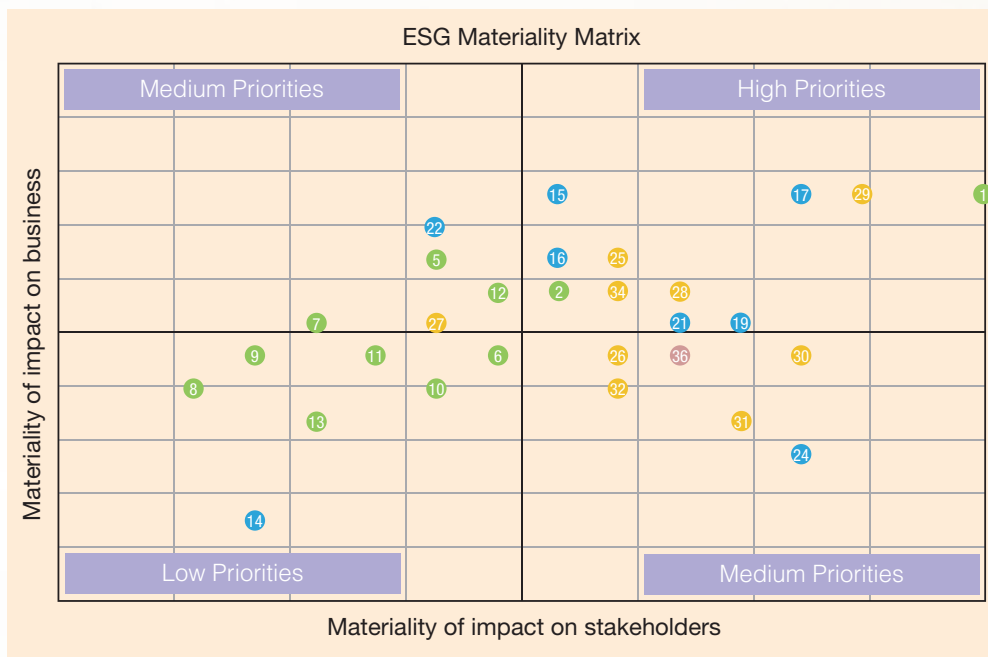
The Group values its stakeholders' opinions and feedback regarding its ESG material issues and is committed to engaging with its key stakeholders including internal stakeholders like shareholders or employees and external stakeholders like customers and suppliers. The Group endeavors to create greater value for its stakeholders. To better understand their concerns and expectations on our sustainability performance, the Group proactively maintained regular engagement with its key stakeholders through diverse communication channels. To cater the needs of different stakeholders, the Group has developed a range of communication channels. The major communication channels for each group of stakeholders are listed as follows:

Stakeholders	Communication channels	Expectations
Investor & Shareholder	<ul style="list-style-type: none"> <li>Annual general meeting and notices</li> <li>Annual and interim reports, ESG report, financial statements and announcements</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable profitability</li> <li>Shareholder return</li> <li>Business compliance</li> <li>Corporate governance</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Internal meetings</li> <li>Orientation courses</li> <li>Training workshops</li> <li>Performance appraisal</li> <li>Employee gatherings</li> <li>Labor contract</li> <li>Opinion box and email</li> </ul>	<ul style="list-style-type: none"> <li>Career development</li> <li>Equal opportunity</li> <li>Occupational health and safety</li> <li>Employee benefits and welfare</li> <li>Effective communication</li> <li>Labour rights</li> <li>Employee training</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>Email &amp; phone contact</li> <li>Regular visit &amp; interaction</li> <li>Seminars and conferences</li> <li>Supplier evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable relationship</li> <li>Fair and open procurement</li> <li>Environmental protection</li> <li>Supply chain management</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Email &amp; phone contact</li> <li>Customer satisfaction survey</li> <li>Annual and interim reports</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Product safety and health service</li> <li>Quality of product and service</li> <li>Protection of privacy and data</li> </ul>

# Environmental, Social and Governance Report

## Materiality Assessment

Identifying and prioritizing material sustainability issues is essential to effectively manage our environmental impacts and social responsibilities. In order to determine and assess the significant ESG issues of stakeholders and include them in the summary of our sustainability strategies and targets, the Group have conducted materiality assessment surveys through a designed online questionnaire, consisting of 36 rating questions, covering areas on environment, employment practices, community, etc. The Group received responses from the total number of 52 respondents. Based on the results and regular real-time communication with stakeholders, the ESG issues are prioritized and shown in the materiality matrix. The following issues are considered material with regard to our stakeholder addressed in detail throughout the Report.



### High Priority

### Medium Priority

### Low Priority

- 1 Environmental compliance
- 2 Air emission
- 15 Equal opportunity
- 16 Anti-discrimination
- 17 Employee benefits and welfare
- 18 Occupational health and safety\*\*\*
- 19 Employment relationships
- 20 Labour rights\*\*\*\*
- 21 Employee training
- 23 Effective communication\*\*\*\*
- 25 Supply chain management
- 28 Product safety and health service\*\*\*\*
- 29 Quality of product and service\*\*\*
- 33 Customer privacy and data protection\*\*\*\*\*
- 34 Anti-fraud and anti-corruption\*\*\*\*\*

- 5 Mitigation measure of air & greenhouse gas emission
- 7 Efficient use of raw material
- 12 Carbon neutral enterprises
- 22 Employee development
- 24 Effective communication
- 26 Fair competition
- 27 Transparent procurement
- 30 Customer satisfaction
- 31 Customer complaint procedure and handling
- 32 Intellectual property
- 36 Environment and natural resources protection

- 3 Greenhouse gas emission\*
- 4 Climate change\*\*
- 6 Waste management
- 8 Use of water
- 9 Water conservation
- 10 Energy efficiency
- 11 Use of renewable energy\*
- 13 Energy & water saving and emission reduction target setting
- 14 Employment diversity\*\*
- 35 Community investment\*\*\*\*\*

\*: The score of the topic No. 3 is same as No. 11  
 \*\*: The score of the topic No. 4 is same as No. 14  
 \*\*\*: The score of the topic No. 18 is same as No. 29  
 \*\*\*\*: The score of the topic No. 20 & No. 23 is same as No. 28  
 \*\*\*\*\*: The score of the topic No. 33 is same as No. 34  
 \*\*\*\*\*: The topic 35 is not presented in the above Matrix since its scores given on materiality of impact on business and stakeholders is both the lowest ones to avoid weakening the display effects of other topics














## Environmental, Social and Governance Report

### PROTECTING THE ENVIRONMENT




Environmental protection is the blood and gene of the Group, which permeates every corner of our production and operation. We have integrated the concept of green operation and low carbon into every aspect of business development. Since establishment, the Group has been considering that the compliance with local environmental regulations and rules is one of necessities for its high-quality development. The Group has continuously practiced the green development concept for 12 years and is striving to operate its business with the lowest environmental impact. In 2020, the Group carried out environmental risk investigation and hidden danger treatment, and deployed comprehensive measures for environmental protection, in order to reduce potential environmental risks and negative effects on the surrounding environment.

As a supplier of corrugated packaging products, which purchased and utilized raw papers as its major raw materials, the Group promotes the concept of sustainability in the procurement phase. Our factories have adopted the FSC certified raw papers as requested by clients which further facilitated sustainable development and forest resources management.

#### Our sustainable strategies for environmental protection:

-  Comply with all applicable environmental laws and regulations
-  If applicable, establish and comply with standard of our own, which are beyond legal mandates
-  Adopt programs to increase efficiency of energy use
-  Implement measures to reduce resource consumption and various emissions
-  Procure the FSC certified raw materials to minimize the damages to the natural resources
-  Set environmental goal, supervise process of realization, and review the results to ensure environmental compliance
-  Cooperate with qualified third-party agencies to carry out environmental monitoring and reporting regularly
-  Continuously improve the comprehensive environmental management system
-  Arrange environmental training to improve the awareness and capacity of environment protection among employees
-  Ensure the equipment and machines under a good condition for operation
-  Promote green manufacturing on the basis of national guidance

#### Achievement that we have accomplished during the Reporting Period:














-  100% compliance rate on waste disposal, wastewater discharge, air pollutants emission and noise generation
-  100% hazardous waste treatment
-  Zero chemical leakage

The Group is in strict compliance with the applicable environmental laws and regulations issued by the central and local government of the PRC that have a significant impact on the Group's business, including but not limited to:

-  The Environmental Protection Laws of the People's Republic of China
-  The Environmental Protection Tax Law of the People's Republic of China
-  The Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China
-  The Law on the Prevention and Control of Water Pollution of the People's Republic of China
-  The Law on the Prevention and Control of Solid Waste Pollution of the People's Republic of China
-  The Law on the Prevention and Control of Pollution from Environmental Noise of the People's Republic of China
-  The Law on Conserving Energy of the People's Republic of China
-  The Law on Appraising of Environmental Impacts of the People's Republic of China
-  The Soil Pollution Prevention and Control Law of the People's Republic of China

## Environmental, Social and Governance Report

Apart from complying with local statutory requirements, the Group is committed to enhancing its established environmental and GHG emission management systems that are certified to international standards ISO 14001 and ISO 14064 respectively. The effective management procedure and instruction documents are detailed in management system manual to improve the Group's environmental practices, including but not limited to:

-  Management procedures of compliance duties identification and evaluation
-  Management procedures of environmental factor identification and evaluation
-  Prevention and treatment management procedure of air pollution
-  Prevention and treatment management procedure of water contamination
-  Operation instructions of wastewater treatment
-  Management procedure of energy
-  Management procedure of hazardous waste
-  Rules of solid waste production and treatment
-  Management procedure of facility and working environment
-  Management procedure of solid waste classification
-  Management procedure of greenhouse gas inventory
-  Procedure of emergency preparation and response
-  Control procedure of energy and resources conservation

### Emissions Management

The emissions relevant to the business activities of our production plants are air pollutant emissions, GHG emissions, wastewater and solid waste, of which the required information in the "Environmental, Social and Governance Reporting Guide" is disclosed respectively in the below sections.

#### Air Pollutant Emissions

The air pollutants pertaining to the Group's manufacturing activities at plant sites are nitrogen oxides ("**NO<sub>x</sub>**"), sulphur dioxide ("**SO<sub>2</sub>**"), particulate matters ("**PM**") mainly originate from site industrial boilers and volatile organic compounds ("**VOC**") in the organized and unorganized format from the printing processes. The air pollutants due to vehicles transportation at the plant sites are not reported in this Report since the relevant emissions are insignificant compared to that of production processes. Thus, this Report only disclosed the emissions of air pollutants from the production processes.

For the purpose of emission compliance, the air pollutants of NO<sub>x</sub>, SO<sub>2</sub>, PM and VOC have been treated by the exhaust gas equipment installed on site before emitting to the atmosphere if the air pollutants emitted from the boilers and printing process exceed the standard limits. The waste gases with or without treatment have been tested by the qualified testing entities and the testing results stated in the test reports confirm that the air emissions of the production plants meet the applicable emission standards. The data of air emissions from the production plants have been monitored, recorded, aggregated and presented in the below table.

## Environmental, Social and Governance Report

Type of air pollutant	Emissions in 2020	Emissions in 2019	Unit
NO <sub>x</sub>	10,906.32	10,137.10	kg
Intensity	0.1938	0.1805	kg/10,000m <sup>2</sup> production volume
SO <sub>2</sub>	2,476.60	3,125.60	kg
Intensity	0.0440	0.0557	kg/10,000m <sup>2</sup> production volume
PM	636.08	708.60	kg
Intensity	0.0113	0.0126	kg/10,000m <sup>2</sup> production volume
VOC	1,137.40	1,288.50	kg
Intensity	0.0202	0.0229	kg/10,000m <sup>2</sup> production volume

The Group has been making efforts to implement the efficient measures of mitigating air pollutant emissions and continuing to phase out the fossil fuel-based boilers and use purchased steam instead, which will significantly reduce the air pollutants at plant sites.

### Greenhouse Gas Emissions

The GHG emission produced during the manufacturing activities at plant sites of the Group being accounted and verified by an accredited GHG verification entity has been regarded as a routine on a yearly basis so as to facilitate its sustainable development since 12 years ago. The yearly GHG accounting and verification is performed in accordance with the recognized standardized system procedures of ISO 14064-1: 2018 “Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of GHG emissions and removals”. As verified, the GHGs relevant to the manufacturing packaging materials activities at plant sites are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O which were produced by fossil fuels combusted in the boilers, production and official vehicles, fugitive emission from wastewater treatment system, and using imported power/steam. During the Reporting Period, the total GHG emission of the Group was verified as 47,483.00 tonnes, of which 18,530.00 tonnes fall within the direct emissions from the stationary and mobile combustion sources (Scope 1), and 28,953.00 tonnes fall within the indirect emissions from the purchased electricity and steam consumption (Scope 2).

GHG	Emission scope	Emission source	Emission amount	Unit
CO <sub>2</sub>	1-direct emission	Fossil fuel combusted in stationary boiler, production and business mobile vehicles	18,494.00	tCO <sub>2</sub> e
	2-indirect emission	Consumption of imported power and steam	28,953.00	tCO <sub>2</sub> e
CH <sub>4</sub>	1-direct emission	Fossil fuel combusted in stationary boiler, production and business mobile vehicles, fugitive emissions from wastewater treatment	10.00	tCO <sub>2</sub> e
N <sub>2</sub> O	1-direct emission	Fossil fuel combusted in stationary boiler, production and business mobile vehicles	26.00	tCO <sub>2</sub> e
<b>Total GHG emissions</b>			<b>47,483.00</b>	<b>tCO<sub>2</sub>e</b>

## Environmental, Social and Governance Report

The comparison of annual GHG emissions between year 2019 and 2020 is made and as a result the total GHG emissions rose by 1.07% from year 2019. The total production volume increased by 0.2% from year 2019, seeing an increase of 0.88% in terms of GHG intensity from year 2019 is reasonable, which signified that the practices taken to control GHG emissions by the Group in year 2020 still maintain productive and effective.

Emission scope	Emissions in 2020	Emissions in 2019	Unit	Change
Scope 1	18,530.00	20,743.00	tCO <sub>2</sub> e	-10.67%
Scope 2	28,953.00	26,235.00	tCO <sub>2</sub> e	+10.36%
<b>Total GHG emissions</b>	47,483.00	46,978.00	tCO <sub>2</sub> e	+1.07%
Production volume	562.70	561.60	million m <sup>2</sup>	+0.20%
Intensity	0.84	0.84	tCO <sub>2</sub> e/10,000m <sup>2</sup> production volume	+0.88%

The Group has planned to phase out the fossil fuel based boilers at plant sites and utilize the imported steam instead. When calculating GHG emissions of the Group, the GHG emissions due to consumption of fossil fuel at site belong to the Scope 1 emissions while the GHG emissions from the imported steam are classified as the Scope 2 emissions. During the Reporting Period, our Zhejiang plant purchased the external steam for daily operation to replace the steam produced inside the plant. This change leads to the drop of the Scope 1 emissions and the increase of the Scope 2 emissions, which is considered justifiable as per the ISO 14064-1. From the perspective of technical calculation of GHG emissions, the import of steam result in the increase of 2,106 tonnes emissions for the Zhejiang plant in total and the increase rate is 45.25% compared to its emissions level in year 2019. The main reason for this significant increase is the application of local default emission factor in GHG calculation of the imported steam which has not updated since year 2012. The total emissions and the key indicator of GHG intensity of the Group is actually seen a drop when to exclude this effect of emission factor in year 2020.

### Carbon Neutral

The Group is delighted to see that the goal of year 2060 carbon neutrality is set by China since we have regarded carbon neutrality be of great importance to our sustainable development and has been making our manufacturing plants being carbon neutral by offsetting our carbon emissions by means of purchasing carbon credits over the last 12 years, and we believe, with this long-term meaningful goal, more peers in our industry will join us and take carbon neutral actions. By carrying out carbon neutrality work, the Group is able to master the GHG emission sources and their corresponding emission data, and further to analyze, manage, and avoid transition risks to its operation brought from GHG emissions and climate change. The Group is expected to purchase the corresponding quantities of Chinese Certified Emission Reductions in the second half of 2021 to offset the same amount of GHG emissions generated during the Reporting Period.

Back to year 2009, the Group emitted 10,559 tCO<sub>2</sub>e per 100 million m<sup>2</sup> production volume, while in year 2020, the GHG intensity dropped by nearly 20% to 8,438 tCO<sub>2</sub>e per 100 million m<sup>2</sup> production volume. This striking drop would not be accomplished without the continuous implementation of carbon neutrality programme in the Company.

Indicator	Quantities in 2020	Quantities in 2009	Unit
GHG intensity	8,438	10,559	tCO <sub>2</sub> e/100 million m <sup>2</sup> production volume

## Environmental, Social and Governance Report

### Waste Management

The Group implemented measures of waste prevention, waste classification and disposal, systematic management and also recycle and reuse of waste during the whole manufacturing process. According to relevant standards, the Group divides the waste generated during the production processes into hazardous waste and non-hazardous waste. Due to the business nature of the Group, the hazardous wastes are related to waste sewage sludge, waste oil barrel, waste engine oil, waste activated carbon, waste PVC inner package, etc. while the non-hazardous wastes consist of municipal waste, plastic package of raw materials, waste paper and leftover scraps, etc. The non-hazardous wastes and hazardous wastes were managed and disposed properly under the guidance of our internal regulatory procedure document — Rules of Waste Production and Treatment and were in compliance with relevant rules and regulations.

Type of waste	Quantities in 2020	Quantities in 2019	Quantities in 2018	Unit
Hazardous waste <sup>(1)</sup>	505.80	7,109.06	5,830.54	tonne
Intensity	0.0090	0.1265	0.1233	tonne/10,000m <sup>2</sup> production volume
Non-hazardous waste	39,422.58	30,720.90	23,045.97	tonne
Intensity	0.70	0.5470	0.4872	tonne/10,000m <sup>2</sup> production volume

(1) In 2018 and 2019, the statistical units of hazardous waste in individual production plants are not unified, resulting in a large deviation of the total amount compared with the actual amount. By 2020, we have improved the data collection method to ensure the uniformity of data units, and to obtain more accurate data.

#### Non-hazardous waste management

The non-hazardous wastes are properly treated by the Group in accordance with local rules and regulations. For the leftover scraps and plastic package of raw materials, we recovered and recycled them as much as possible and the residues that could not be reclaimed due to recycling capacity were collected and sold for recycling. For the municipal solid wastes, they were stored in the designated places and then collected and treated by the local sanitation agencies.

#### Hazardous waste management

The Group has hazardous waste storage and control standards in place, to ensure the appropriate measures taken to prevent spillage and leakage of hazardous wastes and the hazardous wastes are therefore stored, transferred and transported securely. All of the hazardous wastes in plant sites are separately stored in different areas by their characteristics and regularly recycled by their manufacturers. Apart from the recycled hazardous wastes, the remaining ones have been outsourced to and disposed by the qualified entities with disposal frequency based on the period of wastes production in an efficiently and cost-effectively way.

### Noise Control

The noise sources of the Group are mainly the boilers, air compressors, printing machines, as well as automatic die cutting machines, box stitching or gluing machines, etc. The Group is committed to minimizing the noise generation caused by production process through the adoption and maintenance of lower noise equipment and reasonable placement of them. The regular check and maintenance was also performed in order to keep the equipment in a normal condition and not to increase noise level. In order to avoid the occurrence of excessive noise level and ensure that full compliance with the Noise Control Ordinance, we request the accredited third-party agencies to conduct the testing of noise level. According to the testing results reports, during the Reporting Period, the level of the noises at plant sites of the Group meet the standards issued by the appropriate authorities.

## Environmental, Social and Governance Report

### Efficiency of Resources Use

The Group is convinced that increase in use efficiency of resources plays an important role in tackling climate change and costs control. To achieve higher efficiency of resources use during the manufacturing process, the Group practically distributed the management duties of various resources to the applicable departments and established proper working procedures of monitoring, recording, reporting, analyzing, and controlling the energy and resources use in the internal management procedure documents.

For the Group, the energy and resources consumed at plant sites include the natural gas/coal, electricity, steam, diesel oil, unleaded petrol, water, packaging materials and office paper and raw paper as main raw materials of production, for which the specific regulatory documents have been introduced and implemented for use conservation. For the purpose of fuel replacement, we strive to utilize centralized heat supply to replace the natural gas-based steam produced at site and install photovoltaic power generation capacity on site for less consumption of imported electricity from grid. The comprehensive recycling utilization measure was also applied to the plants where the non-hazardous wastes were recycled and reused during the process of manufacturing so as to make the resources used more efficiently. We try our best to reduce the waste, and actively promote to recycling and reusing the waste.

### Energy Consumption

The energy consumption of the Group includes the use of electricity for production and operation, diesel for forklift and holding truck, unleaded petrol for vehicles transportation, natural gas/coal for boilers combustion and steam for assembly line.

To produce steam for daily operation, the production plants utilize natural gas in boilers, except for Dalian production plant consuming coal for this purpose. In response to China's environmental protection requirements, Zhejiang plant started to purchase the centralized heat to replace the steam produced on site in 2020. The natural gas consumption of Zhejiang plant is relatively insignificant, it is therefore not taken into account when calculating the intensity of natural gas.

Type of energy	Consumption quantities in 2020	Consumption quantities in 2019	Consumption quantities in 2018	Unit
Electricity	30,450,110.00	29,792,189.56	26,230,139.51	kWh
Intensity	541.14	530.49	551.54	kWh/10,000m <sup>2</sup> production volume
Diesel oil	254,435.83	282,178.57	218,516.50	litre
Intensity	4.52	5.02	5.30	litre/10,000m <sup>2</sup> production volume
Unleaded petrol	233,425.30	263,036.14	197,113.55	litre
Intensity	4.15	5.52	4.46	litre/10,000m <sup>2</sup> production volume
Natural gas	6,081,660.00	7,529,294.00	6,759,912.18	m <sup>3</sup>
Intensity	136.07 <sup>(1)</sup>	141.42 <sup>(2)</sup>	153.12	m <sup>3</sup> /10,000m <sup>2</sup> production volume
Coal	1,406.00	1,320.44	1,427.83	tonne
Intensity <sup>(3)</sup>	0.40	0.45	0.42	tonne/10,000m <sup>2</sup> production volume
Steam	37,003.10	—	—	GJ
Intensity	4.57 <sup>(4)</sup>	—	—	GJ/10,000m <sup>2</sup> production volume

(1) The production volume of the Group excluding that of Dalian plant and Zhejiang plant was considered to calculate the intensity of natural gas.














(2) The production volume of the Group excluding that of Dalian plant was considered to calculate the intensity of natural gas.

(3) Only the production volume of Dalian plant was used for calculation of intensity of coal.

(4) Only the production volume of Zhejiang plant was used for calculation of intensity of steam.

## Environmental, Social and Governance Report

The improvement programs that have been implemented by the production plants to increase energy efficiency include:

-  Produce and consume renewable energy based power in Tongxiang and Wujiang production plants to reduce the purchased power from power grid
-  Operate waste heat recovery facility to recover and utilize waste heat and then reduce consumption of natural gas for boiler
-  Operate intelligent temperature control system to adjust temperature and presser of steam, control flatness of cardboard for energy saving
-  Optimize the processing parameters to lower temperature of glue and reduce consumption of natural gas or steam
-  Adopt the equipment featuring high energy efficiency
-  Promote high energy-efficient lamps, i.e., LED lamps
-  Introduce participation of all employees in refined production to reduce processing waste
-  Check the energy consumption on the daily basis
-  Optimize the working schedule based on the different products to reduce energy loss
-  Increase the recycle rate of wastewater to reduce wastewater amount
-  Procure high-quality coal and clean dust periodically in the boiler to enhance energy efficiency
-  Phase out the fossil-fuel based boilers and use the purchased steam instead
-  Procure the FSC-certified raw paper to circulate and save the resources of forest

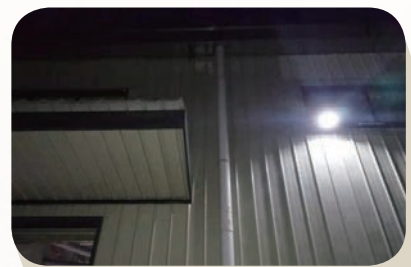
During the Reporting Period, the Group conducted maintenance and upgrading of the equipment, so as to ensure that they function in optimal conditions with high energy utilization efficiency. Among the production plants, the Dalian plant used coal for steam production, the Zhejiang plant purchased steam instead of steam producing on site, and the others still employ natural gas based boilers to obtain steam. Prior to converting the way of steam producing on site into of importing steam, some plants applied more environment-friendly steam boiler with higher energy efficiency. Two production plants have installed roof solar photovoltaic facilities, which can provide about 1.5 million kWh of clean energy power, accounting for 4.83% of the total electricity consumption by all plants. In addition, three production plants have installed energy-efficient lighting facilities, which consume about 1,000 kWh of solar power, accounting for 0.03% of the total electricity consumption.



More environment-friendly steam boiler



Photovoltaic power generating facility



Solar lighting on plant site









## Environmental, Social and Governance Report

### Water Conservation

The Group firmly believes that water is one of the most precious resources on earth, and conservation of water consumption could bring benefits to us from the point of view in both resources conservation and cost control. The Group has established the water resources management system to monitor and record water consumption. We also strive to optimize the practices of water conservation and improve the comprehensive utilization of water. Through the water circulation system, the Group maximizes the utilization of wastewater, which resulted in less consumption of fresh water. During the Reporting Period, there was no issues in sourcing water for the Group.

	Consumption quantities in 2020	Consumption quantities in 2019	Consumption quantities in 2018	Unit
Water consumption	157,501.00	146,699.80	165,553.65	m <sup>3</sup>
Intensity	2.80	2.61	3.48	m <sup>3</sup> /10,000m <sup>2</sup> production volume

The Group also puts forward corresponding measures for water conservation, including:

-  Advocate water-conservation responsibility through internal training
-  Promote water resources protection awareness among employees
-  Post water saving notices to remind everyone of saving water
-  Adopt water saving equipment and appliances, such as water saving toilet, faucet and spray irrigation for greening, etc.
-  Ensure that water taps with water leakages are repaired in a timely manner
-  Conduct routine checks and regular maintenances on water pipes
-  Recycle or reuse wastewater as much as possible
-  Collect rainwater for greening



## Environmental, Social and Governance Report

During the Reporting Period, the domestic wastewater and production wastewater only for the equipment cleaning as the types of wastewater of the Group were treated and recycled, and tested by qualified third-party agencies to ensure that the treated wastewater meets the discharge standard before discharging.

	Emissions in 2020	Emissions in 2019	Emissions in 2018	Unit
Wastewater discharge	85,535.00	82,709.60	83,285.56	m <sup>3</sup>
Intensity	1.52	1.47	1.75	m <sup>3</sup> /10,000m <sup>2</sup> production volume

### Use of Raw Material

To manufacture the corrugated packaging products, we consume raw materials including raw paper and packaging materials, and office paper for daily work. The Group strives to promote the concept of environmental protection from the procurement of raw material. We has procured the FSC-certified raw papers for production to protect the resources of forest. The packing rope and stretch warp are used as the packaging materials in our finished products. The working instruction of waste management and loss statistics is in place to ensure that the relevant departments could enhance the awareness of employees on conservation of raw materials consumption, increase the utilization efficiency of raw materials, prevent and control the unnecessary loss.

For the purpose of office paper conservation, the concept of green working office has been introduced and promoted among employees, and some measures have been taken, such as, only printing paper documents when necessary and adopting double-sided printing to improve the utilization rate of office paper.

Type of raw materials	Consumption quantities in 2020	Consumption quantities in 2019	Unit
Raw papers in production	399,140.95	395,730.11	tonne
Intensity	7.0933	7.0456	tonne/10,000m <sup>2</sup> production volume
Office papers for working office	27.9811	26.7379	tonne
Intensity	0.000497	0.000476	tonne/10,000m <sup>2</sup> production volume
Packaging materials in finished products	431.22	458.08	tonne
Intensity	0.0077	0.0082	tonne/10,000m <sup>2</sup> production volume

## Environmental, Social and Governance Report

### TAKING RESPONSIBILITY FOR SOCIETY

The Group firmly believes that the sustained growth of its business would not have been achieved without the support and care from the community. Hence, we strive to maintain a solid and healthy relationship with the society and actively undertake social responsibility, and we are committed to growing with our employees and stakeholders. After the unexpected outbreak of the Pandemic in early 2020, the Group took prevention measures in a scientific way to safeguard the safety of its employees, and meanwhile, the Group produced some specific packaging products in response to the client's request for its anti-epidemic equipments.

We regard human resources (“HR”) as one of the most valuable wealth and core competitiveness of the Group. We fully respect and strictly protect the rights and interests of our employees. Adhering to the people-oriented philosophy, the Group is committed to building a fair, harmonious and safe working atmosphere. We also innovate the HR management mechanism according to the market changes, optimize the salary structure and assessment system, stimulate the enthusiasm of employees to work.

The Group engages in establishing a long-term win-win relationship with our business partners and collaborating with our qualified suppliers as well as actively undertaking the products responsibility for our customers.

The Group complies with the applicable laws and regulations, including but not limited to:

-  The Labor Law of the People's Republic of China
-  The Labor Contract Law of the People's Republic of China
-  Provisions on the Prohibition of Using Child Labor
-  The Law of the People's Republic of China on the Protection of Minors
-  The Production Safety Law of the People's Republic of China
-  The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
-  The Fire Protection Law of the People's Republic of China
-  The Product Quality Law of the People's Republic of China
-  The Patent Law of the People's Republic of China
-  The Personal Data (Privacy) Ordinance of Hong Kong
-  The Prevention of Bribery Ordinance of Hong Kong
-  The Anti-Money Laundering Law of the People's Republic of China

## Environmental, Social and Governance Report

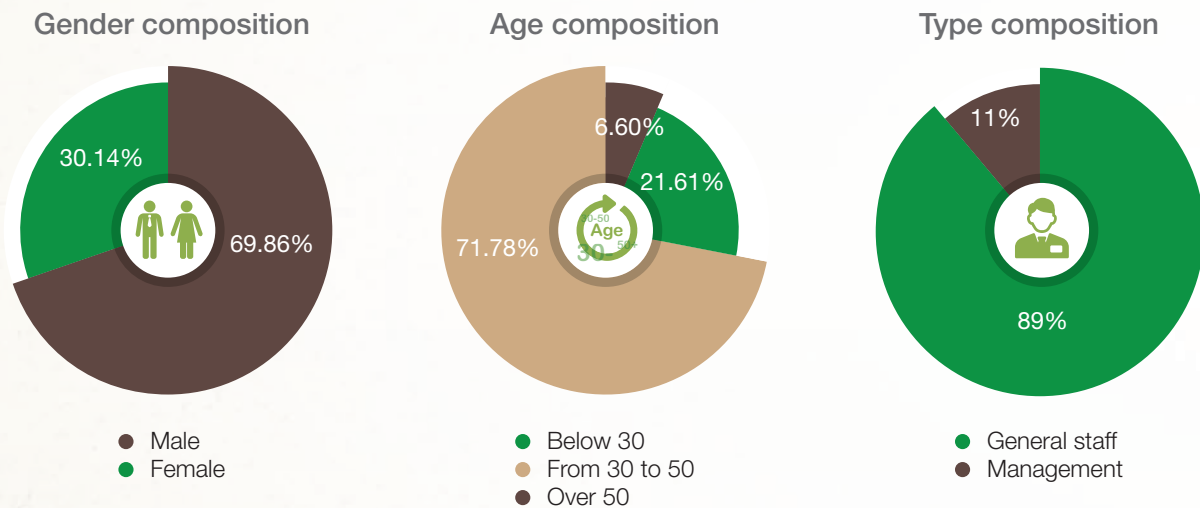
### Caring for Our Employees

The Group firmly believes that the individual and the company complement each other and are inseparable. The personal growth in employees' career will drive the development of enterprises, and the sustainable development of enterprises will also promote the personal growth of employees.

#### Equal Employment and Employee Diversity

The Group values diversity and equal opportunity and is devoted to building harmonious and stable labor relations, as well as safeguarding the legitimate rights and interests of employees. Focusing on working equality, we provide fair treatment HR to our employees in every respect, from recruitment to promotion, wherever possible. In any case, discrimination against employees on their gender, age, ethnicity and religion etc. are strictly prohibited inside the Group.

The number of employees in the Group is increasing with the growth of the business. At the end of year 2020, the Group had 1,774 full-time employees, with an increase of 3.86% over last year. The female employees accounted for 30.14% and the proportion of male employees to female employees was approximately 7:3. The employees aged from 30 to 50 reached to 71.78% of all employees. The management staffs were approximately one-ninth of general staffs.



During the Reporting Period, the Group recruited 804 new employees while 741 employees left. The employee turnover rate is as follows.

By gender		Turnover Rate			By geographical region	
Male	Female	Below 30	From 30 to 50	Over 50	Hong Kong	Mainland
32.60%	9.48%	17.72%	23.34%	1.02%	0.00%	41.91%

### Healthy and Safe Workplace

Being fully aware of that a healthy and safe working environment is of vital importance to the normal operation of the Group and the personal safety of employees, the Group has established a certified Occupational Health & Safety Management System to standardize the safety management at production sites to avoid the potential occupational hazards as possible as we can. The Group also appoints the specific EHS team to closely monitor and inspect the source of potentially causing occupational hazards and provide regular training concerning occupational health and safety training among all the employees.

## Environmental, Social and Governance Report



Occupational health and safety training



First aid training



Regular safety meeting



Fire drill



Occupational health examination

We have been concerning about the health and sustainable development of our employees. We provide the comprehensive social insurance to the employees, such as basic social pension scheme, housing fund, basic medical insurance, unemployment insurance, injury insurance, maternity insurance, etc.

The Group also strives to take the following effective measures to arouse employees' awareness of safety and ensure both of their mental and physical health:

- 🌱 Put warning information on existing sources of dangers
- 🌱 Set the KPI relating to safety and health of employees to various duties departments
- 🌱 Require all employees to receive health and safety related training and master basic emergency treatment
- 🌱 Organize sports activities and health seminars to promote the concept of healthy life among employees
- 🌱 Provide mental health services
- 🌱 Conduct fire drill and instructing employees to master the use of fire extinguisher
- 🌱 Offer regular physical examinations for all employees

The Group strictly abides by relevant laws and regulations on occupational health and safety and was not aware of any violations of relevant laws and regulations that have a significant impact on the Group. During the Reporting Period, the Group witnessed no work-related fatalities, but 9 injured employees during production. The aggregated lost days due to work injury are 475 days and accounting for only 0.11% of annual working time of 443,500 days, based on the 1,774 employees and 250 working days for each employee in one year.

## Environmental, Social and Governance Report

### Training and Development

The Group firmly believes that its development depends on the continuous progress of employees. We empowers our employees with diverse opportunities to enhance their talent competition by establishing career development channels and strengthening occupational training. We provide a broad platform for employees to develop their potential and creativity. We also provide daily training for new recruits and general staff, covering professional ethics and corporate culture, to assist them in grasping knowledge and skills.



Internal vocational training

We are committed to developing training to create more opportunities for employees to learn and grow, as well as to bring a stronger driving force for the development of the company. The Group actively carries out diversified employee training, including internal and external vocational training. At the same time, we promote both online and offline learning and continue to increase training investment to effectively ensure the high competitiveness of our employees and the company in our industry. In 2020, the Group totally organized 2,578 person times of training, with a total of 35,832.5 hours of training.

		Total numbers	Training proportion	Total training hours	Average training hours
Gender composition	Male	1,858.0	77.47%	25,651.5	13.81
	Female	720.0	30.86%	10,181.0	14.14
Type composition	Management	291.0	15.15%	3,223.8	11.08
	General staff	2,287.0	93.18%	32,608.7	14.26

### Labour Standards

The Group perseveres in treating employees of different nationalities, races, genders and religious beliefs equally. Everyone in the Group enjoys the same human rights. We will strictly control the working hours of employees and guarantee that no one will be forced to work against his/her will. Employees who work overtime will be compensated for extra leave or overtime pay according to the relevant rules.

The Group also insists on ensuring that the recruitment of child labor is strictly prohibited. Stringent rules are implemented on employees' age limit and all employees recruited by the Group are over 18 years old. The HR department ensures that their identity documents and personal data are carefully checked. Once any child labor is found, all of his/her activities will be subject to immediate termination and we will take him/her to the hospital for a comprehensive physical examination.

The Group protects the resignation channel of employees to prevent the possible forced labor and unfair treatment. The exit interview is conducted for the resigned employee to understand the reasons for resignation and further review the Group's policies and benefits.

### Employment Relationship

We firmly believe that employees are the driving force for the Group' sustainable development. The Group is committed to practicing the concept of "people-oriented, caring for employees", and constantly improving the working and living conditions of employees. We actively organize various activities and provide competitive welfare and benefits for our employees, striving to ensure the balance between work and life of employees, in order to enhance their sense of belonging and happiness.

# Environmental, Social and Governance Report



New Year party



Kick off red packet



Mothers' Day



International Woman's Day



Birthday parties



Christmas party



Other benefits



Tree planting activity



Excellent teams award

## Environmental, Social and Governance Report

### Being the Trustworthy Partner

The Group is committed to collaborating with our qualified suppliers to create high-quality products for customers.

#### Sustainable Supply Chain

The Group prefers the high-quality suppliers who actively shoulder environmental and social responsibilities. The corporate production safety licenses, certificates in quality, environment as well as occupational health and safety are the mandatory documents in the process of our supplier screening. Concurrently, our suppliers are also requested to commit their products be in compliance with the Restriction on Hazardous Substances Directive and Registration, Evaluation, Authorization and Restriction of Chemicals standards.

The Group firmly resists cooperation with unqualified suppliers. We will immediately terminate the cooperation with the supplier found to violate relevant laws and regulations.

#### Excellence Service for Our Customers

We value our product and service quality, and continue to enhance quality-related compliance throughout the Group. To better take responsibility for the products, the Group has passed the Quality Management System of ISO 9001 certification, the certified reports also confirm that our products have met the relevant product standards. Aiming to reduce the potential environmental impacts throughout the life cycle of products, we obtained certificates of Environment Management System of ISO 14001 and adopt the FSC-certified raw materials to manufacture products as requested by clients.

The continuous improvement of customer satisfaction is of high importance to the Group. The complaint received from customers should be confirmed immediately, followed by the initial investigation. The corresponding correction plan is drafted in terms of the results of the investigation, then finalized and delivered to customers. The correction action is continuously monitored and the complaints are summarized and analyzed for improvement on a regular basis. The survey of customer satisfaction is conducted by means of email, interview, phone or fax annually. The customers are paid a site visit for communication and improvement if they are dissatisfied with the products or services provided by the Group between annual surveys.

The Group also attaches great importance to intellectual property right. We fully respect and protect the rights and interests of creators, and firmly do not use unauthorized designs and patents. We are fully aware of the importance of protecting customers' privacy and attach great importance to enhancing employees' awareness of that. We require all employees to strictly abide by relevant laws and regulations when personal information of users is involved.

By providing professional service and undertaking product responsibilities, the Group has a solid and long-standing relationship with our major customers a majority of which 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 and machinery as well as e-commerce and express delivery industries.



The outstanding achievement awards and excellent supplier awards

## Environmental, Social and Governance Report

### Anti-corruption

The Group attaches great importance to integrity management and strives for a high standard of ethical conduct and adopts a zero-tolerance approach against bribery, extortion, fraud and money laundering. The Group has established the risk management and internal control system and actively invited legal personnel to give lessons for regular probity training, covering the management and general staff of the Group. We also provide clear guidance to our employees regarding anti-corruption laws and practices.

The Group strictly observe the anti-corruption laws and regulations and continue to improve the anti-corruption mechanism in order to build a good atmosphere with fair competition and integrity. During the Reporting Period, there was no legal cases regarding corrupt practices brought against the Group nor our employees.

### As a Responsible Corporate Citizen

While leading the competition in the industry, the Group also undertakes the social responsibility of “corporate citizen”.

The major outbreak of the Pandemic in early 2020 has posed immense threats to public health and safety nationwide. The Group attaches great importance to social responsibility and we actively responded to clients’ products requests in an effort to fight the virus together. In the early stage of the Pandemic, we urgently produced packaging products for the medical equipment and delivered to the affected areas. In addition, we actively took anti-virus prevention measures within the Group, including but not limited to:

- 🌱 formulating work resumption plan and distributing instruction manual to enhance employees’ awareness of pandemic prevention
- 🌱 providing employees with masks, disinfectants and other personal protective supplies
- 🌱 monitoring and report employees’ health status everyday
- 🌱 disinfecting the public area on a timely basis
- 🌱 guiding employees to keep a certain distance during meetings and meals



Pandemic prevention manual & daily health monitoring



Regular disinfection and sterilization



Keeping a safe distance during meetings and meals

Against all odds, there was no occurrence of any infection during the Reporting Period.



## Environmental, Social and Governance Report

## HKEX ESG REPORTING GUIDE INDEX TABLE

## A. Environmental

## Aspect A1: Emissions

## Reference Section

“Comply or explain” Provisions	General Disclosure	Reference Section
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	PROTECTING THE ENVIRONMENT — Emissions Management
	KPI A1.1 The types of emissions and respective emissions data.	Air Pollutant Emissions
	KPI A1.2 GHG emissions in total (in tonnes) and, where appropriate, intensity.	Greenhouse Gas Emissions
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Waste Management
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Waste Management
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management

## Aspect A2: Use of Resources

## Reference Section

“Comply or explain” Provisions	General Disclosure	Reference Section
	Policies on the efficient use of resources, including energy, water and other raw materials.	PROTECTING THE ENVIRONMENT — Efficiency of Resources Use
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	Energy Consumption
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Conservation
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	Energy Consumption
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Conservation
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Raw Material

## Environmental, Social and Governance Report

**Aspect A3: The Environmental and Natural Resources****Reference Section**

“Comply or explain” Provisions	General Disclosure		PROTECTING THE ENVIRONMENT — Efficiency of Resources Use
	Policies on minimising the issuer’s significant impact on the environment and natural resources.		
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Efficiency of Resources Use

**B. Social****Employment and Labour Practices****Aspect B1: Employment****Reference Section**

“Comply or explain” Provisions	General Disclosure		TAKING RESPONSIBILITY FOR SOCIETY — Caring for Our Employees
	Information on: (a) the policies; and (b) 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.		
Recommended Disclosures	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Equal Employment and Employee Diversity
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Equal Employment and Employee Diversity

**Aspect B2: Health and Safety****Reference Section**

“Comply or explain” Provisions	General Disclosure		TAKING RESPONSIBILITY FOR SOCIETY — Caring for Our Employees
	Information on: (a) the policies; and (b) 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.		
Recommended Disclosures	KPI B2.1	Number and rate of work-related fatalities.	Healthy and Safe Workplace
	KPI B2.2	Lost days due to work injury.	Healthy and Safe Workplace
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Healthy and Safe Workplace

## Environmental, Social and Governance Report

### Aspect B3: Development and Training

### Reference Section

“Comply or explain” Provisions	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	TAKING RESPONSIBILITY FOR SOCIETY — Caring for Our Employees
Recommended Disclosures	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Training and Development

### Aspect B4: Labour Standards

### Reference Section

“Comply or explain” Provisions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	TAKING RESPONSIBILITY FOR SOCIETY — Caring for Our Employees
Recommended Disclosures	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Labour Standards

### Operating Practices

### Aspect B5: Supply Chain Management

### Reference Section

“Comply or explain” Provisions	General Disclosure Policies on managing environmental and social risks of the supply chain.	TAKING RESPONSIBILITY FOR SOCIETY — Being the Trustworthy Partner
Recommended Disclosures	KPI B5.1 Number of suppliers by geographical region.	Sustainable Supply Chain
	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.	Sustainable Supply Chain

## Environmental, Social and Governance Report

**Aspect B6: Product Responsibility****Reference Section**

“Comply or explain” Provisions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	TAKING RESPONSIBILITY FOR SOCIETY – Being the Trustworthy Partner
Recommended Disclosures	<p>KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p> <p>KPI B6.2 Number of products and service related complaints received and how they are dealt with.</p> <p>KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.</p> <p>KPI B6.4 Description of quality assurance process and recall procedures.</p> <p>KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.</p>	<p>Excellence Service for Our Customers</p> <p>Excellence Service for Our Customers</p> <p>Excellence Service for Our Customers</p> <p>Excellence Service for Our Customers</p> <p>Excellence Service for Our Customers</p>

**Aspect B7: Anti-corruption****Reference Section**

“Comply or explain” Provisions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	TAKING RESPONSIBILITY FOR SOCIETY – Being the Trustworthy Partner
Recommended Disclosures	<p>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.</p> <p>KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.</p>	<p>Anti-corruption</p> <p>Anti-corruption</p>

## Environmental, Social and Governance Report

### Community

#### Aspect B8: Community Investment

#### Reference Section

"Comply or explain" Provisions	General Disclosure 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.	TAKING RESPONSIBILITY FOR SOCIETY — As a Responsible Corporate Citizen
Recommended Disclosures	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	As a Responsible Corporation Citizen
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	N/A



**Pacific  
Millennium**

PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團