



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 2024



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Environmental, Social and Governance Report

ABOUT THIS REPORT

Introduction

This report is the seventh Environmental, Social and Governance (ESG) report of 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”). For internal and external stakeholders of the Group, this report comprehensively discloses the Group’s sustainability philosophy, as well as management methods, performance, and progress in environmental, social, and governance aspects.

Reporting Period

This report covers the period from 1 January 2024 to 31 December 2024 (the “Reporting Period”).

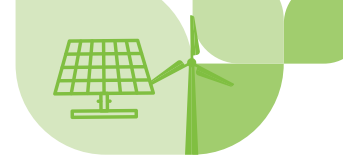
Reporting Scope

The scope of this report covers the Group’s all subsidiaries, including 15 production plants, Qingdao Training Centre, the Hong Kong office and the Shanghai office. Compared to the last ESG report, Hubei Plant was newly put into operation in June 2024 and Huzhou Plant was put into trial operation in September 2024. It should be noted that two offices do not significantly contribute to the Group’s environmental issues. Consequently, they are not included from 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	This 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.

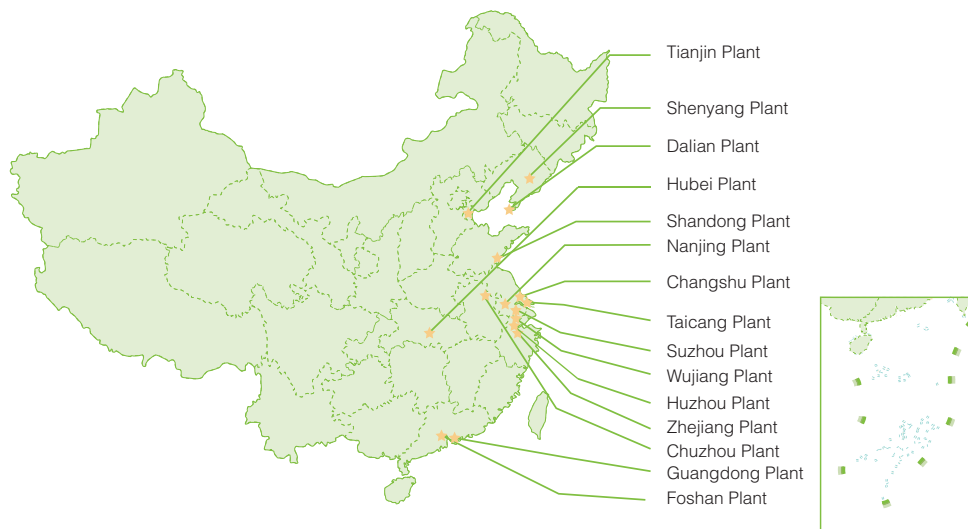


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ABOUT THE GROUP

We are a corrugated packaging supplier in the People's Republic of China ("PRC") with over 30 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 fifteen Production plants in northern, north-eastern, eastern, southern and central regions of the PRC. The production facilities are located in Suzhou, Tongxiang, Nanjing, Tianjin, Dalian, Shenyang, Wujiang, Changshu, Huizhou, Taicang, Laixi, Foshan, Chuzhou, Xiaogan and Huzhou in China. All of them are equipped with corrugated board production lines and mainly produce corrugated board and corrugated box.

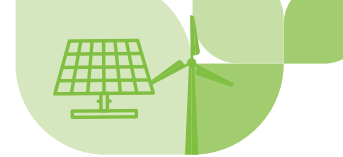


With our long-term partnership with many well-known brand customers and suppliers at home and abroad, and the Group's over 30-year rich knowledge and experience in the corrugated paper packaging industry, we strive to leverage the advantages of the Group's large-scale operations and emphasize lean Management, 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, East China and South China. The market position of the region and the expansion of our presence in the Midwest 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 year 2024 is full of challenges and opportunities. With increasing demand from our customers and partners for innovative products and solutions, and tightening laws and regulations, we are making breakthroughs while striving to reduce the negative impact of our daily manufacturing and business activities on the environment and climate change. We have taken various measures in quality management, safety management and environmental management, and have further strengthened the recyclable, easy-to-recycle and biodegradable features of our packaging products, committing ourselves to providing high-quality packaging products and taking responsibility for the environment and society. This year, we took an important step toward the central and western markets with the opening of our first plant in central China.

It has been four years since China set the goals of carbon peaking and carbon neutrality. During this period, enterprises, governments and all sectors of society have been actively exploring ways to achieve the goals. We have been proactively addressing and adapting to the impacts of climate change, reducing greenhouse gas emissions, advocating and practicing the concepts of “green economy” and “green manufacturing”. As the first manufacturing company in China to achieve carbon neutrality, we have been undertaking carbon inventory, carbon emission reduction and carbon neutrality work in our factories for 15 consecutive years.

During the Reporting Period, we were rated AAAA for Corporate Social Responsibility in Light Industry for the year 2024. We advocate a corporate culture of “people-oriented” and “pursuit of excellence”, with diligence, rationality, innovation, teamwork and open-mindedness as our core values. We are committed to caring for employees and giving back to shareholders and society while developing the enterprise, fulfilling our social responsibilities effectively, and demonstrating our responsibility and commitment with practical actions.

Our goal is to become the best paper packaging company in China. Looking ahead, we will continue to strive for sustainable growth, increase our market influence, and provide reasonable value or financial returns to our business partners, employees, and shareholders. We will adhere to the development strategy of sustainable development and low-carbon environmental protection, work with upstream and downstream to build a green supply chain, and spare no effort to ensure ecological harmony with other enterprises that take green and low-carbon as their long-term development strategy.



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HONOR AND AWARD

Name of the organization

Award

Date

Pacific Millennium
Packaging Group
Corporation

2024 Top 100 Printing &
Packaging Enterprises in China

2024-7

2024 Light Industry Corporate Social
Responsibility AAAA Grade Enterprise

2024-11

Participating Unit in the Formulation of
“GB Single and Double Corrugated Boxes for
Cransport Packages”

2024-11



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

2024 Provincial Star Rated Cloud Enterprise

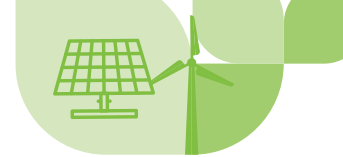
2024-11





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

The 3rd “Haili Cup” Corrugated Paper Box
Flexographic Competition Gold Award

2024-10





Name of the organization	Award	Date
Foshan Pacific Millennium Packaging & Paper Industries Co., Ltd.	2023 Foshan Digital Intelligent Demonstration Workshop	2024-2
		
	Zhejiang Province Hygienical Products Silver Support Unit	2024-9
		
Zhejiang Pacific Millennium Packaging & Paper Industries Co., Ltd.	Director unit of Jiaxing Food Industry Association	2024-12
		
	Tongxiang Economic Development Zone Chamber of Commerce Construction Contribution Award	2024-12
		



Environmental, Social and Governance Report

CLIMATE CHANGE MANAGEMENT

In 2024, the Group has actively integrated with the trend of global climate governance and deeply practiced the Task Force on Climate-related Financial Disclosures (TCFD) framework and IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB) to further strengthen the firm resolve and practical action to deal with climate change. Through ongoing research and analysis over the years, we have developed some understanding of the potential impact of climate change on the Group's business. This year, we conducted a comprehensive and in-depth analysis of our ability to adapt to the climate challenge and the potential for change, and gained a detailed understanding of our current strengths and weaknesses.

We have integrated the concept of sustainable development into every aspect of our business operations. We not only strictly comply with relevant laws and regulations and industry standards, but also actively innovate and implement climate-friendly measures that go beyond compliance. These initiatives to actively respond to climate change have not only created long-term stable returns and development opportunities for our stakeholders, but has also earned the Group a good social reputation and brand image.

Governance

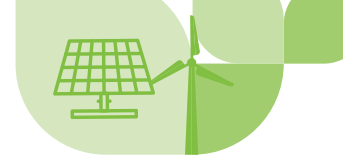
The Group has established a climate governance framework based on the sustainable development management system to promote top-down governance of climate change. Within this framework, the board of directors of the Company (the "Board") oversees the Company's climate risk management and other sustainable development work. The Environment Committee of the Board (the "Environment Committee") leads the implementation and execution of the strategy. This committee is charged with developing and overseeing the ESG strategy and objectives, as well as conducting thorough reviews and oversight of ESG management. Relevant Group departments and subsidiaries integrate climate change risk management into their daily work, actively take countermeasures and include it in the annual key work plan. Through the concerted efforts of all levels of the Group, we have formed an organic whole of close cooperation and efficient operation in climate change management.

We have introduced the climate-related performance incentive system that is capable of recognizing and encouraging employees who have contributed to decarbonization in business. By combining employee incentives with the company's climate goals, the Group has successfully created a strong cultural atmosphere of environmental responsibility. Under the influence of this culture, all employees are deeply aware of their important role in promoting the company's sustainable development process, and then form a powerful force to jointly promote the company's continuous progress on the path of sustainable development.

Strategy

To recognize the multifaceted nature of climate change impacts, we have conducted a comprehensive analysis of potential risks and opportunities across our business and integrated these considerations into our strategic and financial planning for both the short and long term. This analysis covers our entire operations, from raw material sourcing, production and manufacturing to product sales and after-sales service, and details specific countermeasures to ensure that we can adapt flexibly and effectively integrate climate-related issues into our long-term business strategies.

Our approach to managing climate-related risks and opportunities seamlessly integrates consideration of near-term climate risks and opportunities into our operational and financial planning. This ensures immediate resilience and adaptability. For medium- to long-term climate risks and opportunities, we integrate climate considerations into our strategic planning by analyzing long-term trends and drivers. This deep integration is evident in our long-term goals and ambitions, which reflect our commitment to sustainability and the proactive management of climate-related risks and opportunities across all time horizons in our business strategy. Whether it is short-term flexibility or long-term strategic planning, we have always taken a positive approach to the challenges and opportunities presented by climate change and are committed to the long-term goal of sustainable development.



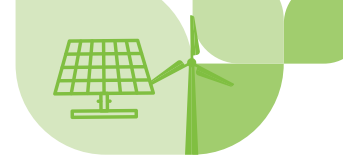
Identifying, assessing, and responding to climate-related risks

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; Develop contingency plans to ensure that actions can be taken quickly and effectively to minimize loss in the event of an accident.
<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; Strengthen the procurement network for raw materials.



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Risk	Analysis	Respond
Transition Risk		
Policy risks: Emerging regulation	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.	<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; Expanded the use of renewable 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; Obtained a number of international certifications for standardized management systems, such as the ISO 14001 Environmental Management System.
Carbon pricing mechanisms		
Time horizon: short-term and medium-term		
Technological risks: Transitioning to lower emissions technology	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.	<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; Provide employee training on low-carbon concepts and skills.
Time horizon: long-term		



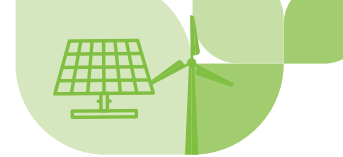
Risk	Analysis	Respond
<p>Market risks: Changing customer behaviour</p> <p>Time horizon: short-term</p>	<p>In light of the growing public endorsement of green consumption, the market is increasingly gravitating towards environmentally friendly products. Our consumers, especially among prominent international 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 the 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; • Enhance the scientific and technological innovation ability and R&D ability.
<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.



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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; • Reform or eliminate outdated and inefficient facilities.
<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; • Expand the proportion of green electricity usage.
<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; • Collect customers' opinions and comments on design, technology, quality, delivery, etc.
<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; • Expand collaborations with more outstanding enterprises in various industries, which are often recognized for sustainable development and shared the same understanding on low-carbon business value; • 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, multidisciplinary risk management process and ESG framework, which is managed under the vigilant oversight of the Environment Committee. We have established a comprehensive climate risk management and contingency organizational system and integrated climate change and carbon management into our sustainable development goals and planning framework. We are aware of the climate change risks that are closely linked to our business, and we assess and manage them quickly and accurately, ensuring that our strategies remain aligned with evolving regulatory and customer requirements. A dedicated risk assessment team is tasked with identifying risks and opportunities across all business and management activities, fostering cross-functional collaboration to protect both tangible and intangible assets, and ensuring compliance with our Code of Business Conduct, policies and legal standards.

Our methodology covers the entire value chain, from raw material extraction to recycling and disposal, and addresses upstream, operational and downstream risks and opportunities. While short- and medium-term risks are routinely identified, our strategic planning process is dedicated to identifying and monitoring longer-term risks and trends. This process identifies key regulatory, physical, and climate-related risks, as well as potential opportunities. Our risk portfolios are reviewed annually to maintain a proactive approach to risk management. We turn challenges into motivation to move forward, and we continue to improve our risk resilience to drive the smooth and sustainable development of our business.



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.
- Plan implementation: Translate the developed risk response strategy into a concrete action plan and implement it.
- 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”**

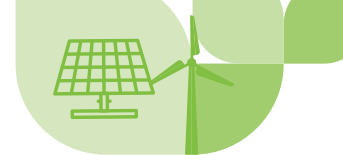


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Metrics and Targets

In 2021, we actively announced a set of goals and actions to reflect our commitment to green development. The progress towards achieving these targets in 2024 is as follows:

Item	Targets	Status or Progress in 2024
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 and low-carbon related training.
Climate Change	By 2030, GHG emissions will have been reduced by 15% (2020 as the base year).	In process ✓ GHG emissions was reduced by 5.53% (2020 as the base year).
	Insist on the carbon offset and provide customers with net-zero carbon products.	In process ✓ Purchased GEC and VCU to offset 39,548 metric tons of carbon emissions in 2023.
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 3.23% (2018 as the base year). 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.
	Increase the proportion of plants using new energy.	In process ✓ New photovoltaic power generation projects were added to the Nanjing plant and the Foshan plant.
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 36.06% (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 20.94% was recycled properly and legally.



Item	Targets	Status or Progress in 2024
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 0.008 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 58.5%.

SUSTAINABILITY STRATEGY

Sustainability Governance

In the past year, we have made every effort to improve the level of sustainable development management and have conscientiously fulfilled the responsibility of sustainable development management in the process of promoting our own development. To strengthen management support, we have established a three-level governance framework for sustainable development.

We have actively improved the internal system, refined the responsibilities of each department, and incorporated sustainable development implementation and management into the annual performance evaluation system. Through these measures, we will continue to monitor the company's environmental protection and safety performance and effectively promote the effective implementation of the company's sustainable development strategy and projects.

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, ensure our long-term success, and contribute to a more sustainable and equitable world.

ESG Management Structure

The Group has developed its Environment Committee to reinforce our commitment to excellent ESG management, including ESG strategy, vision, principles and all relevant actions. The members of the Environment Committee have been appointed by the Board and consist of at least three members, with a majority of independent non-executive directors, ensuring a broad perspective on ESG issues. They are responsible for providing input and oversight of the company's sustainable development capability. The Chairman of the Group is one of the members of the Environment Committee, which ensures that ESG-related work is carried out smoothly and efficiently with a top-down approach. The main 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;



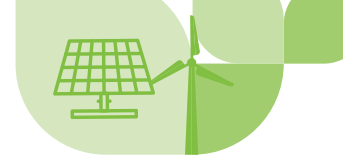
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- ✓ Evaluating the Group's ESG progress and achievements, using established standards to measure performance and identify areas for improvement;
- ✓ Proactively identifying risks that could have a significant impact on the Group and its stakeholders, 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.

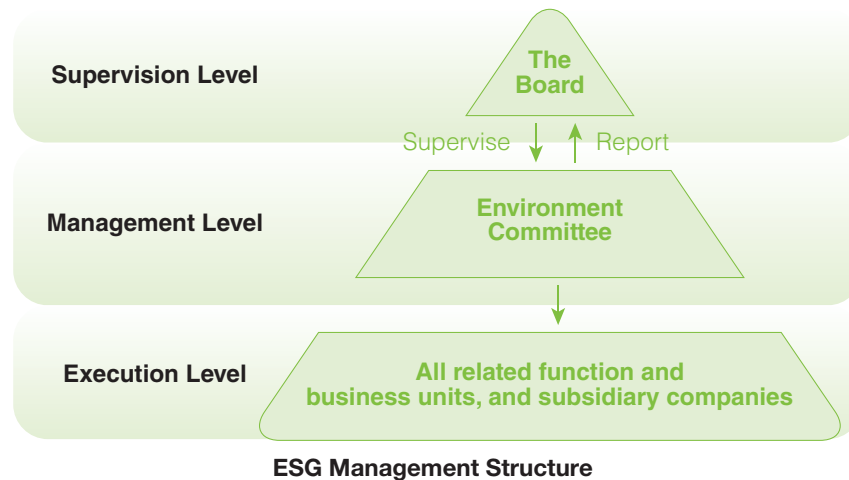
The Environment Committee meets at least once a year, and the members of the Committee jointly formulate and follow up on the Sustainable Development Goals, with additional meetings convened as needed to address specific ESG-related developments or challenges. These meetings are critical to maintaining ongoing oversight of ESG issues, enabling the Committee to adapt to changing circumstances and stakeholder expectations. Minutes of these meetings are carefully recorded and made available for review by the Board, ensuring transparency and accountability in the Group's ESG governance.

At the top of the governance structure is the Board of Directors, which has ultimate oversight of the Group's ESG strategy and implementation. The Board's responsibilities with respect to 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 this report to enhance the quality, completeness, and credibility of the ESG reporting;
- ✓ Design a reasonable incentive mechanism that links sustainable development performance with employee compensation, promotion, etc., fully mobilizing employees' enthusiasm and initiative to participate in sustainable development work.



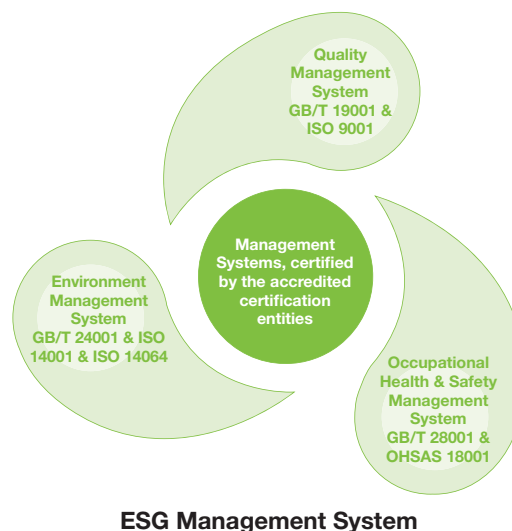
This ESG management structure is designed to improve decision-making and provide specialized insight into each aspect of our ESG efforts, demonstrating our strengths in governance, accountability and proactive ESG leadership.



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 central to our approach to consistently monitor, measure, assess and manage ESG-related risks across the organization.

From environmental considerations in the procurement of raw materials, to energy conservation and emission reduction in the production process, to strict specifications for waste disposal, we have deeply integrated the standards of the environmental management system with the environmental objectives of the ESG framework. The integration of the Occupational Health and Safety Management System ensures the physical and mental health and safety of employees in the work environment and enables us to actively fulfill our social responsibilities while pursuing economic benefits. The quality management system covers the entire process and ensures the quality of products and services in a comprehensive manner, from product design to after-sales service, providing solid support for the realization of ESG goals.





Environmental, Social and Governance Report

We have developed specific, certified management system procedures for each aspect of our ESG management. These documents serve as a blueprint for orderly and diligent management within the responsible units. They are not static, but are regularly reviewed and updated to ensure that they reflect the latest regulatory requirements and industry best practices.

By adhering to these structured management systems, we can ensure that ESG risks are addressed in a systematic and timely manner. This enables us to proactively identify potential risks and take the necessary measures to effectively mitigate them in order to avoid ESG-related risks during the operational phase and the resulting losses to our stakeholders.

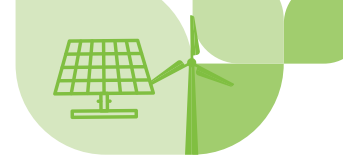
Stakeholder Engagement

The Group firmly believes that engaging stakeholders in an ongoing dialog is essential to achieving long-term sustainable development. Throughout the Reporting Period, we have established and utilized multiple communication channels to facilitate efficient and meaningful exchanges with our key stakeholders. This practice has been instrumental in quickly identifying material ESG issues and continuously improving our ESG performance.

We have identified four key stakeholder categories that are most relevant to our business: investors (shareholders), employees, suppliers and customers. During the Reporting Period, we actively engaged with these key stakeholders, using a targeted approach to identify and address material 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.

Stakeholders can provide feedback through a variety of channels listed below to help us identify where the Group can improve its environmental, social and governance performance. The opinions and information provided by all stakeholders will be treated confidentially and will not be disclosed to third parties.

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 the critical factors affecting our business into the Group's sustainability strategy, we conducted an annual materiality assessment. This approach has deepened our understanding of the issues that matter to stakeholders and those that have a material impact on our business. As a result, we have been able to develop targeted actions and solutions to advance the implementation of the Group's sustainability strategy.

In 2024, we conducted an in-depth analysis of the development trend of the industry and engaged in extensive communication and feedback exchange with various stakeholders. On this basis, we re-examined the integrity and suitability of the topics, added "Production and Fire Safety", "Financial Risk Management" and deleted "Green Travel" topics, and adjusted "Equal Opportunity" to "Equal Opportunities and Female Rights".

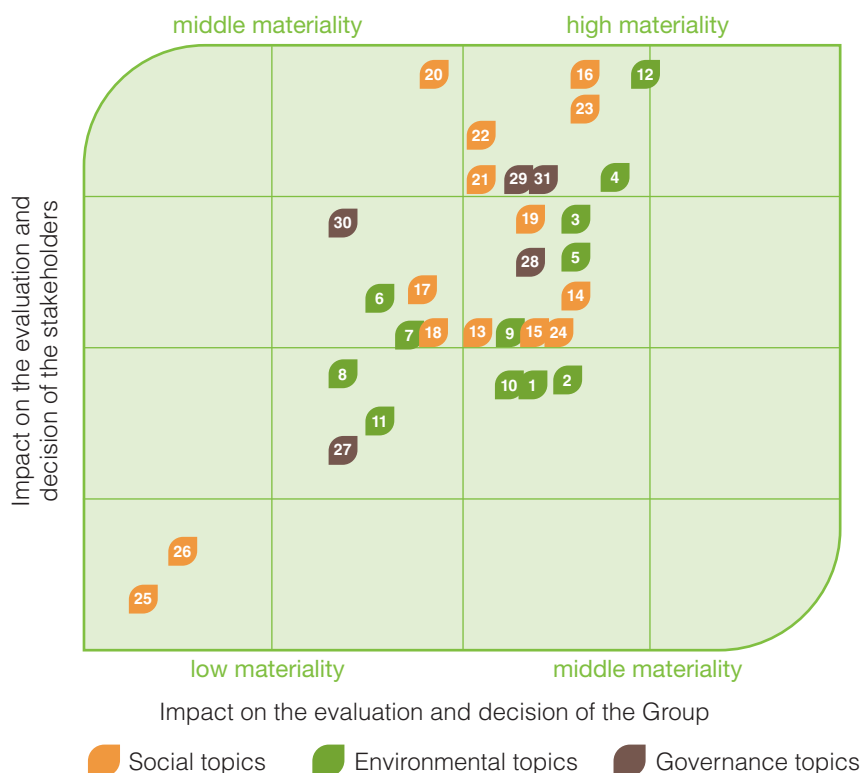
During the Reporting Period, we selected 31 ESG issues based on national and international reporting frameworks, taking into account China's political landscape, our operational context and peer disclosure practices. To assess the materiality of these issues, we engaged both external stakeholders (investors, suppliers, customers) and internal stakeholders (employees) through an online questionnaire survey. After collecting 79 responses, we analyzed the data and ranked the issues based on their importance to stakeholders' assessments.

The resulting matrix of material environmental, social and governance issues guided our prioritization. Issues in the first quadrant of the matrix, which are the most material and relevant to the Group, were given the highest priority for improving our ESG performance. In addition, we also consider lower-priority ESG issues in our improvement plans, recognizing that they may become more important as market conditions evolve.



Environmental, Social and Governance Report

ESG Materiality Assessment

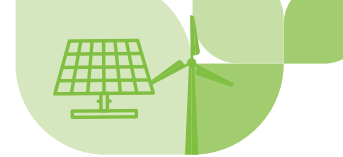


High Materiality Issues

Medium and Low Materiality Issues

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

- (a) The score of issue No. 1 is the same as No. 10
- (b) The score of issue No. 7 is the same as No. 18
- (c) The score of issue No. 9 is the same as No. 15 and No. 24
- (d) The score of issue No. 29 is the same as No. 31



COMPLIANCE AND INTEGRITY

Compliance Operation and Risk Management

In pursuit of high-quality, long-term development, the Group firmly believes that good risk management and compliant operations are essential for the development of a family-owned business and are vital to safeguarding the interests of stakeholders. Anchored by a top-down integrity supervision structure and a robust management system, the Group diligently supervises and coordinates various facets of corporate activities, including risk management, internal control and internal audit assessments, to ensure adherence to compliant practices in all our daily operations.

To strengthen our commitment to compliance and to proactively address high-impact, high-risk scenarios, we have established a dedicated Internal Control Unit. This unit is responsible for developing and regularly updating key procedures, including the “Internal Control and Operations Specification,” the “Confidentiality System and Enforcement Procedures,” the “Compliance Evaluation Procedure,” and the “Risk and Opportunity Identification and Control Procedures”. These documents are carefully drafted and modified to improve our preparedness and response to potential threats and changes in national and local regulations.

Our approach to risk management is both proactive and systematic. We have auditors with the professional competence to conduct regular and occasional audits of the Company’s and its subsidiaries’ business activities, financial income and expenses, significant matters, and the implementation of internal control systems in each department. These audits are complemented by the invaluable insights gained from external independent entities that conduct annual reviews to ensure that our business operations are not only efficient, but also aligned with our corporate objectives and strategies. Meanwhile, each subsidiary has an internal control team responsible for the day-to-day monitoring of the implementation of the internal control system and the correction of errors.

To further improve our risk management capabilities and prevent and reduce the occurrence of various risks at the source, we standardized our daily business process standards to prevent the occurrence of errors and irregularities. In line with our commitment to continuous improvement, we place great emphasis on training in compliance operations and risk management, with over 699 employees participating in a cumulative total of more than 282 hours. We empower our teams through systematic training that fosters a culture of compliance and risk awareness, enabling them to effectively manage and mitigate risk.

Anti-Corruption

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

Our comprehensive approach to anti-corruption includes the inclusion of explicit anti-corruption mandates in our Employee Handbook, which serves as a guide for all employees. In addition, individuals in key positions are required to affirm their commitment to these principles by signing a “Letter of Commitment against Corruption and Bribery,” thereby solidifying their dedication to upholding the Group’s ethical standards.



Environmental, Social and Governance Report

We provide anti-corruption education and training as part of the induction process for new employees. We regularly provide anti-corruption education and training to our directors, officers and employees, and integrate integrity into our corporate culture and ethical conduct. All departments also publicize anti-corruption education at their department meetings. We provided extensive training encompassing 723 individuals in 2024, reflecting our vigilance in the fight against corruption.

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, that protect the identities of whistleblowers. The Management Unit is responsible for maintaining the confidentiality of all reports of corruption and bribery made by any employee, conducting relevant investigations, assisting the General Manager in investigations, and maintaining records of the investigation and handling.

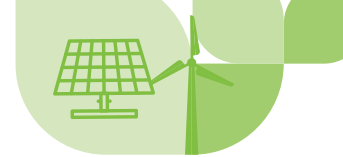
We have remained in full compliance with relevant anti-corruption laws and regulations in Hong Kong and Mainland China, including but not limited to the Prevention of Bribery Ordinance of Hong Kong and the Anti-Money Laundering Law of the People's Republic of China, and have not faced any legal challenges in connection with corrupt practices. We regularly update information on anti-bribery and anti-corruption laws and regulations to increase employees' legal awareness and prevent related behaviors and incidents.

Business Ethics and Morality

At the Group, we firmly adhere to the principles of fair competition and vehemently oppose all forms of unfair competitive practices. To raise the ethical standards of our employees and suppliers, we have developed and implemented a Code of Business Conduct aimed at eliminating the risks associated with business ethics violations. In addition, we have established clear regulatory requirements and are committed to working with our suppliers and partners to foster a healthy and fair market environment.

We are committed to honest business practices and apply rigorous ethical standards to all employees. Our management and oversight of business ethics is continuously improved. We require all Group employees in positions related to business activities to sign a Letter of Commitment on Integrity. All current employees are strictly prohibited from accepting outside employment or participating in the conduct of business related to the Group's operations without prior authorization, and are strictly prohibited from disclosing any information about the Group to those who have already left the Group. Each case of violation of our Code of Conduct is handled with individual investigations conducted based on the severity of the violation. In addition, we provide comprehensive ethics training to our employees to ensure a deep understanding of and adherence to our ethical standards.

Our commitment to business ethics extends to strict compliance with the legal and regulatory framework governing business ethics in the Mainland of Hong Kong. This includes, but is not limited to, compliance with 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. During the Reporting Period, there were no incidents of monopolistic practices, price fixing or market manipulation, which underscores our commitment to promoting fair competition and ethical business conduct.



FOSTERING ENVIRONMENTAL SUSTAINABILITY

With a long-standing commitment to sustainability, our Group has seamlessly woven the principles of ecological civilization into the very fabric of our business strategy and operating ethos, firmly establishing the concept that “green water and green mountains are golden silver mountains”. By strictly complying with national and international environmental regulations, we have committed ourselves to the concept of sustainable and environmentally friendly development and have operationalized these ideals in our daily practices. This deep commitment to ecological civilization has long been internalized as a core value of the company, embodying our deep reverence and respect for the natural ecosystem and leading us to pursue economic benefits while remaining mindful of our responsibility to protect the ecological environment.

Throughout the Reporting Period, there was no significant impact of our operations on the environment and natural resources, and we continued to comply with relevant environmental laws and regulations promulgated by the PRC central and local governments 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”***



Environmental, Social and Governance Report

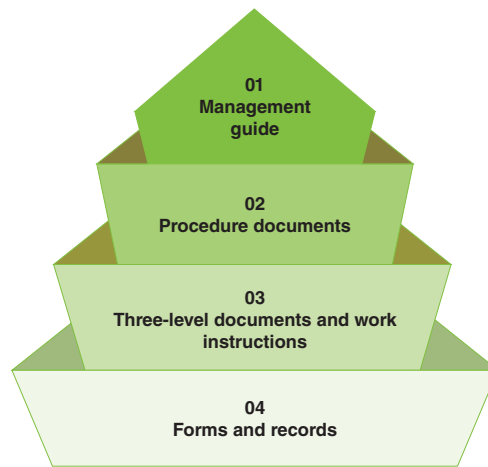
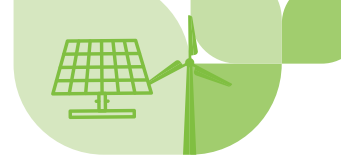
Environment Management

Dedicated to providing superior products while protecting the environment, the Group has implemented an environmental management system in accordance with standards such as GB/T 24001 and ISO 14001. This comprehensive system covers a wide range of sustainability practices, including pollution reduction, energy conservation, effective waste management, and promotion of resource recycling. In addition, our manufacturing facilities have achieved ISO 14001 certification, which is an important achievement of the Group in practicing the sustainable development strategy and promoting green development.

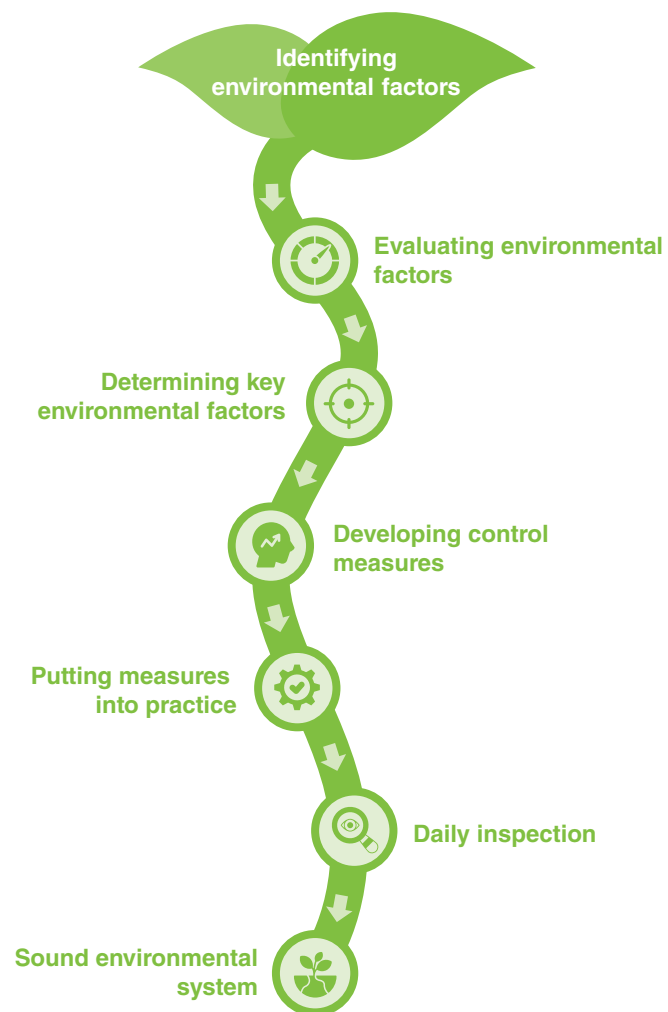


ISO 14001 Certificate

The Group takes a rigorous approach to the preparation of procedural documents in order to lay a solid foundation for the efficient operation of the environmental management system. When formulating environmental operation plans and control procedures, we precisely delineate the departments responsible for each procedure to ensure clear responsibilities. At the same time, we have established a scientific and complete data collection methodology and supporting procedures to regulate the collection and recording of data required for each environmental management process. We have also established a rigorous record and archive management mechanism to ensure that data is complete, accurate and traceable. In addition, we have strictly implemented monthly and annual process evaluation mechanisms, used scientific indicators to thoroughly review all processes, identified gaps and shortcomings compared to set targets, and formulated timely improvement measures to continuously optimize the daily work of environmental management and effectively fulfill our commitment to sustainable development.



Environment Management System



Environmental Operational Planning and Control Process



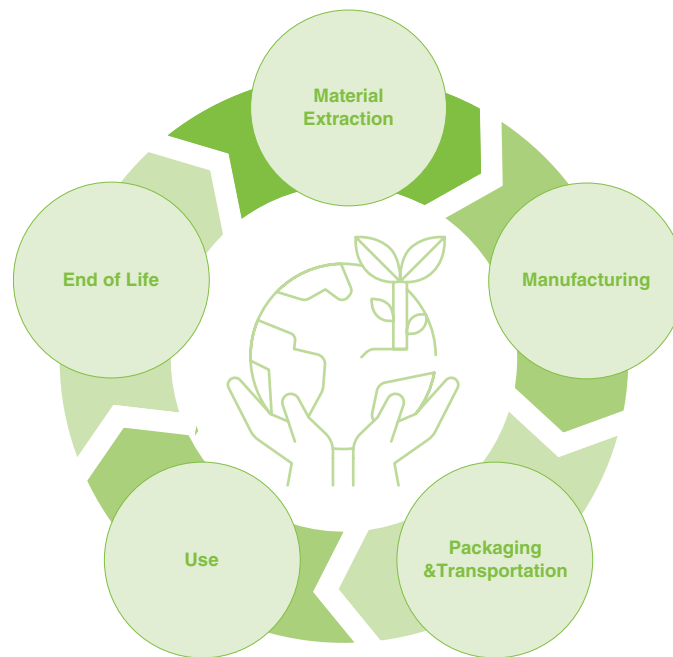
Environmental, Social and Governance Report

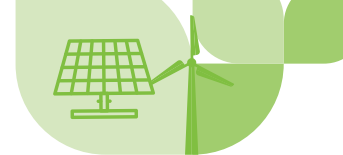
During the Reporting Period, our investment in environmental management and improvement efforts amounted to RMB4,763,321. This substantial investment was allocated towards a range of critical activities, including rigorous emissions inspections and significant upgrades to our devices and systems.

Green Products

Becoming a green packaging manufacturer remains at the heart of our core vision. We are integrating the concept of sustainable development into the entire lifecycle of our products, increasing the proportion of environmentally friendly raw materials purchased, advocating a circular economy and fulfilling our corporate responsibility. At every stage of our products' lifecycle, we have implemented green designs and best practices aimed at minimizing environmental impact to achieve sustainable development throughout the product lifecycle. This commitment extends from the use of raw materials to end-of-life disposal, ensuring that our products not only meet the expectations of our stakeholders, but also contribute to a sustainable society.

The hallmarks of our green packaging solutions — recyclability, lightweighting and non-toxicity — demonstrate our commitment to environmental stewardship throughout the product lifecycle. Designed to meet stringent environmental standards, our products are eco-friendly and resource-efficient, with minimal impact on ecological systems and human health. By significantly reducing waste and promoting the reuse of resources, we contribute to the circular economy. We actively practice the lightweighting strategy, starting from the source, closely controlling the amount of raw materials used, reducing energy consumption, and thus reducing carbon emissions.





Material Extraction	Manufacturing	Packaging & Transportation	Use	End-of-life
<ul style="list-style-type: none"> 58.5% FSC-certified paper and recycled paper used as raw material in 2024 Lightweighting strategy applied 	<ul style="list-style-type: none"> 0 coal fired among 15 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

Our packaging products have been successfully certified as green products according to the Technical Requirements for Green Product Evaluation of Express Packaging issued by the State Post Bureau of China, which means that our packaging solutions always meet strict environmental standards and incorporate the concept of sustainable development throughout the entire life cycle, from raw material sourcing and manufacturing to product use and disposal, thus strongly promoting green practices in all aspects.



Green Products Certification

Green Operation

We are embarking on a path of sustainable development that characterizes our daily operations. To raise the environmental awareness of our employees, the Group has established a "Green Office Management System". This initiative focuses on conserving energy, water, and other resources, improving the overall ecological efficiency of our office space, and reducing our resource consumption and emissions. We actively guide our employees to develop a simple and moderate, green and low-carbon lifestyle and work style, creating a favorable atmosphere for green living. At the Group, the responsibility of fostering a workplace that is both comfortable and respectful of the environment is shared by all.



Environmental, Social and Governance Report

We cultivate an eco-friendly workplace and inspire our team to adopt a sustainable, low-carbon lifestyle. Our office buildings use energy-efficient solutions, including advanced lighting and air conditioning systems, to minimize energy consumption. Our green office policy specifically targets the efficient use of office electronics to further our environmental goals. By embracing digital innovation, we are improving our operational efficiency and working toward a paperless office environment, reducing paper consumption through a strong push to adopt e-documentation and online meetings, among other initiatives.

To reduce our collective carbon footprint, we have established Green Office Management Policies and Green Travel Management Policies. We encourage the use of public and sustainable transportation for commuting, favor remote meetings over travel, and promote train travel as a greener alternative to air travel. In addition, we actively engage our employees in sustainability initiatives through campaigns such as “Low Carbon Walking” and “Car Free Day,” embedding the principles of environmental awareness and action into the fabric of our daily operations.

The company attaches great importance to building a green corporate culture and instilling environmental awareness in the heart of every employee. We actively carry out green office promotion activities to raise environmental awareness among our employees. In 2024, we also organized a variety of environmental activities, including training sessions, knowledge quizzes, and tree planting initiatives.

Minimizing Environmental Impact

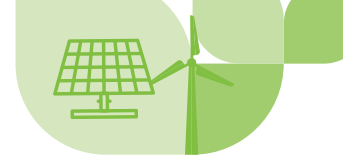
The Group takes environmental responsibility as a core duty and achieves 100% compliance in emissions to air, wastewater and solid waste in strict compliance with the laws and regulations of Hong Kong and Mainland China. In addition to reducing our own environmental footprint, we actively work with our supply chain partners to promote sustainable practices throughout our operations, making efforts to minimize environmental impact.

Over the past year, we have seen a significant improvement in our environmental performance compared to the previous period. This progress is a testament to our dedicated efforts to improve our sustainability practices and implement innovative solutions that help protect the environment. Through continuous monitoring and management, we have not only met, but exceeded regulatory standards, setting new benchmarks for excellence in environmental stewardship. In the future, we will continue to embrace the concept of sustainable development and strive to achieve even higher levels of environmental performance.

Air Pollutant Emissions

The Group prioritizes continuous monitoring, supervision and control by implementing a sophisticated air pollution management mechanism. In our packaging materials manufacturing activities, on-site industrial boilers emit air pollutants such as nitrogen oxides (NO_x), sulfur dioxide (SO₂) and particulate matter (PM), while printing processes release volatile organic compounds (VOCs) in both organized and unorganized forms. Since emissions from vehicles are negligible compared to those from our manufacturing processes, this report only discloses air pollutants from manufacturing activities.

Type of Air Pollutant			Unit	2024	2023	2022	Change, %
NO _x	emission	kg		6,204.80	6,837.28	7,384.37	-9.25%
	intensity	kg/10,000 m ² production		0.09	0.12	0.14	-21.92%
SO ₂	emission	kg		258.29	306.96	1,889.82	-15.86%
	intensity	kg/10,000 m ² production		0.00	0.01	0.03	-61.00%
PM	emission	kg		776.62	1,195.71	701.66	-35.05%
	intensity	kg/10,000 m ² production		0.01	0.02	0.01	-41.36%
VOC	emission	kg		801.60	852.91	683.33	-6.02%
	intensity	kg/10,000 m ² production		0.01	0.02	0.01	-39.48%



During the year, the Group continued to strengthen its efforts to combat air pollutants. Consequently, the total emission intensity of air pollutants in the Reporting Period decreased by 26.01% compared to 2023. This significant decrease was mainly due to the low NOx retrofit of gas-fired boilers at the Guangdong plant, the upgrade of VOC treatment equipment at the Tianjin plant, the maintenance and upgrade of adsorption equipment at the Taicang plant, and the replacement of a batch of activated carbon at the Shandong plant during the Reporting Period. Through such initiatives, we reaffirm our position as an environmentally responsible industry leader committed to continuous improvement and innovation in environmental protection.

In addition to the above initiatives, we have implemented a number of measures to ensure compliance with air emission standards and to further reduce emissions. We strictly prohibit the release of any waste gas into the atmosphere without proper treatment through our on-site waste gas treatment systems. Both treated and untreated waste gases are rigorously tested by certified organizations to ensure that air emissions from our manufacturing facilities comply with applicable emission regulations. In addition, we have established regular inspection and maintenance routines for our ventilation, cleaning and dust collection systems. Any equipment found to be defective or malfunctioning is immediately taken out of service and replaced.

Greenhouse Gas Emissions

The Group has set greenhouse gas (GHG) emission reduction targets to make informed business decisions and take 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 15 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 the combustion of fuels in stationary sources, including boilers and canteens. They also encompass indirect emissions from the operation of official and production vehicles, as well as anaerobic treatment of septic tanks and wastewater. Additionally, Scope 1 includes fugitive emissions from refrigeration equipment. Meanwhile, Scope 2 emissions are said to 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 following table offers a summary of the greenhouse gas emissions for the reporting year:

Emission scope	Unit	2024	2023	2022	Change, %
Scope 1	tCO ₂ e	17,604.72	14,848.06	16,291.23	18.57%
Scope 2	tCO ₂ e	27,251.91	24,678.26	25,213.44	10.43%
Total GHG emission	tCO ₂ e	44,856.63	39,526.32	41,045.67	13.49%
Intensity	tCO ₂ e/10,000 m ² production volume	0.68	0.70	0.76	-3.24%

In 2024, an increase in total greenhouse gas (GHG) emissions is observed, which may be due to an 18% increase in production compared to 2023. However, the intensity of these emissions decreased by 3.24% due to a reduction in diesel consumption and an increase in the share of renewable energy. Additionally, at several of our facilities, the shift towards solar power and transition to electric vehicle contributed to our efforts in reducing GHG emissions.



Environmental, Social and Governance Report



Electric Vehicle



Solar Panels

Since 2009, we have been purchasing carbon credits under voluntary carbon reduction mechanisms, taking the first step toward carbon neutrality and becoming the first manufacturing company in China to achieve this milestone. To date, we have offset a total of 528,165 metric tons of CO₂ equivalent emissions from our manufacturing operations through the purchase of International Renewable Energy Certificates (I-RECs) and certified emission reductions (CERs). Offering carbon-neutral products not only gives us a competitive advantage by enabling us to work on a level playing field, but also provides financial support for the development of large-scale greenhouse gas reduction projects.

To maintain our leadership in responsible packaging, we registered the “Carbon Neutral” trademark in 2010, demonstrating our long-term commitment to environmental protection. Since then, our products have been highly recognized in the marketplace, and many customers have asked us to print the “Carbon Neutral” logo on their boxes to convey the brand’s green philosophy.

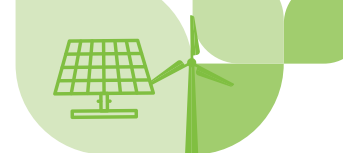
We believe that the widespread adoption of net-zero carbon products will lead to a positive shift in consumer behavior. We are now moving forward with the verification and certification of our greenhouse gas emissions for 2024. This work is critical and will form the basis of our carbon neutral activities. Upon completion of the verification and certification processes, we aim to initiate our carbon neutral activities for the year.



“Carbon Neutral” Trademark



Trademark Registration Certificate



Waste Management

Sound waste management, proper disposal and efficient recycling are complementary aspects of sustainability. The Group understands 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 underscores our commitment to minimizing environmental impact through responsible waste management and maximizing the recovery and reuse of resources. By implementing these practices, we aim to contribute to the circular economy by ensuring that waste materials are treated and reused in an environmentally responsible manner.

Non-hazardous waste consists primarily of raw material waste, raw material plastic packaging and municipal solid waste. Recyclable non-hazardous waste is collected and recycled separately, while the non-recyclable portion is disposed of through qualified sanitation facilities. In addition, non-hazardous municipal solid waste must be sorted and initially stored in designated containers.

For hazardous waste, including ink residues, sewage sludge, activated carbon waste, and printing plate waste, the Group conducts standardized management in strict compliance with national hazardous waste management regulations, identifies hazardous waste at the plant site in accordance with the hazardous waste inventory, sets up a standardized hazardous waste warehouse at the plant site for storage, and entrusts safe treatment to a unit with a hazardous waste business license.

Type of waste			Unit	2024	2023	2022	Change, %
Hazardous waste	amount	tonnes		515.35	490.15	411.85	5.14%
	Intensity	tonnes/10,000 m ²		0.008	0.009	0.008	-13.53%
		production volume					
Non-hazardous waste	amount	tonnes		43,941.68	37,035.17	36,240.24	18.65%
	Intensity	tonnes/10,000 m ²		0.664	0.660	0.665	0.54%
		production volume					

Wastewater Management

In our manufacturing plants, wastewater primarily originates from equipment cleaning and daily activities. We adopts internationally leading production technology to control wastewater at the source. 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	2024	2023	2022	Change, %
Wastewater discharge	amount	m ³		60,238.39	66,100.55	61,598.63	-8.87%
	Intensity	m ³ /10,000 m ²		0.91	1.18	1.13	-22.91%
		production volume					

During the Reporting Period, all wastewater discharges were tested by qualified third parties and inspection reports were issued to ensure strict compliance with the standards. The wastewater discharge intensity was reduced by 22.91% compared to the previous year. This significant improvement is due to our ongoing efforts to reduce wastewater generation and increase wastewater recycling and reuse.



Environmental, Social and Governance Report

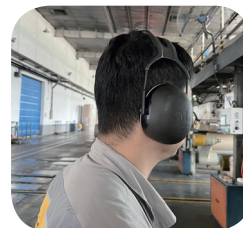
Noise Management

Recognizing the importance of reducing noise to create a healthier workplace and minimize our impact on the public environment, we have implemented a dedicated Noise Pollution Prevention Procedure that governs the management of noise generated by our printing presses, automatic die cutters, automatic box gluers, 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 to ensure that noise levels meet legal standards. If noise levels are exceeded, we immediately correct and maintain them to provide a healthy and safe working environment for our employees. In addition, when new projects are constructed, the company establishes noise monitoring points at the factory boundaries to conduct regular monitoring and ensure that construction activities do not adversely affect the surrounding community.



Plant Noise Reduction Project



Employees Wear Hearing Protection

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.

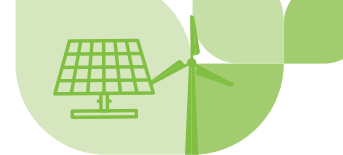
Optimal Resource Utilization

We implement a comprehensive set of measures to optimize energy management, thereby reducing our dependence on traditional fossil fuels and controlling the intensity of greenhouse gas emissions. To achieve this, we have established an energy management system and review control procedures, emphasize resource conservation and efficient use of energy, actively implement various energy conservation and consumption reduction projects, promote the use of renewable energy, and continue to improve the company's resource management capabilities. All of our production sites and offices strictly follow the GB/T 23331 and ISO 50001 energy management standards and have obtained third-party certification.



ISO 50001 Certificate

Across our 15 factories, the main source of energy consumption is electricity used within the facilities. Specifically, our Jiangsu and Zhejiang factories purchase steam externally, while the remaining factories use natural gas boilers. In addition, vehicles used for production and official business within the factories consume gasoline and diesel.



Energy Management

Type of energy		Unit	2024	2023	2022	Change, %
Electricity	amount	kWh(grid)	33,424,833.15	29,975,953.00	31,304,693.00	11.51%
	Intensity	kWh/10,000 m ²	504.73	534.13	574.51	-5.51%
		production volume				
Diesel oil	amount	Litre	164,178.03	185,023.81	235,806.18	-11.27%
	Intensity	litre/10,000 m ²	3.03	3.30	4.43	-8.31%
		production volume				
Unleaded petrol	amount	Litre	294,709.29	230,474.92	264,221.32	27.87%
	Intensity	litre/10,000 m ²	4.80	4.11	4.85	16.78%
		production volume				
Natural gas	amount	m ³	7,544,680.62	6,329,704.00	5,981,901.00	19.19%
	Intensity	m ³ /10,000 m ²	124.36	124.64 ¹	120.29	-0.22%
		production volume				
Coal	amount	t	0	0	865.45	/
	Intensity	t/10,000 m ²	0	0	0.43	/
		production volume				
Outsourcing Steam	amount	GJ	74,297.69	68,936.11	63,867.42	7.78%
	Intensity	GJ/10,000 m ²	5.50	5.53	5.50	-0.59%
		production volume				

During the Reporting Period, the intensity of electricity and diesel consumption decreased significantly. The total amount of energy consumption was 124,600,731.15 kWh with an intensity of 1,881.51 kWh/10,000m² production volume², a decrease of 0.7% compared with last year. 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 inextricably linked to our exceptional energy management practices. Our manufacturing facilities are equipped with some of the most advanced, efficient and energy-saving production equipment, including fully automated printing presses and smart board production lines. we have implemented waste steam heat recovery systems to reuse thermal energy in our production lines. In addition, our facilities are equipped with 100% energy-saving lighting fixtures and intelligent temperature control systems, further enhancing our energy efficiency.

We made continuous progress by integrating more distributed rooftop PV power generation systems and deploying additional small-scale solar power systems. In 2024, eight plants used solar energy to generate electricity, with an installed capacity increase of 21.71% over 2023, generating a total of 5,551,448.2 kWh of electricity. In terms of reducing greenhouse gas emissions, we successfully avoided the equivalent of 3,166 metric tons of carbon dioxide emissions. We aim to further promote green production in the coming years by expanding our solar energy initiatives.

¹ The natural gas consumption intensity for 2023 has been recalculated and adjusted to 124.64 t/10,000 m² (from the original disclosure of 112.79 t/10,000 m² of production) due to the fact that the production of a plant that does not use natural gas was not deducted in the previous calculation.

² Calculated based on the HKEX ESG guidance and the conversion equivalents from GB/T 2589-2020.



Environmental, Social and Governance Report

Water Conservation

We are committed to reducing our water footprint, and responsible water management in our operations is a critical element of our commitment to green development, a priority driven by 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 wastewater treatment and daily monitoring management methods.

We attach great importance to water resources and strive to reduce the consumption of water resources at every stage of production. We conduct regular inspections of water supply facilities to prevent leaks, and regular water consumption recording, monitoring, analysis, and handling of abnormal situations are the basic requirements of our water management. In addition, we strengthen the importance of water recycling, in particular, washing equipment by using recirculated water is mandatory in our production, and the recirculated water is also used to lower the temperature process.

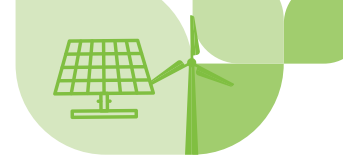
Unit			2024	2023	2022	Change, %
Water consumption	amount	m ³	148,205.00	137,437.60	129,479.40	7.83%
	Intensity	m ³ /10,000 m ²	2.24	2.42	2.35	-7.52%
		production volume				

Raw Material Use

Recognizing the critical need to conserve resources, we have implemented Resource Conservation Management Procedures to improve the efficiency of resource use. In our manufacturing processes, we have reduced the use of strapping and stretch wrap and engaged in recycling initiatives with our supply chain partners. In the office, we are aggressively promoting duplex printing and the use of digital documentation and electronic communication tools to further reduce our reliance on paper. These efforts have resulted in a significant reduction in office paper consumption, with a 15.48% reduction in usage intensity by 2024.

Environmentally friendly raw materials are the cornerstone of environmentally friendly products. When selecting materials, we focus on their environmental friendliness and sustainability. FSC-certified and recycled paper accounts for the largest share of our raw materials, reflecting our core values as a green packaging manufacturer and meeting the demands of our customers. The use of FSC-certified and recycled paper accounts for 58.54% of our total raw paper consumption. By integrating these sustainable materials into our production processes, we are demonstrating our commitment to providing environmentally friendly packaging solutions that align with both of our sustainability goals.

Type of raw materials			Unit	2024	2023	2022	Change, %
Raw papers in production	amount	tonnes		468,529.32	396,614.69	380,287.63	18.13%
	Intensity	tonnes/10,000 m ²		7.07	7.07	6.98	0.07%
		production volume					
Packaging materials in finished products	amount	tonnes		530.84	472.08	468.20	12.45%
	Intensity	tonnes/10,000 m ²		0.01	0.01	0.01	-19.84%
		production volume					
Office papers for working office	amount	tonnes		23.51	23.34	26.09	0.72%
	Intensity	tonnes/10,000 m ²		0.35	0.42	0.48	-15.48%
		production volume					



THRIVING PEOPLE AND SOCIETY

The Group places a high value on stakeholder relationships throughout our value chain, which reaffirms our commitment to being a responsible employer and partner. At the heart of our ethos is a deep commitment to the rights, development and occupational health of our people, alongside our drive to deliver superior products and services to our customers. We strive to maintain mutually beneficial relationships with all stakeholders, working closely together to make a positive contribution to local communities and to build a better society for the future.

Compliance with legal and regulatory requirements is a cornerstone of our business. The Group strictly complies with the applicable laws and regulations of 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 believes that exceptional human resources are our most valuable asset and the key driver for sustainable development. We care not only about the well-being of our employees, but also about their personal and professional development. We are committed to fostering an equitable and diverse workplace and to providing ample training and development opportunities to continuously enhance the skills and competencies of our employees. We place a high priority on health and safety, work-life balance and the harmonious development of our employees.

The steady development of the Group cannot be achieved without the stability of the human resources system. In compliance with labor laws and regulations, we have established a comprehensive set of human resource management policies and regulations. These cover a wide range of issues, including recruitment and promotion, termination and resignation, compensation and benefits, work conduct and behavior, 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 and forced labor.



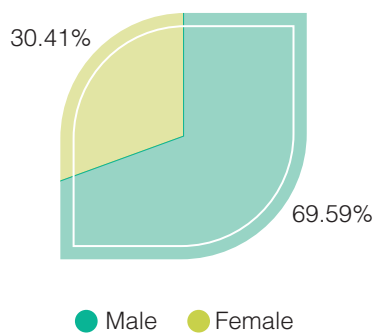
Environmental, Social and Governance Report

Employment Equality and Human Rights

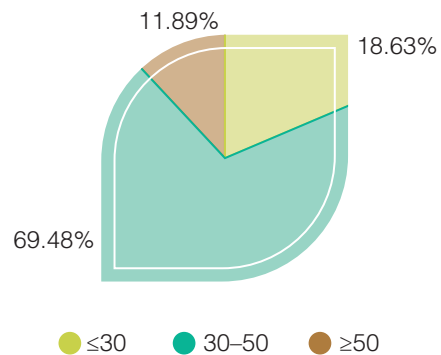
Equality, diversity and inclusion play a critical role in our employment strategy. A primary focus of our human resources function is to recruit talent with a broad range of skills, with a particular emphasis on ethics, diligence, and logical thinking. We ensure a non-discriminatory approach to hiring, compensation, benefits and advancement on the basis of gender, age, religion and physical condition, creating a platform where everyone feels valued and encouraged to express themselves, thereby securing a competitive advantage. We sign a written labor contract with all employees to fully protect the legitimate rights and interests of employees and to establish harmonious and stable labor relations.

During the Reporting Period, we employed 1,884 people in Mainland China and Hong Kong, all of whom were full-time employees. Approximately one-third of our employees were female, and 36% of our total management team were female. The majority of our employees, 69.48%, were between the ages of 30 and 50. In addition, the employee to management ratio was approximately 8:1, highlighting a significant leverage of management oversight throughout our operations.

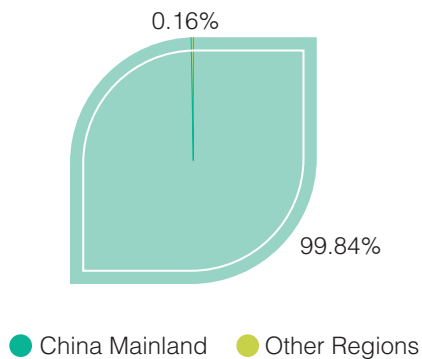
Gender Distribution of Employee



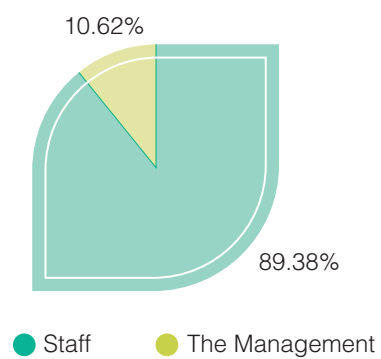
Age Distribution of Employee

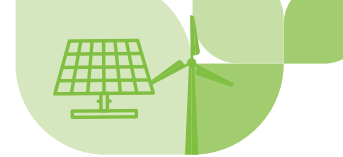


Geographical Region Distribution of Employee



Employment Type Distribution





In 2024, the employee turnover rate was 21.99%¹. Employee turnover rate by gender, age, geographical region and employment type is detailed below.

Employee Turnover Rate						
By gender		By age			By Geographical Region	
Male	Female	Below 30	From 30 to 50	Over 50	Mainland China	Hongkong
24.09%	16.72%	36.53%	18.75%	10.76%	22.01%	0.00%

The Group has steadfastly protected the human and fundamental labor rights of our employees, while expecting the same commitment from our suppliers to meet our ethical standards. We strictly prohibit forced labor, prison labor and child labor through the implementation of the “Prohibition of Child Labor and Remedial Control Procedures” and “Compulsory Labor and Disciplinary Control Procedures”. Our human resources and administration departments play a critical role in identifying and monitoring any labor violations during recruitment, employment, and during our annual internal reviews. Upon confirmation of a violation, we promptly initiate investigations, implement corrective measures, and hold discussions at employee representative meetings.

We also enforce policies against discrimination, harassment and bullying to underscore our commitment to human rights and equality. In accordance with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Regulations on the Implementation of the Labor Contract Law and the Law of the People’s Republic of China on the Protection of Women’s Rights and Interests. We ensure that practices such as pregnancy testing during recruitment are strictly prohibited. We protect the legitimate rights and interests of female employees in accordance with the law, and we take care of female employees through various channels, such as the establishment of mother and baby rooms.

Our commitment also extends to paying wages that are not less than the minimum wage required by applicable laws and regulations. To protect the interests of our employees, we comply with the Social Insurance Law and the Workers’ Compensation Insurance Regulations of the People’s Republic of China and provide workers’ social insurance and compensation insurance. We strictly prohibit forced labor, enforce the government’s 40-hour work week, and observe legal holidays. Employees also have the right to resign through standard procedures.

During the Reporting Period, there were no instances of employment violations within the Group and no material violations of recruitment or child or forced labor regulations, and the Group complied with the relevant laws and regulations of the People’s Republic of China and Hong Kong having 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

The Group is committed to providing a safe and healthy working environment for its employees and to ensuring safe and smooth production operations. Our comprehensive Environment, Health and Safety (EHS) management system, which includes a set of policies and documents such as the “Occupational Health and Safety Management System Manual,” “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 established a dedicated EHS team to ensure that potential health and safety risks are carefully managed. In addition, we have established key performance indicators related to safety and health to maintain 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 offices comply with GB/T 45001 and ISO 45001 standards for occupational health and safety management, and our factories are ISO 45001 certified. We have developed strategies to minimize EHS risks, including emergency response plans for industrial accidents, production improvements, electrical safety, noise and vibration control, and enforcing the use of protective equipment.



ISO 45001 certificate

The commitment to a safe and healthy workplace is a shared responsibility within the Group, which underscores the importance of cultivating individual EHS skills and awareness. Achieving this goal begins with implementing a thorough training program throughout the organization that covers laws, regulations, policies and the EHS management system, as well as conducting drills for various emergency scenarios such as fires, chemical spills and workplace injuries. Our collective efforts are aimed at mitigating all EHS risks and reflect our commitment to the health and safety of our employees.

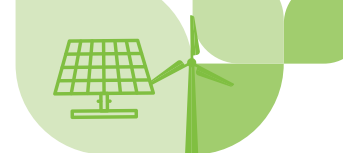
In order to raise the safety awareness of our employees and build a strong defense for production safety, we insist on conducting safety training, fire drills, occupational health lectures, emergency drills, and other activities.



Emergency Response Plan Drill



Fire Drill



Safety Training



Hazardous Chemical Leakage Drill

During the Reporting Period, the total number of days lost due to work injuries was 1,024, accounting for 0.22% of the annual working time in total¹, and the injury rate per million man-hours was 6.37². In response to the work-related injuries that occurred during the Reporting Period, the Group has strengthened safety measures and education to prevent potential hazards in order to reduce the frequency of work-related injuries. Meanwhile, the Group has provided comprehensive support to affected employees in relation to work injuries, including but not limited to personal visits, care packages, medical assistance, and emotional support.

	Unit	2024	2023	2022
Number of Death Incidences	piece	0	0	0
Number of Work-related Injury	piece	24	16	17
Proportion of Industrial Injury ³	%	0.22%	0.11%	0.21%

In addition, physical examinations were performed by qualified medical organizations in 2024, covering a total of 92.2% of our employees. The company regularly initiates health promotion activities and programs to support the physical and mental well-being of our employees. 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 1,884 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 Advisory



Health Lectures

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

Recognizing that a happy workforce is the cornerstone of our success, we continue to improve our employee welfare system, actively conduct colorful employee care and reunion activities, and are committed to creating a work environment that puts the welfare and well-being of employees first. In line with this commitment, we diligently organize welfare activities to celebrate birthdays and holidays, ensuring that every occasion is marked with joy and appreciation. Special attention is given to special benefits for our female employees, recognizing their invaluable contribution to our organization.

We also support 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 honor our employees' personal milestones, but also to strengthen the sense of community and belonging within our workforce.

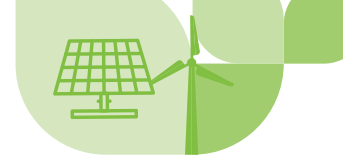
In addition to these celebrations and support, we offer confidential counseling services for employees facing personal or work-related challenges to ensure they have access to the resources they need to navigate life's complexities. Recognizing the importance of work-life balance, we strive to create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



Birthday Party



Festival Gifts



Women's Day Event



Retirement Farewell Party

Training and Development

We strive to create a work environment where our employees can thrive and reach their full potential, enabling them to realize their personal values while creating greater value for the company. To achieve this, we have established sound compensation, internal rewards 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. We provide opportunities for our employees to grow and gain experience. The systematic human resource management procedures and training management systems provide a solid foundation for the Group's annual training plan. In addition, we directly involve our employees in discussing, researching and identifying the needs of their positions. To ensure feasibility and effectiveness, training is conducted with different objectives, contents, methods, and assessments based on the diversity of skill levels, responsibilities, and tasks of their positions. In addition, we regularly organize workshops and seminars.



Zhejiang University Seminar



Internal Training



Environmental, Social and Governance Report

During the Reporting Period, employees completed a total of 33,514 hours of training, with a cumulative total of 3,681 participants. The breakdown of training hours by gender and employment type is shown below. Notably, there was a 17.83% increase in total training hours compared to the previous year.

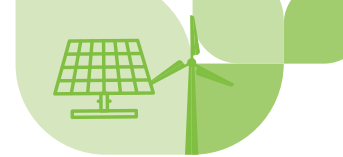
		By gender		Employment Type	
	unit	Male	Female	Management level	Staff
Number of training people	people	2,644	1,037	576	3,105
Percentage	%	71.83%	28.17%	15.65%	84.35%
Average training hours	hour	7.45	8.44	4.59	8.31

Communication and Connection

The continuous development of the Group cannot be achieved without the efforts of each and every employee. We value communication and connection among our employees as the foundation for a cohesive and dynamic workplace. To foster this environment, we continue to organize and conduct a variety of leisure and recreational activities to enrich the amateur cultural life of our employees, improve their quality of life, and strengthen team cohesion. These initiatives range from team-building exercises to company-wide events, all designed to create a unified and supportive work culture.

As part of our commitment to transparency and open dialogue, we have established several channels for effective communication. These include suggestion boxes and regular employee satisfaction surveys, which allow employees to share ideas and concerns and ensure that their voices are heard and considered in decision-making processes. We use the results of our surveys to effectively understand and collect the opinions of our employees and use these opinions as a tool to formulate policies to attract, retain and develop talent, creating a win-win situation for both the company and its employees. We also value direct interaction through town hall meetings and employee symposiums. These platforms facilitate in-depth discussions on how to improve the workplace.

In addition, we actively support the establishment and operation of a strong labor union. This union is critical to articulating employee concerns, negotiating on their behalf, and working with management to address issues related to labor rights, working conditions, and benefits. Through these collaborative efforts, we ensure that employees play a meaningful role in the development of policies and practices that affect their working lives.



Through these collaborative efforts, we aim to create a workplace where communication flourishes and relationships deepen, reflecting our commitment to not only professional growth, but also personal well-being and mutual respect among all employees.



Camping Event



Group travel



Employee Symposium



Tug of War



New Year Party



Team Building Games

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.



Environmental, Social and Governance Report

Supply Chain Management

Our Group works with a wide range of suppliers who are essential to our operational success. In 2024, our collaboration extended to 950 suppliers, with 99.7% located in mainland China and the remainder from Hong Kong. Maintaining a robust and stable supply chain that aligns with our shared values is critical to advancing our sustainable development journey. In this regard, we require our suppliers to adhere to high standards of social responsibility.

We are committed to working with suppliers who also adhere to ethical standards, environmental responsibility and social equity commitments. According to the Group's standardized procurement management and control process, suppliers can be added to the Qualified Supplier List after a field audit and ESG performance assessment regarding child and forced labor, legal remuneration, equal employment, human rights, EHS issues, working hours, intellectual property rights and any other issues specified in the Supplier Code of Conduct. In addition, suppliers are mandated to comply with the international standards of the Restriction on Hazardous Substances Directive ("RoHS") and Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") to ensure the safety of products to our environment and human health.

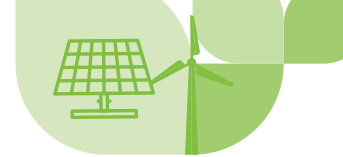
Our approach to supplier management prioritizes environmental and social performance through a tiered system. Our strategy emphasizes the promotion of environmentally preferable products and services by prioritizing engagement with Grade A suppliers. In addition, suppliers identified as high risk in terms of social responsibility are subject to a social responsibility audit, culminating in their potential inclusion on the Qualified Supplier List upon demonstration of improved performance. We recognize our suppliers as important partners in the business and value their communication and interaction. To respond to changing trends and improve the overall sustainability of our supply chain, we have developed supplier training and helped our suppliers become more aware of sustainability management.

The production operation center conducts monthly performance evaluation on the supplier's product 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 required to take corrective and preventive measures and verify their effectiveness. If the product still fails, we will eliminate the supplier and bring in a new supplier to ensure the stability and high quality of the supply chain.

The Group is committed to the health and stability of its supply chain. We have signed the Supplier Code of Conduct or Sustainability Commitment Letter with 330 suppliers. We regularly organize training and meetings for our suppliers, totaling 512 hours. We aim to enhance our suppliers' capabilities to ensure they are well-equipped to meet our expectations, and also serve as a valuable opportunity for suppliers to share their insights and best practices, fostering mutual growth and strengthening our supply chain partnerships.

Product Quality

The quality, safety and health of the packaging we deliver to our customers is of paramount importance. We believe that our success and continued sustainable growth are deeply rooted in maintaining the trust of our customers. We strictly comply with the "Product Quality Law of the People's Republic of China" and other laws and regulations of the countries and regions in which we operate, and comprehensively deepen our quality construction work. To ensure the highest quality standards, we have established a comprehensive quality control and management system, which has been certified according to ISO 9001. This system includes a wide range of procedures that oversee 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 carry out strict quality management for the whole process from incoming materials to delivery, set up quality engineers in each link to control each key quality node, and analyze and solve the abnormal problems. Our products are shipped only after thorough inspection and testing to ensure their quality and compliance. In addition, we provide both internal inspection reports and external third-party inspection documents as evidence of compliance with industry standards, 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 99.5% in 2024, with no 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 production 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 review of the recalled products, investigating the cause of the quality issue, and reporting the results. Sales, warehouse, quality, and manufacturing departments work seamlessly with the recall team to effectively manage the recall process.

In addition to providing healthy, safe and high-quality products, we are committed to advancing circular packaging solutions. During the design and manufacture of our products, we strive to reduce and eliminate the environmental impact at the end of their lifecycle and ensure that they can be easily recycled or reused. We do this by sourcing raw materials that meet national and international standards and by 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 value on innovation and research and development (R&D), which it views as a key driver of corporate growth. Recognizing the critical role that R&D plays in promoting sustainability, improving product quality and driving technological advancement, we have actively engaged our employees in research initiatives. In 2010, we established a Packaging R&D and Testing Center and an ISTA-certified Transportation Packaging Laboratory to provide customers with services such as packaging R&D and design, packaging technology consulting, and transportation packaging testing.

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 ensure sustainable growth for the future. In 2024, we held the 3rd “Artisan Cup”, which was designed for all employees within our Group, targeting but not limited to packaging designers from the Group’s headquarters and various manufacturing plants. The competition aims to unleash the innovative potential within the Group, drive innovation in packaging design and technology, and facilitate the practical application of new packaging solutions. Since the first “Artisan Cup” was held in 2022, six entries have been awarded utility model patents.

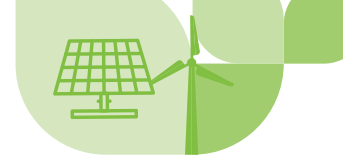


The 3rd “Artisan Cup”

Intellectual Property Protection

The Group places a high priority on the protection of intellectual property, recognizing it as a cornerstone of our ability to innovate and compete. We always comply with the Patent Law of the People’s Republic of China, the Copyright Law of the People’s Republic of China, the Trademark Law of the People’s Republic of China and other laws and regulations. To protect these valuable assets, we have implemented a robust intellectual property protection and management process that ensures that upon completion of any technical project, all related technical documents or files are submitted to the Group. These submissions undergo a thorough evaluation to determine the necessity and feasibility of filing a patent application. If deemed beneficial, a timely patent application is filed to protect our inventions and innovations. In 2024, our team acquired a new intellectual property right.

We vigorously defend our intellectual property rights against any illegal infringement and take legal action to prevent unauthorized use. During the development process of R&D projects, it is essential to perform tasks related to intellectual property classification, filing, application, and registration in a timely manner. 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. To strengthen the protection of the Group’s intellectual property rights, we continued to conduct various types of training and daily publicity to raise employees’ awareness of intellectual property protection and to prevent intellectual property risks.



In addition, we maintain the highest standards of respect for the intellectual property rights of others. Prior to initiating any R&D project, our team conducts thorough intellectual property searches and reviews through patent databases and scientific journal databases to ensure that no existing rights are infringed. We respect the work and achievements of others by purchasing licensed software and other products, and by consistently avoiding any infringement of intellectual property rights. Our practices include refraining from unauthorized use or imitation of patented technologies and respecting the exclusive rights of registered trademarks.

Excellent Customer Service

The Group is committed to providing exceptional customer experience and service quality. To achieve this, we have developed comprehensive policies, including procedures for communicating with customers about product and service requirements, a customer complaint management guide, and other standards. We also conduct regular customer satisfaction surveys to gain a deeper understanding of our customers' needs and expectations, build strong relationships with them, and improve the quality of our customer service.

In 2024, we received a total of 751 customer complaints, an 13% decrease from the previous year. When we receive a complaint, we commit to responding and assessing it within 8 hours, formulating a preliminary remediation plan within 24 hours, implementing and delivering a refined solution to the customer within 3 business days, and following up and providing feedback on the effectiveness of the solution within 5 business days. All complaints are properly addressed. Furthermore, we regularly summarize and analyze all customer complaints, classify and integrate representative customer complaint issues, and form a corresponding complaint handling process mechanism to effectively improve complaint handling efficiency and customer satisfaction.

We use a variety of methods to conduct our annual customer satisfaction survey, including e-mail, interviews, phone calls and faxes. For those customers who have filed complaints within the survey period, we conduct on-site investigations to address their concerns directly. Meanwhile, customers without complaints are surveyed through written communications and phone calls. Our business unit works closely with other departments to share critical insights from customer interactions to ensure that we stay abreast of market trends and customer needs. During the Reporting Period, over 98.28% of customers responded to our survey indicating that they were satisfied.

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, labeling and privacy matters relating to products and services provided and methods of redress.

We have established the Information Protection and Privacy Control Procedure, which applies to the protection and management of personal information belonging to the company, customers, suppliers, consumers, and employees. Employees in supervisory positions or roles that require access to critical company information, such as finance, sales, human resources, procurement, technology, quality, and network management, are required to sign a confidentiality agreement upon joining the company. If required, they must sign a confidentiality and non-disclosure agreement to ensure the security of sensitive information. In addition, we strictly authenticate the identity of the personnel entering and leaving the factory, and employees who are not in the corresponding positions cannot enter or leave at will.

Our company has established a Code of Conduct that clearly outlines our cybersecurity and privacy policies. It strictly prohibits employees from disclosing to unauthorized third parties confidential business information, personal information, or other sensitive data relating to the Company, its employees, or external customers. The unlawful storage, processing, transfer, sale, provision or disclosure of collected data is strictly prohibited. If a violation occurs, an investigation will be initiated and the responsible person will be held accountable.



Environmental, Social and Governance Report

Supporting the Community

Community engagement is one of the key ways in which we fulfil our social responsibility. In this section, we explore the many 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, and leveraging corporate influence. Our commitment reflects a holistic understanding of our role in society — not just as a business entity seeking profitability, but as a proactive contributor to societal well-being and sustainability. Through various initiatives aimed at improving community life, supporting vulnerable groups and promoting environmental stewardship, our value is creating a positive impact that resonates far beyond our immediate business interests.

Community Service

The Group actively participates in community activities to create harmonious community relations and build a good corporate image, focusing on improving the local environment and caring for the elderly, as part of a series of activities within the communities we serve aimed at contributing to the overall development of the community and exerting a positive influence.

In 2024, a commendable number of our employees, 73 in total, dedicated 166 hours to various community service projects, including visiting the elderly in the community to bring them love and warmth, conveying care and respect for the elderly through action and practice, participating in litter picking and tree planting activities to protect the environment, and paying tribute to firefighters to express our gratitude for their years of dedication to their duties in maintaining social stability and ensuring people's peace of mind and well-being. This reflects our employees' strong commitment to making a positive difference and aligns with our broader ESG goals of contributing to a sustainable and inclusive society.



Garbage-cleaning



Tree-planting



Visit the elderly



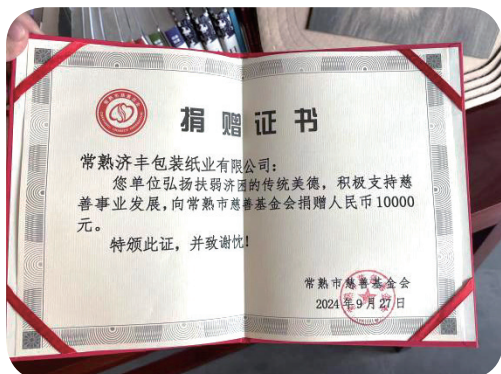
Solicitude to fire fighters



Public-welfare

As a socially responsible company, the Group has always insisted on devoting itself to public welfare, practicing the spirit of charity with practical actions, providing assistance to groups in difficulty, and promoting the development of social welfare. In 2024, our contributions to social welfare initiatives reached a remarkable total of RMB49,000, reflecting our deep participation in social development and fulfilling our solemn commitment with action.

A portion of our contributions were directed to charitable organizations through donations, illustrating our support for those who directly impact the lives of the underprivileged. In addition, 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 employees, but also allowed us to donate the proceeds to the Soong Ching Ling Foundation, furthering our impact on children's welfare and education.



Donation Certificate



Charity Concert



Charity Sale



Environmental, Social and Governance Report

College Cooperation

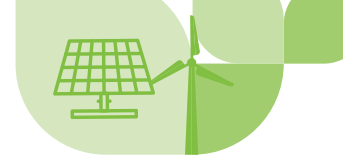
In 2024, the 13th edition of “PMPGC Cup” Packaging Structure Design Competition was officially launched, a prestigious nationwide competition for university students specializing in packaging design. Attracting great attention and support from various sectors of society, the “PMPGC Cup” has successfully established a remarkable platform for close interaction and cooperation among universities, enterprises and institutions. The competition has a significant social impact, fostering an environment where academic insights and industry practices converge to inspire innovation and talent development in the field of packaging design.

The design declaration of “PMPGC Cup” is “Creativity looks up to the starry sky, application is down to earth”. Through the competition, we hope to further explore the creativity and innovation of the participants and guide future packaging engineers to promote the development of modern packaging industry with the design concepts of “innovation, environmental protection, moderation and friendliness”.

Since its inception in 2010, the “PMPGC Cup” has been held once a year and has been successful for twelve years, with more than 60 colleges and universities in contact. Since the first “PMPGC Cup” was held, it has influenced more than 90,000 people and received nearly 2,000 pieces of work. 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 and underscore our commitment to promoting sustainability, creativity and practicality in the field.



“PMPGC Cup” Packaging Structure Design Competition Awards Ceremony



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



Environmental, Social and Governance Report

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

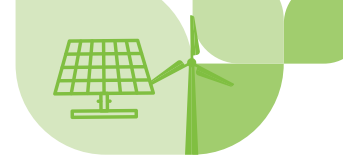
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.

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



ESG Guidance

Reference Section

B. Social

Employment and Labour Practices

Aspect B1: Employment	General Disclosure Information on:		Thriving People and Society
	(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.		
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	Employment and Human Rights
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Human Rights
Aspect B2: Health and Safety	General Disclosure Information on:		Thriving People and Society
	(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.		
	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		Training and Development
	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.		
	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



Environmental, Social and Governance Report

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

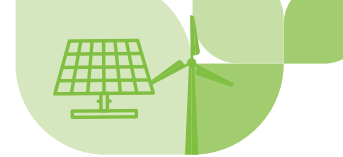
Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.

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



ESG Guidance	Reference Section
Aspect B6: Product Responsibility General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, 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.	Intellectual Property Protection
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
Aspect B7: Anti- corruption General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	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



Environmental, Social and Governance Report

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