COMESURE
Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 00794

2021

ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT

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Report Overview

Come Sure Group (Holdings) Limited (hereinafter referred to as the "Company" or "Come Sure") along with its subsidiaries (the "Group") is pleased to present its fifth standalone Environmental, Social and Governance ("ESG") Report ("Report"). The Report aims to describe the Group's strategy, vision, and performance with respect to environmental, economic and social aspects of our operations.

Scope and Period

The scope of this Report has changed from the previous year due to the Group's business expansion to Dongguan. This Report focuses on the corrugated paperboards and paper-based packaging products manufacturing businesses of two operational branches of the Group's wholly-owned subsidiary, Come Sure Packing Products (Shenzhen) Company Limited, located in Guangdong province, the People's Republic of China ("PRC"), namely:

- Operational branch in Shenzhen ("Shenzhen Plant")

- Operational branch in Dongguan ("Dongguan Plant")

These operations contribute a significant portion to the Group's ESG impacts. Unless otherwise specified, this Report covers our financial year from 1 April 2020 to 31 March 2021 (the "Reporting Period").

Standard and Principles

This Report is prepared in accordance with the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities for the Main Board listed issuers on The Stock Exchange of Hong Kong Limited (the "HKEx"). It complies with the "Comply or explain" Provisions and "Recommended Disclosures" of the ESG Reporting Guide. The Group upholds the following principles during report preparation.

Materiality

During the Reporting Period, the Group contracted an independent sustainability consultancy firm to conduct a materiality assessment through gathering different stakeholders' opinions. The assessment aims to identify material ESG issues of the Group, which forms the basis of this Report's structure. For more information, please refer to subsections "Stakeholder Engagement" and "Materiality Assessment" under section "Sustainability Blueprint".

Quantitative

In order to quantitatively evaluate the Group's ESG performance and facilitate future improvement on the Group's green operation performance, this Report disclosed relevant key performance indicators ("KPIs") and corresponding calculation frameworks and methodologies, as well as environmental targets. For more information, please refer to sections "Green Operation" and "KPIs Statistics".

Balance

This Report summarizes the Group's ESG practices, performances and outcomes in an unbiased manner.

Consistency

Due to the Group's business expansion during the Reporting Period, the reporting scope is different from previous financial years. In order to ensure consistent comparisons of ESG data, changes of the calculation frameworks and methods, KPIs used, or any other relevant factors shall be fully disclosed.

Feedback and Communication

We welcome readers to provide valuable opinions and suggestions on the content of this Report and our approach to sustainability. If you have any feedback, please contact the investor relations company of the Group, DirectIR Limited. For further information regarding our corporate governance and financial performances, please refer to our Annual Report 2021.

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Corporate Profile

Established in 1987 and listed in 2009, Come Sure has more than 30 years of experience in manufacturing and sale of corrugated paperboards and paper-based packaging products. Its products range from printed corrugated paper-based packaging products, corrugated paperboard, offset printing packaging products and brochures.

As of today, Come Sure has grown from a small workshop-style paperboard processing factory into a modernized and professional group, capable of handling a wide variety of orders and offering professional advice to its clientele. We have established long-term cooperative relationships with over 250 local and overseas clients of different industries, such as electronic appliances, catering, furniture, pharmaceuticals, audio-visual products and other consumer goods. In 2020, we expanded our operational branches to Dongguan. Together with our existing production bases in Shenzhen, Huidong and Quanzhou, we are able to reach an annual production capacity of approximately 650 million square meters of corrugated paperboard and approximately 450 million pieces of corrugated paper packaging products.

At Come Sure, we uphold an interactive and sustainable corporate culture towards our clients, employees, products and businesses. As a conscious paperboard producer, we firmly believe that catering our clients, nurturing our people, investing in eco-friendly technologies and exploring business opportunities are crucial to sustain our leadership in the industry. Therefore, we strive to build ourselves as a one-stop green packaging solution provider that is capable of yielding high-quality packaging products in a sustainable manner.

During the Reporting Period, the pandemic caused by coronavirus disease 2019 ("Covid-19") accelerated the shift to online commerce due to social-distancing requirements. The demand for higher quality paper packaging is predicted to rise in line with the boom of logistic needs brought by online shopping. Moving forward, the Group will continue to enlarge our market share in the PRC through strong sales networks and eco-friendly production technologies, whilst continue to explore potential opportunities from the recovering overseas markets.

Sustainability Blueprint

Since 2020, the PRC government has gradually tightened regulatory requirements in relation to environmental protection to reduce the use of disposable plastic products under a three-phase goal timeline by 2020, 2022 and 2025. Meanwhile, the raw papers manufacturers in PRC were continuously improving industry standards to promote the realization of zero import of wastepaper. The market started shifting to using packaging products such as reusable paper that has less impacts on the environment when compared to disposable plastic. As one of the leading paper packaging product manufacturers in the PRC, Come Sure actively establishes long-term cooperative relationships with suppliers that meet the PRC's environmental regulatory requirements, and responsibly integrates sustainable ideologies into our operations and products to promote environmental-friendly developments.

Under the leadership of our board of directors of the Company ("the Board"), who upholds the overall responsibility for our ESG strategy and reporting, we rigorously adhere to relevant international standards and strive to maintain and ensure corporate production, operation, as well as governance practices in a green and efficient manner. We also actively communicate with stakeholders and identify material ESG issues that have a significant impact on the stakeholders and the Group, so as to keep abreast of the ever-increasing industry standards and maintain sustainable development. Through these various approaches, we hope to maximize our achievements and continually meet important milestones in achieving sustainable development.

Sustainable Operation Standards

At Come Sure, we carefully examine each operational stage, including raw papers procurement, mass production, and end-of-life management. We always adhere to relevant international standards as it not only helps demonstrate our capability to compete in the international market, but also serves as a guiding tool for us to continuously improve our management systems. These standards ensure that we can yield environmental-friendly and high-quality paper packaging products, while helping to put our sustainability and social responsibility ideologies into practice. Our plants and products currently adhere to the following international standards.

Shenzhen Plant and Dongguan Plant

FSC Chain of Custody Standards
ISO 9001: 2015 Quality Management System
ISO 14001: 2015 Environmental Management System
IECQ QC 080000 Hazardous Substance Process Management

ESG Strategy and Target

Come Sure believes that high standards of compliance and corporate governance can enable the Group to maintain sustainable development in its business in the long run. Facing the challenges of the global economy, trade and environment caused by the Covid-19, we created and adhered to a comprehensive strategic framework. It enhances the stability of the Group in the current market full of uncertainty, and gradually promotes sustainable development to achieve unity in the fields of economic development, humanities construction as well as environmental protection.

The core vision of this strategy is "Reduce Impacts, Recycle Resources, and Reshape Businesses", which reflects the Group's corporate philosophy of manufacturing, operational and economic circularity. Four main aspects act as pillars to stabilize the construction of the core vision. Each aspect consists of specific guidelines that integrate the Group's practical concerns and focuses.

Business
- Combine economic and social benefits to promote a sustained business
- Propose integrated packaging solutions to shape a one-stop packaging industry

People
- Engage with stakeholders to maintain mutually-trusted communication and relationships
- Care about employees to build a united and inclusive environment

Reduce Impacts
Recycle Resources
Reshape Businesses

Product
- Balance ecological conscience and quality standards to yield world-class products
- Uphold the philosophy of "Customer first, Market-oriented" to serve our clients

Operation
- Optimize packaging design and materials to fulfill a cradle-to-grave circularity
- Comply with various management standards to minimize negative impacts

With the assistance of an independent sustainability consultancy firm, the Group also created a list of environmental mitigation targets in relation to air and GHG (as defined below) emissions, waste treatment, energy consumption and water usage arising from its corrugated paperboards and paper-based packaging products manufacturing business at the Shenzhen Plant and Dongguan Plant. The Board monitors and reviews the progress made against these targets annually and adjusts the strategy when necessary. For more information, please refer to section "Green Operation".

Stakeholder Engagement

The Group strives to foster connected and trustworthy relationships with our stakeholders as it enables us to align policies and practices with respect to the interests and expectations of our stakeholders, and cohere with our humanistic ESG strategies in the most accurate manner. We also regularly review whether the Group's risk management is adequate and effective. By inviting main stakeholder groups to give their comments on the Group's operations and business, we can have a better understanding that whether our risk management meets stakeholders' expectations. We provide multiple communication channels for each stakeholder group with an aim to foster effective two-way communication, so that the stakeholders can keep abreast of the Group's business trends, whilst we can clearly listen to their opinions and thereby strive to bring them the greatest return.
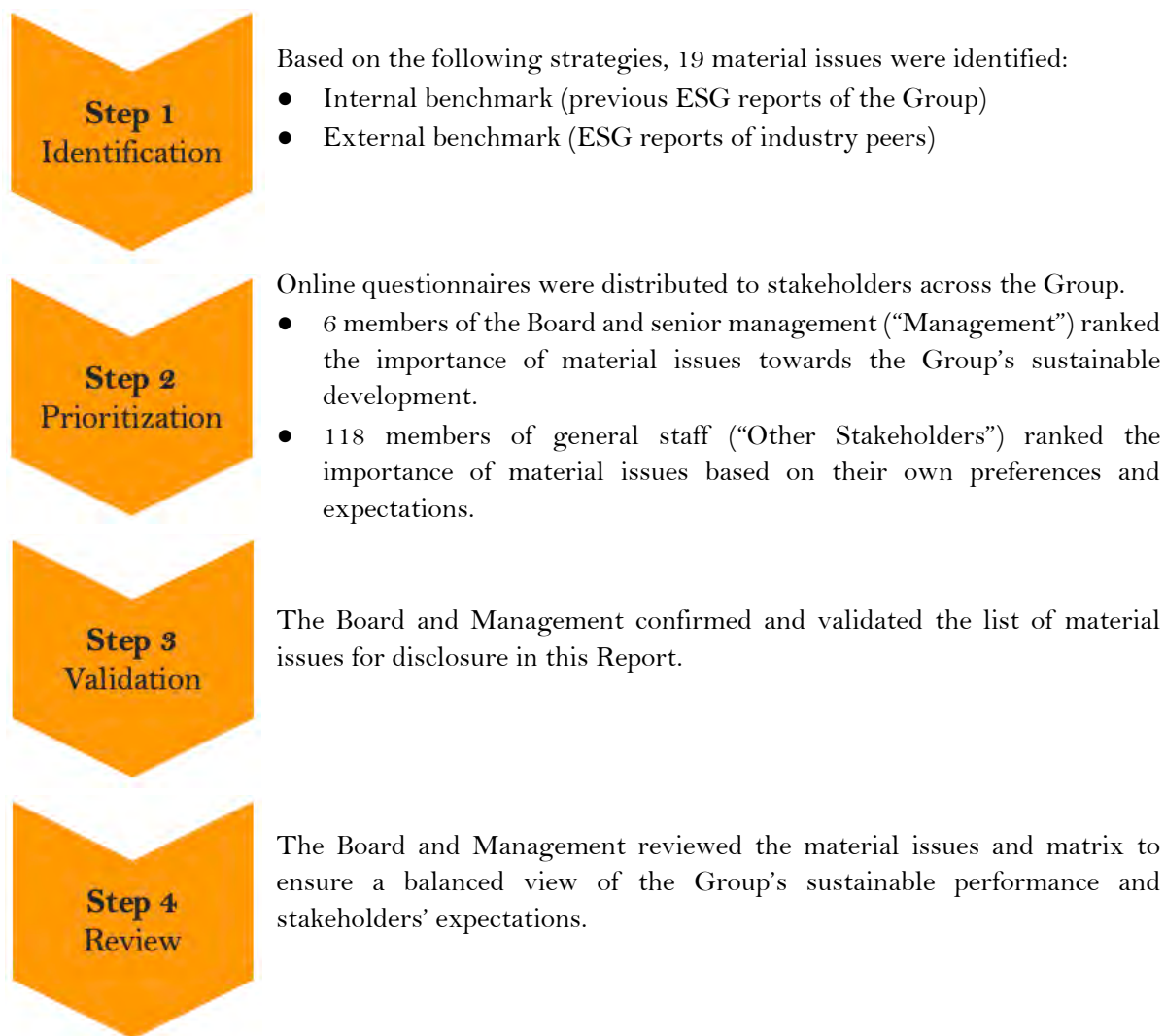
| Stakeholder Groups	Communication Channels
Shareholders and Investors	Meetings and Correspondences
Customers	Interviews
Employees	Surveys
Suppliers	Trainings
Media	Visits
Regulatory Bodies	Annual and Interim Reports
Community	Corporate Website

Materiality Assessment

During the Reporting Period, an independent sustainability consultancy firm was commissioned by the Group to assist in the identification of material ESG issues based on their importance to stakeholders as well as the Group's business development. In order to accurately ensure the Group's existing ESG practices, policies and strategies align with stakeholders' expectations, an ESG-specific stakeholder engagement exercise was conducted through online questionnaires for the first time.

The questionnaire contains a series of materiality assessments on the ESG issues that have potential impacts on the Group, as well as open-ended questions for the sustainable development of the Group. We believe that this exercise can evaluate the importance of a particular ESG issue to the group and different stakeholders from multiple perspectives. By analyzing the answers to open-ended questions, we can also understand the Group's current sustainable development performance and identify the weak links to carry out follow-up improvement in an objective, comprehensive and timely manner.

**Step 1
Identification**

Based on the following strategies, 19 material issues were identified:
- Internal benchmark (previous ESG reports of the Group)
- External benchmark (ESG reports of industry peers)

**Step 2
Prioritization**

Online questionnaires were distributed to stakeholders across the Group.
- 6 members of the Board and senior management ("Management") ranked the importance of material issues towards the Group's sustainable development.
- 118 members of general staff ("Other Stakeholders") ranked the importance of material issues based on their own preferences and expectations.

**Step 3
Validation**

The Board and Management confirmed and validated the list of material issues for disclosure in this Report.

**Step 4
Review**

The Board and Management reviewed the material issues and matrix to ensure a balanced view of the Group's sustainable performance and stakeholders' expectations.

Based on this 4-step approach, the 19 identified material issues for the Reporting Period were divided into four different aspects. Their relative importance had been transformed into figures through calculations and were further visualized to plot in the following materiality matrix for easy understanding. The Group shall conduct this exercise on an annual basis to keep abreast with our key stakeholders' expectations on the Group's sustainable development.
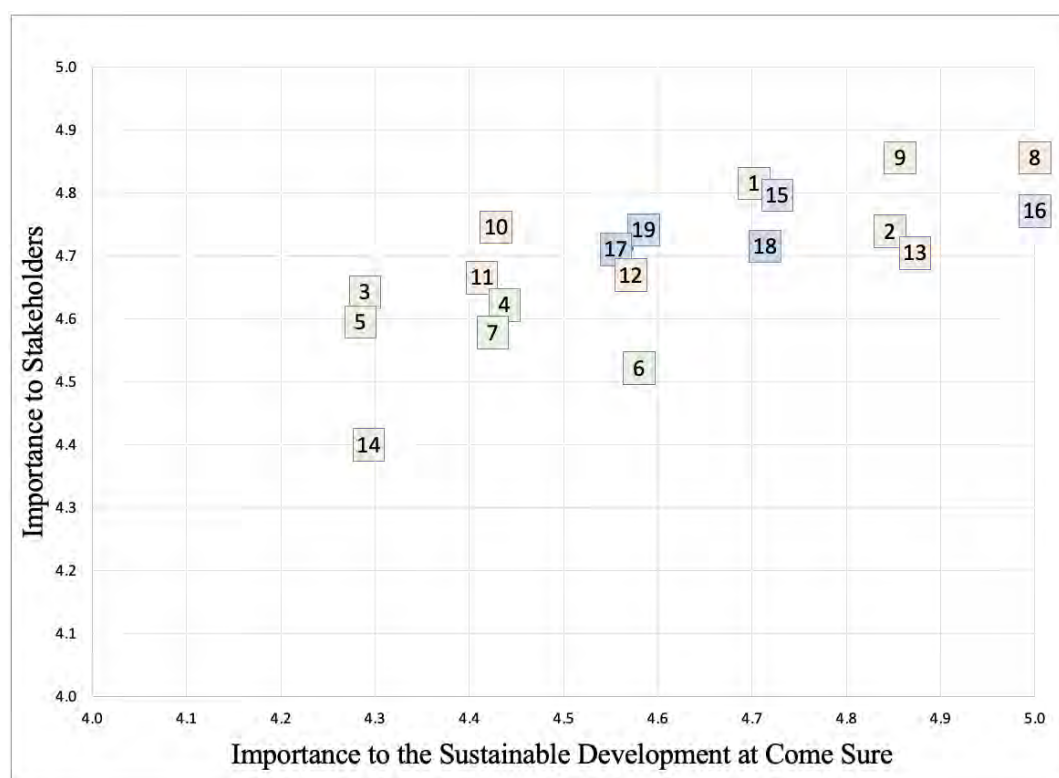
Aspect	Item	Issue	Score[1] (Rank)
Green Operation	1	Well Managed Air and Wastewater Emissions	4.76 (**6**)
	2	Waste Treatment and Reduction	4.80 (**4**)
	3	Recycling of Materials	4.46 (**17**)
	4	Climate Change Mitigation	4.44 (**18**)
	5	High-Efficient Resource Consumption	4.52 (**15**)
	6	Smart Design	4.55 (**13**)
	7	Supplier Management and Green Procurement	4.51 (**16**)
Considerate Humanity	8	Fire Safety	4.93 (**1**)
	9	Employee Welfare and Benefits	4.59 (**12**)
	10	Occupational Health and Safety	4.86 (**3**)
	11	Ensure Diversity and Equal Opportunities	4.53 (**14**)
	12	Training and Development	4.62 (**11**)
	13	Labor Standards	4.80 (**5**)
	14	Community Contribution	4.34 (**19**)
Reliable Product	15	Quality Assurance and Control	4.75 (**7**)
	16	Customer Service and Satisfaction	4.89 (**2**)
Sincere Business	17	Protection of Intellectual Property Rights	4.64 (**10**)
	18	Data Privacy Protection	4.72 (**8**)
	19	Anti-Corruption Measures	4.65 (**9**)

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[1] The scores are based on average from the Board and Management versus Other Stakeholders.

In order to determine the reporting structure for this Reporting Period, an average score was used to assess and represent the general importance of four major aspects. The recommended reporting structure is consistent with the score of each aspect, which is shown in descending order below.

Aspect	Score	Rank
Reliable Product	4.71	1
Sincere Business	4.68	2
Considerate Humanity	4.64	3
Green Operation	4.60	4

Awards and Recognitions

Come Sure has always upheld a pragmatic and enterprising spirit. No matter now, in the past or in the future, we will continue to adhere to the principle of combining economic and social benefits. While achieving the Group's long-term sustainable development, we strive to devote ourselves to the country as well as society. We are committed to building Come Sure as a diversified, modern, and all-round outstanding enterprise with packaging as its main business. The following awards demonstrate external recognition and acknowledgement of Come Sure's sustainability initiatives.

Year	Award	Organization
2018 - 2020	Top 500 Enterprises in Shenzhen	Shenzhen Enterprise Confederation Shenzhen Entrepreneur Association
2003 - 2020	The PRC Top 100 Enterprises in Printing Industry	Printing Manager Magazine, Keyin Media Inc.
2018 - 2020	National Excellent Enterprise with Foreign Investment – Security and Environment Protection	China Association of Enterprises with Foreign Investment Shenzhen Association of Enterprises with Foreign Investment

Reliable Product

Come Sure aims to continue and reinforce its leadership in the paper packaging industry. In balancing quality standards and ecological conscience, we adopt the cradle-to-grave monitoring technique whilst we strive to ensure the finest quality of our products. We at the same time invest in eco-friendly technologies to align our products with the rising sustainability concerns. To make sure we keep abreast of the latest market needs, we uphold the "Customer first, Market-oriented" philosophy in our business operations, and actively leverage tailor-made packaging solutions with value-adding services when serving our clients.

Customer Service and Communication

As customers are one of our key stakeholders, we strive to create and maintain close relationships with them to understand their specific needs and expectations. Therefore, we actively maintain various communication channels for open and honest feedback. As detailed in the "Customer Satisfaction Management Procedure" (《客戶滿意度管理程序》), the Group will biannually distribute customer satisfaction surveys to our customers and learn about their opinion on our products and service quality, delivery efficiency, environmental fulfillment and overall competitiveness.

Upon receiving their feedback, the Group will develop "Customer Satisfaction Summary Report" (《客戶滿意度總結報告》), which served as references for future improvement. On the rare occasion of receiving a satisfaction score lower than 50, the Marketing Department will carry out follow-up communication to understand customers' expectations in a timely manner. Meanwhile, cross-department communication will be conducted to prevent such cases from reoccurring.

The survey results during the Reporting Period indicated a slight decrease in customer survey score when compared to previous financial years. Nevertheless, the average score for this Reporting Period was above the Group's annual average target (>85 out of 100). Some customers proposed their expectations and suggestions regarding delivery efficiency and hardware capabilities, in response to which we have already made corresponding improvement. Moving forward, we will continue conducting our biannual customer survey and cater the needs of our valued customers in a reliable manner.

Target	FY 20/21 Score	FY 19/20 Score	Percentage changed
>85	91.44	92.50	-1.15%

The Group pays much attention to any kind of customer complaints or dissatisfaction, and we therefore formulate the "Customer Complaint Handling Guidelines" (《客訴處理作業指引》) to instruct employees on how to handle complaints in a timely and professional manner. By thoroughly examining different functions and benefits for the Group's departments, we clearly set out corresponding guidelines for each department.

Quality Control Department	Marketing Department	Logistics Department Production Department Technical Department
1.Confirmation of complaint 2.Follow-up corrective action 3.Communicate closely with customers 4.Investigate improvement opportunities	1.Receipt of complaint 2.Registration 3.Distribution and query from relevant divisions 4.Investigate improvement opportunities	1.Corrective action 2.Improvement of qualification status 3.Investigate improvement opportunities

During the Reporting Period, Dongguan Plant received 1 case of client complaint regarding the paperboard shape. The case was promptly settled upon further negotiation and explanation with the client. Moving forward, the Group will continuously combine the effort of intensive customer communication and cross-departmental collaboration, so as to maximize our clients' satisfaction.

Product Quality Management

To ensure the production of high-quality products and services, the Group adheres to a meticulous quality control policy. We emphasize employee participation across different departments, and remain vigilant in the selection of suppliers, incoming raw papers procurement and inspection, storage, usage, manufacturing, testing, packaging, storage of finished products, loading, transportation, delivery, as well as after-sales services. We thoroughly analyze the product lifespan and adopt a tailor-made monitoring strategy to ensure product quality in each stage of the production process.

1.   Raw Papers Control

Following the "Operational Guidelines for Incoming Inspection" (《進料檢驗作業指引》), the Group will conduct preliminary tests on all sourcing of raw papers, including checks on appearance, structure, physical and environmental-friendly properties. Raw papers are subsequently approved to enter the manufacturing process upon passing the tests.

2. Manufacturing Process Control

Prior to formal production, technicians from the Production Department will carry out a dual inspection on raw papers. Apart from confirming the environmental-friendly properties of raw papers, verification on the production templates is also carried out to ensure the products are produced according to client's instructions. For different production processes, the Group has formulated corresponding inspection strategies:

● For paperboard productions, operators will consistently conduct inspections in accordance with the "Operational Guidelines on Inspection for Corrugated Paperboard Process" (《瓦楞紙板工序檢驗作業指引》) and "Product Inspection Standards" (《產品檢驗標準》) to ensure a stable production line.

● For paper-based packaging products productions, operators will conduct inspections based on work orders, drawings, samples, and the "Product Inspection Standards" (《產品檢驗標準》) to fulfill clients' requirements.

In addition, for production processes that require operating heavy machinery, the Quality Control Department will carry out further assessments to evaluate the production process. Mass production can only be carried out upon passing the tests.

3. Final Products Control

Upon the mass production process, operators will conduct random or global inspections on finished products according to clients' requirements. Defective products will be screened out, and qualified products will be labeled with environmental-friendly identification and properly packaged. The Quality Control Department will subsequently recheck relevant labels, and approve for storage if there is no further problem.

4. Exportation Control

The Logistics Department will prepare shipments according to the specific delivery schedule, and inspect item numbers, specifications, identifications, as well as packaging conditions. In the event that defective products such as broken pieces are identified, a replacement application would be promptly submitted to the Quality Control Department for further handling.

5. After-Sales Service Control

The Group takes responsibility for all sold products and provides comprehensive after-sales services. We have a "Operational Guidelines for Return Processing" (《退貨處理作業指引》) in place to guide all return processing practices. For more information, please refer to subsection "Customer Service and Communication" under this section.

In an unlikely event that defective products are found during production, the Group will comply with the "Non-conformity Control Procedures" (《不合格控制程序》) to produce reports, separately screen out all defective products with special labels, and promptly hold departmental meetings regarding further improvement. Based on the defective severity, a further treatment including downgrade, repair, return, and disposal would be carried out. During the Reporting Period, there were no reported cases of product recalls and returns, including those due to safety and health reasons.

Sincere Business

Come Sure dedicates to combining economic profits and social morality to boost an ethical and sincere business. We adhere to our internal policy "Business Ethics Standard Management System" (《商業道德規範管理制度》) to ensure our business is conducted ethically by the Group as a whole. The policy guides us in respecting industry peers' intellectual property rights, protecting customers' personal information, as well as preventing business crimes including but not limited to data breach, fraud, bribery, and corruption.

Data Privacy

Come Sure respects and protects customers and employees' personal information, as well as the Group's commercial and trade secrets, while strictly complying with relevant laws and regulations. We require employees to adhere to the following rules detailed in the "Employees Handbook" (《員工手冊》).

As stipulated in the handbook, employees are prohibited from disclosing any confidential data such as:
- The Group's market research and surveys
- The Group's investigations and inspection results
- The Group's technical documents, drawings and notices
- Customer personal information such as price list, commercial agreement, and order details

In an unlikely event that there is any violation of data privacy, remedial measures shall be taken immediately together with the corresponding disciplinary actions, depending on the severity of circumstances. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that had a significant impact on the Group relating to confidential data or information breach.
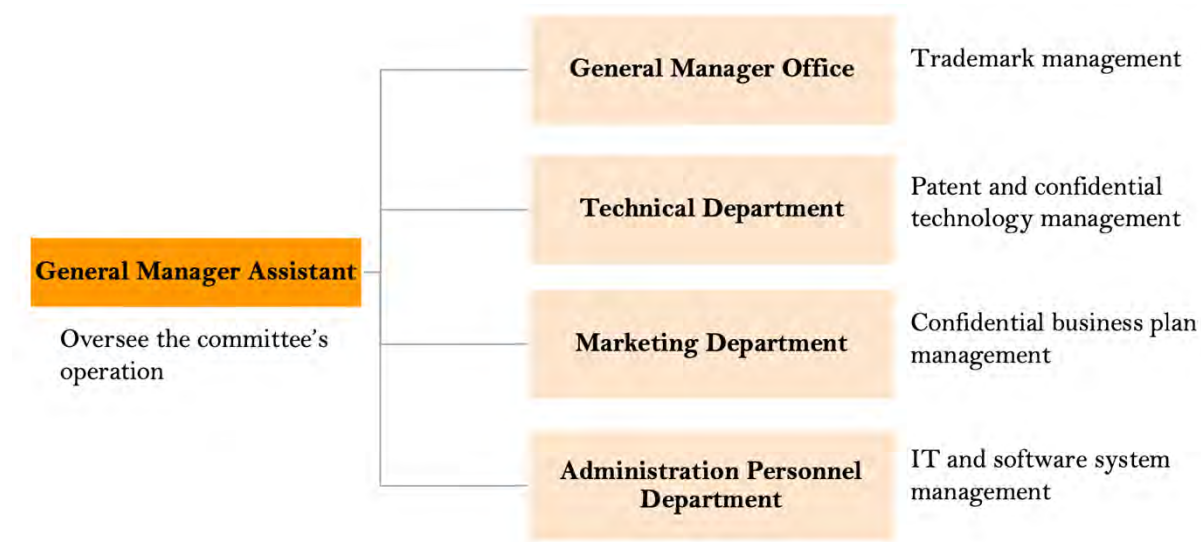
Anti-Corruption

The Group conscientiously abides by national laws and regulations related to commercial crimes such as bribery, extortion, fraud, and money laundering. We require employees shall not accept any present or gift from any third-party, nor secure orders through undue means.

In order to monitor the Group's overall commercial behaviors, we have an effective whistleblowing policy in place. As regularly communicated to all employees, the Group has established different reporting channels such as suggestion boxes, telephones, or in-person meetings with the Group's Management. We encourage employees and business partners to report and expose corruption. The whistleblowing process must be strictly confidential, and it is strictly forbidden to disclose any information that could affect the investigation results. Depending on the severity of circumstances, appropriate disciplinary actions including oral alert, dismissal and lawsuit filing would be taken in a timely manner.

During the Reporting Period, there were no legal cases (whether concluded or not) regarding corrupt practices brought against the Group or its employees, and the Group was not aware of any non-compliance with relevant laws and regulations that had a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

Intellectual Property Rights

The Group attaches great importance to intellectual property rights, as we innovate our production processes, testing capabilities and product variety. As such, we have established a special committee that conducts activities in compliance with the principle of "leadership determination and hierarchical management" (「統一領導，分級管理」). This committee is responsible for formulating the Group's intellectual property protection policies, and proposing solutions when encountering intellectual property issues.

General Manager Assistant Oversee the committee's operation	General Manager Office	Trademark management
	Technical Department	Patent and confidential technology management
	Marketing Department	Confidential business plan management
	Administration Personnel Department	IT and software system management

As the Group possesses advanced technological capabilities, we follow an orderly guideline to apply for patents.

1. Conduct patent and scientific literature search
2. Establish research and development projects
3. Examine patent application upon project completion
4. Take effective protection measures in a timely manner

During the Reporting Period, the Group was granted 6 utility model patents related to corrugated paperboard production and testing. Moving forward, we will continue demonstrating sound management through the committee, and safeguarding intellectual property rights of the Group and industry peers.

Considerate Humanity

At Come Sure, the incessantly innovative achievement is indispensable with the support from our personnel, whom we regard as our most valued treasure. The Group cares for our people in the most considerate manner. Starting with a safe, inclusive, and promising working environment, followed by the highest employment ethics for recruitment, as well as a comprehensive talent retention measure, we aim to forge a harmonious connection with our people, and showcase our considerate concern towards not only our talents but also the surrounding community.

Workplace Safety

As paperboard manufacturing process accounts for the majority of the Group's operation, creating and maintaining a zero-accident workplace in factories is the Group's first priority. To achieve this, we develop a comprehensive management strategy in assistance for the construction of a healthy and safe workplace.

Chaired by the management representatives from each department, the Group established the Environmental, Health and Safety ("EHS") Management Committee and Machinery Safety Committee to monitor and promote the Group's occupational health and safety performance.

In order to improve employees' safety awareness, standardize production activities, and strengthen operational safety, we formulated the "Production Safety Education and Training Management System" (《安全生產教育培訓制度》) with reference to national laws and regulations. For more information, please refer to subsection "Talent Retention" under this section.

Apart from educating employees on safety management, we also formulated the "Management System on Investigation of Production Safety and Hidden Peril Governance" (《安全生產檢查與隱患治理制度》) to detect and eliminate potential occupational hazards in a timely manner. As outlined in the policy, different kinds of inspections will be conducted based on corresponding purposes.
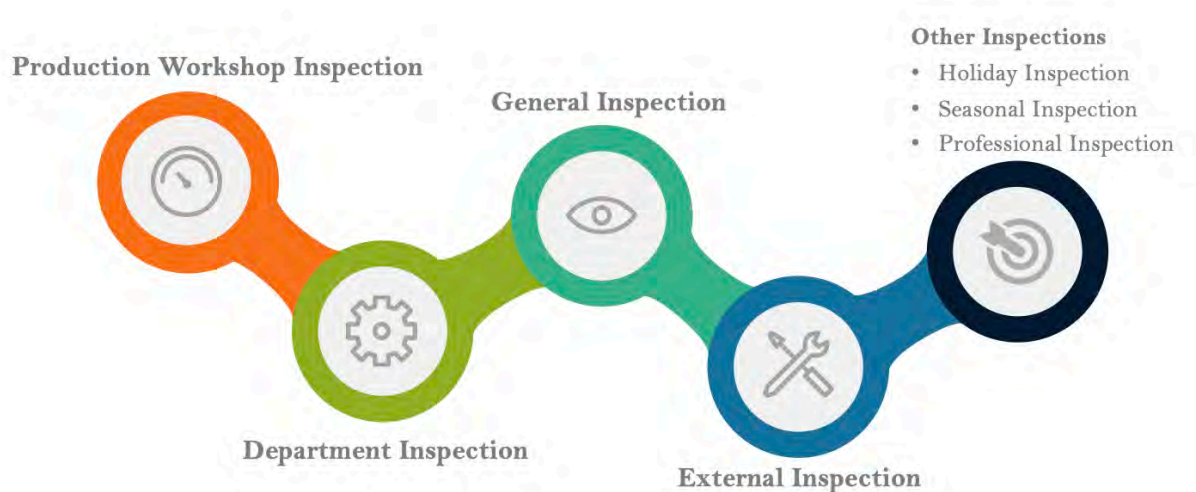
During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that had a significant impact on the Group relating to providing of a safe working environment and protecting employees from occupational hazards.

Scenario Analysis and Response

The Group is committed to further analyzing each potential hazardous scenario during our operations. Hence, we developed a series of standardized guidelines and prevention strategies.

Fire Safety

Fire accidents are extremely dangerous for a paperboard manufacturer. The Group places fire safety at the first priority among other hazards and hence formulated the "Fire Safety Management System" (《消防安全管理制度》). As indicated, the Group:

- Established different fire safety working groups including Safety Committee, Emergency Control Center, and Volunteer Fire Brigade
- Regularly organized fire safety education, training and drills for employees
- Regularly conducted flammable materials inspections, fire extinguisher maintenance, and other relevant investigations

Dangerous Energy Safety

The Group formulated the "Management System for Hazardous Energy Operation" (《危險能源作業管理制度》) to standardize working processes and thereby avoiding explosions caused by hazardous energy.

- Before carrying out relevant work, operators must obtain approval from the safety officer and make preparations in advance, including transferring flammable materials, equipping with appropriate fire extinguishing equipment, and assigning on-site fire fighters
- Upon completion of work, the on-site fire fighter should continue to monitor working stations for 30-60 minutes to prevent possible fire risks
- All gas cylinders and valves must be carefully protected and clearly labeled. The ambient temperature and space density of gas storage warehouses must be strictly controlled

Room Operation Safety

In order to ensure employees' safety when they are working in confined spaces, the Group formulated the "Management System for Confined Space Operation Safety" (《有限空間作業安全管理制度》). According to established system, employees must ensure that the following requirements are met before entering confined spaces:

- Submit work application and obtain relevant permits in advance
- Assign emergency personnel outside the space and prepare first aid tools
- Detect safety indicators inside the space and make sure all values are within the safe range

Extreme Weather Safety

In order to minimize the impacts of extreme weather conditions have on the Group's business operations, the Group also established instructions for different extreme weather scenarios, which are clearly outlined in the emergencies handling part of the Employees Handbook. For more information, please refer to subsection "Risk Mitigation – Climate Change" under section "Green Operation".

Employment Ethics

Come Sure actively maintains its ethical responsibility during employment. We strictly comply with relevant laws and regulations, and endeavor to rigorously protect labor rights to ensure all human rights are preserved. We also proactively establish a diversified and equal workplace for employees.

Labor Standards

As a responsible manufacturer, Come Sure safeguards labor rights and adheres to rigorous labor standards. In the effort of complying with the "Child and Underage Labor Protection Management System" (《童工及未成年工保護管理制度》) and the "Non-Forced Labor Management System" (《非強迫勞工管理制度》), the Group recruits its workforce in a legal and ethical manner.

In addition, we prohibit any kind of discriminatory abuse and respect the legal rights of all employees. Therefore, we established the "Management System of Anti-Mental and Physical Abuse" (《反精神及肉體虐待管理制度》) that emphasizes our commitment as a responsible and ethical employer. According to this policy, employees' freedom shall not be restricted by any form of corporal punishment, physical contact, mental coercion or verbal abuse. In an unlikely event that a relevant case happens, the abuser may have the consequences of verbal warnings, termination of contracts, or even being transferred to judicial authorities.

Anti-Child Labor

In order to ensure all hired employees are under legal working age, the Group would double-check candidates' information such as identity cards, academic certificates, and qualifications proofs during recruitment.

If a child labor case is found, the child shall be paid with due salary and shall be escorted back to the original place of residency in a safe and timely manner. Particularly, the Group shall pay for the tuition fee and ensure compulsory education for those children who are further identified by the Group that their family have financial difficulties when being escorted back.

Anti-Forced Labor

The Group strictly stipulates the statutory working hours for employees and safeguards their freedom in all aspects. We do not allow employees to be forced into work by means of violence, threats or any illegal restrictions to personal freedom.

If a forced labor case is found, the Group encourages relevant personnel to immediately report to the employee representative, who shall subsequently arrange a meeting with Management to propose a confirmed solution or compensation.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labor.

Workforce Diversity, Equality, and Harmony

At the workplace, the Group strives to forge a non-discriminate environment. To that end, the Group adheres to an equal, fair, and prudent principle in the workplace, as stipulated in the "Anti-Discrimination Management System" (《非歧視性管理制度》). All recruitment should be solely determined by the overall performance of candidates, and we strictly prohibit any preference based on ethnicity, nationality, religious belief, gender, age, disability or language of employees. Prior to signing of employment contract, we would inform candidates the detailed job duty, remuneration package, and other regulations.

In order to facilitate gender equality in the workplace, we particularly implemented the "Management System for the Protection of Female Employees During Pregnancy and Lactation Period" (《女職員 在孕期和哺乳期的保護管理制度》). In doing so, we strive to provide female workers with the same opportunities as their male co-workers in regard to learning, thriving, and advancing in their jobs.

The Group aims to enhance the physical and mental well-being of each employee. Our dormitories at the Shenzhen Plant consist of electronic entertainment rooms, libraries, sports activity rooms, basketball courts, badminton courts and a community garden for recreational and study purposes. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to equal opportunity, diversity, recruitment and promotion, compensation and dismissal, anti-discrimination, working hours, rest periods, and other benefits and welfare.

Talent Retention

The Group has a "Human Resource Management Procedure" (《人力資源管理程序》) in place. Led by the Administration Personnel Department and facilitated with other departments, we strive to increase employee satisfaction and retain our talents in the following ways.

Training and Development

The Group applies its innovative spirit to not only our products but also our people. In doing so, we developed comprehensive training programs to nurture employees and foster them to grow as professionals and innovative personnel in the paperboard industry.

General Training

Following the "Employee Training Management Regulations" (《員工培訓管理規定》), we organize general training including orientation training, on-the-job training, and special post training on an annual basis, subject to employees' training needs.

Project Hope Training Room

We have introduced the "Project Hope Training Room" (「希望工程培訓室」), which provides a wide range of staff training programs. During the Reporting Period, the Group contracted a third-party professional training agency, who provided training to employees regarding the following four production aspects:
- Offset printing
- Logistics and warehousing
- Marketing management
- Quality management

Production Safety Training

Realizing that manufacturing processes are important in the Group's daily operation, we developed the "Production Safety Education and Training Management System" (《安全生產教育培訓制度》). We provide three levels safety training including factory, workshop, and position-level training to our technicians, aimed to reinforce technicians' safety awareness during operations.

Employee Engagement

Communicating with our workforce is essential to adhere to our people-oriented policy. The Group is dedicated to constructing a fair, harmonious, and candid employee relationship. As clearly outlined in our "Employees Handbook" (《員工手冊》), the Administration Personnel Department is responsible for providing assistance to employees regarding job adaption, labor right protection, and other employment affairs.

With reference to the "Management System for Working Hours, Wages and Benefits" (《工時、工資、福利控制管理制度》), we provide employees with a comprehensive remuneration package. Apart from annual leaves, competitive salaries, social and medical insurance, statutory holidays and other basic benefits that comply with the legislative requirement of PRC, we also provide employee allowance based on their academic background, job position, as well as work performance. We

regularly review our remuneration package according to the latest business conditions, market practices and regulatory requirements, ensuring all packages are aligned with the legitimate rights and interests of both Come Sure and our employees.

In order to facilitate effective and mutual communication, we periodically circulate the latest company movement and notices with employees, aiming to maintain their understanding towards company policies and business conditions in a timely manner. Meanwhile, we developed the "Management System for Employee Complaint Handling" (《員工投訴處理管理制度》), and set up opinion mailboxes for employees to propose their suggestions on the Group's performance.

Community Contribution

As a responsible corporate citizen, Come Sure strives to focus on its nearby community and achieve a balance among economic development, social benefits, and human well-being. We actively engage in the community in varied manners including but not limited to donation of resources. The Group focused on mental well-being, cultural stimulation and health for all people during the Reporting Period.

In June 2020, the Group constructed and opened the Come Sure Fortune Square Party Service and Reading Center in Shenzhen, Guangdong province. Consisting of reading zones, team building rooms, resources rooms, open air garden and others, the center aims to provide a cozy reading facility for the community and its nearby residents. This center shall facilitate the mental and cultural development in the community.

Realizing the potential risks and uncertainty due to Covid-19, the Group donated approximately 50,000 pieces of masks to our employees during the Reporting Period. In order to express the concern and greetings for employees' children, the Group launched the activity of "Celebrating June 1st, Contributing Love" on the International Children's Day. A total of 500 pieces of masks were donated to 50 children in this event.

Green Operation

As a responsible and innovative paperboard manufacturer, Come Sure strives to optimize its operation of materials procurement, packaging design and resources usage to achieve a restorative circularity. From the very beginning of procurement to the sales of our final products, we integrate sustainable considerations to shape a one-stop green packaging industry, whilst strive to mitigate environmental impacts to the lowest level.

Paper is the raw material primarily used by the Group for production and administration purposes. In order to reduce paper waste and reach sustainable consumption patterns, we develop a 3-step practice to extend the life cycle of paper during our operations, as listed below.

Responsible Sourcing
- Green procurement
- Supplier engagement and monitoring

Green Production
- Smart design
- Resource circularity
- Emission control

End-of-life Management
- Handling recyclable and non-recyclable wastes

Responsible Sourcing

At the beginning of the Group's operational cycle, sourcing is the most fundamental process for our paper circularity system. Attaching great attention to green raw materials procurement, as well as supplier environmental and social requirements, we ensure an optimal sustainable supply chain that enables us to facilitate the next stage of the operational circle.

Green Procurement

Come Sure insists on purchasing materials responsibly to foster sustainability throughout the supply chain. Apart from the economic considerations, our primary concern is the environmental-friendly performance of materials. In order to avoid potential waste from the unnecessary procurement of materials, we formulated the "Procurement Control Procedures" (《採購控制程序》), which differentiate materials into two different levels based on their functions. Essential production resources such as raw papers and starchy flour are defined as primary materials that are directly purchased by the Sourcing Department. Secondary materials that serve as production accessories, including borax, caustic soda, ink, among others, are only procured upon the Group's approval.

As final products in the paperboard industry are made of wood pulp, which may increase the environmental pressure on forests if consumed excessively, we actively identify our raw papers purchasing source and ensure it is from well-managed forests. Abiding by the requirements of the

latest Chain of Custody ("CoC") Certification Standard, we set forth our commitments, organization structure, responsibilities, accessibilities and the correlation between departments and employees who are directly associated to the CoC of Forest Stewardship Council ("FSC").

Furthermore, we established the guidance document regarding the requirement, process and control principles on the CoC system. We applied it to the procurement stage of all FSC certified products with all sourcing personnel required to carry out the policy thoroughly. Moving forward, we shall continue to fulfill FSC requirements, and enhance the procurement and use of FSC certified materials and products.

Supplier Engagement

Complying with our established "Supplier Management Procedure" (《供應商管理程序》), we adhere to rigorous environmental, social and quality standards to select and evaluate our suppliers.

New Suppliers Engagement

Prior to contract signing, the Group requires new suppliers to provide materials for trial tests. Upon passing the test, the Group will conduct on-site evaluation. Suppliers can only be considered for further corporation when they meet the following conditions:
- Sufficient corporate documents and production certificates
- High-standard operations that comply with the Group's requirements regarding quality, environmental, and hazardous substance management system
- Good reputation and previous performance

Suppliers' Risk Assessment

The Group periodically assesses the risk levels of existing suppliers. We list the manufacturers that provide substances with potential environmental impacts as high-risk suppliers. For high-risk suppliers, we shall conduct monthly assessments and on-site reviews at least once a year, and strictly monitor their production process and control various risks. For substances supplied by high-risk suppliers, environmental test is required for each batch. High-risk substances include:
- Substances that are of concern in accordance with international and domestic regulations, as well as customer requirements
- Substances that the Group considers to be high-risk
- Substances that have experienced abnormal hazardous material incidents in the industry
- Substances that are indicated as hazardous by Substance Safety Data Sheets and internal and external environmental testing reports

Suppliers Annual Management

The Group conducts supplier evaluations according to the "Supplier Evaluation Plan" (《供應商評估計劃》) on an annual basis. Suppliers are evaluated based on the following criteria:
- Delivery time
- Products quality performance
- Reputation and company image
- Product price
- Service quality
- Environmental impact of materials

During the Reporting Period, the Group evaluated 5 suppliers in Guangdong Province, PRC according to our "Supplier Management Procedure" (《供應商管理程序》), all of which reached a 100% satisfaction rate.

Green Production

Come Sure positions itself as a one-stop green packaging service provider rather than a traditional paperboard manufacturer. We actively expand the types of centralized products and services to establish long-term stable strategic partnerships with customers, whilst identifying and managing the pathway of resources and emissions to embrace an eco-friendly production concept.

Smart Design

The Group's design team has more than 10 professional designers with over 10 years of experience in packaging design work. They are responsible for designing optimal packaging solutions that meet customer product packaging requirements, processing technology requirements, cost requirements, and green packaging requirements. By incorporating the 3D product information and software such as Solidworks, Creo, and AutoCAD, the team is able to design an integrated packaging solution that consists of various materials including paper-based materials, polystyrene, polypropylene plastic foaming material, foamed polyethylene, foamed polystyrene polyethylene mixture and moulded pulp.

Upon the confirmation of packaging design, our professional packaging team will develop the packaging products to the design specification, with the use of corrugated paperboard, printed corrugated paper-based packaging products, paper pulp moulding, tympan sheet, corrugated board corner protector, stickers, plastic bags, styrofoam, handle, sealing glue and strapping.

Through a tight cooperation between the design team and the packaging team, Come Sure can provide customers with the optimal packaging solutions. We have successively served well-known packaging clients at PRC and abroad, whilst obtaining their trust and recognition.

In addition to cultivating an experienced design team and packaging team, the Group utilizes a smart management system — the enterprise resource planning ("ERP") system — in the paper packaging process: from procurement, ordering to logistics, and further extended to financial management, we monitor all-stage data, with an aim to increase design efficiency as well as operation transparency.

Resource Circularity

Consuming resources and materials in a responsible manner is the cornerstone of the Group's operational cycle. We manage our resources in accordance with ISO 14001:2015 Environmental Management System. Upholding the principles of saving energy, reducing consumption and recycling materials, we aim to refine our operations with maximum circularity.

Resources consumed by the Group mainly include natural gas, purchased electricity and water that are used for production purposes in factories. During the Reporting Period, we did not encounter any issue in sourcing resources. Adhering to the "Energy Saving and Consumption Reduction Control Procedures" (《節能降耗控制程序》), we have corresponding guidelines in place to promote smart consumption.

Oil and Gas

1. Lubricating oil, petroleum and diesel oil shall be allocated and managed by factories
2. Ensure enclosure and proper sealing in bottles or canisters
3. Store it in a cool and dry place and avoid pouring or leakage
4. Regularly inspect and maintain of oil-using equipment
5. Arrange one vehicle for order destinations that are adjacent to one another to minimize multiple round trips

Electricity

1. Properly seal air-conditioned area and set the temperature above 26 Celsius
2. Switch off all lights after work
3. Record electricity consumption from each electricity meter on a monthly basis
4. Inspect and record abnormal power consumption
5. Develop new electricity consumption targets and performance indicators

Water

1. Reuse cooling water generated from production equipment
2. Put on water conservation signs in factories
3. Record, analyze and report the water consumption of each unit on a monthly basis
4. Ensure proper management of water cisterns and carry out daily inspection by the security team
5. Maintain and replace water faucets from leakage and dripping
6. Maintain and replace problematic water meters to ensure accuracy

For office paper consumption, employees are encouraged to practice responsible consumption by adopting the following methods:

- Gradually shift to electronic administrative system
- Send substandard products to paper separator machines for recycling
- Use both sides of the blank paper (except for reports, record forms and invoice)
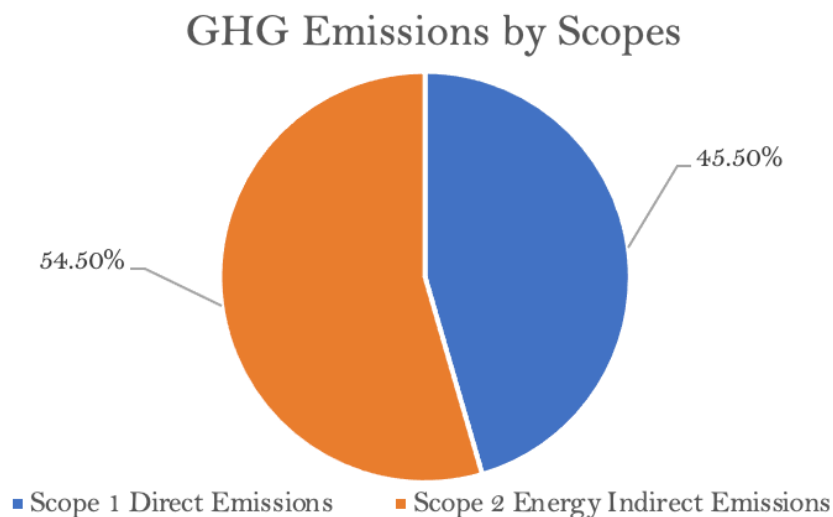
Emission Control

It is the Group's duty to continuously monitor varied emissions emitted from our operations. In doing so, we identified all the emission sources of our plants and developed corresponding control measures to ensure emissions are well managed before discharge into the environment.

GHG Emissions

In order to quantitatively monitor the greenhouse gas ("GHG") emissions, we have contracted a third-party professional agency to conduct a yearly and independent GHG audit, producing the "GHG Quantitative Report" (《溫室氣體量化報告》) on an annual basis. The quantification methodology is based on the "Organisation Greenhouse Gas Emission Quantification and Reporting Specifications and Guidelines" (《組織的溫室氣體排放量化和報告規範及指南》) issued by the regional government.

As indicated below, the GHG emissions during the Reporting Period mainly derived from indirect emissions of purchased electricity, with a percentage of 54.50%, as well as direct emissions of boilers and vehicles, which accounts for 45.50%. For detailed breakdown of emission data, please refer to section "KPIs Statistics".

GHG Emissions by Scopes

45.50%
54.50%

■ Scope 1 Direct Emissions   ■ Scope 2 Energy Indirect Emissions

According to the distribution chart, reducing our direct and indirect emissions play a significant role in reducing GHG emissions. To achieve this, we have formulated a series of GHG mitigation steps, which are listed in the subsections "Resources Circularity" and "Emission Control – Other Emissions" under this section. We have also developed GHG mitigation targets. For more information, please refer to subsection "Environmental Target" under this section.

Other Emissions

Guided by "Control Procedures for Noise, Wastewater and Exhaust Gas" (《噪聲、廢水、廢氣控制程序》) and "Management Procedures for Supervision and Measurement" (《監視與測量管理程序》), the Group develops rigorous control measures towards emissions, including air, noise, and sewage emitting from the manufacturing process.

Air

During the Reporting Period, the Group's air emissions were mainly generated from the use of 2 stationary boilers powered by natural gas, as well as the use of the 16 company-owned vehicles powered by gasoline and diesel[2]. As shown below, the nitrogen oxide ("NOx") and particulate matter ("PM") emissions in FY20/21 in Shenzhen Plant were significantly decreased when compared to the preceding financial year. Meanwhile, we also disclosed the air emission data of our new operational branch – Dongguan Plant for the first time.
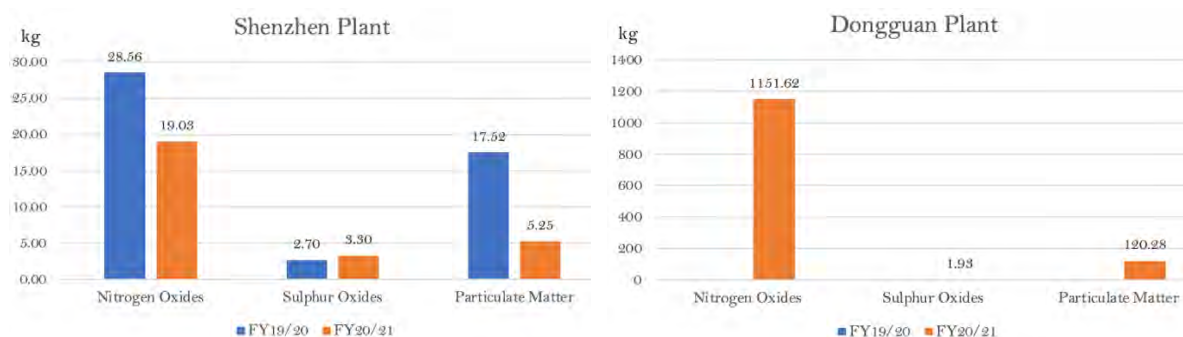
To mitigate our air emissions, we strictly comply with the following measures:

- Regulate the amount of NOx emissions from 200mg/m³ to less than 60mg/m³
- Inspect and maintain all vehicles on an annual basis
- Contract qualified third-party professional agency to conduct air emission assessments on PM, black carbon, sulphur dioxide ("SOx"), and NOx quarterly

Noise

Our noise emission is largely generated from the powering of production facilities. During the Reporting Period, Dongguan Plant commissioned a third-party testing agency and conducted a noise assessment outside the factory. The results were 56.4 dB(A) and 44.7 dB(A) during daytime and nighttime respectively, which were all within the acceptable range stipulated in the Environmental Quality Standard for Noise (GB 3096-2008).

By carrying out the following measures, we endeavor to mitigate noise impacts to our surrounding areas:

- Set up noise-barriers and anti-vibration for facilities with high noise emissions
- Ensure noise level within the boundary of factories is in compliance with regulatory level: 60 dBA daytime and 50 dBA nighttime
- Contract qualified third-party professional agency to conduct annual noise monitoring assessment

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[2] Due to data availability, the calculation includes 14 out of 16 company-owned vehicles. Shenzhen Plant owned 4 vehicles powered by gasoline while Dongguan Plant owned 10 vehicles powered by diesel. Due to different vehicle amounts and emission factors of fuels, there is a data discrepancy between these two operational branches.

Sewage

During the Reporting Period, the Group conducted 4 sewage biochemical detection and the results were all within the acceptable range.

Apart from our Wastewater Zero Discharge Scheme, which commenced in 2018, we continue to adhere to the following measures thereby controlling our sewage emissions:
- Wastewater from cleaning machines and inking equipment must be processed onsite before discharge
- Waste oil must be centrally collected and separately stored for treatment by qualified contractors
- Employees are forbidden to flush various wastes, soil or garbage into sewers
- Sewers and rainwater pipelines are cleaned regularly
- Contract qualified third-party professional agency to conduct wastewater emission assessments on pH value, color, biochemical oxygen demand, chemical oxygen demand, suspended matter and ammonia nitrogen quarterly

End-of-Life Management

In order to further promote the eco-friendly ideology, end-of-life management is crucial in our production. We have developed specific guidelines on the management of all hazardous and non-hazardous materials to ensure all materials from the production processes are either maximally recycled or carefully disposed of.

Hazardous Substances and Waste

In accordance with the "Hazardous Substances Management System" (《有害物質管理程序》), the Group adheres to a well-round hazardous substances and waste management system.

Information of hazardous substances related to the Group's production, such as organic oil and cleaning agents, oxygen bottles and acetylene bottles, is listed in the Group's Substance Safety Data Sheets. We regularly evaluate and inspect warehouses that store hazardous substances, and require employees to be vigilant when storing, handling and disposing of such substances. In addition, the Group's products follow the Hazardous Substances Free ("HSF") principle. Our production process adopts the HSF management system, which has been certified with the IECQ QC 080000 HSPM specification, as well as the RoHS and WEEE directives. Upon production, we label the HSF mark on finished products.

Other hazardous wastes of the Group include used fluorescent tubes, ink cartridges, and waste oil. We collect these wastes in a secure and separate manner and store them in containers that are waterproof, sealed, labeled, and properly covered. Further treatment shall then be carried out by qualified third-party collectors on a regular basis.

Non-hazardous Waste

The Group divides its non-hazardous wastes into two main categories, namely non-recyclable and recyclable waste, and applies different follow-up treatments according to their nature. We installed four colored bins at factories that are labeled with waste subcategories to collect other non-recyclable wastes, including construction waste, food waste and household waste. For production waste such as

waste papers, we specifically established the following recycling system to fulfill the reprocessing and reusing purpose.

Raw Papers Supplier
- The Group purchases raw papers from its suppliers

Papers Manufacturing
- The Group undergoes papers manufacturing process and generates waste papers

Waste Papers Processing Facility
- Waste papers will be segregated, repacked and resold to the Group's suppliers as raw papers

Risk Mitigation

Come Sure strives to maintain the lowest risk in our operations. On an annual basis, we thoroughly examine each aspect of our operations, and update the Risk Factor Identification and Evaluation Form (《風險因素識別與評估表》). The risk level of a particular aspect listed in the form is determined by its possibility and severity.

Environmental Renovation

Realizing that inappropriate constructional decoration will also lead to negative environmental impacts, we annually inspect our factories and identify potential decoration risks. Based on inspection results, an Environmental Rectification Report (《環保整改報告》) shall be compiled as a reference document for further improvement.

During the Reporting Period, we found the following environmental issues in Shenzhen Plant, and had made relevant rectifications and repairs in time to prevent the recurrence of potential environmental pollution sources.

Damaged ground anti-corrosion layer of press filter in wastewater station

Before renovation

After renovation

Foam generated in the aerobic tank in the wastewater station

Before renovation

After renovation

Damaged ground anti-corrosion layer in hazardous waste storage sites

Before renovation

After renovation

During the Reporting Period, the Group is not aware of any material non-compliance with relevant environmental laws and regulations that have a significant impact on the Group in relation to air and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous waste.

Climate Change

Extreme weather conditions are likely to become more frequent with human-induced climate change. Such cases will directly disturb our plants' operations. In order to minimize all human, property and financial losses, we formulated the following instructions during different extreme weather scenarios:

Typhoon

1. Ensure all personnel stay indoor when a typhoon strikes
2. Ensure all doors and windows are closed, and all power sources are turned off
3. Escort idling items indoor
4. Attend all incoming calls, and notify the rescue personnel whenever necessary

Flooding

1. Turn off all power sources
2. Escort appropriate properties upstairs
3. Evacuate employees to a safe area in an organized manner

Environmental Target

In order to propose a quantitative and validatable evaluation regarding the Group's environmental KPIs and facilitate future improvement on the Group's green operation performance, we contracted an independent sustainability consultant to assist us in setting environmental targets. The Group aims to fulfill the targets in following aspects:

Air & GHG Emissions

Targets

- Shenzhen Plant
  - By 2022, reduce absolute greenhouse gas emissions (Scope 1 & 2) by 25%, compared to FY17/18
- Dongguan Plant
  - By 2025, purchase at least 2 electric forklifts for factory operation

Follow-up Actions

- Reduce indirect greenhouse gas emissions from electricity purchased from the grid
  - Gradually adopt manufacturing machinery with energy-saving labels (e.g. MSD's Grade 1 and 2 or equivalent, EU Energy Star)
  - Increase employees' awareness of energy saving, and promote low-carbon working style
- Reduce the usage of company vehicles and forklifts as much as possible
  - Encourage employees to take public transportation for business trips
  - Install proper ventilation in the areas where forklifts operate
  - Ensure regular maintenance and check on forklifts
  - Switch to electric forklifts instead of diesel-fueled forklifts

Waste Treatment

Targets

- Shenzhen Plant
  - Ensure the testing results of air, noise, and sewage emissions in FY21/22 are within the acceptable range of relevant standards in Guangdong Province
- Dongguan Plant
  - By 2025, set up 8 colored bins at different locations within the factories for non-hazardous waste recycling
  - By 2025, ensure 95% of raw papers are recycled paper

Follow-up Actions

- Reduce paper consumption (for paper used in offices)
  - For more information, please refer to subsection "Resource Circularity" under this section
- Reduce paper consumption (for paper used in manufacturing)
  - Recycle substandard paper products as much as possible and reuse for other purposes

Energy Consumption

Targets

- Shenzhen Plant
  - Provide at least 1 energy conservation education program for employees
- Dongguan Plant
  - By 2025, reach at least 50% usage of electrical appliances with energy-saving labels in all factories and offices
  - By 2025, purchase at least 1 kind of renewable energy and include it in energy consumption (e.g. solar power system, biomass)

Follow-up Actions

For more information, please refer to subsection "Resource Circularity" under this section

Water Usage

Targets

- Shenzhen Plant
  - By 2022, reduce absolute water consumption by 30%, compared to FY18/19
- Dongguan Plant
  - By 2025, reach 50% reuse rate of cooling water generated from workshop equipment

Follow-up Actions

For more information, please refer to subsection "Resource Circularity" under this section

Policy and Legal Compliance

Reliable Product

The Group's Official Policies

1.   Customer Satisfaction Management Procedure
2.   Customer Complaint Handling Guidelines
3.   Non-conformity Control Procedures
4.   Operational Guidelines for Incoming Inspection
5.   Operational Guidelines on Inspection for Corrugated Paperboard Process
6.   Operational Guidelines for Return Processing
7.   Product Inspection Standards

Laws and Regulations

8.   Product Quality Law of the People's Republic of China

Sincere Business

The Group's Official Policies

9.   Business Ethics Standard Management System
10. Employees Handbook

Laws and Regulations

11. Bidding Law of the People's Republic of China
12. Interim Provisions on Banning Commercial Bribery
13. Patent Law of the People's Republic of China (2020 Amendment)

Considerate Humanity

The Group's Official Policies

14. Anti-Discrimination Management System
15. Child and Underage Labor Protection Management System
16. Employees Handbook
17. Employee Training Management Regulations
18. Fire Safety Management System
19. Human Resource Management Procedure
20. Management System on Investigation of Production Safety and Hidden Peril Governance
21. Management System for Hazardous Energy Operation
22. Management System for Confined Space Operation Safety
23. Management System for Working Hours, Wages and Benefits
24. Management System for Employee Complaint Handling
25. Management System for the Protection of Female Employees During Pregnancy and Lactation Period
26. Management System of Anti-Mental and Physical Abuse
27. Non-Forced Labor Management System
28. Production Safety Education and Training Management System

Considerate Humanity

Laws and Regulations

29. Criminal Law of the People's Republic of China
30. Fire Control Law of the People's Republic of China
31. Guidelines for Risk Management of Occupational Noise Hazard
32. Interim Provision of Shenzhen Economic Special Zone on Enterprises Wage Administration
33. Labor Law of the People's Republic of China
34. Law of the People's Republic of China on the Protection of Women's Rights and Interests
35. Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases
36. Law of the People's Republic of China on the Protection of Minors
37. Management Rules for Labor Protection Products of Employers
38. Management Measures on Heatstroke Prevention
39. Provisions of the State Council on the Working Hours of Employees
40. Provisions on Medical Treatment Period for Enterprise Employees Sick or Non-Work-Related Injuries
41. Production Safety Law of the People's Republic of China
42. Provisions on the Labor Rights and Interests Protection of Enterprise Employees in Guangdong Province
43. Regulation on Paid Annual Leave for Employees
44. Regulations of the Shenzhen Municipality on the Wage Payment to Employees
45. Regulation on Public Holidays for National Annual Festivals and Memorial Days
46. Regulations on Safety, Labor and Health of Guangdong Province
47. Regulations of Guangdong Province on Work Safety
48. Regulations on Supervision of Classification for Dust Hazards
49. Special Rules on the Labor Protection of Female Employees

Green Operation

The Group's Official Policies

50. Control Procedures for Noise, Wastewater and Exhaust Gas
51. Energy Saving and Consumption Reduction Control Procedures
52. Hazardous Substances Management System
53. Management Procedures for Supervision and Measurement
54. Procurement Control Procedures
55. Supplier Management Procedure
56. Supplier Evaluation Plan

Laws and Regulations

57. Class II criteria of the second period specified in Emission Limits of Air Pollution of Guangdong province (DB44/27-2001)
58. Class II criteria of the second period specified in Discharge Limits of Water Pollutants of Guangdong province (DB44/26-2001)
59. Emission Standard of Air Pollutants for Boilers of Guangdong province (DB44/765-2010)
60. Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)
61. Environmental Quality Standard for Noise (GB 3096-2008)
62. Environmental Protection Law of the People's Republic of China
63. Law of the People's Republic of China on the Promotion of Clean Production
64. Notice of the General Office of the National Development and Reform Commission on Implementation of Carbon Emission Rights Trading Pilot Programme
65. Type III standard under Standard of Noise for Industrial Enterprises at Boundary (GB12348-2008)
66. Notice of the State Council on Issuing the Work Plan for Greenhouse Gas Emission Control during the 12th Five-Year Plan Period

KPIs Statistics

Environmental KPIs

Description[3]	Unit	FY19/20	FY20/21	
		Shenzhen Plant	Shenzhen Plant	Dongguan Plant
Exhaust Air Emissions				
Nitrogen Oxides	kg	28.56	19.03	1,151.62
Sulphur Oxides	kg	2.70	3.30	1.93
Particulate Matter	kg	17.52	5.25	120.28
GHG Emissions				
GHG Emission (Scope 1) - Stationary	tCO_2e-	1,892.58	1,923.10	1,128.82
GHG Emission (Scope 1) - Mobile	tCO_2e-	151.72	22.33	231.42
GHG Emission (Scope 2) - Industrial	tCO_2e-	2,606.59	2,271.20	1,381.42
GHG Emission (Scope 2) - Domestic	tCO_2e-	383.27	306.54	–
Total GHG Emissions (Scope 1 & 2)	tCO_2e-	5,034.16	4,523.17	2,741.66
GHG Emissions Intensity by Revenue[4]	tCO_2e- / RMB'000	0.01	0.01	
GHG Emissions Intensity by GFA[5]	tCO_2e- / m^2	0.11	0.09	0.06
GHG Emissions Intensity by Production Volume[6]	tCO_2e- / Pieces'000	0.19	0.18	0.08
Energy				
Electricity Usage - Industrial	kWh	2,746,960.00	2,824,876.00	1,718,180.00
Electricity Usage - Domestic	kWh	403,910.00	381,266.00	–
Natural Gas Usage	m^3	860,264.21	889,420.00	522,071.00
Gasoline Usage	L	7,927.96	8,395.60	–
Diesel Usage	L	41,475.00	–	106,966.00
Total Energy Usage	MJ	46,800,390.84	46,511,415.45	30,675,104.60
Energy Intensity by Revenue	MJ / RMB'000	78.00	100.72	
Energy Intensity by GFA	MJ / m^2	1,006.46	894.45	656.62
Energy Intensity by Production Volume	MJ / Pieces'000	1,746.28	1,889.17	914.11
Water				
Water Consumption - Usage	m^3	50,897.44	55,881.00	32,799.00
Water Consumption - Sewage	m^3	40,863.00	50,294.00	28,248.85
Water Consumption (Usage) Intensity by Revenue	m^3 / RMB'000	0.08	0.12	
Water Consumption (Usage) Intensity by GFA	m^3 / m^2	1.09	1.07	0.70
Water Consumption (Usage) Intensity by Production Volume	m^3 / Pieces'000	1.90	2.27	0.98

[3] All figures are rounded up to 2 decimal places, which might lead to minor discrepancies when added up.
[4] During the Reporting Period, Shenzhen Plant and Dongguan Plant have generated a total revenue of RMB 766,314,341.00 approximately.
[5] The GFA of Shenzhen Plant and Dongguan Plant is 52,000.00 m^2 and 46,717.00 m^2 respectively.
[6] During the Reporting Period, the production volume of Shenzhen Plant and Dongguan Plant was 24,620,000.00 pieces and 33,557,278.00 pieces respectively.

Environmental KPIs (Cont.)

Description	Unit	FY19/20	FY20/21	
		Shenzhen Plant	Shenzhen Plant	Dongguan Plant
Waste				
Hazardous Waste	Tonnes	11.17	13.21	1.28
Hazardous Waste Intensity by Production Volume	kg / Pieces'000	0.42	0.54	0.04
Non-hazardous Waste	Tonnes	82.00	-	-
Non-hazardous Waste Intensity by Production Volume	kg / Pieces'000	3.36	-	-
Recyclable Waste	Tonnes	4.80	-	-
Raw Materials and Packaging Materials				
Raw Materials				
Finished Products Production – Raw Papers	Tonnes	52,573.00	56,024.50	24,399.44
Finished Products Production – Starch	Tonnes	1,469.00	776.13	437.61
Finished Products Production – White Emulsion	Tonnes	49.00	58.15	1.35
Finished Products Production – Stitching Wire	Tonnes	21.00	18.94	38.31
Finished Products Production – Ink	Tonnes	57.00	68.09	60.69
Total Raw Materials Usage	Tonnes	54,169.00	56,945.81	24,937.40
Raw Materials Usage Intensity by Production Volume	kg / Pieces'000	2,021.23	2,312.99	743.13
Packaging Materials				
Product Packaging – Pallet Film	Tonnes	26.68	50.07	3.09
Product Packaging – Packaging Strap	Tonnes	14.22	9.22	0.75
Total Packaging Materials Usage	Tonnes	41.10	59.29	3.84
Packaging Materials Usage Intensity by Production Volume	kg / Pieces'000	2.02	2.41	0.11
Ratio of Raw Materials to Packaging Materials	Tonnes : kg	1 : 0.76	1 : 1.04	1 : 0.15

Social KPIs

Description	Unit	FY19/20	FY20/21	
		Shenzhen Plant	Shenzhen Plant	Dongguan Plant
Workforce				
Total Workforce	Person	457	444	294
Workforce by Gender				
Male	Person	348	334	211
Female	Person	109	110	83
Ratio of Male to Female Employee	-	2.92 : 1	3.04 : 1	2.54 : 1
Workforce by Employee Category				
Executives	Person	1	1	1
Senior Management	Person	19	17	16
Middle Management	Person	57	48	18
General Employee	Person	380	378	259
Workforce by Age Group				
<30	Person	39	33	53
30 – 40	Person	149	139	84
41 – 50	Person	195	188	115
>50	Person	74	84	42
Turnover Rate[7]				
Total Turnover Rate	%	9.80	4.31	8.98
Percentage of New Employees	%	1.75	0.00	10.37
Training				
Total Trained Employees	Person	457	444	0[8]
Percentage of Total Trained Employees	%	100.00	100.00	0.00[8]
Total Training Hours	Hour(s)	10,968.00	146.00	0.00[8]
Average Training Hours per Employee	Hour(s)	24.00	0.33	0.00[8]
Work Injury				
Number of Work Injury	Case(s)	2	0	0
Lost Days due to Work Injury	Day(s)	72.00	0.00	0.00
Percentage of Lost Days due to Work Injury	%	0.05	0.00	0.00
Number of Work-related Fatality[9]	Case(s)	0	0	0
Supplier				
Supplier by Geographical Region (Guangdong, PRC)	No.	-	4	4
Donation				
Mask	Piece(s)	-	50,500	0

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[7] The calculation of turnover rate is based on following formulas:

Turnover rate (per category) = $L(x) / E(x) + L(x)$

$L(x)$ = Employees in the specified category leaving employment during the Reporting Period

$E(x)$ = Number of employees in the specified category as of 31 March 2021

[8] During FY20/21, a total number of 294 employees (100.00%) of Dongguan Plant attended trainings that were not provided or arranged by the Group and relevant data is not under the Group's records.

[9] There were no reported cases during FY18/19.

HKEx ESG Guide Content Index

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
A. Environmental		
Aspect A1: Emissions		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	● Green Operation – Green Production – Resource Circularity and Emission Control – End-of-Life Management – Risk Mitigation – Environmental Target ● Policy and Legal Compliance
KPI A1.1	The types of emissions and respective emissions data.	● Green Operation – Green Production – Emission Control ● KPIs Statistics – Environmental KPIs
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	● KPIs Statistics – Environmental KPIs
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	● KPIs Statistics – Environmental KPIs
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	● KPIs Statistics – Environmental KPIs
KPI A1.5	Description of measures to mitigate emissions and results achieved.	● Green Operation – Environmental Target
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	● Green Operation – End-of-Life Management – Environmental Target
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	● Green Operation – Green Production – Resource Circularity
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	● KPIs Statistics – Environmental KPIs
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	● KPIs Statistics – Environmental KPIs
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	● Green Operation – Environmental Target
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	● Green Operation – Green Production – Resource Circularity – Environmental Target
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	● KPIs Statistics – Environmental KPIs

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Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	● Green Operation – Risk Mitigation – Environmental Renovation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	● Green Operation – Risk Mitigation – Environmental Renovation

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	● Considerate Humanity - Employment Ethics - Workforce Diversity, Equality and Harmony - Talent Retention - Employee Engagement ● Policy and Legal Compliance
Recommended Disclosures		
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	● Total workforce by gender, age group and geographical region disclosed under section "KPIs Statistics - Social KPIs"
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	● Employee turnover rate by geographical region disclosed under section "KPIs Statistics - Social KPIs"
Aspect B2: Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards.	● Considerate Humanity - Workplace Safety ● Policy and Legal Compliance
Recommended Disclosures		
KPI B2.1	Number and rate of work-related fatalities.	● KPIs Statistics - Social KPIs
KPI B2.2	Lost days due to work injury.	● KPIs Statistics - Social KPIs
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	● Considerate Humanity - Workplace Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	● Considerate Humanity - Talent Retention - Training and Development
Recommended Disclosures		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	● Percentage of employees trained disclosed under section "KPIs Statistics - Social KPIs"
KPI B3.2	The average training hours completed per employee by gender and employee category	● Average training hours completed per employee disclosed under section "KPIs Statistics - Social KPIs"

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B4: Labor Standards		
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 labor.	● Considerate Humanity – Employment Ethics – Labor Standards ● Policy and Legal Compliance
Recommended Disclosures		
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	● Considerate Humanity – Employment Ethics – Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	● Considerate Humanity – Employment Ethics – Labor Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	● Green Operation – Responsible Sourcing
Recommended Disclosures		
KPI B5.1	Number of suppliers by geographical region.	● KPIs Statistics – Social KPIs
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.	● Green Operation – Responsible Sourcing – Supplier Engagement
Aspect B6: Product Responsibility		
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 health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	● Reliable Product – Product Quality Management ● Sincere Business – Intellectual Property Rights – Data Privacy ● Policy and Legal Compliance
Recommended Disclosures		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	● Reliable Product – Product Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	● Reliable Product – Customer Service and Communication
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	● Sincere Business – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	● Reliable Product – Product Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	● Sincere Business – Data Privacy

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B7: Anti-corruption		
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 bribery, extortion, fraud and money laundering.	● Sincere Business – Anti-Corruption
Recommended Disclosures		
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.	● Sincere Business – Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	● Sincere Business – Anti-Corruption
Community		
Aspect B8: Community Investment		
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.	● Considerate Humanity – Community Contribution
Recommended Disclosures		
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	● Considerate Humanity – Community Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	● Considerate Humanity – Community Contribution