

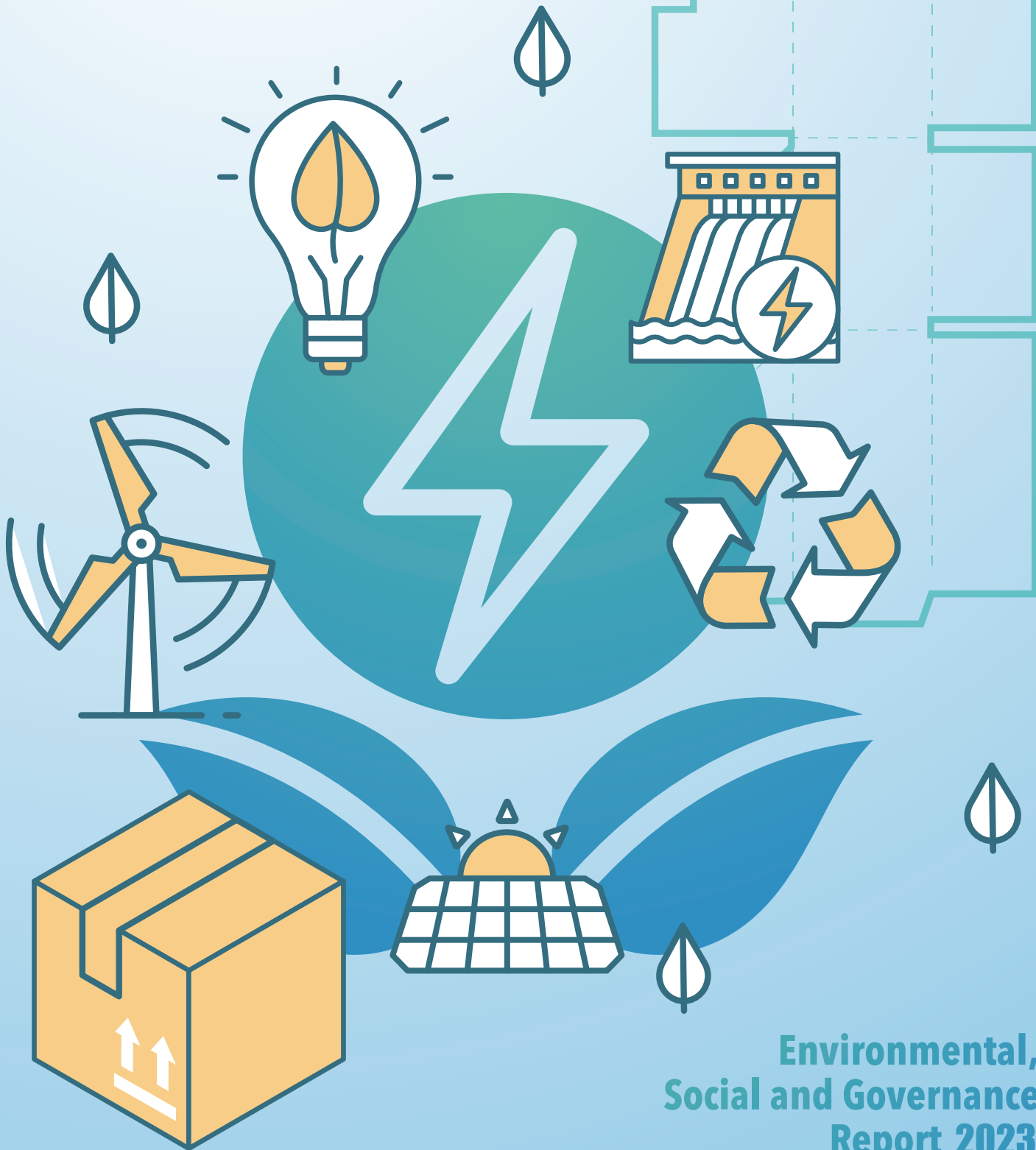


PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

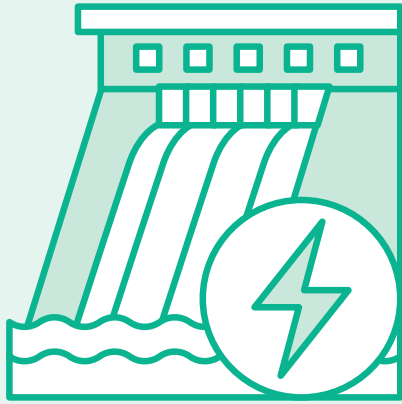
國際濟豐包裝集團

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1820



**Environmental,
Social and Governance
Report 2023**



CONTENTS

About This Report	2
Introduction	2
Reporting Period	2
Reporting Scope	2
Reporting Standards and Principles	2
Contact and Feedback	3
About The Group	4
ESG Statement of the Board	5
Honor and Award	6
Climate Change Management	7
Governance	8
Strategy	8
Risk Management	13
Metrics and Targets	14
Sustainability Strategy	15
Sustainability Governance	15
Stakeholder Engagement	18
Materiality Assessment	19
Compliance and Integrity	21
Compliance Operation and Risk Management	21
Anti-Corruption	21
Business Ethics and Morality	22
Fostering Environmental Sustainability	22
Environment Management	23
Green Products	25
Green Operation	26
Minimizing Environmental impact	27
Air Pollutant Emissions	27
Greenhouse Gas Emissions	28
Waste Management	29
Wastewater management	30
Noise Management	30
Compliance	31
Optimal Resource Utilization	31
Energy Management	31
Water Conservation	33
Raw Material Use	33



Thriving People and Society	35
Empowering Our Employees	35
Employment Equality and Human Rights	36
Safety and Health	37
Employee Welfare and Care	40
Training and Development	41
Communication and Connection	42
Collaborating with Value Chain	44
Supply Chain Management	44
Product Quality	44
R&D and innovation	46
Intellectual Property Protection	46
Excellent Customer Service	47
Customer Privacy and Data Security	47
Supporting the Community	48
Community Service	48
Public-welfare	48
College Cooperation	49





Environmental, Social and Governance Report

ABOUT THIS REPORT

Introduction

This report marks the sixth Environmental, Social, and Governance (ESG) Report issued by Pacific Millennium Packaging Group Corporation (hereinafter referred to as “the Company” or “PMPGC”) and its subsidiaries (collectively referred to as “the Group,” “we,” “us,” or “our”), aiming to provide a comprehensive review of the Group’s administrative approaches, performance, and advancements in environmental, social, and governance aspects, underscoring our commitment to sustainable development.

Reporting Period

This report is an annual report commencing from 1 January 2023 to 31 December 2023 (the “Reporting Period”).

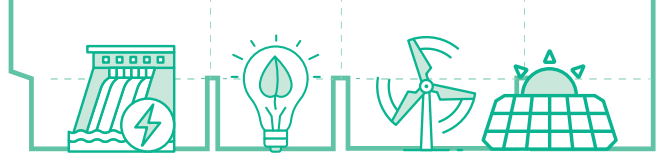
Reporting Scope

The scope of this ESG report covers the Group’s all subsidiaries, including 13 production plants, Qingdao Training Centre, the Hong Kong office and the Shanghai office (the “Reporting Scope”). It should be noted that two offices do not significantly contribute to the Group’s environmental issues. Consequently, they are not included in the environmental data disclosures in this report.

Reporting Standards and Principles

This Report is prepared in accordance with the disclosure requirements and recommendations specified in the “Environmental, Social and Governance Reporting Guide” set out in Appendix C2 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (“HKEX”). In this report, we rigorously adhere to the principles of materiality, quantitative, balance and consistency. Furthermore, we provide detailed elaboration on the “comply or explain” provisions, ensuring comprehensive disclosure in our ESG practices.

Unless indicated otherwise, all data presented in this report are sourced from the Group’s official internal documents and relevant statistics. The Group assures that the information contained within this report is devoid of any inaccuracies, misleading statements, or significant omissions, thereby guaranteeing the authenticity and integrity of the report.



- Materiality** We conducted the materiality assessment according to the relevant guidelines and compiled this report on the basis of this assessment. Details can be referred to in the session of “Stakeholder Engagement” and “Materiality Assessment”.
- Quantitative** We followed the ESG Reporting Guide, referred 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** 2023 ESG report was prepared with the same method used in previous years. The changes that may affect a meaningful comparison with the previous reports were explained in the corresponding section.

Contact and Feedback

This report is available in both Traditional Chinese and English versions. The electronic version is available for viewing and downloading on the website of PMPGC (URL: <http://www.pmpgc.com/index.aspx>). If any suggestions and inquiries related to this report and the Group’s sustainable development, please submit them via email to us at contact@pmpgc.com.

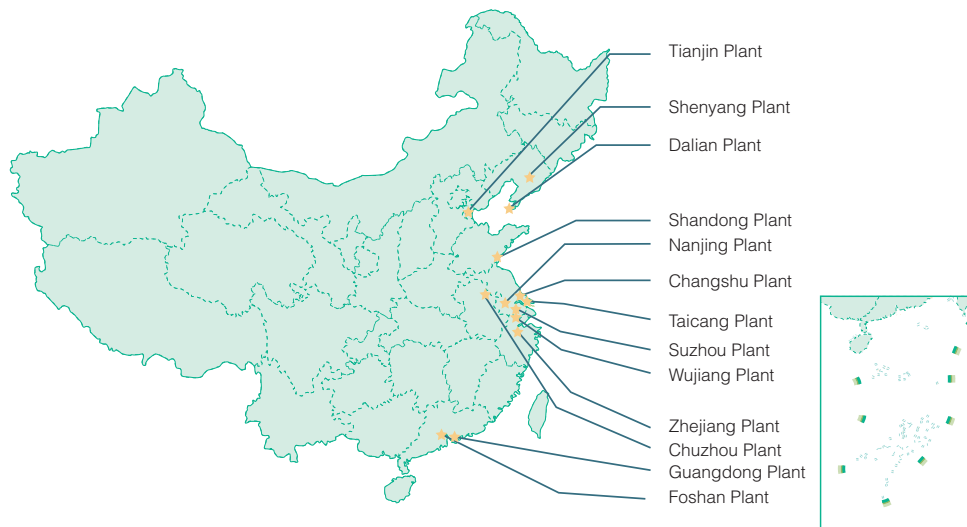


Environmental, Social and Governance Report

ABOUT THE GROUP

We are a corrugated packaging supplier in the People's Republic of China ("PRC") with over 20 years of experience and are principally engaged in the manufacturing and sale of (i) corrugated packaging products including corrugated boxes, pallets, display stands, heavy duty packaging and specialised packaging products; and (ii) corrugated sheet boards in the PRC. We also provide integrated packaging services to meet the needs of several customers for one-stop packaging solutions.

During the Reporting Period, we operate a total of thirteen Production plants in northern, north-eastern, eastern and southern regions of the PRC. The production facilities are located in Suzhou, Tongxiang, Nanjing, Tianjin, Dalian, Shenyang, Wujiang, Changshu, Huizhou, Taicang, Laixi, Foshan and Chuzhou in China. All of them are equipped with corrugated board production lines and mainly produce corrugated board and corrugated box.



With our long-term partnership with many well-known brand customers and suppliers at home and abroad, and the Group's over 20-year rich knowledge and experience in the corrugated paper packaging industry, we strive to leverage the advantages of the Group's large-scale operations and emphasize lean Management, implementation of strict quality control standards, while continuously improving the degree of automation of machinery and equipment, and accelerate the innovative application of information technology in business management.

With our extensive industry experience and leading market position, we believe we are in a good position to grasp the development potential brought by demand growth and market consolidation for China's corrugated paper packaging industry, and to further strengthen our presence in North China, Northeast China and East China. The market position of the region and the expansion of our presence in the South China region further expand market share.

We have a solid and long-standing relationship with our major customers a majority of which are leading players in their respective industries, including food and beverages, non-food and beverage consumables, home appliances and electronics, durable goods and garments, industry and machinery, and customers in the e-commerce and express delivery industries.

Our commitment to providing quality packaging products and innovative packaging solutions as well as environmentally and socially responsible practices has distinguished us from our competitors and put us in a better position in attracting and maintaining internationally renowned customers. We have an experienced management team and have a strong track record in the corrugated paper packaging industry.



ESG STATEMENT OF THE BOARD

The 28th United Nations Climate Change Conference (COP28), has recently concluded in Dubai. This milestone event continues to underscore the vital importance of global collaboration and commitment in addressing the challenges posed by climate change, aligning with our ongoing efforts to prioritize sustainable development and environmental stewardship in our operations and corporate strategy.

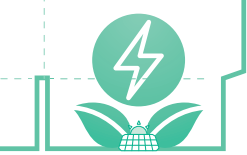
In 2023, we demonstrated outstanding environmental achievements, realizing significant reductions in air emissions, wastewater, and solid waste from the previous year. As a provider of green packaging solutions, we empower our customers with eco-friendly products. Throughout every stage of our product lifecycle, we incorporate best practices into the design, production, and manufacturing processes. We also launched supply chain collaboration projects, working together with our suppliers to minimize environmental impact.

As the first paper packaging manufacturer in the country to achieve carbon neutrality, our carbon-neutral initiatives contribute to refined management practices, energy conservation, and the reduction of greenhouse gas emissions. In 2023, our operations achieved a milestone by transitioning to zero coal usage, embracing cleaner energy sources across all our facilities. These efforts further enhance our leadership in sustainable development within the industry.

The Group deeply values its stakeholder relationships, emphasizing responsible practices and partnership. We prioritize our employees' rights, growth, and well-being, while striving to offer our customers exceptional products and services. Our goal is to foster symbiotic stakeholder relationships, working together to enhance community welfare and build a more prosperous society for future generations.

During the Reporting Period, we hosted the 2nd "Artisan Cup" within the Group and collaborated with universities for the 12th "PMPGC Cup" Packaging Structure Design Competition, establishing a significant platform for employees and university students to develop innovative packaging solutions. Additionally, we intensified our commitment to social contributions, focusing on care for the local community, the elderly, and vulnerable groups, underscoring our dedication to corporate social responsibility.

As we move forward, we remain committed to engaging with all stakeholders to drive sustainable development, ensuring that our growth is not just for today but for the generations to come. Our actions and strategies are designed not only to meet the current ESG demands but to anticipate future challenges and opportunities, ensuring the long-term sustainability and success of our business.



Environmental, Social and Governance Report

HONOR AND AWARD

Name of the organization	Award	Date	
Pacific Millennium Packaging Group Corporation	40 Years of Development of Paper Packaging Industry in China “Digital Intelligence Construction Advanced Enterprise Award”	2023-5	
	2023 Global Corrugated Industry Award — Business Transformation of the Year	2023-7	
	Yi Cai China Green Point Sustainable Practice Case of the Year 2023	2023-10	
	2022 Top 100 Packaging Enterprises in China	2023-11	
	2023 Top 100 Printing & Packaging Enterprises in China	2023-7	
	JD Logistics Green Stream Initiative” Excellent Partners	2023-3	



Name of the organization	Award	Date	
Nanjing Pacific Millennium Packaging & Paper Industries Co., Ltd.	COFCO Annual Excellent Supplier Awards	2023-9	
	Zhejiang Province Green and Low-carbon Factory	2023-9	
Zhejiang Pacific Millennium Packaging & Paper Industries Co., Ltd.	2022 Advanced Collective for Emergency Management	2023-3	
	Zhejiang Province Hygienical Products Silver Support Unit	2023-6	
Changshu Pacific Millennium Packaging & Paper Industries Co., Ltd.	2023 Provincial Star Rated Cloud Enterprise	2023-6	

CLIMATE CHANGE MANAGEMENT

In 2023, our Group has deepened its commitment to addressing climate change by advancing our application of the Task Force on Climate-related Financial Disclosures (TCFD) framework and IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB). Building on previous years' efforts to identify and analyse climate-related risks and opportunities, this year we have a comprehensive understanding of our resilience and adaptability in the face of climate challenges and have focused on integrating these insights into our strategic planning and operational decision-making processes.

Our strategy focuses on leveraging opportunities while mitigating risks associated with the shift towards a more sustainable economy. By integrating sustainability into our business model, we not only adhere to but also exceed compliance standards, driving innovation and establishing new benchmarks in ESG practices. This approach not only benefits our stakeholders but also cements our status as pioneers in sustainability across industries.



Environmental, Social and Governance Report

Governance

Adopting a dedicated approach, the Group has instituted a governance framework under which the Board-appointed Environment Committee takes the helm in spearheading the strategy's implementation and delivery. This Committee is entrusted with crafting and overseeing the ESG strategy and objectives, conducting thorough reviews and supervision of ESG management. It convenes at least annually to deliberate on ESG and climate change issues.

In the realm of management responsibilities, a significant emphasis is placed on aligning with climate-related objectives. This includes embedding climate considerations into strategic planning, setting and tracking climate-focused corporate goals, and navigating climate-related risks and opportunities. Such a concerted effort ensures that climate awareness permeates every level of strategic decision-making, propelling the company towards its sustainability ambitions.

To galvanize employee engagement in climate action, we have introduced incentive mechanisms specifically targeting climate-related achievements. These incentives, spanning both short-term and long-term rewards, are designed to acknowledge and encourage employees' contributions towards achieving significant decarbonization milestones. This strategic alignment between employee incentives and the company's climate goals cultivates a culture of environmental responsibility, driving collective progress towards sustainability.

Strategy

Recognizing the multifaceted nature of climate change impacts, we have conducted a comprehensive analysis of potential risks and opportunities across our business, embedding these considerations into our strategic and financial planning for both the short and long term. This analysis encompasses our entire operations, detailing specific countermeasures to ensure that we can adapt flexibly and integrate climate-related issues into our long-term business strategies effectively.

In our approach to managing climate-related risks and opportunities, we seamlessly integrate the consideration of short-term climate risks and opportunities into our operational and financial planning. This ensures immediate resilience and adaptability. For the medium- to long-term climate risks and opportunities, we embed climate considerations into our strategic planning by analysing long-term trends and impact drivers. This thorough integration is evident in our long-term goals and ambitions, reflecting our commitment to sustainability and the proactive management of climate-related risks and opportunities across all time horizons in our business strategy.



Identifying, assessing, and responding to climate-related risks

Risk	Analysis	Respond
Physical Risk		
<p>Acute physical risks: Extreme Weather and Disaster</p> <p>Time horizon: short-term</p>	<p>The challenges posed by extreme weather conditions, such as unrelenting high temperatures, heavy rainfalls, and floods in northern China, along with typhoons affecting coastal cities, could significantly disrupt our plant operations. These extreme weather events not only pose a threat to the safety and properties of our employees, particularly those in the Yangtze River Delta and Pearl River Delta regions during summer, but also heighten the risk of production halts. Additionally, these conditions can lead to increased production costs due to the need for emergency measures, damage repairs, and the potential for higher insurance premiums to cover the elevated risks.</p>	<ul style="list-style-type: none"> Established disaster management procedures, improved automated capabilities, adopted remote operation and daily ventilation to prevent our people from high temperatures damage and sudden disaster; Paid work-related injury insurance for employees; Set up a financial support fund to assist employees or plants who are adversely affected by extreme weather events; Conducted periodic safety training and drills.
<p>Chronic physical risks: Drought and Sea Level Rise</p> <p>Time horizon: long-term</p>	<p>Chronic natural disasters including changes in precipitation and temperature and rising sea levels, pose a significant threat to coastal cities, potentially destabilizing the financial landscape for our manufacturing facilities and impeding our business expansion. Additionally, these environmental challenges can lead to supply chain disruptions, increase operational costs due to the need for alternative resources or processes, and necessitate significant investment in adaptive measures.</p>	<ul style="list-style-type: none"> Applied ERP system to manage raw papers procurement and consumption, and to conduct full traceability of each roll of raw paper to ensure its efficient use; Diversify supply chains to reduce dependency on any single source or location; Used recycled paper for raw materials; Allocate financial resources specifically for climate resilience efforts, including setting aside funds for emergency response, recovery, and adaptation initiatives.



Environmental, Social and Governance Report

Risk	Analysis	Respond
Transition Risk		
<p>Policy risks: Emerging regulation</p> <p>Carbon pricing mechanisms</p> <p>Time horizon: short-term and medium-term</p>	<p>With the announcement of China's '3060' carbon peak and carbon neutral national strategy, a series of policies requiring manufacturing enterprises to reduce carbon emissions has been introduced. Since 2013, the pulp sector has been included in China's regional carbon trade schemes, posing a threat of escalating carbon costs within our raw material supply chain, potentially inflating raw material expenses. Moreover, if our own facilities fall under carbon tax or cap and trade regulations in the coming future, it could lead to increased direct operational costs.</p>	<ul style="list-style-type: none"> • Implement a comprehensive system for monitoring and reporting carbon emissions to identify reduction opportunities and comply with regulatory requirements; • Planned to expand the use of solar energy; • Invest in energy-saving technologies and processes to reduce carbon emissions from operations; • Shift towards natural gas instead of coal for production; • Continued to process carbon offsetting; • Invest in R&D to develop lower-carbon products and processes.
<p>Technological risks: Transitioning to lower emissions technology</p> <p>Time horizon: long-term</p>	<p>Embracing intelligent and green technologies represents the cornerstone for achieving high-quality development within China's manufacturing sector, and as a packaging manufacturer, we align with this vision, otherwise, it will increase energy and resource consumption, at the same time, the investments and inputs associated with those may lead to higher manufacturing costs in the long term.</p>	<ul style="list-style-type: none"> • Upgraded production facilities to improve automation and production capabilities; • Invest in R&D to develop lower-carbon products and processes.



Risk	Analysis	Respond
<p>Market risks: Changing customer behaviour</p> <p>Time horizon: short-term</p>	<p>In light of the growing public endorsement of green consumption, the market is increasingly gravitating towards environmentally friendly products. Our consumers, especially among prominent international brands and retailers, are demanding packaging solutions with a reduced carbon footprint and better ESG performance, and will be willing to pay a higher premium for this preference. Consequently, companies that do not meet these evolving ESG expectations risk losing market share.</p>	<ul style="list-style-type: none"> • Appointed Environment Committee to conduct ESG governance and improve its performance; • Add “Carbon Neutral” and “Recycling” label outer our products; • Continued to offset carbon emissions in our production and provide net-zero products; • Invest in R&D to develop lower-carbon products and processes.
<p>Reputational risks: Shifts in consumer preferences</p> <p>Time horizon: medium-term</p>	<p>Failing to comply with national and local policies and regulations, or to develop countermeasures in response, coupled with not keeping pace with shifts in consumer preferences towards low-carbon enterprises, will harm our operations and brand image and impede our ability to attract and retain environmentally conscious customers.</p>	<ul style="list-style-type: none"> • Engage with stakeholders, to understand their expectations and preferences related to sustainability; • Made use of new media to release the Group’s “Carbon Neutral” series of short videos, which has attracted more consumers to understand our efforts and achievements in this field.



Environmental, Social and Governance Report

Identifying, assessing, and responding to climate-related opportunities

Opportunity	Analysis	Respond
<p>Resource efficiency opportunities: Use of more efficient production process</p> <p>Time horizon: short- and long-term</p>	<p>Adopting more efficient production processes can offer us significant opportunities to reduce operation costs, minimize environmental impact, and enhance competitive advantage.</p>	<ul style="list-style-type: none"> • Application energy saving technology and waste heat recovery in manufacturing process; • Establish energy management system and review control procedures.
<p>Energy source opportunities: Use of lower-emission sources of energy</p> <p>Time horizon: short- and long-term</p>	<p>Switching to lower-emission energy sources enables the Group to significantly reduce our carbon footprint and align with global sustainability targets. This shift can also offer financial savings in the long term and mitigate relative regulatory risks under China's national carbon neutrality policy.</p>	<ul style="list-style-type: none"> • Annually increasing the installed capacity of solar power in manufacturing plants; • Shift towards natural gas instead of coal for production.
<p>Products and services opportunities: Shift in consumer preferences</p> <p>Time horizon: short-term</p>	<p>The shift in consumer preferences towards sustainable and eco-friendly products presents us with a prime opportunity to innovate and diversify our pack offerings. It can build brand loyalty among environmentally conscious consumers, and potentially command premium pricing for green products, thereby driving revenue growth and enhancing brand value.</p>	<ul style="list-style-type: none"> • Implement green designs and best practices throughout our product's entire lifecycle; • Give preference to FSC-certified and recycled raw paper as our packaging material.
<p>Market opportunities: Access to new markets</p> <p>Time horizon: medium-term</p>	<p>We are dedicated to embracing state-of-the-art technologies, enhancing our production processes and designs, continuously refining ESG and sustainability efforts, fostering collaborations with responsible partners, and spearheading innovative initiatives to not only expand our market share but also seize the opportunity to access new markets, attracting potential consumers.</p>	<ul style="list-style-type: none"> • Continually integrating these efforts into our corporate development strategy; • Actively seek collaborations with responsible partners; • Consistently drive innovation to expand our market presence, thereby ensuring that our business maintains a leading position in competitive markets.



Risk Management

Our climate-related risk management is now an integral part of our comprehensive, multi-disciplinary risk management process and ESG frameworks, managed under the vigilant oversight of the Environment Committee. We continuously engage in the dynamic identification and assessment of climate-related risks and opportunities, ensuring our strategies remain aligned with the evolving requirements of authorities and customers. A specialized risk assessment team is tasked with pinpointing risks and opportunities across all business and management activities, fostering cross-functional collaboration to safeguard both tangible and intangible assets, and ensuring compliance with our Code of Business Conduct, policies, and legal standards.

Our methodology encompasses the entire value chain, from raw material extraction to recycling and disposal, addressing upstream, operational, and downstream risks and opportunities. While short- and medium-term risks are routinely identified, our strategic planning process is dedicated to recognizing and monitoring longer-term risks and trends. This process brings to light key regulatory, physical, and transitional climate-related risks, alongside potential opportunities. Our risk portfolios undergo annual reviews to maintain a proactive stance in our risk management efforts.

We conduct risk and opportunity management by adhering to the following steps:

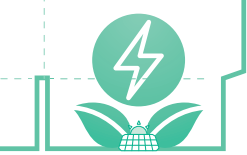


- Risk identification: Assess the impact and likelihood of identified risks to prioritize them based on their potential severity and frequency of occurrence.
- Risk analysis: Identify specific factors that contribute to the assessed risks, assesses the nature, likelihood and magnitude of the effects of those risks, utilizing the evaluation results to pinpoint underlying causes or conditions.
- Countermeasure formulation: Implement targeted actions to mitigate identified risks in a manner that balances effectiveness with cost-efficiency, aiming to prioritize critical actions.
- Regular monitoring: Periodically monitoring and management of climate-related risks and assess the effectiveness of implemented measures to ensure they effectively reduce risk exposure and make adjustments as necessary.
- Communication: Ensure that significant risks are promptly escalated through the appropriate channels, and that key decisions regarding risk management are communicated across all stakeholders.
- Documentation: Develop a comprehensive documentation process that includes the assessment of risks and opportunities, review records, determined resolutions, and plans for follow-up improvements.

The procedural documents in place to support risks management are as follows, 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

In 2021, we announced a set of goals and actions to fulfil our commitment to green development. The progress towards achieving these targets in 2023 is as follows:

Item	Targets	Status or Progress in 2023
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.	Achieved ✓ Monitored the use of energy and resources and assessed the performance in carbon emissions of the Group in annual data disclosure.
	Formulate a sustainability commitment letter for all suppliers to sign up.	Achieved ✓ Formulated a sustainability commitment letter.
	Enhance the awareness and capacity of employees in the green development.	Achieved ✓ Participated in the public benefit activity to advocate green awareness and lifestyle; ✓ Carried out carbon neutral lectures.
Climate Change	By 2030, GHG emissions will have been reduced by 15% (2020 as the base year).	Achieved ✓ GHG emissions was reduced by 16.76% (2020 as the base year).
	Insist on the carbon offset and provide customers with net-zero carbon products.	In process ✓ Purchased 30,809 I-RECs to offset the electric power consumption in 2022.
Energy	By 2030, energy consumption intensity will have been reduced by 25% (2018 as the base year).	In process ✓ Energy consumption intensity was reduced by 2.55% (2018 as the base year).
	Increase the proportion of plants using new energy.	In process ✓ Solar power usage increased by 24.11% compared to 2022.
Water	By 2030, the water consumption intensity will have been reduced by 30% (2018 as the base year).	Achieved ✓ Water consumption intensity was reduced by 30.96% (2018 as the base year).
	100% wastewater will have been dealt with and recycled properly and legally.	In process ✓ 100% wastewater was dealt with and 19.24% was recycled properly and legally.



Item	Targets	Status or Progress in 2023
Wastes	Ensure that 100% hazardous wastes will have been properly disposed.	Achieved ✓ 100% hazardous wastes were properly disposed.
	By 2030, the hazardous waste intensity will have been maintained at no more than 0.007 tonnes/10,000 m ² production volume.	In process ✓ Hazardous waste intensity was 0.009 tonnes/10,000 m ² production volume.
Raw Material	By 2030, the usage proportion of FSC and recycled paper raw material will have been more than 60%.	In process ✓ Usage proportion of FSC and recycled paper raw material was 56.4%.

SUSTAINABILITY STRATEGY

Sustainability Governance

Over the past year, not only have we achieved significant accomplishments in business growth, but we have also consistently prioritized ESG considerations along with sustainable development. This focus is central to fulfilling our commitments, which include delivering positive investment returns to our investors, acting as a responsible employer to our employees, ensuring beneficial cooperation with our suppliers, and providing high-quality products to our customers.

Building on the solid foundation established in previous years, our enhanced ESG management system now incorporates cutting-edge technologies and methodologies. This allows for real-time monitoring and management of sustainability metrics, ensuring that we are always ahead in identifying risks and opportunities related to sustainable development.

As we move forward, we remain committed to transparency, accountability, and continuous improvement in our sustainability journey. We are confident that our enhanced sustainability governance framework will enable us to meet and exceed the expectations of our stakeholders, ensuring our long-term success and contributing to a more sustainable and equitable world.

ESG Management Structure

The Group has developed its Environment Committee, reinforcing our commitment to exceptional ESG management, including ESG strategy, vision, principles and all relevant actions. Members of the Environment Committee were appointed by the Board, comprising not less than three members with a majority of independent non-executive Directors, ensuring a wide-ranging perspective on ESG matters. The chairman of the Group is one of the members of the Environment Committee, making sure that ESG-related works are conducted smoothly and efficiently using a top-down approach. Key responsibilities of the Environment Committee include:

- ✓ Formulating and refining the Group's ESG vision, values, strategies, policies, and objectives to align with best practices and stakeholder expectations;
- ✓ Ensuring the Group's policies and practices on ESG are up-to-date, effective, and in compliance with applicable laws and regulations;



Environmental, Social and Governance Report

- ✓ Evaluating the Group's ESG progress and achievements, using established standards to measure performance and identify areas for improvement;
- ✓ Proactively identifying risks that could have a significant impact on the Group and its stakeholders, ensuring that these are addressed in a timely and effective manner;
- ✓ Formulating metrics and targets that align with the Group's overall sustainability strategy, and monitoring progress towards these targets regularly;
- ✓ Make recommendations under appropriate circumstances to the Board to further enhance the Group's ESG performance.

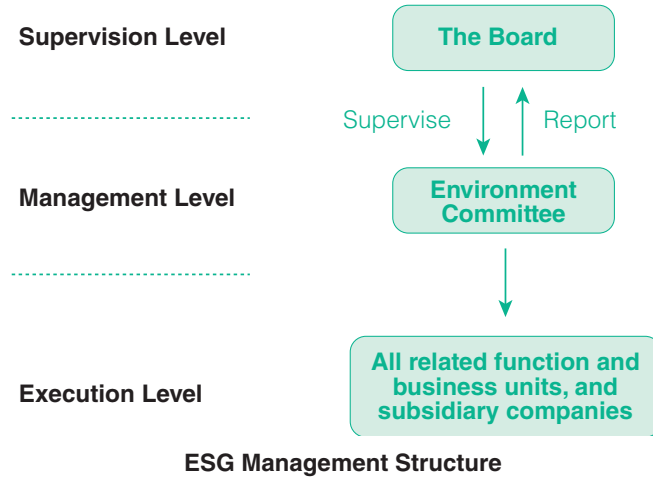
Meetings of the Environment Committee are held at least once a year, with additional sessions convened as necessary to address specific ESG-related developments or challenges. These meetings are crucial for maintaining ongoing oversight of ESG issues, enabling the Committee to adapt to changing circumstances and stakeholder expectations. The minutes of these meetings are meticulously recorded and made available for Board review, ensuring transparency and accountability in the Group's ESG governance.

The Board occupies the pinnacle of the governance structure, holding the ultimate supervisory role over the Group's ESG strategy and implementation. The Board's responsibilities in the context of the Group's ESG governance include:

- ✓ Overseeing and evaluating the performance of the Environment Committee, and, by extension, the execution of ESG strategies by all subsidiary companies;
- ✓ Approval and development of the Group's ESG vision, values, strategies, policies, and objectives to align with best practices and stakeholder expectations;
- ✓ Making informed decisions that take into consideration the analysis and recommendations provided by the Environment Committee;
- ✓ Allocating the necessary resources to support ESG initiatives ensures that the appropriate tools and funding are available to achieve their objectives;
- ✓ Reviewing and approving the content of the corporate ESG report to enhance the quality, completeness, and credibility of the ESG reporting.



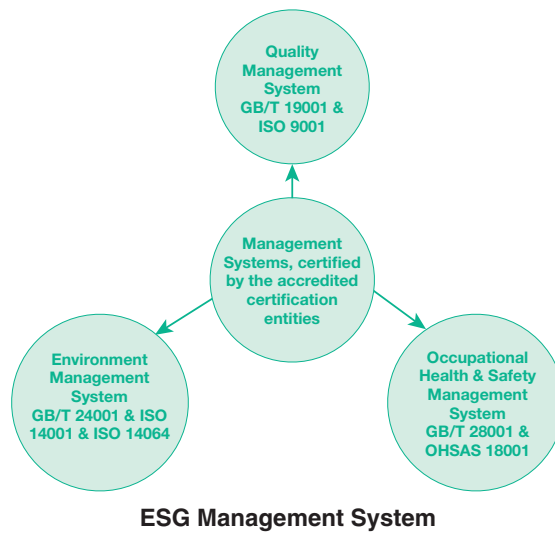
This ESG Management Structure is designed to enhance decision-making and provide specialized insights into each aspect of our ESG efforts, showcasing our strengths in governance, accountability, and proactive ESG leadership.



ESG Management System

Our ESG management framework is a comprehensive system that seamlessly integrates the Quality Management System (QMS), Environmental Management System (EMS), and Occupational Health and Safety Management System (OHSMS). This integration is pivotal in our approach to consistently monitor, measure, assess, and manage ESG-related risks across the organization.

For every aspect of our ESG management, we have developed a specific, certified management system procedure. These documents serve as the blueprint for orderly and meticulous management within the respective responsible units. They are not static but are regularly reviewed and updated to ensure they reflect the latest regulatory requirements and industry best practices.





Environmental, Social and Governance Report

By adhering to these structured management systems, we can ensure that ESG risks are addressed systematically and in a timely manner. It empowers us to identify potential risks proactively and implement the necessary measures to mitigate them effectively, in order to avoid the risks related to the ESG issues during the operation stage and the resulting losses brought to our stakeholders.

Stakeholder Engagement

The Group firmly believes that engaging stakeholders in an ongoing dialogue is essential for achieving long-term sustainable development. Throughout the Reporting Period, we have established and utilized multiple communication avenues to facilitate efficient and meaningful exchanges with our primary stakeholders. This practice has been pivotal in pinpointing material ESG matters expeditiously and in perpetuating the enhancement of our ESG performance.

We have pinpointed four principal stakeholder categories that are most pertinent to our operations: investors (shareholders), employees, suppliers, and customers. During the Reporting Period, we have actively engaged with these key stakeholders, employing a targeted approach to both identify and address significant ESG issues relevant to our unique business context. This has facilitated the refinement of our ESG initiatives, aligning them more closely with stakeholder needs and expectations.

Detailed below are the stakeholders we have engaged with, along with the respective channels of communication employed to foster this two-way dialogue.

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 Labour 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 more effectively integrate stakeholder expectations and critical factors influencing our business into the Group's sustainability strategy, we undertook an annual materiality assessment. This approach deepened our understanding of the issues that stakeholders find concerning and those that significantly impact our business operations. Consequently, this allowed us to craft targeted measures and solutions to advance the implementation of the Group's sustainability strategy.

In the Reporting Period, we selected 30 ESG issues guided by national and international reporting frameworks, mindful of China's policy landscape, our operational context, and peer disclosure practices. To assess these issues' materiality, we involved both external stakeholders (investors, suppliers, customers) and internal stakeholders (employees) in an online questionnaire survey. Upon collecting 58 responses, we analysed the data and ranked the issues based on their significance to stakeholders' evaluations.

The resulting matrix of environmental, social, and governance material issues guided our prioritization. Issues situated in the matrix's first quadrant, being of utmost importance and relevance to the Group, were assigned the highest priority for enhancing our ESG performance. Moreover, we also consider lower-priority ESG concerns in our improvement plans, recognizing that they may escalate in importance as market conditions evolve.



Environmental, Social and Governance Report

ESG Materiality Assessment

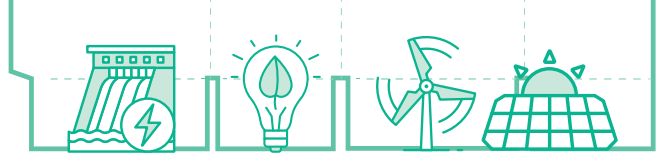


High Materiality Issues

Medium and Low Materiality Issues

1	Greenhouse Gas Emission Management	2	Air Emission Management
3	Solid Waste Management	5	Noise Management
4	Wastewater Management	6	Efficient Use of Raw Material
7	Energy Efficiency	8	Use of Renewable Energy
10	Climate Change and Carbon Neutralization	9	Water Management
13	Equal Opportunity	11	Green Operation
14	Employee Benefits and Welfare	12	Green Travel
16	Occupational Health and Safety	15	Employee Training and Development
18	Employee Care	17	Employee Communication
19	Supply Chain Management	22	Intellectual Property Protection
20	Customer Services	24	R&D and innovation
21	Customer Privacy and Data Security	25	Community Service
23	Product Quality and Safety	26	Public-welfare
27	Board Governance		
28	Compliance Operation		
29	Anti-corruption		
30	Business Ethics and Morality		

- (a) The score of issue No. 3 is the same as No. 30
- (b) The score of issue No. 4 is the same as No. 19
- (c) The score of issue No. 5 is the same as No. 15
- (d) The score of issue No. 17 is the same as No. 24



COMPLIANCE AND INTEGRITY

Compliance Operation and Risk Management

In the pursuit of high-quality, long-term development, the Group emphasizes the critical importance of risk management and compliance operations. Anchored by a top-down integrity supervision structure and a robust management system, the Group diligently oversees and coordinates various facets of corporate activity, including risk management, internal control, and internal audit evaluations, to ensure adherence to compliant practices in all our daily operations.

To bolster our commitment to compliance and proactively address high-impact and high-risk scenarios, we established a dedicated internal control unit. This unit is responsible for developing and periodically updating key procedures, including the “Internal Control and Operation Specification”, “Confidentiality System and Enforcement Procedures”, “Compliance Evaluation Procedure”, “Risk and Opportunity Identification and Control Procedures”. These documents are meticulously crafted and amended to enhance our readiness and response to potential threats, and any changes in national and local policies that may arise.

Our approach to risk management is both proactive and systematic. Regular audits are conducted to identify and mitigate potential risks and emergencies, spanning financial, operational, regulatory, and risk management domains. These audits are complemented by the invaluable insights gained from external independent entities that conduct annual internal reviews, ensuring that our business operations are not only efficient but also aligned with our corporate objectives and strategies.

In line with our commitment to continual improvement, the Group places great emphasis on training in Compliance Operations and Risk Management, engaging over 731 personnel for a cumulative total of more than 510 hours, with a 45% increase compared to last year. This training is designed to cultivate a culture of compliance and risk awareness throughout the organization, equipping our team to manage and mitigate risks effectively.

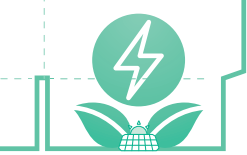
Anti-Corruption

Within the Group, the principles of integrity and transparency are paramount, dictating a zero-tolerance policy towards fraud, bribery, extortion, and money laundering across all facets of our operations. This unwavering commitment is embodied through the establishment of an Anti-Corruption Management Unit, combined with the implementation of our Anti-Corruption and Anti-Bribery Management Procedures, covering all business or contact activities with government departments, relevant business units, customers, third parties, and other internal and external company activities.

Our comprehensive approach to combating corruption encompasses the integration of explicit anti-corruption mandates within our “Staff Handbook”, serving as a guideline for all employees. Moreover, individuals in pivotal roles are required to affirm their commitment to these principles through the signing of a “Letter of Commitment against Corruption and Bribery,” solidifying their dedication to uphold the Group’s ethical benchmarks.

To fortify our stance against corruption, we engage in proactive internal investigations designed to prevent corrupt practices. This involves a detailed analysis of potential corruption patterns and risks, followed by tailored training and supervision to mitigate these risks effectively. Our vigilance in this area is reflected in the extensive training provided in 2023, encompassing 936 individuals, experiencing a 15% growth relative to last year.

Encouraging a culture of transparency, we urge our employees and business partners to report any suspicions of corrupt activities. To facilitate this, we maintain confidential channels, including a dedicated mailbox and hotline, ensuring the protection of informant identities. The Management Unit is responsible for handling daily bribery and corruption reports and escalations, assisting General Manager in investigations and keeping the investigation and handling records.



Environmental, Social and Governance Report

We have remained in full compliance with relevant laws and regulations in Hong Kong and Mainland China relating to bribery, extortion, fraud and money laundering, 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, without facing any legal challenges related to corrupt practices. We regularly update information on laws and regulations of anti-bribery and anti-corruption to enhance employee's legal awareness and prevent related behaviours and incidents from occurring.

Business Ethics and Morality

At the Group, we steadfastly adhere to the principles of fairness in competition, vehemently opposing all forms of unfair competitive practices. To elevate the ethical standards of our employees and suppliers, we have developed and implemented a Code of Business Conduct, aimed at eradicating risks associated with breaches of business ethics. Furthermore, we have established clear regulatory requirements, committing ourselves to cultivate a healthy and equitable market environment in collaboration with our suppliers and partners.

We uphold the principle of honest business practices and apply rigorous ethical standards to all employees. Our management and oversight of business ethics are continually optimized. Every case of a breach of our Code of Conduct will be treated with individual investigations conducted based on the severity of the breach. Moreover, we provide comprehensive ethics training for our employees, totalling 930 hours of instruction during the reporting period, to ensure a deep understanding and adherence to our ethical standards.

Our commitment to business ethics extends to strict compliance with the legal and regulatory frameworks governing business ethics in Hong Kong and Mainland China. This includes, but is not limited to, adherence to the Competition Ordinance, the Anti-Unfair Competition Law of the People's Republic of China, and the Anti-Monopoly Law of the People's Republic of China. Throughout the Reporting Period, we have not encountered any incidents of monopolistic practices, price fixing, or market manipulation, underscoring our dedication to fostering fair competition and ethical business conduct.

FOSTERING ENVIRONMENTAL SUSTAINABILITY

With a longstanding commitment to sustainability, our Group has seamlessly woven the principles of ecological civilization into the very fabric of our business strategy and operational ethos. By rigorously upholding both national and international environmental regulations, we have pledged our allegiance to the concept of sustainable and green development and operationalized these ideals in our daily practices. This dedication transcends mere compliance, embedding a deep-seated respect for the environment into every aspect of our business development and production processes. Over the years, this holistic approach has ensured that sustainability is not just a goal, but a guiding force in our journey towards achieving operational excellence and fostering a greener future.

Throughout the Reporting Period, there were no significant impacts of our activities on the environment and natural resources, and we continued to abide by relevant 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:

Hong Kong:

- ▶ **Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611 of the Laws of Hong Kong)**
- ▶ **Product Eco-responsibility Ordinance (Cap. 603 of the Laws of Hong Kong)**
- ▶ **Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)**
- ▶ **Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)**
- ▶ **Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)**
- ▶ **Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)**



PRC:

- ▶ **“Environmental Protection Law of the People’s Republic of China”**
- ▶ **“Environmental Protection Tax Law of the People’s Republic of China”**
- ▶ **“Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”**
- ▶ **“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”**
- ▶ **“Law of the People’s Republic of China on Conserving Energy”**
- ▶ **“Law of the People’s Republic of China on the Environmental Impact Assessment”**
- ▶ **“Law of the People’s Republic of China on the Prevention and Control of Soil Pollution”**

Environment Management

Dedicated to delivering superior products while upholding environmental conservation, the Group has implemented an Environment Management System in line with standards such as GB/T 24001 and ISO 14001. This comprehensive system encompasses a broad spectrum of sustainability practices, including pollution reduction, energy conservation, effective waste management, and the promotion of resource recycling. Furthermore, our manufacturing facilities have attained ISO 14001 certification.

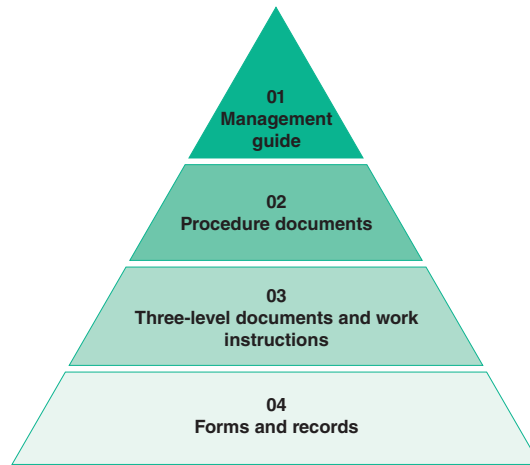


ISO 14001 Certificate

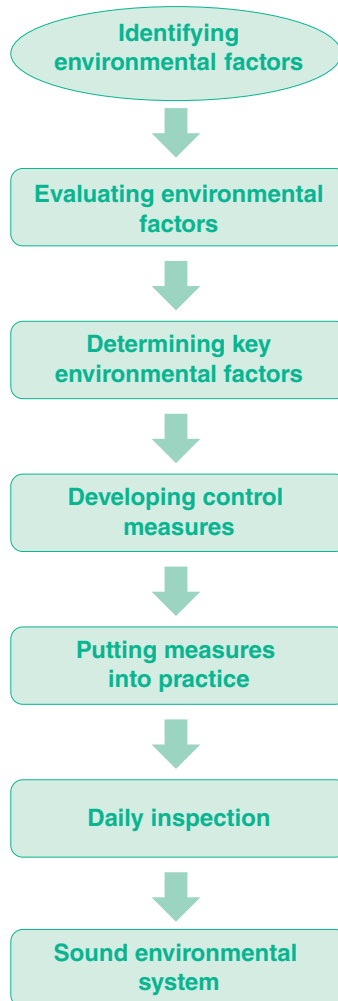
The Group has meticulously developed procedural documents to ensure the effective operation of our environmental management system. In the creation of environmental operation plans and control procedures, we designate responsible departments for each process. Additionally, we establish methodologies for acquiring relevant data needed for these processes, applicable procedures, and the creation of records and documentation. Moreover, we conduct regular evaluations of procedural performance on both a monthly and annual basis, allowing us to continuously refine our environmental management practices and further our commitment to sustainability. This structured approach not only facilitates the achievement of our environmental goals but also reinforces our dedication to maintaining a responsible and effective environmental management system.



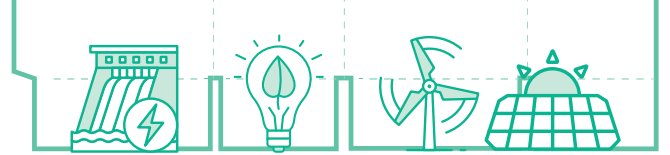
Environmental, Social and Governance Report



Environment Management System



Environmental Operational Planning and Control Process

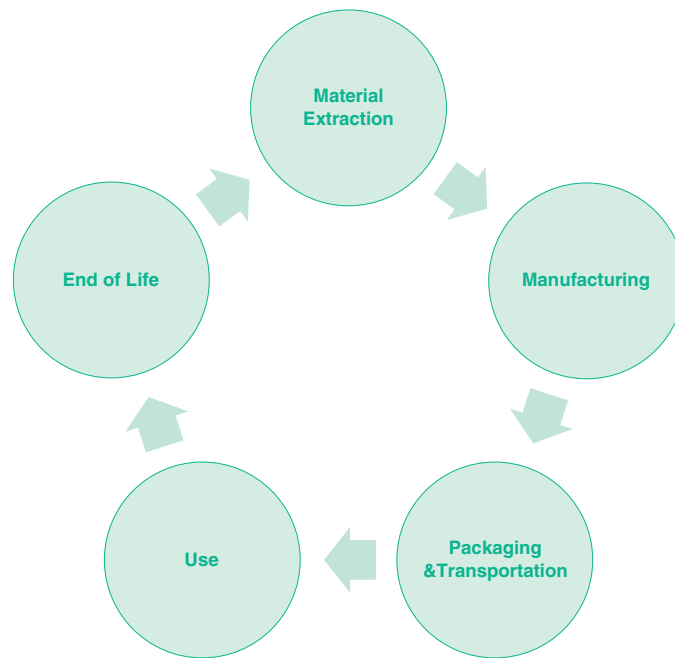


During the Reporting Period, our investment in environmental management and improvement efforts amounted to RMB606,812. This substantial investment was allocated towards a range of critical activities, including rigorous emissions inspections and significant upgrades to our devices and systems.

Green Products

Becoming a green packaging manufacturer remains at the heart of our core vision. Throughout every stage of our product’s entire lifecycle, we have implemented green designs and best practices aimed at minimizing environmental impact. This commitment extends from material extraction to end-of-life disposal, ensuring that our products are not only meet the expectations of our stakeholders but also contribute to a sustainable society.

The hallmark features of our green packaging solutions — Recyclability, Lightweighting, and Harmlessness — demonstrate our dedication to environmental stewardship throughout the entire product lifecycle. Crafted to align with stringent environmental protection standards, our products are eco-friendly and exert minimal impact on ecological systems and human health. By significantly reducing waste and fostering the reuse of resources, we contribute to the circular economy. Our approach to minimizing the use of raw materials and lowering energy consumption results in reduced carbon emissions.



Material Extraction	Manufacturing	Packaging & Transportation	Use	End-of-life
<ul style="list-style-type: none"> • 56.4% FSC-certified paper and recycled paper used as raw material in 2023 • Lightweighting strategy applied 	<ul style="list-style-type: none"> • 0 coal fired among 13 plants • Application of solar power and waste heat recovery in manufacturing process 	<ul style="list-style-type: none"> • Reducing the use of strapping and stretch wrap • Engaging in recycling initiatives in collaboration with supply chain partners 	<ul style="list-style-type: none"> • Paper Instead of Wood and Paper Instead of Plastic concepts introduced 	<ul style="list-style-type: none"> • Circulation solutions and principles of reduce, reuse, recycle and degradable (“3R1D principle”) implemented



Environmental, Social and Governance Report

Our packaging products have been certified as green products, with the certification process grounded in the “Technical Requirements for the Green Product Assessment of Express Packaging” issued by China’s State Post Bureau. This signifies that our packaging solutions adhere to stringent environmental standards, promoting sustainability throughout their lifecycle.



Green Products Certification

Green Operation

We delve into the pathway of sustainable development that characterizes our everyday operations. To elevate environmental consciousness among our employees, the Group has instituted a “Green Office Management System.” This initiative focuses on conserving energy, water and all kinds of resources, enhancing the overall ecological efficiency of our office spaces. Within the Group, the responsibility of fostering a workplace that is both comfortable and environmentally respectful is collectively embraced by all.

We cultivate an eco-friendly workplace and inspire our team to adopt a sustainable, low-carbon lifestyle. In our office buildings, we deploy energy-efficient solutions, including advanced lighting and air conditioning systems, to minimize energy consumption. Our green office policies specifically target the efficient use of office electronics to further our environmental goals. Embracing digital innovation, we enhance our operational efficiency and work towards a paperless office environment.

To diminish our collective carbon footprint, we have established Green Office Management Policies and Green Travel Management Policies. We encourage the use of public and sustainable transport options for commuting, favour remote meetings over travel, and advocate for train travel as a greener alternative to air travel. Moreover, we actively engage our workforce in sustainability initiatives through campaigns like “Low-carbon Walking” and “Car-free Day,” embedding the principles of environmental consciousness and action into the fabric of our daily operation.

The company places great emphasis on building a green corporate culture, instilling environmental awareness in the heart of every employee. In 2023, we organized a diverse array of environmental activities, including training sessions, knowledge quizzes, and tree planting initiatives. These efforts saw the participation of 110 individuals in total, culminating in the planting of trees over an area of 350 square meters.



Minimizing Environmental impact

The Group embraces environmental responsibility as a core duty, achieving 100% compliance in emissions for emission to the air, wastewater, and solid waste, in strict adherence to the laws and regulations of Hong Kong and Mainland China. Beyond reducing our own environmental footprint, we actively collaborate with our supply chain partners to foster sustainable practices throughout our operations.

Over the past year, our environmental performance has seen significant improvements compared to the previous period. This progress is a testament to our dedicated efforts in enhancing our sustainability measures and implementing innovative solutions that contribute to environmental protection. Through continuous monitoring and management, we have not only met but exceeded regulatory standards, setting new benchmarks for excellence in environmental stewardship.

Air Pollutant Emissions

The Group prioritizes continuous monitoring, oversight, and control by implementing a sophisticated mechanism for managing air pollution. In our packaging material manufacturing activities, industrial boilers on-site emit air pollutants such as nitrogen oxides (NO_x), sulfur dioxide (SO₂), and particulate matters (PM), while the printing processes release volatile organic compounds (VOCs) in both organized and unorganized forms. Given that emissions from vehicles are negligible in comparison to those from our production processes, this report exclusively discloses air pollutants originating from production activities.

Type of Air Pollutant			Unit	2023	2022	2021	Change, %
NO _x	emission	kg		6,837.28	7,384.37	9,289.06	-7.41%
	intensity	kg/10,000 m ² production		0.12	0.14	0.15	-10.10%
SO ₂	emission	kg		306.96	1,889.82	3,276.90	-83.76%
	intensity	kg/10,000 m ² production		0.01	0.03	0.05	-84.23%
PM	emission	kg		1,195.71	701.66	809.07	70.41%
	intensity	kg/10,000 m ² production		0.02	0.01	0.01	65.46%
VOC	emission	kg		852.91	683.33	702.86	24.82%
	intensity	kg/10,000 m ² production		0.02	0.01	0.01	21.19%

Consequently, the total air pollutant emission intensity during the Reporting Period saw a reduction of 14.26% compared to 2022. This significant decrease can primarily be attributed to the retrofitting of boilers at the Dalian factory in August 2022, transitioning from coal to the cleaner alternative of natural gas, which markedly lowered emissions. Through such initiatives, we reaffirm our position as an environmentally responsible leader in the industry, committed to continuous improvement and innovation in environmental protection.

In addition to the aforementioned initiatives, we have implemented a series of measures to guarantee compliance with air emission standards and further reduce emission levels. We strictly prohibit the release of any waste gases into the atmosphere without proper treatment through our on-site exhaust gas treatment systems. Both treated and untreated waste gases undergo rigorous testing by certified organizations, ensuring that the air emissions from our production facilities adhere to the relevant emission regulations. Furthermore, we instituted regular inspections and maintenance routines for our ventilation, purification, and dust removal systems. Any equipment found to be deficient or malfunctioning is immediately decommissioned and replaced.



Environmental, Social and Governance Report

Greenhouse Gas Emissions

The Group has set greenhouse gas (GHG) emission reduction targets to make informed business decisions and taking action on climate change in both the present and future. At each of our manufacturing plants, we have established comprehensive greenhouse gas management protocols along with Monitoring, Reporting, and Verification (MRV) procedures to effectively measure, manage and mitigate GHG emissions.

During the Reporting Period, the total amount of GHG emissions generated by 13 plants was quantified and verified 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”.

Scope 1 emissions encompass direct emissions from combustion of fuels in stationary source including boilers, and canteens, mobile sources including official vehicles and production vehicles, anaerobic treatment of septic tanks and wastewater, as well as fugitive emissions from refrigeration equipment. Meanwhile, Scope 2 emissions include indirect emissions from the purchase of steam and purchased electricity. All relevant greenhouse gases within the factory are CO₂, CH₄, N₂O and HFCs. The GHG emissions for the reporting year are as follows in the table below:

Emission scope	Unit	2023	2022	2021	Change, %
Scope 1	tCO ₂ e	14,848.06	16,291.23	19,599.29	-8.86%
Scope 2	tCO ₂ e	24,678.26	25,213.44	23,651.50	-2.12%
Total GHG emission	tCO ₂ e	39,526.32	41,045.67	43,250.79	-4.77%
Intensity	tCO ₂ e/10,000 m ² production volume	0.70	0.76	0.72	-7.54%

In 2023, we observed a significant reduction in GHG emissions intensity, decreasing by 7.54%. This decline is likely due to the more efficient use of natural gas instead of coal, reduced consumption of unleaded petrol, and the adoption of solar power, aligning with our objective to cut emissions by 15%. Additionally, at several of our facilities, the shift towards solar power and transition to electric vehicle contributed to our efforts in reducing GHG emissions.



Electric Vehicle



Solar Panels



Since 2009, under voluntary carbon reduction mechanisms, we initiated carbon credit trading, taking the first step towards carbon neutrality and becoming the first manufacturing enterprise in China to achieve this milestone. To date, we have offset a total of 488,617 metric tons of CO₂ equivalent emissions from our production activities through the purchase of International Renewable Energy Certificates (I-RECs) and certified carbon credits. Offering carbon-neutral products not only grants us a competitive edge, enabling priority collaboration under equivalent conditions but also provides financial support for the large-scale development of greenhouse gas reduction projects.

To maintain our leadership in the realm of responsible packaging, we registered the “Carbon Neutral” trademark in 2010. Currently, a significant number of our clients have requested the addition of the “Carbon Neutral” trademark on their packaging boxes. In 2023, our trademark has already been registered with the relevant authorities.

We believe that the widespread adoption of net-zero carbon products will catalyse a shift in consumer behaviour and drive long-term sustainable development within the packaging industry. Once the verification and certification of our greenhouse gas emissions for the year 2023 are completed, we will commence the carbon neutrality-related activities for the year.



“Carbon Neutral” Trademark

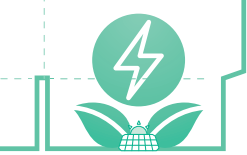


Trademark Registration Certificate

Waste Management

Sound waste management, proper disposal, and efficient recycling are complementary facets of sustainability. The Group is well-versed in these principles and has established Waste Management Procedures and Hazardous Waste Management Rules to manage both non-hazardous and hazardous waste in a systematic and scientific manner. This approach underscoring our dedication to minimizing environmental impact through responsible waste handling and maximizing the recovery and reuse of resources. By implementing these practices, we aim to contribute to the circular economy, ensuring that waste materials are treated and utilized in an environmentally friendly way.

Non-hazardous waste primarily consists of raw material scraps, plastic packaging of raw materials, and municipal solid waste. Recyclable non-hazardous waste is collected and recycled separately, while the non-recyclable portion is disposed of by qualified sanitation stations. Additionally, non-hazardous municipal solid waste must be sorted and initially stored in designated dumpsters. Hazardous waste, including ink residues, sewage sludge, activated carbon waste, and printing plate waste, is stored collectively and then disposed of by qualified hazardous waste disposal facilities in accordance with legal regulations.



Environmental, Social and Governance Report

In 2023, we launched a collaborative bucket recycling program with our suppliers, where used empty glue buckets are returned to the suppliers for reuse. This initiative serves as a win-win solution, reducing waste generation in our operation and fostering mutually beneficial collaboration with suppliers.

Type of waste			Unit	2023	2022	2021	Change, %
Hazardous waste	amount	tonnes		490.15	411.85	398.95	19.01%
	Intensity	tonnes/10,000 m ² production volume		0.009	0.008	0.007	15.55%
Non-hazardous waste	amount	tonnes		37,035.17	36,240.24	43,135.18	2.19%
	Intensity	tonnes/10,000 m ² production volume		0.660	0.665	0.715	-0.78%

Wastewater management

In our manufacturing plants, wastewater primarily originates from equipment cleaning and daily activities. We adhere strictly to Wastewater Management Procedure, ensuring that all wastewater is properly treated by qualified entities before discharge. This guarantees compliance with relevant wastewater discharge standards and minimizes the negative impact on aquatic environments.

			Unit	2023	2022	2021	Change, %
Wastewater discharge	amount	m ³		66,100.55	61,598.63	70,537.20	7.31%
	Intensity	m ³ /10,000 m ² production volume		1.18	1.13	1.17	4.19%

During the Reporting Period, all wastewater discharges were verified by qualified third-party entities to be in compliance with relevant standards. This significant improvement can be attributed to our ongoing efforts in reducing wastewater production and enhancing wastewater recycling and reuse. For instance, we have optimized our printing operations by consolidating production runs of the same colour, thereby reducing the frequency of machine cleaning and the volume of wastewater generated.

Noise Management

Acknowledging the importance of mitigating noise to create a healthier workplace and minimize our impact on the public environment, we have implemented a dedicated Noise Pollution Prevention Procedure, governing the management of noise produced by our printing presses, automatic die-cutting machines, automatic box gluing machines, air compressors, and boilers.

To control noise at its source and limit its propagation, we employ strategies such as installing low-noise equipment, using sound-absorbing enclosures, and requiring the use of earplugs, ensuring that noise levels meet legal standards. Additionally, for new project constructions, the company establishes noise monitoring points at factory boundaries to conduct regular monitoring, guaranteeing that the construction activities do not adversely affect the surrounding community.



Compliance

During the Reporting Period, the Group had complied with the relevant laws, regulations and national standards that had a significant impact on the Group relating to air and greenhouse gas emissions, discharging into water and land, noise and generation of hazardous and non-hazardous wastes.

Optimal Resource Utilization

Effective and efficient resource utilization is crucial to our sustainability strategy, operational efficiency, and climate change mitigation efforts. Conserving resources helps in reducing our environmental footprint and also results in cost savings, enhances our brand reputation, and aligns with the growing expectations of our stakeholders for sustainable practices. To this end, the Group has developed a series of management procedures that delineate the responsibilities and operational protocols of various departments to monitor, record, report, analyse, and optimize the use of energy and resources.

Natural gas, coal, electricity, steam, diesel, petrol, water, raw paper are the primary resources consumed in our production and daily operations. To implement meticulous management of these resources, our Group has established specific regulatory documents including Measures for The Administration of Electricity Consumption, Water Use Management Measures, Energy Consumption Record Form, guiding our practices to ensure that we make significant strides in resource conservation.

Energy Management

We implement a comprehensive set of measures aimed at optimizing energy management, thereby reducing our reliance on traditional fossil fuels and controlling the intensity of GHG emissions. To achieve this, we have established an energy management system and review control procedures. All our manufacturing sites and office premises strictly follow the GB/T 23331 and ISO 50001 standards for energy management and have obtained third-party certification.



ISO 50001 Certificate



Environmental, Social and Governance Report

Across our 13 factories, the main source of energy consumption consists of electricity used within the facilities. Specifically, our Jiangsu and Zhejiang plants procure steam externally, while the remaining plants operate natural gas boilers. Additionally, vehicles used for production purposes and official business within the factories consume petrol and diesel. It is noteworthy that in 2023, we achieved zero coal consumption.

Type of energy		Unit	2023	2022	2021	Change, %
Electricity	amount	kWh	29,975,953.00	31,304,693.00	31,592,958.00	-4.24%
	Intensity	kWh/10,000 m ² production volume	534.13	574.51	523.33	-7.03%
Diesel oil	amount	Litre	185,023.81	235,806.18	268,736.93	-21.54%
	Intensity	litre/10,000 m ² production volume	3.30	4.43	4.45	-25.62%
Unleaded petrol	amount	Litre	230,474.92	264,221.32	267,682.97	-12.77%
	Intensity	litre/10,000 m ² production volume	4.11	4.85	4.43	-15.31%
Natural gas	amount	m ³	6,329,704.00	5,981,901.00	6,872,868.00	5.81%
	Intensity	m ³ /10,000 m ² production volume	112.79	120.29	121.28 ¹	-6.24%
Coal	amount	t	0	865.45	1,517.00	-100%
	Intensity	t/10,000 m ² production volume	0	0.43	0.41	-100%
Outsourcing Steam	amount	GJ	68,936.11	63867.42	46,239.98	7.94%
	Intensity	GJ/10,000 m ² production volume	5.53	5.50	4.57 ²	0.45%

During the Reporting Period, the total amount of energy consumption was 106,333,703.42 kWh with an intensity of 1,894.72 kWh/10,000 m² production volume³. Our energy consumption per unit of product has reached an industry-leading level, surpassing the level of top 5% in the packaging industry. This benchmark has also been confirmed by the Paper Products Packaging Committee of the China Packaging Federation.

These achievements are inseparably linked to our exceptional energy management practices. Our production facilities are equipped with among the most advanced, efficient, and energy-saving production equipment machinery, including fully automated printing machines and intelligent cardboard production lines. In addition, we have implemented steam waste heat recovery systems to reuse the thermal energy in our production lines. Moreover, our facilities are outfitted with 100% energy-saving lighting fixtures and intelligent temperature control systems, further enhancing our energy efficiency.

¹ Except for Dalian Plant

² Only Wujiang, Nanjing and Zhejiang Plant

³ Calculated based on the HKEX ESG guidance and the conversion equivalents from GB/T 2589-2020.



We have made continuous progress by integrating more distributed rooftop PV power generation systems and employing additional small-scale solar power equipment. In 2023, solar energy was utilized for electricity generation in six of our factories, producing a total of 3,215,193.44 kilowatt-hours, marking a 24.11% increase from the previous year. In terms of reducing greenhouse gas emissions, we successfully avoided the equivalent of 1,833.63 metric tons of carbon dioxide emissions. We aim to further promote green production in the coming years by extending our solar energy initiatives.



Steam Recycling System Installed



Intelligent Temperature Control System

Water Conservation

We are dedicated to reducing our water footprint, and responsible water management during operations constitutes a crucial element of our commitment to green development, which is prioritized due to climate change and stakeholder expectations. Our Group has established a water resource management system and developed a series of management policies including Water Pollution Prevention and Control Procedures, Water Use Management Methods and Waste Water Treatment and Daily Monitoring Management Methods.

Regular water consumption recording, monitoring, analysing and handling of abnormal situations are the fundamental requirements for our water management. In addition, we strengthen the significance of water recycling, specifically, washing devices by using circulating water is mandatory in our production, and the circulating water is used for to lowering-temperature process as well.

		Unit	2023	2022	2021	Change, %
Water consumption	amount	m ³	137,437.60	129,479.40	156,494.00	6.15%
	Intensity	m ³ /10,000 m ² production volume	2.42	2.35	2.59	2.77%

Raw Material Use

Recognizing the critical need for resource conservation, we have implemented Resource Conservation Management Procedures to enhance the efficiency of resource utilization. In our production processes, we have reduced the use of strapping and stretch wrap, and engaged in recycling initiatives in collaboration with our supply chain partners. In office settings, we vigorously promote duplex printing and embracing digital documentation and electronic communication tools to further reduce our reliance on paper. These efforts have resulted in a significant decrease in the consumption of office papers, with a reduction in usage intensity of 13.16% in 2023.



Environmental, Social and Governance Report

When choosing materials, our focus is on their eco-friendliness and sustainability. As the largest proportion of our raw materials, we give preference to FSC-certified paper and recycled paper, reflecting our core values as a green packaging manufacturer and meeting our customers' demands. The usage of FSC-certified and recycled paper accounts for 56.40% of our total raw paper consumption. By integrating these sustainable materials into our production processes, we demonstrate our dedication to providing eco-friendly packaging solutions that align with both our sustainability goals.

Type of raw materials		Unit	2023	2022	2021	Change, %
Raw papers in production	amount	tonnes	396,614.69	380,287.63	431,977.64	4.29%
	Intensity	tonnes/10,000 m ² production volume	7.07	6.98	7.42	1.25%
Packaging materials in finished products	amount	tonnes	472.08	468.20	516.04	0.83%
	Intensity	tonnes/10,000 m ² production volume	0.01	0.01	0.01	-2.10%
Office papers for working office	amount	tonnes	23.34	26.09	33.94	-10.56%
	Intensity	kg/10,000 m ² production volume	0.42	0.48	0.56	-13.16%



THRIVING PEOPLE AND SOCIETY

The Group places immense value on the relationships with stakeholders across our entire value chain, affirming our commitment to being a responsible employer and partner. Central to our ethos is a profound dedication to the rights, development, and occupational health of our employees, alongside our endeavour to supply our customers with superior products and services. Our aspiration is to cultivate mutually beneficial relationships with all stakeholders, collaborating closely to contribute positively to local communities and forge a brighter society for the future.

Compliance with the legal and regulatory frameworks is a cornerstone of our business conduct. The Group strictly abides by applicable laws and regulations promulgated by Hong Kong and mainland China that have a significant impact on the Group's business, including but not limited to:

Hong Kong:

- ▶ ***Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)***
- ▶ ***Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)***
- ▶ ***Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong)***
- ▶ ***Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong)***
- ▶ ***Companies Ordinance (Cap. 622 of the Laws of Hong Kong)***
- ▶ ***Competition Ordinance (Cap. 619 of the Laws of Hong Kong)***
- ▶ ***Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)***

PRC:

- ▶ ***“Labour Law of the People’s Republic of China”***
- ▶ ***“Labour Contract Law of the People’s Republic of China”***
- ▶ ***“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”***
- ▶ ***“Trademark Law of the People’s Republic of China”***
- ▶ ***“Copyright Law of the People’s Republic of China”***
- ▶ ***“Personal Information Protection Law of the People’s Republic of China”***
- ▶ ***“Anti-money Laundering Law of the People’s Republic of China”***

Empowering Our Employees

The Group firmly believe that exceptional human resources represent our most valuable asset and the key driver for sustainable development. We are committed to fostering an equitable and diverse workplace, providing ample training and development opportunities to continuously elevate our employees' skills and competencies. Our paramount focus on health and safety, work-life balance, and the harmonious development between employees.

In compliance with employment laws and regulations, we have instituted a comprehensive suite of human resource management policies and regulations. These encompass a broad spectrum, including recruitment and promotion, dismissal and resignation, compensation and benefits, work conduct and behaviour, attendance and leave, working hours and holidays, working environment and safety, training and confidentiality, anti-discrimination and diversity, equal opportunity and anti-corruption, and the prohibition of child labour and forced labour.



Environmental, Social and Governance Report

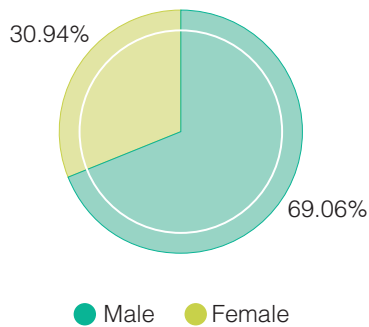
Our comprehensive coverage in Employment Equality and Human Rights, Safety and Health, Employee Welfare and Care, Training and Development, and Communication and Connection reflects our unwavering commitment to these areas. By adopting a holistic approach, we not only boost employee satisfaction and loyalty but also enhance our overall competitiveness and market position. Through these efforts, we ensure that our workforce grows and develops in a supportive and motivating environment, aligning with our broader ESG objectives.

Employment Equality and Human Rights

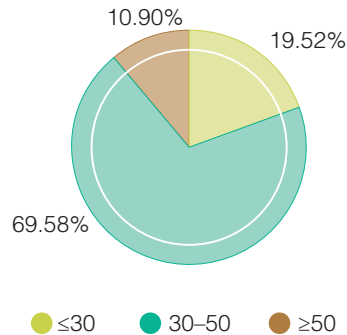
Equality, diversity, and inclusion hold a place of critical importance in our employment strategy. A primary focus of our human resource function is the recruitment of talents with a wide range of abilities, particularly emphasizing ethics, diligence, and logical thinking. We ensure a non-discriminatory approach in recruitment, salary, benefits, and promotion based on gender, age, religion, and physical condition, fostering a workplace where everyone feels valued and encouraged to express themselves, thereby securing a competitive edge.

During the Reporting Period, our workforce, spanning Mainland China and Hong Kong, comprised 1,752 individuals, all of whom were full-time employees. Approximately one-third of our workforce were women, with females representing 30.94% of our entire management team. The majority of our employees, accounting for 69.58%, were aged between 30 to 50 years. Additionally, the staff-to-management ratio stood at approximately 9:1, highlighting a significant leverage of managerial oversight across our operations.

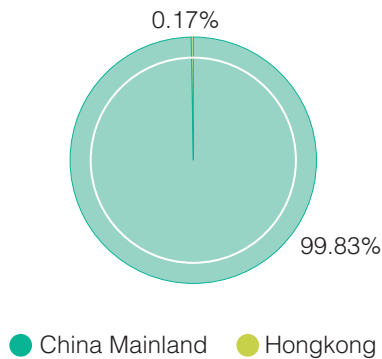
Gender Distribution of Employee



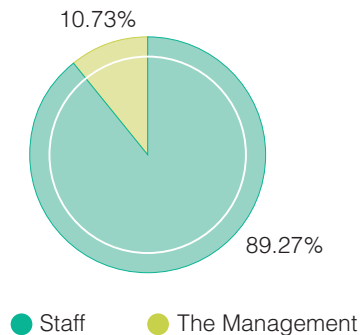
Age Distribution of Employee



Geographical Region Distribution of Employee



Employment Type Distribution





The employee turnover rate was calculated according to the difference between dismissal and recruitment and the average total number of employees in the year 2022¹. In 2023, the employee turnover rate was 22.41%, a decrease of 4.52% compared to the previous year. Employee turnover rate by gender, age, geographical region and employment type is detailed below.

By gender		Employee Turnover Rate			By Geographical Region	
Male	Female	By age			Mainland China	Hongkong
		Below 30	From 30 to 50	Over 50		
23.17%	20.64%	33.59%	19.43%	16.96%	22.44%	0.00%

The Group steadfastly protected the human and basic working rights of our employees while expecting the same level of commitment from our suppliers to meet our ethical standards. We strictly prohibit forced labour, prison labour, and child labour through the implementation of “Prohibition of Child Labour and Remedial Control Procedures” and “Compulsory Labour and Disciplinary Control Procedures”. Our Human Resources and Administration units play a crucial role in recognizing and supervising any labour standard violations throughout recruitment, employment, and during our annual internal reviews. Upon confirmation of any violation, we promptly initiate investigations, implement remedial measures, and hold discussions at staff representative meetings.

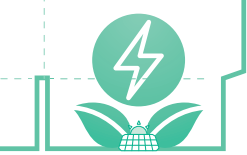
Furthermore, we enforce policies against discrimination, harassment, and bullying to underscore our commitment to human rights and equality. In adherence to the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, Regulations for the Implementation of the Labour Contract Law and the Law of the People’s Republic of China on the Protection of Rights and Interests of Women, we ensure that practices such as pregnancy tests during recruitment are strictly forbidden. Our commitment extends to paying wages that are not below the minimum wage stipulated by the applicable laws and regulations. To protect our employees’ interests, we comply with the Social Insurance Law and Regulation on Work-related Injury Insurance of the People’s Republic of China, providing labour insurance, enforcing a 40-hour workweek as mandated by the state, and observing legal holidays. Employees also have the right to resign through standard procedures.

During the Reporting Period, no cases of employment non-compliance within the Group and no material violations of recruitment or child or forced labour-related regulations occurred and the Group had complied with relevant laws and regulations of the People’s republic of China and Hong Kong 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.

Safety and Health

Our comprehensive Environment, Health, and Safety (EHS) management system, encompassing a suite of policies and documentation including “Manual of Occupational Health and Safety Management System”, “Monitoring and Control Procedures for EHS Measurement”, “Occupational Hazard Post Rotation System” etc., embodies the essential elements of a robust EHS framework. The Group has dedicated a specialized EHS team to ensure that potential health and safety risks are meticulously managed. Moreover, we have established Key Performance Indicators related to safety and health to uphold a superior level of EHS execution across all divisions.

¹ 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)



Environmental, Social and Governance Report

All of our manufacturing sites and office premises adhere to the GB/T 45001 and ISO 45001 standards for occupational safety and health management, with our factories being ISO 45001 certified. We have developed strategies to minimize EHS risks, encompassing emergency response plans for industrial accidents, production enhancements, electrical safety, control of noise and vibration, and the enforcement of protective equipment usage.



ISO 45001 certificate

The commitment to a safe and healthy workplace is a shared responsibility at within the Group, emphasizing the importance of cultivating individual EHS capabilities and awareness. Achieving this begins with the implementation of a thorough training program across the organization, covering laws, regulations, policies, and the EHS management system, as well as conducting drills for various emergency scenarios, such as fires, chemical leaks, and on-the-job injuries. Our collective efforts aim to mitigate any EHS risks, reflecting our commitment to the health and safety of our employees.



Emergency Response Plan Training



Fire Drill



First Aid Skills Training



Chemical Spill Drill

During the Reporting Period, the total number of days lost due to work injuries was 483, accounting for 0.11% of the annual working time in total¹, and the injury rate per million man-hours was 4.6². In response to work-related injuries, our company commits to providing comprehensive support to affected employees, including but not limited to personal visits, care packages, medical assistance, and emotional support.

	Unit	2023	2022	2021
Number of Death Incidences	piece	0	0	0
Number of Work-related Injury	piece	16	17	11
Proportion of Industrial Injury ³	%	0.11%	0.21%	0.13%

Furthermore, in 2023, physical examinations were conducted by qualified medical organizations, covering a total of 100.00% of our employees. The company regularly initiates health promotion activities and programs to support the physical and mental well-being of our staff. These initiatives include, but are not limited to, organizing health training, providing sports facilities, offering psychological health support, and educating on healthy lifestyle choices.



Physical Examination



Mental Health Training

¹ based on 1,752 employees and 250 days per employee per year

² 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.

³ Total work injury day/(total employee number × total working day per year)



Environmental, Social and Governance Report



Health Lectures



Cancer Screening Tests

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

Employee Welfare and Care

Our company is deeply committed to fostering a workplace environment that prioritizes the welfare and benefit of our employees, recognizing that a happy workforce is the cornerstone of our success. In line with this commitment, we diligently organize welfare activities to celebrate birthdays and holidays, ensuring every occasion is marked with joy and appreciation. Special attention is given to dedicated benefits for our female employees, acknowledging their invaluable contribution to our organization.

Furthermore, we extend comprehensive support to our employees with families through generous maternity and paternity leave policies, childcare assistance, and support for those caring for elderly family members. These initiatives are designed not only to honour our employees' personal milestones but also to reinforce the sense of community and belonging within our workforce.

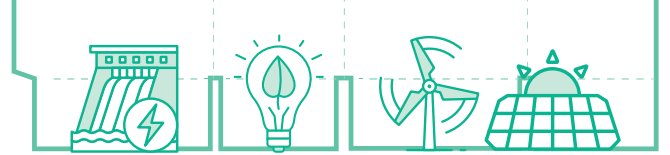
In addition to these celebrations and supports, we provide confidential counselling services for employees facing personal or work-related challenges, ensuring they have access to the necessary resources to navigate life's complexities. Recognizing the importance of work-life balance, we strive to create policies and an organizational culture that allow our employees the flexibility to manage their professional responsibilities alongside their personal lives effectively. This approach underscores our belief that employee satisfaction and well-being directly contribute to our company's productivity and morale.



Birthday Party



Mid-Autumn Festival Gifts



Women's Day Event



Employee Family Activities

Training and Development

We strive to create a working environment that empowers our personnel to thrive, unleashing their full potential to drive our growth over the long term. To achieve this, we have established sound compensation, internal reward, and promotion systems that encourage the realization of professional skills, potential, and innovation. This approach not only facilitates rewarding career paths within our company but also expands our support for initiatives that enhance employee satisfaction and development opportunities.

The Group focuses on training and developing employees to meet the needs of our business while supporting their career aspirations. Providing the opportunity for our people to grow, gain experience. The systematic human resource management procedures and training management systems provide a solid foundation for the annual training plan in the Group. Besides, we directly engage our employees to discuss, investigate, and identify the needs of their posts. To ensure feasibility and effectiveness, training is conducted with different objects, contents, methods and assessments based on the diversity of ability levels, the responsibilities and the task of their posts. Furthermore, we regularly organize workshops and seminars.

In addition to our robust training programs, the Foshan and Zhejiang Plants have established an Employee Scholarship Program to subsidize adult education for our workforce. This initiative supports employees in enhancing their educational qualifications and personal development, offering financial assistance ranging from RMB 5,000 to RMB 120,000 per applicant.



Zhejiang University Seminar



Knowledge Lecture



Environmental, Social and Governance Report

During the Reporting Period, employees completed a total of 33,217 hours of training, encompassing 2,466 participants, which represents 96.87% of our total workforce. The breakdown of training hours by gender and employment type is detailed below. Notably, there was a 16.79% increase in the overall training duration compared to the year 2022.

	unit	By gender		Employment Type	
		Male	Female	Management level	Staff
Number of training people	people	1,681	785	318	2,148
Percentage (number of training people/ employees)	%	68.17%	31.83%	12.90%	87.10%
Average training hours	hour	14.46	11.36	13.29	13.50

Communication and Connection

We place immense value on the communication and connection among our employees, recognizing it as the foundation for a cohesive and dynamic workplace. To foster this environment, we actively organize a variety of activities aimed at strengthening team bonds and enhancing employee engagement. These initiatives range from team-building exercises to company-wide events, all designed to create a unified and supportive work culture.

In our commitment to transparency and open dialogue, we have established multiple channels for effective communication. This includes suggestion boxes and regular employee satisfaction surveys that allow employees to share ideas and concerns, ensuring their voices are heard and considered in decision-making processes. Furthermore, we prioritize direct interaction through interviews and employee symposiums. These platforms facilitate in-depth discussions on workplace improvements.

Additionally, we actively support the establishment and operation of a strong workers' union. This union is crucial for articulating employee concerns, negotiating on their behalf, and cooperating with management to tackle issues concerning labour rights, working conditions, and benefits. Through this collaborative effort, we ensure employees play a significant role in developing the policies and practices impacting their work life.



Through these concerted efforts, we aim to build a workplace where communication flourishes, and connections deepen, reflecting our dedication to not just professional growth but also personal well-being and mutual respect among all employees.



Camping Event



Group travel



Employee Symposium



Sports Game



New Year Party



Team Building Games



Environmental, Social and Governance Report

Collaborating with Value Chain

Recognizing the pivotal role our supply chain — from suppliers to customers — plays in our sustainable development, we delve into the strategic partnerships and operational practices that underscore our commitment to sustainability and ethical business throughout our value chain. This section highlights our comprehensive approach to Supply Chain Management, Product Quality, R&D and Innovation, Intellectual Property Protection, Customer Service, and Customer Privacy and Data Security. Together, these elements illustrate our holistic approach to enhancing sustainability, integrity, and collaboration within our value chain.

Supply Chain Management

Our Group collaborates with a diverse range of suppliers, integral to our operational success. In 2023, our collaboration extended to 757 suppliers, with 99.2% located in mainland China, while the remainder hailed from Hong Kong, Taiwan, and Japan. Upholding a robust and stable supply chain, aligned with our shared values, is pivotal in advancing our journey towards sustainable development. In this regard, we require our suppliers to adhere to the high standard of social responsibility.

According to the Group's standardized procurement management and control procedure, suppliers can be listed on the Qualified Supplier List after field trial and ESG performance evaluation regarding child and forced labour, legal remuneration, equal employment, human rights, EHS issues, working hours, intellectual property rights and any other topics stipulated in the Supplier Code of Conduct. Besides, suppliers are mandated to comply with international standards of Restriction on Hazardous Substances Directive ("RoHS") and Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH"), to ensure the products' safety to our environment and human health.

In our approach to supplier management, we prioritize environmental and social performance by instituting a graded system. Our strategy emphasizes the promotion of environmentally preferable products and services by prioritizing engagements with Grade A suppliers. Additionally, suppliers identified as posing a high risk regarding social responsibility are subjected to a social responsibility audit, culminating in their potential inclusion on the Qualified Supplier List upon demonstrating improved performance.

The production operation centre monthly conducts performance evaluation on the supplier's products quality, service, and delivery, and increase the dynamic monitoring, management and re-evaluation of the supplier's social responsibility according to customer needs. For those whose products are evaluated as unqualified due to the same issue twice, the supplier may be requested to take corrective and preventive measures and verify their effectiveness.

We have signed the Supplier Code of Conduct or Sustainability Commitment Letter with 321 suppliers. We regularly organize training sessions and meetings for our suppliers, covering 735 hours in total. We aim to enhance our suppliers' capabilities, ensuring they are well-equipped to meet our expectations and also serve as a valuable opportunity for suppliers to share their insights and best practices, promoting mutual growth and strengthening our supply chain partnerships.

Product Quality

The high-quality, safety and health of the packaging we deliver to our customers are of utmost importance. We are convinced that our success and ongoing sustainable growth are deeply rooted in maintaining the trust of our customers. To ensure the highest standards of quality, we have established a comprehensive quality control and management system, which has been certified under ISO 9001. This system encompasses a wide range of procedures, overseeing the inspection of raw materials, semi-finished, and finished products at various stages — upon arrival, during the manufacturing process, and prior to final delivery.



We conduct product quality training and evaluations every month. Products from our company are dispatched only after undergoing thorough inspections and tests to ensure their quality and compliance. Additionally, we furnish both internal inspection reports and external third-party testing documents as evidence of adherence to industry norms, legal standards, and regulations, including GB/T 6543-2008 for “Single and Double Corrugated Boxes for Transport Package,” Restriction of Hazardous Substances (RoHS), and Substances of Very High Concern (SVHC), among others.

We achieved a product qualification rate of 99.7% in 2023, with no instances of product recalls due to safety or health concerns. We have established an efficient and responsive mechanism to address any issues with raw materials, reprocessed items, batch productions, and spot checks that do not meet our quality standards. This mechanism for managing recalls of unqualified products from customers includes several key steps: receiving feedback from customers, initiating the recall of unqualified products, conducting an inventory check of the recalled products, investigating the cause of the quality issue, and reporting the findings. Sales, warehousing, quality, and production units collaborate seamlessly with the recall team to manage the recall process effectively.

In addition to offering healthy, safe, and high-quality products, we are dedicated to advancing circular packaging solutions. During the design and manufacturing of our products, we strive to reduce and eliminate the environmental impact at the end of their life cycle, ensuring they can be easily recycled or repurposed. These By sourcing raw materials that meet both national and international standards and emphasizing the recyclability and reusability of our products.



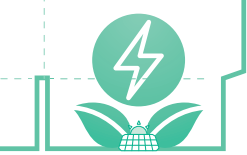
ISO 9001 Certificate



Quality Management Training



Recycling Mark



Environmental, Social and Governance Report

R&D and innovation

The Group places a high emphasis on innovation and research and development (R&D), viewing it as a pivotal force behind the company's growth. Recognizing the crucial role R&D plays in fostering sustainability, enhancing product quality, and driving technological advancements, we have actively engaged our workforce in pursuing research initiatives. As early as 2010, we established a Packaging R&D and Testing Centre, along with a Transportation Packaging Laboratory with ISTA certification, offering comprehensive packaging R&D and design services to our clients. In 2023, our team participated in and successfully completed 128 R&D projects, and newly acquired 4 intellectual property rights.

Our pursuit of disruptive and innovative ideas is relentless and open-minded, as we lead in R&D capabilities to promote the transformation of key production factors and secure sustainable growth for the future. In 2023, we held the 2nd "Artisan Cup", which designed for all employees within our group, targeting, but not limited to, packaging designers from the group's headquarters and various manufacturing plants. The contest aims to unearth the innovative potential within the Group, drive innovation in packaging design and technology, and facilitate the practical application of new packaging solutions.



2nd "Artisan Cup"

Intellectual Property Protection

The Group highly prioritizes the protection of intellectual property, recognizing it as a cornerstone of our innovative capabilities and competitive edge. To safeguard these valuable assets, we have implemented a robust Property Protection and Management Procedure, ensuring that upon the completion of any technical project, all related technical documents or files are submitted to the Group. These submissions undergo a thorough assessment to determine the necessity and feasibility of patent application. If deemed beneficial, a timely patent application is initiated to secure our inventions and innovations.

We vigorously defend our intellectual property rights against any illegal infringement, utilizing legal measures to prevent unauthorized exploitation. During the development process of R&D projects, it is essential to promptly carry out tasks related to intellectual property grading, filing, application, and registration. We maintain strict control over the use of all intellectual property within the Group, including drawings, design templates, patented technologies, and product specifications. Unauthorized use of these assets is strictly prohibited.

Additionally, we uphold the highest standards of respect for the intellectual property rights of others. Prior to the initiation of any R&D project, our team conducts thorough searches and audits of intellectual property through patent databases, as well as databases of scientific journals, to ensure no infringement on existing rights. We honour the labour and achievements of others by purchasing licensed software and other products, steadfastly avoiding any infringement of intellectual property rights. Our practices include abstaining from unauthorized use or imitation of patented technologies and respecting the exclusive rights of registered trademarks.



Excellent Customer Service

The Group places great importance on delivering exceptional customer experiences and service quality. To achieve this, we have developed comprehensive guidelines, including Communication Procedures with Customers Regarding Product and Service Requirements, Customer Complaint Management Guide and other standards. We also conduct regular customer satisfaction surveys, a practice that enables us to gain a deeper understanding of our customers' needs and foster strong relationships with them.

In 2023, we received a total of 861 customer complaints, marking an 18% decrease compared to the previous year. Upon receiving a complaint, we commit to responding and evaluating within 8 hours, formulating a preliminary correction plan within 24 hours, implementing and delivering a refined solution to the customer within 3 working days, and following up and providing feedback on the effectiveness of the solution within 5 working days. All complaints have been properly addressed. Furthermore, we regularly compile and analyse all customer complaints to improve our operations.

We employ a variety of methods to conduct our annual customer satisfaction survey, including email, interviews, phone calls, and fax. For those customers who have lodged complaints within the survey period, we undertake on-site investigations to directly address their concerns. Meanwhile, customers without complaints are surveyed through written communication and phone calls. Our business unit collaborates closely with other departments to share critical insights gained from customer interactions, ensuring we stay abreast of market trends and customer needs. During the Reporting Period, over 97.21% of customers indicated they were satisfied in our survey.

Customer Privacy and Data Security

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 relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

We have established the Information Protection and Privacy Control procedure, which is applied to the protection and management of personal information belonging to the company, customers, suppliers, consumers, and employees. Employees in supervisory positions or roles that involve access to critical company information, such as finance, sales, human resources, procurement, technology, quality, and network management, are required to make a confidentiality commitment upon joining the company. When necessary, they must sign a Confidentiality and Non-disclosure Agreement to ensure the security of sensitive information.

Our company has established in the Code of Conduct, which clearly outlines regulations for cybersecurity and data protection. It strictly prohibits employees from disclosing confidential business information, personal privacy details, or any other sensitive data pertaining to the company, its employees, or external clients to unauthorized third parties. The illegal storage, processing, transmission, sale, provision, or disclosure of collected data is strictly forbidden. If any breach occurs, the investigation is launched and the responsible person shall bear corresponding responsibilities.



Environmental, Social and Governance Report

Supporting the Community

In this section, we delve into the multifaceted ways in which our company extends its commitment beyond the immediate sphere of our operations, reaching out to the broader community, engaging in public welfare initiatives. Our dedication reflects a holistic understanding of our role in society — not merely as a business entity seeking profitability but as a proactive contributor to societal well-being and sustainability. Through various initiatives aimed at enhancing community life, supporting vulnerable groups, and promoting environmental stewardship, our value is creating a positive impact that resonates well beyond our immediate business interests.

Community Service

The Group actively participates in community service, focusing on enhancing local environments, maintaining infrastructure, and caring for the elderly. These efforts are part of a wider array of activities aimed at supporting educational initiatives, conserving the environment, and promoting health and wellness within the communities we serve.

During 2023, a commendable number of our employees, totalling 291, dedicated 719 hours to various community service projects. This reflects the strong commitment of our staff to effect positive change and aligns with our broader ESG objectives to contribute to a sustainable and inclusive society.



Free Haircut for the Elders

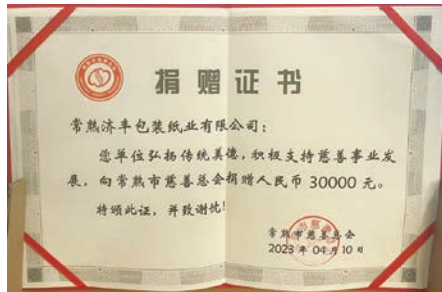
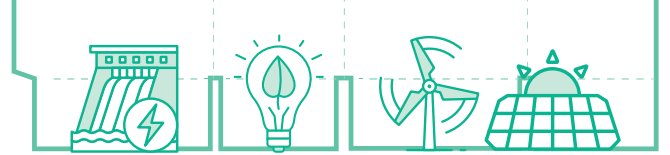


Tree-planting

Public-welfare

The Group has steadfastly pursued our dedication to public welfare. In 2023, our contributions to social welfare initiatives reached a remarkable total of RMB 74,000, marking a substantial increase of 3.5 times over the previous year's contributions. This notable expansion in our philanthropic efforts reflects our deepening engagement with and commitment to societal betterment.

A portion of our contributions was directed towards charitable organizations through donations, illustrating our support for those making a direct impact on the lives of the underprivileged. Additionally, we organized our employees to participate in the Heartbeat Charity Concert, an event that not only fostered a sense of community and shared purpose among our staff but also enabled us to contribute the proceeds to the Soong Ching Ling Foundation, furthering our impact on children's welfare and education.



Donation Certificate



Charity Concert

College Cooperation

In 2023, the 12th edition of the “PMPGC Cup” Packaging Structure Design Competition was officially launched, marking a prestigious nationwide contest aimed at university students specializing in packaging design. Garnered significant attention and support from various sectors of society, the “PMPGC Cup” has successfully established a remarkable platform for close interaction and collaboration among universities, businesses, and institutions. This competition boasts considerable social influence, fostering an environment where academic insights and industry practices converge to inspire innovation and talent development in the field of packaging design.

Since its inception in 2010, the “PMPGC Cup “ has successfully hosted 12 editions, attracting participation from over 50 universities and 35,000 individuals. Our competition committee has received more than 1,600 submissions to date. Among these participants, 25 talented individuals were offered internship opportunities, and 26 innovative designs were selected for practical application. By providing a platform for students to engage directly with the packaging industry, the “PMPGC Cup” plays a pivotal role in fostering a new generation of designers and innovators. Through these efforts, we continue to contribute to the development of cutting-edge packaging solutions, underscoring our dedication to promoting sustainability, creativity, and practicality in the field.



Environmental, Social and Governance Report

HKEX ESG REPORTING GUIDE INDEX

ESG Guidance

Reference Section

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.

Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.
Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
Hazardous wastes are those defined by national regulations.

Fostering Environmental Sustainability

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.	Minimizing Environmental Impact
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.	Waste Management



ESG Guidance

Reference Section

**Aspect A2:
Use of Resources**

General Disclosure
Policies on the efficient use of resources, including energy, water and other raw materials.
Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.

Optimal Resource Utilization

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).

Energy Management

KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).

Water Conservation

KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.

Energy Management

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.

Water Conservation

KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.

Raw Material Use

**Aspect A3:
The Environment and
Natural Resources**

General Disclosure
Policies on minimising the issuer's significant impacts on the environment and natural resources.

Fostering Environmental Sustainability

KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.

Fostering Environmental Sustainability

**Aspect A4:
Climate Change**

General Disclosure
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.

Climate Change Management

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.

Climate Change Management



Environmental, Social and Governance Report

ESG Guidance

Reference Section

B. Social

Employment and Labour 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.	Thriving People and Society
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	Employment Equality and Human Rights
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Employment Equality and Human Rights
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.	Thriving People and Society
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safety and Health
	KPI B2.2 Lost days due to work injury.	Safety and Health
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safety and Health
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Training and Development
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Training and Development



ESG Guidance

Reference Section

**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.

Thriving People and Society

KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.

Employment Equality and Human Rights

KPI B4.2 Description of steps taken to eliminate such practices when discovered.

Employment Equality and Human Rights

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.

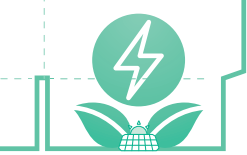
Supply Chain Management

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



Environmental, Social and Governance Report

ESG Guidance

Reference Section

ESG Guidance	Reference Section	
<p>Aspect B6: Product Responsibility</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 relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	Collaborating with Value Chain	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Excellent Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Privacy and Data Security
<p>Aspect B7: Anti-corruption</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 relating to bribery, extortion, fraud and money laundering. 	Anti-Corruption	
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.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption



ESG Guidance

Reference Section

Community

Aspect B8:	General Disclosure	Supporting the
Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting the Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting the Community