

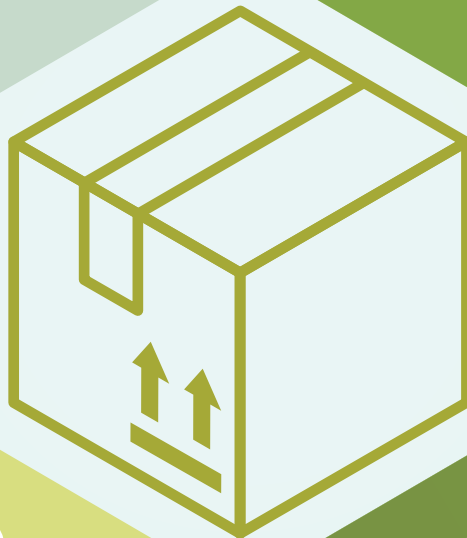


PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

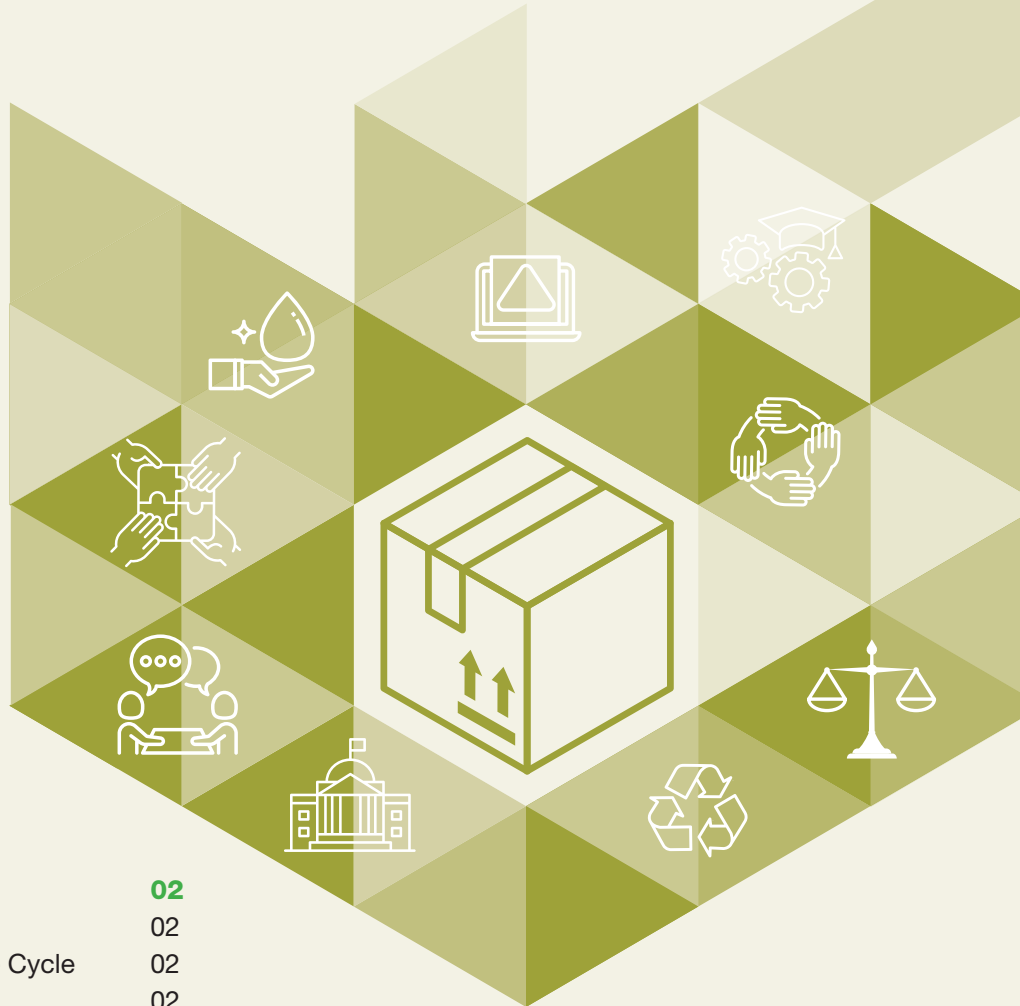
(Incorporated in the Cayman Islands with limited liability)

Stock code : 1820



Environmental, Social and Governance Report 2021

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Environmental, Social and Governance Report

ABOUT THIS REPORT

- **Introduction**

This Environmental, Social and Governance (“ESG”) Report presents a detailed account of the ESG performance, policies and strategies of sustainable development pertaining to Pacific Millennium Packaging Group Corporation (the “Group”, or “PMPGC”) and its subsidiaries (collectively, the “Group”, “we”, “us” or “our”).

- **Reporting Period and Release Cycle**

The reporting period is from 1 January 2021 to 31 December 2021 (the “Reporting Period”). The Report has been published by the Group on an annual basis for four consecutive years.

- **Reporting Scope**

The reporting boundary of this ESG report covers the Groups’ all subsidiaries, including 13 production plants (See details in “About the Group”), the Hong Kong office and the Shanghai office (the “Reporting Scope”).

Compared with the last ESG report, Foshan plant was officially put into operation in December, 2021. We selected the appropriate reporting scope to update relevant data, ensuring that our data collection can be compared consistently. Besides, since two offices are in place for corporate level management and operation, which do not have significant impact on the Group’s environmental issues, thus they are not included in some of the environmental data disclosure in this report.

- **Reporting Standards and Principles**

The content of this report is informed in accordance with the “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) set out in Appendix 27 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (“HKEx”). The principles of materiality, quantitative, balance and consistency are strictly followed in this report. It can be found that all recently amended “comply or explain” provisions are elaborated in this report to reflect our view and performance for the ESG issues during the Reporting Period.

Unless otherwise specified, data and cases used in this Report are derived from the Group's internal official documents and related statistics.

- Materiality** We conducted the materiality assessment according to the relevant guidelines and compiled this report on the basis of this assessment. The details can be referred to in the session of "Stakeholder Engagement & Materiality Assessment".
- Quantitative** We have followed the ESG Reporting Guide, made reference to applicable quantitative standards and practices and used quantitative methods to measure and disclose applicable key performance indicators, and set environmental targets, including numerical figures and directional statements. The measurement standards, methodologies, assumptions and/or calculation tools of the key performance indicators in this report, as well as the source of the conversion factors used, have been explained in the corresponding context (where applicable).
- Balance** This report provided an unbiased disclosure on sustainability performance and avoided selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
- Consistency** This year's ESG report has been prepared with the same method used in previous years. Changes that may affect a meaningful comparison with previous reports have been explained in the corresponding section.

- **Contact and Feedback**

The opinions and comments on this report and our sustainability performance thereof can be submitted to us at contact@pmpgc.com, which will help us optimize our ESG strategy and improve our ESG performance accordingly.

ABOUT THE GROUP

- **Group Introduction**

The Group is engaged in the business of manufacture and sale of packaging materials and was established in 2014. It is committed to maintaining high standards of environmental compliance and protection, social harmony and corporate governance and protects the interests of its shareholders in an open manner.

The Group is a corrugated packaging supplier in the People's Republic of China (PRC) over 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 specialized packaging products; (ii) corrugated sheet boards in the PRC. The Group also provides integrated packaging services to meet the needs of several customers for one-stop packaging solutions.

Environmental, Social and Governance Report

During the Reporting Period, the Group operates a total of 13 production plants sited in Northern, North-Eastern, Eastern and Southern regions of the PRC. The production facilities are located in Suzhou, Tongxiang, Nanjing, Qingdao, Tianjin, Dalian, Shenyang, Wujiang, Changshu, Guangdong, Taicang, Laixi and Foshan in China. All of them are equipped with corrugated board production lines and mainly produce corrugated boards and corrugated boxes.



The Group has a solid and long-standing relationship with its 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, e-commerce and express delivery.

Looking forward, by steady expansion of production plants network, increase of service radius coverage, enhancement of production efficiency and developing emerging customers, the Group aims to further strengthen its market position in the corrugated packaging industry in the PRC.

- Culture and Value**

Company Culture	People oriented; Pursuit of Excellence		
Vision	To be the best paper-based packaging group in China		
Core Values	Diligence	Open-minded	Rational
	Team spirit		Innovation

ESG STATEMENT OF THE BOARD

2021 is the first year of the 14th Five-Year Plan of and is also known as the “first year of carbon neutral” in China.

In September 2020, at the general debate of the 75th session of the United Nations General Assembly, China officially announced the goal of achieving “peaking carbon CO₂ emissions by 2030 and carbon neutral by 2060”. Since then, China has been continuously promoting the realization of these goals, including putting “carbon neutral” in the government annual report, and implementing a number of policies at the national level.

In this global “carbon neutrality” trend, the enterprises are also facing with the opportunities and challenges of low-carbon transformation. However, for us, sustainable development has always been written into our DNA, and “carbon neutrality” is the our inevitable choice for the future development.

As the first manufacturing enterprise in China to achieve carbon neutrality, we are also the only company in the packaging industry to achieve carbon neutrality. As early as 2009, we created the first carbon neutral transaction in China, and have been on the road of carbon neutral for more than 10 years, providing customers with “green packaging” and “carbon neutral products”.

For us, dealing with climate change is not only our social responsibility, but also a priority strategy of the enterprise. We have integrated the concept of green operation and low carbon into all aspects of operation and production, and formulated effective and systematic sustainable development plans and environmental policies, based on customer expectations, business strategy, greenhouse gas (GHG) emission and technological feasibility. Meanwhile, in the process of realizing our green development concept, we will cooperate with more value chain partners to jointly create a green supply chain create shared value for the sustainable development of the society.

In order to better achieve sustainable development, the Directors of the Group has always paid attention to ESG issues, and has authorized the Environment Committee to oversee ESG management and implementation. The Environment Committee is responsible for formulating and reviewing the Group’s ESG strategy, formulating corresponding ESG plans and objectives, reviewing the results and responding to them in a timely manner. (See *Sustainability Governance* for details)

We continue to focus on global and domestic sustainability trends, constantly enhance our ESG management competency, timely evaluate the company’s ESG risks and opportunities, place emphasis on the materiality issues in the annual sustainable development work, and improve the level of the Group’s sustainable development.

In the future, we will stay true to our original aspiration and adhere to the path of sustainable development. We hope to cooperate with more partners to promote high-quality development of the industry, and contribute to China’s sustainable development as a responsible corporate citizen.



Environmental, Social and Governance Report

ACTION TO CLIMATE CHANGE

- **TCFD Strategy**

In order to actively respond to climate change, in 2021, the Group adopted the Task Force on Climate-related Financial Disclosure (TCFD) framework to further understand and increase the transparency of the Group's climate-related risks and opportunities. This will allow us to better prepare for the impacts of climate change, and enhance our ability to seize opportunities related to a shift to a lower-carbon economy while protecting the interests of our investors, employees, clients, partners and communities.

We accordingly made further disclosures on climate change metrics and targets.

- ✓ **Governance**

The Board always support the Group's sustainable development and appointed the Environment Committee to take charge of the formulation of ESG strategy and targets, reviews and supervision on ESG management, and conduct of meetings on ESG communication no less than once a year to discuss relevant issues on climate change risks. The implementation of major measures will be also reported to the Board.

- ✓ **Strategy**

In light of the Group's development, we are considering incorporating climate related risks, actual and potential impact, future opportunities on our business, strategy and financial planning.

Physical Risk

Acute Risk: The plants of the Group are located on a national scale. With the rise of probability of extreme events, such as intense rainfall, flood, storms and typhoons, the manufacturing plants and production can be affected, and the plants under construction can also be delayed. Meanwhile, the increasing high temperature may affect the health and safety of workers at the plants.

Chronic Risk: Chronic natural disasters, such as drought and sea level rise, will gradually affect China's inland and coastal regions and could affect the Group's business continuity and undermine financial stability in the areas where many of the plants are located. Additionally, the climate change will gradually affect the conditions of water, trees and other raw material and resources needed in the process of packaging production, which may increase the production cost and business development.

Transition Risk

Policy and Legal: In 2021, China released more policies about “3060” carbon peak and carbon neutral, demonstrating strong determination to tackle climate change. In addition, more industrial policies about carbon neutral and green development were enacted. If the Group fails to follow up and complies with national and local regulations as well as formulates corresponding measures in sustainable development, it may bring pressure to the Group’s operation.

Technology: As a manufacturing company, if the Group fails to adopt new technology for green production that can lower carbon emission, it may increase the energy use and resource consumption. Also the transition of low-carbon technology may lead to the rise of cost in the short term.

Market Preference: The valuation of a company is closely related to its ability to build long-term sustainable development. Moreover, with the concept of environmental protection being accepted by the public, the market is more inclined towards green products, and customers tend to buy its products and pay a higher premium to the products from the companies with outstanding ESG performance. Therefore the poor ESG performance may result in the loss of market.

Opportunity

The emergence of new technologies, such as renewable energy, energy efficiency and green production, as well as the transition of market and customers are likely to bring more development opportunities for the Group. The Group will actively keep up with the latest technologies in order to meet higher standards of energy efficiency, and constantly improve the product design to provide green packages to the customers.

Besides, the Group’s commitment to climate change and sustainability can also generate positive economic gains as well as additional environmental and social gains. The practices and actions of green development can also improve the Group’s sustainable development competency and ESG performance, which will attract the market and customers in the long run.

✓ Risk Management

The Group has started identifying the climate change risks and possible opportunities. The risk management and prevention of climate change and other environmental issues are included in the daily environmental management and operation, under the supervision of Environment Committee. The Group will also consistently conduct appraisal on climate risks.



A set of risk management mechanisms have been created, including but not limited to:

- ▶ **Environmental Factor Identification and Evaluation Control Procedures**
- ▶ **Risk And Opportunity Identification and Control Procedures**
- ▶ **Emergency Preparedness and Response Control Procedures**

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Environmental, Social and Governance Report

✓ Metrics and Targets

The Group actively responds to the challenges of climate change with a set of goals and actions, to fulfill the commitment of green development.

- Management and Supervision**
 - We will monitor the use of energy and resources and assess the performance in carbon emissions of the Group in the annual Environment Committee meeting and annual data disclosure.
 - Formulate sustainability commitment letter and encourage all suppliers to sign up.
 - Enhance the awareness and capability of employees in the green development.
- Climate Change**
 - By 2030, GHG emissions will have been reduced by 15% (2020 as the base year).
 - Insist on the carbon offset and provide customers with net-zero carbon products.
- Energy**
 - By 2030, energy consumption intensity will have been reduced by 25% (2018 as the base year).
 - Increase the proportion of plants using new energy
- Water**
 - By 2030, the water consumption intensity will have been reduced by 30% (2018 as the base year).
 - 100% wastewater will have been dealt and recycled properly and legally.
- Wastes**
 - Ensure the 100% hazardous wastes will have been properly disposed.
- Raw Material**
 - By 2030, the usage proportion of FSC and recycled paper raw material will have been more than 60%.

OUR SUSTAINABILITY STRATEGY

• Sustainability Governance

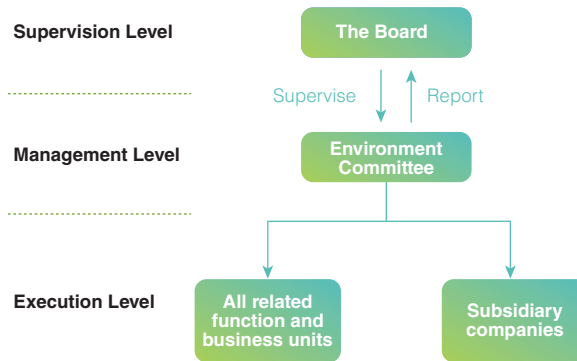
After years of rapid growth, we have been considering that ESG and sustainable development a priority in achieving our commitments of positive investment return to our investors, responsible employer to our employees, beneficial cooperation to our suppliers, and qualified products to our customers. We truly believe this has distinguished us from our competitors and facilitated our steady expansion in the corrugated packing market.

In order to continuously meet all above commitments, the Group established a solid foundation for the ESG management system, which can not only help the Group to build an effective risk management system, but also better maintain good relationships with stakeholders and improve corporate sustainable development.

ESG Management Structure

The Group has established the Environment Committee that is mainly responsible for reviewing and supervising the Group's ESG management, including ESG strategy, vision, principles and all relevant actions. The Environment Committee also regularly evaluates the Group's ESG policies to ensure compliance with applicable laws and regulations as well as review the ESG actions and achievement. The Committee also formulates assessment targets, monitors the performance, and makes recommendations to the Board where appropriate to further the Company's ESG performance.

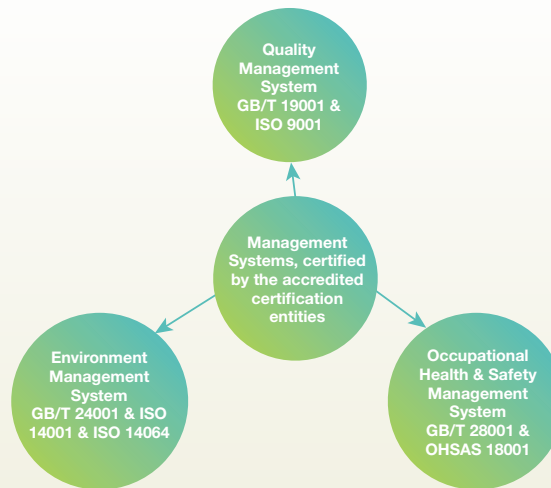
The chairman of the Group is a member of the Environment Committee, which ensures the Group's top-down ESG implementation and improvement. During the Reporting Period, the Environment Committee held one annual meeting to report and discuss ESG performance to the Board.



PMPGC ESG Management Structure

ESG Management System

On the basis of Quality, Environment, Occupational Safety and Health management system, the Group has established a systematic ESG management system certified by the accredited certification entities for all our 13 operational production plants.



ESG Management System

With the certified management system documents in place, the Group has integrated specific ESG issues into its business strategies and daily operations and managed to monitor, measure, assess, identify and resolve the ESG issue-related risks on a systemic and timely basis.

The Group has taken into account of the ESG factors in the early stages when the business objectives are set, the individual project investment is planned, or the products are designed in order to avoid the risks related to the ESG issues during the operation stage and the resulting losses brought to our stakeholders.

Environmental, Social and Governance Report

- **Stakeholder Engagement & Materiality Assessment**

Stakeholder Engagement

The Group always values the sustainable development in the long run, and encourages its stakeholders to express their opinions and expectations on the Group's operation on a continuous basis. During the Reporting Period, we adopted a variety of channels for efficient communication and interaction with major stakeholders to identify the material ESG issues in a timely manner, and continuously improved our ESG performance.

The Group has identified four different groups of most relevant stakeholders, including investors (shareholders), employee, supplier and customer. We work together with these stakeholders to deliver sustainable development of economic, social and environmental values.

They are described as below alongside with corresponding communication channels.

Stakeholder	Communication Channel
Investor (Shareholder)	Annual general meeting and notice Annual and interim report, ESG report, financial statement and announcement Corporate website
Employee	Internal meetings Orientation courses Training workshops Performance appraisal Employee gathering Labor contract Opinion box and email
Supplier	Email & phone contact Regular visit & interaction Seminar and conference Supplier evaluation
Customer	Email & phone contact Customer satisfaction survey Annual and interim report Corporate website

Materiality Assessment

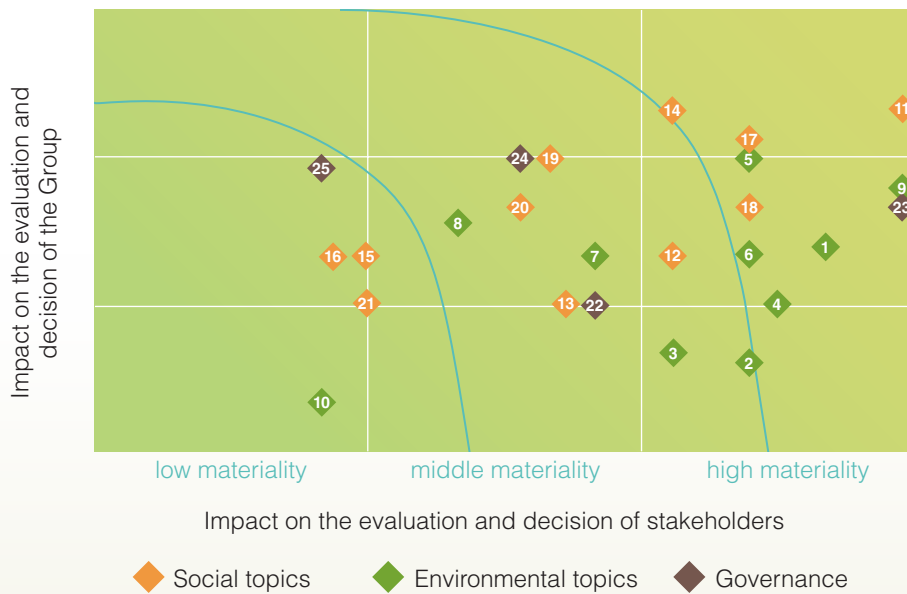
To ensure that the Group's sustainability strategy targets on the key impacts of our business and what matters most to our stakeholders, we conducted an annual assessment of our material issues.

Our work include ESG topics identification, materiality assessment with stakeholders and final analysis. This process helps us identifying which issues materially affect us, our clients, investors, shareholders, employees and communities and encourages us to take actions, which can drive positive and transformational change through our organization and beyond. The findings also help us to evolve sustainability strategy and to allocate resources within the business accordingly.

During the Reporting Period, we sought to refine and refresh the ESG materiality assessment in-depth and selected 25 ESG topics derived from the domestic and global reporting guidance and industry benchmark. The designed online questionnaire survey was distributed to the external stakeholder (investor/supplier/customer) and the internal stakeholder (employee).

As a result, ESG materiality assessment was conducted based on the 48 respondents in total. The ESG issues which fall within the top right-hand quadrant of the matrix represent the high materiality and most relevant to the Group and are thus considered as the high priorities for the Group when it seeks improvement of ESG performance. Moreover, the ESG topics under medium and low priorities are also integrated into the Group's ESG improvement program to some extent since they are likely to evolve to be high priorities as the market circumstances change.

ESG Materiality Assessment



High Materiality Topics		Middle Materiality Topics		Low Materiality Topics	
1	Environmental Management	2	Air Pollutant	10	Green Operation
4	Waste Management	3	GHG Emission	15	Responsible Supply Chain
5	Efficiency Use of Raw Materials	7	Water Resource Management	16	Technology Research and Innovation
6	Energy Efficiency	8	Use of Renewable Energy	21	Public-welfare Activities
9	Climate Change and Carbon Neutral	12	Employee Rights and Welfare	25	Business Ethics
11	Equal Opportunity	13	Training and Development		
14	Occupational Health and Safety	19	Customer Privacy and Data Security		
17	Product Quality and Safety	20	Intellectual Property Protection		
18	Customer Service	22	Board Governance		
23	Compliance Operation	24	Anti-Corruption		



Environmental, Social and Governance Report

- **Compliance Operation and Risk Management**

Risk management and compliance operation are of great significance to the high-quality long-term development of enterprises. In order to further protect compliance operation and management, the Group established a top-down integrity supervision structure and set up a comprehensive management mechanism to supervise work and coordinate the company's work processes in various fields, including risk management, internal control and evaluation of internal audit.

The Group designed a specific internal control unit and set down a series of policies related to compliance operation and internal control, such as "Internal Control and Operation Specification", "Confidentiality System and Enforcement Procedures", which are continuously revised to improve the handling ability of major impact events and high-risk events related to occupational health and safety, information security, climate change, emergencies, etc.

The unit conducted regular review of the corporate structures and business processes, and invited external dependent entities to conduct annual internal audit to consider its potential risks and exigencies to ensure the efficiency of the Group's business operations and the achievement of corporate objectives and strategies. The review includes financial, operational, regulatory and risk management areas.

In addition, the Group conducted a series of compliance training activities, covering over 300 person-time and 129 hours in total in the 2021.

- **Anti-Corruption**

The Group has always hold no tolerance to any form of fraud, bribery, extortion, and money laundering that would happen in the operation. The specific management unit is established to prevent the business corruption.

To prevent corruption and bribery, a variety of measures have been implemented. We have included anti-violence, conflicts and anti-corruption requirements into the "Staff Handbook", which asks the employees to abide by the relevant requirements in this aspect. The employees whose duties are important or critical in daily operation should also sign up "letter of commitment against corruption and bribery" with the Group, as a part of commitment system of business corruption prevention.

The routine investigation is conducted internally to prevent the business corruption prior to its happening. The specialty and patterns of the business corruption is studied and researched, then the internal supervision is designed and the training is provided accordingly. The issues detected during the routine activities of preventing business corruption shall be resolved in a timely manner. In 2021, many anti-corruption training activities have been conducted covering 979 person-time and 897 hours in total.

The Group encourages its employees and the business partners to report and expose corruption. The mail box and phone hotline are set and made publicly for informant and the informant personal information is treated confidentially.

During the Reporting Period, no legal cases regarding commercial corruption were brought against the Group or its employees. The Group was not aware of any material non-compliance with the laws and regulations relevant to bribery, extortion, fraud and money laundering in Hong Kong and Mainland China, including but not limited to the Prevention of Bribery Ordinance of Hong Kong and the Anti-Money Laundering Law of the People's Republic of China.

PROTECTING THE ENVIRONMENT

Over the years, the Group has always considered the sustainability as the core and implemented green development throughout the Group's business strategy, operation and production.

From the environmental management system, green product innovation, green production to carbon neutral and supply chain management, the Group constantly practices environmental protection, cultivates green culture and green packaging concept. The Group is making contributions to tackle climate change and seeking for long-term harmonious development with the environment.

The Group strictly abides by applicable environmental laws and regulations promulgated by the Chinese central and local government that have a significant impact on the Group's business, including but not limited to:

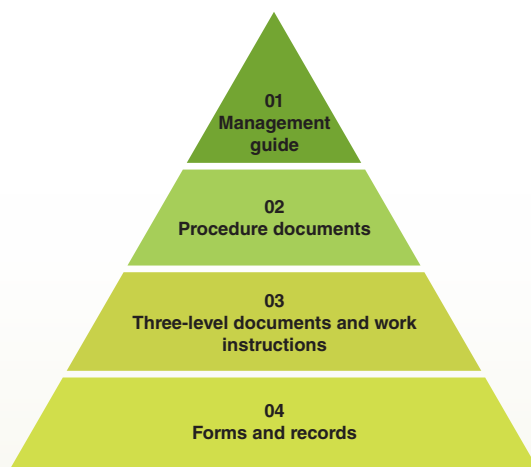
- ▶ *“Environmental Protection Law of the People's Republic of China”*
- ▶ *“Environmental Protection Tax Law of the People's Republic of China”*
- ▶ *“Air Pollution Prevention And Control Law of the People's Republic of China”*
- ▶ *“Law of the People's Republic of China on the Prevention and Control of Water Pollution”*
- ▶ *“Law of the People's Republic of China on the Prevention and Control of
“Environmental Pollution by Solid Waste”*
- ▶ *“Law of the People's Republic of China on the Prevention and Control of “Environmental Noise Pollution”*
- ▶ *“Energy Conservation Law of the People's Republic of China”*
- ▶ *“Environmental Impact Assessment Law of the People's Republic of China”*
- ▶ *“Law of the People's Republic of China on the Prevention and Control of Soil Pollution”*

Environmental, Social and Governance Report

- **Environment Management**

In order to effectively achieve green production and promote the fulfillment of green development goals, the Group has established a systematic environmental management mechanism, ensuring all production plants complied with the applicable laws, rules and regulations in the aspect of environment and continuously improved environmental performance.

Based on GB/T 24001, ISO 14001, etc., and actual practices and needs, the Group established the environment management mechanism and assigned a specific unit to be responsible for environment management. Moreover, the Group formulated a set of relevant documents, such as “Environmental System Operation Management Procedure”, “Energy Resource Management Program”, “Waste Management Procedures”, “Air Pollution Prevention and Control Procedure”, etc. These internal regulatory documents and corresponding supporting work papers have guided the environmental management approaches, targets and practices of the Group, and guaranteed the Group be in compliance with the applicable environmental laws and regulations.



Environment Management System

Based on the management mechanism, the production plants will set the appropriate environmental goals accordingly, and monitor them on a regular basis. This system comprehensively identifies the environmental factors that can be controlled or expected to affect the Group’s various activities, product and services, and the Group can take targeted measures to continuously enhance environmental performance.

- **Green Production and Operation**

- ✓ **Green Production**

In order to fulfill the commitment towards “green packaging”, we promoted environmental protection actions in all aspects of production to build green plants. In 2021, all of our 13 production plants successfully passed the audits ISO 14001 environmental management system and ISO 14064 greenhouse gas management system.

Besides, the Group encourages to improve the innovation capacity of green manufacturing and some plants have already upgraded the traditional workshops and applied intelligent manufacturing tools in their production, such as intelligent robot arms, automated logistic systems and other smart devices, to enhance the productivity and reduce energy consumption.

In 2021, Zhejiang plant participated in the selection of national green plant where the critical selection criteria include plant infrastructure, management systems, energy&material consumption, product, environmental emission and performance, and was finally selected as the first batch of green factory of Jiaxing, Zhejiang Province. This is the recognition of the green production and sustainability of the Group and is also the model for other production plants to learn the applicable experience and practices to speed up industrial transition and sustainable development. Additionally, Taicang plant was rewarded as demonstration smart workshop of Jiangsu Province.



Intelligent Robot Arm



Automated Logistic Systems



Smart Workshop Certification

The Group has also adhered to the concept of green packaging and ecological design and implemented the principles of reduce, reuse, recycle and degradable (“3R1D Principle”) in the stage of product design. For instance, the products are designed to use less ink in the production. The innovation helps reducing environmental emissions, decreasing consumption of raw materials and energy, and making products recyclable and reusable.

Environmental, Social and Governance Report

✓ Green Operation

The Group advocates green office and continuously promotes sustainability in the daily operation. The Group has created “Green Office Management System”, specifying green operation principles from the aspect of energy saving, water, printing, office supplier recycle, etc. This not only delivers the Board’s attitude on sustainable development and achieves all employees’ participation, but also makes it closer to the Group’s vision of becoming the best paper-based packaging group in China.

For the paperless office, it is suggested to use double-side printing, and actively recycles used paper in the daily operation. It also promotes using environmental products. In 2021, the Group also encouraged installing energy saving light bulbs and adopted energy-saving appliances in the office.

People are the most important factor when it comes to the environmental protection. Through a series of measures, such as training activities of energy & resources conservation, tree planting activities, the Group allowed the employees with different kinds of duties get involved in the environmental protection. In 2021, it takes over 300 environment protection activities, covering more than 4,500 person-time in total, and plant trees for over 2,400 m².



Employee Tree Planting Activity

• Emissions

Air Pollutant Emissions

During the Reporting Period, all production plants have established a standardized air pollution management mechanism through regular monitoring and supervision and inspection.

At plant sites, the manufacturing activities of the packaging materials have mainly produced the air pollutants of nitrogen oxides (“NO_x”), sulphur dioxide (“SO₂”), particulate matters (“PM”) from site industrial boilers, and volatile organic compounds (“VOC”) in the organized and unorganized format from the printing processes. It is noted that the vehicles at the plants site also emit air pollutants, but the vehicles emissions are insignificant compared to that of production processes. Therefore, only air pollutants from production processes were disclosed in this report.

The air pollutants of NO_x, SO₂, PM and VOC have been treated by the exhaust gas equipment installed on site before emitting to the atmosphere. The waste gases with or without treatment have been tested by the qualified testing entities and were confirmed that the air emissions of the production plants meet the applicable emission standards.

Type of Air Pollutant		Unit	2021	2020	2019	Change, %
NO _x	emission	kg	9,289.06	10,906.32	10,137.10	-14.83%
	intensity	kg/10,000 m ² production	0.15	0.19	0.18	-20.61%
SO ₂	emission	kg	3,276.90	2,476.60	3,125.60	32.31%
	intensity	kg/10,000 m ² production	0.05	0.04	0.06	23.33%
PM	emission	kg	809.07	636.08	708.6	27.20%
	intensity	kg/10,000 m ² production	0.01	0.01	0.01	18.56%
VOC	emission	kg	702.86	1,137.40	1,288.50	-38.20%
	intensity	kg/10,000 m ² production	0.01	0.02	0.02	-42.40%

Additionally, the devices for ventilation, purification and dust removal are maintained, the manufacturing equipments are checked and upgraded regularly, and the plants continues to conduct low-carbon transformation of equipment to ensure effective and environmental-friendly operation.

Due to the effective actions above, the total air pollutant emission has dropped 7.12% during the Reporting Period.

Greenhouse Gas Emissions

The Group has always emphasized on the climate change and made a series of efforts to reduce greenhouse gas (GHG) emission in the operation and production, as the Group and its stakeholders have acknowledged that these risks could cause potential adverse impacts on the Group's business future development.

When calculating the GHG emissions of the Group, the direct GHG emissions such as fossil fuels consumption, official vehicles emission, fugitive emission from wastewater treatment system in the plant belong to scope 1 emissions, while the GHG emissions generated by outsourced steam and electricity are classified as scope 2 emissions. All relevant GHG at plant sites are CO₂, CH₄ and N₂O.

During the Reporting Period, the emissions amount of GHG produced by the Group's 13 plants business activities were quantified and verified by an accredited GHG verification entity in accordance with the standardized system procedures of ISO 14064-1: 2018 "Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". The verified total amount of GHG emissions of the Group in 2021 was 43,250.79 tCO₂e.

Emission scope	Unit	2021	2020	2019	Change, %
Scope 1	tCO ₂ e	19,599.29	18,530.00	20,743.00	—
Scope 2	tCO ₂ e	23,651.50	28,953.00	26,235.00	—
Total GHG emission	tCO ₂ e	43,250.79	47,483.00	46,978.00	-8.91%
Production volume	10,000 m ²	60,368.78	56,270.00	56,160.00	7.28%
Intensity	tCO ₂ e/10,000 m ² production volume	0.72	0.84	0.84	-15.10%

The Group plans to phase out the fossil fuel boilers gradually and replace them with outsourced steam. In the Reporting Period, the total GHG emissions have decreased 8.91% and the emission intensity has decreased 15.10%.



Environmental, Social and Governance Report

✓ Product of Carbon Neutral

The Group is the first and only producer of packaging materials in the mainland market who undertake the carbon neutral program. Since 2009, the Group has always encouraged all production plants to achieve carbon neutral and continuously purchased the corresponding quantities of carbon credit for 10 years to offset the GHG emission. Currently, the Group has purchased I-REC (International Renewable Energy Certificate) certificate to offset the emissions generated by electricity in 2020. In the first half of 2022, the Group will select the suitable carbon credit programmes to offset the remaining GHG emissions generated in 2020 and 2021.

The Group presents the products of the net-zero carbon emission to the customers, which demonstrates the Group's determination to tackle climate change and take social responsibility.

Noise Management

Besides air pollutant and greenhouse gas emission management, the noise management is also critical, since noise is an invisible pollution hazard to the occupational health and public environment.

The Group established "Procedures for Prevention and Control of Noise Pollution", ensuring that the noise level is under the standards issued by the appropriate national and local authorities. At the production plants, the noise sources are mainly the printing machines, wholly-automated cutting machines, wholly-automated box sticking machines, air compressors and boilers, etc.

The Group has opted for the lower noise equipment and facility under the premise of satisfying production process, and not caused any potential adverse impacts to the surrounding communities.

- **Waste Management**

The wastes produced by the Group on plant sites are divided into the non-hazardous wastes and hazardous wastes. Based on the waste management system and relevant policies such as "Waste Management Procedures", the Group has managed the wastes in a systemic and scientific way.

The non-hazardous wastes mainly include the leftover scraps, plastic package of raw materials and municipal solid waste. The Group collected the leftover scraps and plastic package of raw materials and recycled them as much as possible. Due to the recycling capacity at site, the wastes that were not recycled were collected and then sold for recycling to the qualified entities. The municipal solid wastes were stored in the designated places and then collected and treated by the local sanitation departments. In 2021, 98.82% of the non-hazardous wastes have been recycled during the production.

The hazardous wastes mainly consists of the plastic barrel of oil residue, sewage of wastewater treatment, waste filter cotton, waste activated carbon and PVC interior package of waste glue, etc., which are given to a qualified hazardous waste disposal agency according to the requirements of laws and regulations.

Type of waste	Unit	2021	2020	2019	Change, %
Hazardous waste	amount tonne	398.95	505.80	7,109.07	-21.13%
	Intensity tonne/10,000 m ² production volume	0.007	0.009	0.127	-26.48%
Non-hazardous waste	amount tonne	43,135.18	39,422.58	30,720.90	9.42%
	Intensity tonne/10,000 m ² production volume	0.715	0.701	0.547	1.99%

The Group also adopts a set of measures to reduce the wastes in the business. For instance, the production plants and installed the waste reduction equipment, such as the hazardous waste sludge drier, reducing the sludge water content to achieve waste reduction, which lead to a significant drop of 26.48% in terms of intensity.

During the Reporting Period, the Group had complied with the 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.

- **Use of Resources**

Promoting energy utilization efficiency is beneficial to reduce the resource consumption and fight against climate change. Therefore, the Group has developed its own ERP resource system and established energy management mechanism, formulated "Energy Resource Management Procedure" and related documents, which stipulates the management duties of relating departments and working procedures to monitor, record, report, analyze, control the energy and resources use.

The Group's relevant energy and resources are natural gas, coal, electricity, diesel, unleaded petrol, water, packaging materials, office paper and raw paper as main raw materials of production. The specific regulatory documents for different types of energy and resources consumed by the Group, for example "Measures for The Administration of Electricity Consumption", "Water Use Management Measures", "Energy Consumption Record Form", have also been introduced and executed to achieve sustainable development.

Environmental, Social and Governance Report

Energy Management

The Group improves energy management by means of technology enhancement, energy conservation and renewable energy utilization. The production plants are encouraged to refine manufacturing technology, utilize high quality fuel, clean dust for boilers regularly and adopt energy saving boilers to increase energy efficiency.

Among all 13 plants, Dalian production plant consumed coal to produce steam in the production and 3 production plants purchased outsourcing steam, while the others also utilized natural gas in boilers for this purpose. In all, all plants purchased electricity for production and consumed diesel and unleaded petrol for production vehicles and business vehicles.

Type of energy	Unit	2021	2020	2019	Change, %
Electricity	amount kWh	31,592,958.00	30,450,110.00	29,792,189.56	
	Intensity kWh/10,000 m ² production volume	523.33	541.14	530.49	-3.29%
Diesel	amount litre	268,736.93	254,435.83	282,178.57	
	Intensity litre/10,000 m ² production volume	4.45	4.52	5.02	-1.55%
Unleaded petrol	amount litre	193,341.83	233,425.30	263,036.14	
	Intensity litre/10,000 m ² production volume	3.20	4.15	5.52	-22.80%
Natural gas	amount m ³	6,872,868.00	6,081,660.00	7,529,294.00	
	Intensity m ³ /10,000 m ² production volume	121.28 ¹	136.07 ²	141.42 ³	-10.87%
Coal ⁴	amount t	1,517.00	1,406.00	1,320.44	
	Intensity t/10,000 m ² production volume	0.41	0.40	0.45	2.50%
Outsourcing Steam	amount GJ	13,882.66	4,795.66	—	
	Intensity GJ/10,000 m ² production volume	0.74 ⁵	0.59 ⁶	—	24.39%

During the Reporting Period, the total amount of energy consumption is 104,475,561.55 KWH⁷. Moreover, the Group also actively develops renewable energy in the daily business. By 2021, five plants have adopted renewable energy via installing distributed rooftop photovoltaic power generation systems in production plants or using other small solar power devices, which generated 1,411,659.00 KWH renewable energy. For those have rooftop photovoltaic power generating facility, renewable energy consumption accounts for 24.11% of the electricity use of these plants. In the future, more plants will join in the transformation in the renewable energy and achieve green production together.

1 Except for Dalian Plant

2 Except for Dalian Plant and Zhejiang Plant

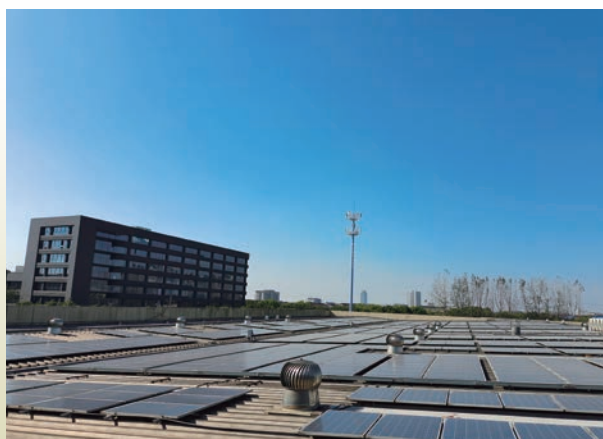
3 Except for Dalian Plant

4 Only Dalian Plant

5 Only Wujiang, Nanjing and Zhejiang Plant

6 Only Zhejiang Plant

7 Calculated based on the HKEx ESG guidance and the conversion equivalents from GB/T 2578-2020.



Photovoltaic Power Generating Facility on Plants Site

Water Conservation

With the increase in water consumption for production and living, China is still facing serious problems in the utilization and protection of water resources. The Group established the water management system and compiled a series of documents, such as “Water Pollution Prevention and Control Procedures”, “Water Use Management Methods” and “Waste Water Treatment and Daily Monitoring Management Methods”. The Group also performed the relevant water conservation practices to monitor, evaluate and improve the water efficiency and reduce unnecessary water usage.

In the Reporting Period, there was no issues in sourcing water for the Group and the practices of water conservation made the water consumption intensity of the Group achieve a drop of 7.39% compared to the year of 2020.

	Unit	2021	2020	2019	Change, %
Water consumption amount	m ³	156,494.00	157,501.00	146,699.80	-0.64%
Intensity	m ³ /10,000 m ² production volume	2.59	2.80	2.61	-7.39%

For wastewater, the Group strictly implements management procedures of prevention and all wastewater has been dealt properly by qualified organization to ensure that the wastewater discharges meet the relevant wastewater emission standards. At production plants, the wastewater mainly came from the equipment cleaning and domestic wastewater.

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During the Reporting Period, the results of wastewater discharges were verified by the qualified third party testing entities and were in compliance with the relevant emission standard, and a drop of 23.13% in water discharge intensity was achieved compared to the previous year.

		Unit	2021	2020	2019	Change, %
Wastewater discharge	amount	m ³	70,537.20	85,535.00	82,709.60	-17.53%
	Intensity	m ³ /10,000 m ² production volume	1.17	1.52	1.47	-23.13%

Besides, the Group also adopts the water-saving equipment in factory and toilets, modifies equipment, optimizes processing technology, provides routine checks and regular maintenance on water pipes to better conserve water.

• Raw Material Use

The raw materials relevant to the Group were mainly raw paper in production, packaging materials for finished products and the office paper for working offices.

To better promote the sustainable development and reduce the impacts of business activities on natural resources, the Group procured the FSC-certified paper and recycled paper for raw material, accounting for over 50% of the total amount in 2021.

Besides, it involved the packing rope and stretch warp in the finished products as packaging materials in the production, which are managed based on the working instruction of waste management. The Group also ensures 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.

In terms of office printing papers, the employees are suggested to double-side print the documents and actively recycled these paper as well as other office suppliers, such as pen, battery, toner cartridge, etc.

Type of raw materials	Unit		2021	2020	2019
Raw papers in production	amount	tonnes	431,977.64	399,140.95	395,730.11
	Intensity	tonnes/10,000 m ² production volume	7.16	7.09	7.05
Packaging materials in finished products	amount	tonnes	516.04	431.22	458.08
	Intensity	tonnes/10,000 m ² production volume	0.01	0.01	0.01
Office papers for working office	amount	tonnes	33.94	27.9811	26.7379
	Intensity	tonnes/10,000 m ² production volume	0.56	0.50	0.48

MAKING A BETTER SOCIETY

The Group highly values all stakeholders of its value chain. With the priority of being a responsible employer and partner, the Group always pays great attention to employee's right, development and occupational health, and aims at providing the customers with high-quality products and services. We are seeking for the achievement of win-win developments with all stakeholders and we work together to give back to the local communities and make a better society for the future.

The Group strictly abides by applicable laws and regulations promulgated by the Chinese central and local government that have a significant impact on the Group's business, including but not limited to:

- ▶ *“Labor Law of the People's Republic of China”*
- ▶ *“Labor Contract Law of the People's Republic of China”*
- ▶ *“Provisions on Prohibition of Child Labour”*
- ▶ *“Law of the People's Republic of China on The Protection of Minors”*
- ▶ *“Work Safety Law of the People's Republic of China”*
- ▶ *“Law of the People's Republic of China on Prevention and Control of Occupational Diseases”*
- ▶ *“Fire Control Law of the People's Republic of China”*
- ▶ *“Product Quality Law of the People's Republic of China”*
- ▶ *“Patent Law of the People's Republic of China”*
- ▶ *“Personal Information Protection Law of the People's Republic of China “*
- ▶ *“Hong Kong Personal Data (Privacy) Ordinance”*
- ▶ *“Prevention of Bribery Ordinance”*
- ▶ *“Anti-money Laundering Law of the People's Republic of China”*

• Supporting The Employees

The Group firmly considers outstanding human resources as its most valuable asset and the most critical factor to the company's sustainable development.

The Group always creates an equal and diverse workplace environment for employees, provides them with abundant training and development opportunities, strives to enhance employees' working skills & competences, pays attention to the health and safety, promotes work-life balance, with the ultimate goal of realizing a harmonious development between the employees and the Group.

According to the employment laws and regulations, the Group has in place a series of policies and regulations in respect of human resources management, including but not limited to recruitment and promotion, dismissal and resignation, remuneration and benefit, work conduct and behavior, attendance and leave, working hour and holiday, working environment and safety, training and confidentiality, anti-discrimination and diversity, equal opportunity and anti-corruption, prohibition of child labor and forced labor etc.

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Equal Employment and Opportunity

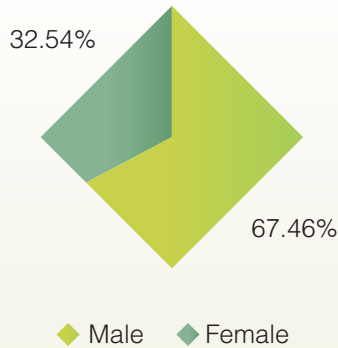
The Group effectively protects the equal rights and interests of employees and continues to build a fair and inclusive workplace culture. We do not differentiate between our employees based on gender, age, religion and physical condition in recruitment, salary, benefit and promotion in accordance with the principles of fair competition and development.

We really cherish the individual comprehensive abilities of our employees, especially the three critical elements, ethics, hard work and logic, to ensure recruitment of people with both strong working abilities and good characteristics.

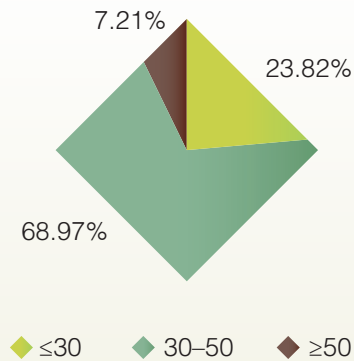
A working environment filled with fulfillment and development opportunities was guaranteed. The Group always encourages employees to think innovatively, and to carry out their responsibilities with passion, courage and commitment. The Group also established an internal rewarding and promotion system to ensure the equal opportunity and provided all employees with the most suitable positions in the company and a more development opportunities.

By the end of 2021, the Group had a total number of 1,721 employees, and they are all located in China. The female employees accounted for around 1/3 and the employees aged from 30 to 50 reached to 67.46% of all employees. The general staffs were approximately less than 9 times of management staffs, and the proportion of full-time employee reached to 100%.

Gender Distribution of Employee



Age Distribution of Employee



Employment Type Distribution





The general staff turnover rate of the Group is 34.19%. The turnover rate by age, gender and employment type is calculated as below, based on the difference of dismissal, recruitment and the average total number of employees in year 2021⁹.

Staff Turnover Rate				
By gender		By age		
Male	Female	Below 30	From 30 to 50	Over 50
36.49%	28.84%	44.67%	28.36%	36.41%

Generally, the Group complied with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, Regulations for the Implementation of the Labor Contract Law and the Law of the People’s Republic of China on the Protection of Rights and Interests of Women, to protect the basic working rights of our employees. We promise not to pay the employees with the wage lower than the minimum wage required by the applicable laws and regulations, and, specifically, to safeguard the interests of our employees, the Group paid labor insurance to all employees in accordance with the Social Insurance Law and Regulation on Work-related Injury Insurance of the People’s Republic of China.

The Group opposes child labor, forced labor, labor slavery, bullying and harassment. With the management mechanism of “Prohibition of child labor and remedial control procedures”, “Compulsory Labour and disciplinary control procedures”, the government’s ban on child labor and forced labor were strictly enforced by the Group and any violation will be investigated and handled timely based on the law and regulation.

During the Reporting Period, no cases of employment non-compliance within the Group and no material violations of recruitment, child labor, or forced labor have occurred.

In the future, the Group will continue to regularly perform review and update the internal policies and regulations to better protect our employees rights and interests.

Health and Safety

The health and safety of employee is of high importance for the enterprise and its stakeholders. The Group always highly cherishes occupational health and safety and takes a varies of actions during the production and operation.

The Group established a systematic EHS management system by issuing “Manual of occupational Health and Safety Management System”, “Monitoring and control procedures for EHS measurement” and other relevant policies and documents. During the Reporting Period, the Group invited the qualified testing organization to perform testing and evaluation of occupational hazardous factors at operation site on a regular basis. Meanwhile, the Group has made emergency plan of industrial accident to better protect employee’s occupational health and safety.

During the Reporting Period, the Group had complied with the relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

9 Total number of employees lost in a year/(Total number of employees at the end of the year + Number of employees leaving in a year)

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Besides, the Group appointed the specific and professional EHS team to ensure the working environment free from potential hazards and guarantee potential risks of health and safety under control. This company-wide EHS network is composed of general manager as the first responsible person and the manager, department director, group leader and assembly line operator with their own duties in this regard. The unit also helps setting the KPI relating to safety and health of employees to various duties departments for a better EHS implementation.

The Group also dedicates itself to implementing every necessary and practical measures to provide a safe and healthy working environment from an early stage of business decisions. In the daily production and operation, the Group organized a variety of EHS training actions, fire drills to all related employees, and held safety month activity to raise the health and safety awareness of employee. In addition, the Group provided occupational health checks by the qualified medical organizations, covering 85.54% of employee in total.

	Unit	2021	2020	2019
Number of death incidences	piece	0	0	0
Number of work-related injury	piece	11	9	—
Proportion of industrial injury ¹⁰	%	0.13%	0.11%	—

In 2021, the total number of days lost as a result of work injuries was 550, representing 0.13% of the annual working time in total¹¹, and the injury rate per million man-hours is 3.20¹².



Safety Training



Fire Drill



Chemical Safety Training



First-aid Exercise Training

10 Total work injury day/(total employee number × total working day per year)

11 based on 1,721 employees and 250 days per employee per year

12 Number of work-related injury or death/annual working time × 1,000,000. This indicates the number of injuries caused by accidents per million man-hours worked.

Development and Training

As for talent training and development, we always prioritize the overall employee development. The Group strives to grow with its employees by carrying out diversified internal or external vocational training activities to strengthen employees' capabilities and provides employees with a great learning platform and broad promotion space.

The Group has created a systematic human resource management and talent development model, and has taken a variety of training activities. According to the level of employees, the responsibilities and tasks of the job, employees will be trained with different objects, contents, methods and assessments. The Group also prepared training activities of other topics, such as communication skills, anti telephone fraud and so on.

Additionally, to make more employees, including front-line workers at plants, get involved in the training activities and advocate enterprise culture and spirit, the Group designed and conducted one day Academy training activities in 2021. The one day Academy training includes enterprise culture, core values, enterprise policies as well as team-building activities, such as poster making, drama performance, etc.



Employee Training Activity



One day Academy Training

Outstanding Team Award

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During the Reporting Period, a series of training activities were held, covering 1,608 people and 26,045 training hours in total. In 2021, all front-line workers in the production plants received the training activities and the Group's overall employee training coverage rate reached to 93.43%. The training statistics among different type of employees are also calculated as below in terms of gender and different employment positions.

	unit	By gender		Employment Type	
		Male	Female	Management level	Staff
Number of training people	people	1,077	531	156	1,452
Percentage (number of training people/employee)	%	92.76%	94.82%	86.67%	94.22%
Average training hours	hour	15.47	14.43	13.89	15.31

Work-Life Balance

We always strive to keep work-life balance and establish a harmonious relationship with its employees. The Group conducted diversified activities to create mutual respect with employees and to safeguard the interests of both parties. This created an attracting working environment to motivate employees to realize their full potentials at work.



Women's Day Activities



Employee Birthday Celebration



Radio Gymnastics Game



Outdoor Activities



New Year Celebration



Making Dumplings



Plant Growing Activities



Travel



Christmas Activities



Sports Game



Employee Welfare Gifts

- **Collaborating With Value Chain**

The Group is always committed to being a reliable and responsible partner for both supplier partners and customers.

Supply Chain Management

We adhere to growing together with all partners to create a win-win situation, and actively promote the sustainable development to our business partners and encourage them to fulfill social responsibilities on the basis of ensuring the quality of products and services in the value chain.

The Group gradually highlighted the systematic and standardized procurement management and designed procedural document of supplier management, which directs the procurement department along with other relevant internal departments to select, screen, evaluate and secure the most appropriate suppliers in light of their ESG performance and other aspects. In the Group “Supplier Code of Conduct”, all suppliers shall comply with relevant responsible regulations and laws and ensure good faith in collaborations with partners. The supplier would be excluded from procurement of the Group if it has any of the violations related to employment of unlawful child labour, unlawful employee’s remuneration, equal employment, freedom rights, EHS issues, working hours, intellectual property rights and any other topics stipulated in this Code.

Additionally, the supplier is also required to commit their products be in compliance with the relevant global standards, including Restriction on Hazardous Substances Directive (“RoHS”) and Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”) standards.

During the Reporting Period, there are 1,396 suppliers of the Group, 99.57% of them are located in the mainland China and the rest few come from Hongkong and other places. All the suppliers are expected to have the yearly or bi-yearly supplier inspection from the Group in terms of their clarification of supplier type. In a monthly manner, the Group’s procurement department evaluates the supplier’s product quality, delivery timeliness and service, and the evaluation report is recorded as the basis of yearly assessment. Based on the yearly assessment results, the procurement of supplier can be increased, unchanged, suspended and restored after rectification, or be terminated.

In 2021, zero violation occurred. The Group encouraged all supplier to sign up “Supplier Code of Conduct” and also conducted training activities on business integrity and fair competition policies to suppliers, covering 726 hours in total.

Product Responsibility

Innovation & Intellectual Property

The Group always focuses on the improvement of innovation capability to provide the customers with more abundant and excellent products. In 2021, the Group has 43 research and development programmes.

All intellectual property are valued and protected in the Group under the intellectual property management, which strengthens the identification of intellectual property results and safeguards its legitimate rights and interests. As required, all intellectual property shall not be used without the Group’s authorization, including drawing, design template, patented technology, and product specifications, which helps constantly strengthening the management of the Group’s intellectual property, protecting the intangible property of from infringement, and enhancing the competitiveness of research and innovation. During the Reporting Period, the Group holds three new intellectual properties.



Environmental, Social and Governance Report

High Quality Products

The Group always emphasized the high quality of all products that are responsible for the health and safety of customers and stakeholders.

In 2021, the Group continuously upgraded its quality management system according to ISO 9001. The annual audit of quality management certification also ensures the standardized product quality assurance process for the Group. To guarantee the quality, the internal examination report and external third party testing report are asked to be provided to ensure all products meet the relevant products standards, our and customers' requirements. During the Reporting Periods, the qualified rate of production quality reaches 99.55%.

The Group also established a quick-response and effective unqualified products management mechanism. The product quality management department will screen the raw materials and finished products in accordance with relevant procedures to avoid delivering the unqualified products to customers. Those unqualified products are stored in different warehouse in terms of product type, which will also be repaired, reused or scraped. If the finished products are determined unqualified after delivery, they will be returned timely as customer requests, in accordance with control procedure of correction and prevention measures. If the products possess any potential risks to customers, the unqualified product recall process would start, and the relevant recalled product production line would be suspended for further investigation and correction. In 2021, none of the products were recalled due to health and safety issues.

To safeguard the health and safety of the products, every stage of the product life cycle was considered and reflected. In the design phase of products, the concept of green packaging and ecological design is introduced; in the procurement phase, the FSC-certified raw papers and raw materials were selected to conform EHS, RoHS and REACH standards; in the end of life phase, the products are designed recyclable.

Great Custom Service

The Group highly values the improvement of customer satisfaction. In order to further improve customer services, the Group formulated "Communication procedures with customers regarding product and service requirements" and "Customer complaint management guide" and other standards and built a prompt-response, high-quality system to ensure all customers can experience superior services.

The effective customer complaint handling mechanism enables the Group to react in a timely manner. All the customer complaint will be confirmed immediately, followed by the initial investigation completed within 8 hours. Within 24 hours, the corresponding correction plan will be drafted and be finalized; it will be delivered to customers within 3 days. This correction action will be continuously monitored within 5 days. Additionally, all customer complaints are summarized and analyzed for improvement on a regular basis.

The annual survey of customer satisfaction is also conducted to communicate with customers, by means of email, interview, phone or fax. If the customers are dissatisfied with the products or services in the survey, the Group will carry out a site visit for communication and improvement. In the Reporting Period, more than 93% of the customers expressed satisfaction in the survey, which shows an increase compared to the previous years.

All personal data and information of customers are confidential and strictly protected. The "Staff Handbook" clearly states that the employees of the Group shall abide by confidentiality obligations and shall not spread out and sell any of customer data. If any breach occurs, the investigation will be launched and the responsible person shall bear corresponding responsibilities.

In general, no cases of privacy disclosure, false or misleading advertising and misuse of labeling occurred to the Group in 2021. During the Reporting Period, the Group had complied with the relevant laws and regulations, including but not limited to the Product Quality Law of the PRC, the Patent Law of the PRC, Personal Information Protection Act and the Personal Data (Privacy) Ordinance of Hong Kong.

- **Serving Community**

Besides the business operation, the Group is constantly giving back to the local community and advocating its employees for the active volunteer participation. This proactively engagement with the community helps to create a sustainable development environment where both the community and the Group can benefit.

In the 2021, the Group has carried out a variety of public welfare activities in the fields of education, community, service and safety, with the investment of more than RMB60,000, to promote the community co-prosperity and coordinated development.



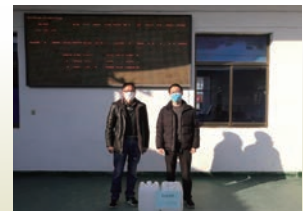
Volunteer Activities
for School



Fire Station Visit



Sharing at University of
Shanghai for Science and
Technology



Charity Donation

Cultivating Future Talents

In addition, the Group especially valued education and talent cultivation. “PMPGC Cup” packaging structural design competition is a national game for all college students, which has been held by the Group since 2010. The competition aims at encouraging more students to be innovative and attracting future talents to join in the industry, as well as promoting the development of modern packaging industry. The competition has also created a perfect platform for universities, enterprises and institutions to form closer interaction and better collaboration.

In 2021, the 10th “PMPGC Cup” competition focuses on two topics: innovative travelling and vegetables/fruits package, which encourages students to incorporate “innovation, environmental protection, modest, friendly” design concept and consider the whole value chain in the corrugated package products.

From the start of the competition, more than 120 applications were submitted from over 30 universities on a national scale. 16 people from enterprise, university, industry association and media composed the final evaluation committee and finally selected and provided professional guidance and comments to the participating students and guided them to have a fresh thinking of innovative packaging. The final prize-winner will obtain bonus or free study visit to Japan.

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HONORS AND AWARDS

Pacific Millennium Packaging Group Corporation



“World Corrugated Award 2021”
Gold Award
2021-07



2020 Top 100 Packaging Enterprises in China
2021-11

Shanghai Pacific Millennium Packaging & Paper Industries Co., Ltd.



The Second Green Economy Development Forum 2021 “Carbon Neutral Outstanding Example”
2021-11

Shenyang Pacific Millennium Packaging & Paper Industries Co., Ltd.



Top 100 Packaging and Printing Enterprises in Liaoning Province
2021-2022

Nanjing Pacific Millennium Packaging & Paper Industries Co., Ltd.



Excellent Supplier
2021-12

Taicang Pacific Millennium Packaging & Paper Industries Co., Ltd.



Intelligent Workshop in Jiangsu
2021

Zhejiang Pacific Millennium Packaging & Paper Industries Co., Ltd.



Top 10 of Per Acre Benefit
2021-1



Silver Supporting Unit of Zhejiang Chamber of Commerce for Sanitary Products
2021-1

Green Factory in JiaXing
2021-9

Positive List of Environmental Oversight and Law Enforcement Case in Jiaxing
2021-12

HKEx ESG REPORTING GUIDE INDEX

ESG Guidance A. Environmental	Reference Section
<p>Aspect A1: Emissions</p> <p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Protecting The Environment
KPI A1.1 The types of emissions and respective emissions data.	Air Pollutant Emissions
KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emissions
KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Action to Climate Change, Emissions
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Action to Climate Change, Waste Management

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ESG Guidance		Reference Section
Aspect A2: Use of Resources	<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Protecting The Environment
	<p>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).</p>	Energy Management
	<p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Water Conservation
	<p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	Action to Climate Change, Energy Management
	<p>KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p>	Action to Climate Change, Water Conservation
	<p>KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	Raw Material Use
Aspect A3: The Environment and Natural Resources	<p>General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	Protecting The Environment
	<p>KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	Environment Management
Aspect A4: Climate Change	<p>General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p>	Action to Climate Change
	<p>KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.</p>	Action to Climate Change

B. Social

Employment and Labour Practices

Aspect B1: Employment	<p>General Disclosure 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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Supporting The Employees
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Equal Employment and Opportunity
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Equal Employment and Opportunity
Aspect B2: Health and Safety	<p>General Disclosure 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 providing a safe working environment and protecting employees from occupational hazards.</p>	Health and Safety
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	KPI B2.2 Lost days due to work injury.	Health and Safety
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

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Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour 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 labour.	Supporting The Employees
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Equal Employment and Opportunity
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Equal Employment and Opportunity
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Collaborating With Value Chain
	KPI B5.1 Number of suppliers by geographical region.	Supply Chain Management
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Aspect B6: Product Responsibility

<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (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, labelling and privacy matters relating to products and services provided and methods of redress. 	Product Responsibility	
KPI B6.1	<p>Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>	Product Responsibility
KPI B6.2	<p>Number of products and service related complaints received and how they are dealt with.</p>	Product Responsibility
KPI B6.3	<p>Description of practices relating to observing and protecting intellectual property rights.</p>	Product Responsibility
KPI B6.4	<p>Description of quality assurance process and recall procedures.</p>	Product Responsibility
KPI B6.5	<p>Description of consumer data protection and privacy policies, and how they are implemented and monitored.</p>	Product Responsibility

Aspect B7: Anti-corruption

<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (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. 	Anti-Corruption	
KPI B7.1	<p>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>	Anti-Corruption
KPI B7.2	<p>Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.</p>	Anti-Corruption
KPI B7.3	<p>Description of anti-corruption training provided to directors and staff.</p>	Anti-Corruption



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Community

Reference Section

Aspect B8: Community Investment

General Disclosure	Serving Community
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.	
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Serving Community
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Serving Community