



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 2025



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Environmental, Social and Governance Report

ABOUT THIS REPORT

Introduction

This report is the eighth 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”). This report comprehensively discloses the Group’s philosophy, management approach, performance and progress in environmental, social and governance matters for both internal and external stakeholders.

Reporting Period

This report covers the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”).

Reporting Scope

The scope of this report covers all subsidiaries of the Company, including 16 production plants, Qingdao Training Centre, the Hong Kong office and the Shanghai office (the “Reporting Scope”). Compared with the previous ESG report, Chongqing plant commenced operations in December 2025 and is therefore included in the data scope of this report for the first time. It should be noted that the two offices contribute only very insignificantly to the Group’s overall environmental impact. Accordingly, these two offices are excluded 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 Code” (“ESG Reporting Code”) set out in Appendix C2 to the Rules Governing the Listing of Securities on 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 this 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 section of “Stakeholder Engagement” and “Materiality Assessment”.
- Quantitative** We followed the ESG Reporting Code, 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

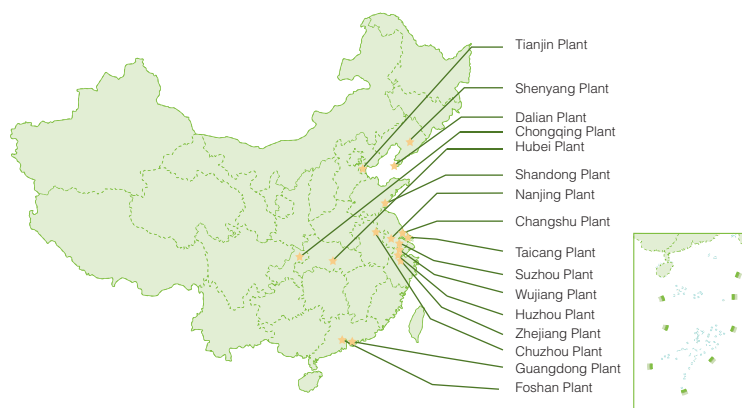
This report is available in both Traditional Chinese and English versions. The electronic version is available for viewing and downloading on the website of PMPGC (URL: <http://www.pmpgc.com/index.aspx>). If any suggestions and inquiries related to this report and the Group’s sustainable development,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



ABOUT THE GROUP

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

During the Reporting Period, we operate a total of sixteen production plants in northern, north-eastern, eastern, southern, central and south-western regions of the PRC. The production facilities are located in Suzhou, Tongxiang, Nanjing, Tianjin, Dalian, Shenyang, Wujiang, Changshu, Huizhou, Taicang, Laixi, Foshan, Chuzhou, Xiaogan, Huzhou, and Chongqing 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, emphasize lean management and 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 South China region further expand market share.

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

In the packaging industry, we are acutely aware that the journey of packaging does not end at delivery — it must complete the cycle. The Chinese packaging market holds immense potential, yet as a company with more than three decades of deep involvement in this sector, we refuse to equate development merely with scale expansion. True industry leadership, in our view, lies in the genuine assumption of social responsibility.

For us, “green” has long ceased to be a marketing slogan; it has become the core commercial logic that runs through every link of our operations. At the source, we insist on using FSC-certified paper and recycled paper extensively, ensuring that the recyclability of our products is genuine from the very beginning. During production, we implement lean management and digital innovation across the Group, leveraging intelligent systems to enhance efficiency. Every factory is equipped with on-site quality laboratories, forming a rigorous closed-loop quality system. At the end of the cycle, we are the first company in the Chinese packaging industry to voluntarily commit to and achieve operational carbon neutrality. Since 2009, we have maintained this status for 16 consecutive years through direct emission reductions and the annual purchase of high-quality verified carbon credits. This is not our endpoint; it is the starting point of a data-driven, action-oriented journey toward a lower-carbon future.

In the past year, we have advanced our strategy with determination. We are particularly encouraged by the full commissioning of the Chongqing plant in 2025 — our first corrugated container production and sales base in Southwest China. This milestone marks our critical layout in the Southwest region, significantly strengthening our service responsiveness to customers in that area. At the same time, the industry transformation accelerated with new ESG disclosure rules placing higher expectations on all industry participants. In this report, we have disclosed greenhouse gas emissions data in strict compliance, and for the first time, we have also included Scope 3 emissions in our inventory after completing the necessary mapping and preparation. We understand that moving from narrative to measurable, verifiable data is an inevitable step toward industry maturity, and we are committed to advancing in this direction with transparency and rigor.

Sustainability extends beyond the environment — it is also about nurturing people and passing on responsibility. Since 2010, the Group has continuously hosted the “PMPGC Cup” National University Student Packaging Structure Design Competition. We firmly believe that talent is the only true future of the industry. Through this platform, we have not only discovered many rising stars but have also instilled the concepts of green design and material reduction in the minds of the younger generation.

Looking ahead, the Board work hand in hand with all stakeholders to ensure that green principles run through every link from raw materials to end-use, and together drive the Chinese packaging industry toward higher quality and more sustainable development.



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HONOR AND AWARD

Name of the organization	Award	Date
	2024 China Top 100 Packaging Enterprises 2024年度中國包裝百強企業	2025-11
Pacific Millennium Packaging Group Corporation	2024 China Top 100 Paper Packaging Product Enterprises 2024年度中國紙包裝產品前100名企業	2025-11
	2025 Top 100 Printing & Packaging Enterprises in China 2025中國印刷包裝企業100強	2025-8
Zhejiang Pacific Millennium Packaging & Paper Industries Co., Ltd.	2024 Outstanding Collective in Emergency Management Work 2024年度應急管理工作先進集體	2025-3
Shanghai Pacific Millennium Packaging & Paper Industries Co., Ltd.	Shanghai Manufacturing Innovation Promotion Centre Member of the Low-Carbon Alliance Club 上海市製造業創意促進中心 低碳聯盟俱樂部成員	2025-3



“2025中国印刷包装企业100强”排行榜

名次	企业名称	企业性质	产销营业收入(万元)
1	深圳市裕利包装科技股份有限公司	股份有限公司	1158894
2	浙江裕利包装科技股份有限公司	股份有限公司	1149822
3	上海裕利包装科技股份有限公司	股份有限公司	892539
4	深圳市裕利包装科技股份有限公司	股份有限公司	520896
5	浙江裕利包装科技股份有限公司	股份有限公司	499139
6	深圳市裕利包装科技股份有限公司	股份有限公司	469731
7	裕利包装(深圳)有限公司	有限公司	375260
8	浙江裕利包装科技股份有限公司	股份有限公司	352545
9	浙江裕利包装科技股份有限公司	股份有限公司	244228
10	裕利包装(深圳)有限公司	有限公司	228410
11	中国印刷包装企业100强	股份有限公司	218110
12	浙江裕利包装科技股份有限公司	股份有限公司	208415
13	浙江裕利包装科技股份有限公司	股份有限公司	202623
14	裕利包装(深圳)有限公司	股份有限公司	192266
15	裕利包装(深圳)有限公司	股份有限公司	182068
16	裕利包装(深圳)有限公司	股份有限公司	173168
17	裕利包装(深圳)有限公司	股份有限公司	169246
18	浙江裕利包装科技股份有限公司	股份有限公司	164227





CLIMATE CHANGE MANAGEMENT

In 2025, the Group actively aligned its practices with the evolving global climate governance landscape and deepened its adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework, as well as the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB). Building on years of ongoing research and analysis, we have developed a solid understanding of the potential climate-related impacts on the Group's business, operations, supply chain, and market environment. During the Reporting Period, we carried out a comprehensive and in-depth assessment of our climate adaptation capabilities and transition risks and opportunities. This exercise provided us with a clear and detailed view of our existing strengths and areas requiring further improvement.

The Group has fully embedded the principles of sustainable development into every aspect of its business operations. We not only ensure strict compliance with applicable laws, regulations, and industry standards, but also proactively pursue innovation and implement climate-friendly measures that go beyond regulatory requirements. These initiatives have not only generated long-term stable returns and development opportunities for our stakeholders, but have also enhanced the Group's social reputation and brand image.

Governance

The Group has established a climate governance framework built upon its sustainable development management system to ensure top-down leadership and coordinated action on climate change. Within this framework, the board of directors of the Company (the "Board") exercises overall oversight of climate risk management and broader sustainable development matters. The Environment Committee of the Board (the "Environment Committee") is responsible for leading the formulation, implementation and execution of the ESG strategy and objectives, as well as conducting regular in-depth reviews and supervision of ESG management practices.

Relevant departments and subsidiaries actively integrate climate change risk identification, assessment and mitigation into their day-to-day operations. They develop and execute countermeasures, incorporate climate-related actions into their annual key work plans, and report progress accordingly. Each year, relevant departments evaluate and report on the achievement of sustainable development targets, as well as climate-related risks and opportunities, based on key internal data. Through close collaboration and efficient coordination across all levels of the organisation, the Group has established a cohesive and well-functioning climate change management system.

The Group has introduced a climate-related performance incentive mechanism. This system recognises and rewards employees who make meaningful contributions to decarbonisation through technological innovation and process improvements. By linking incentives to tangible advancements in technology and efficiency that support emission reduction goals, rather than directly tying them to climate indicators in compensation policies, the Group has successfully fostered a strong internal culture of environmental accountability and innovation. Under the influence of this culture, employees across all levels have developed a deep awareness of their personal role in advancing the Group's sustainable development journey, generating collective momentum that drives continuous progress toward our long-term climate and sustainability objectives.



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Strategy

Recognising the multifaceted and far-reaching nature of climate change impacts, the Group has conducted a comprehensive analysis of potential risks and opportunities across our entire business value chain. This assessment encompasses raw material sourcing, production and manufacturing processes, product sales, distribution, and after-sales services. The findings have been fully integrated into both short-term operational and financial planning and long-term strategic decision-making. Specific countermeasures have been developed to enhance adaptability, ensuring that climate-related considerations are embedded effectively across all time horizons.

Our approach to managing climate-related risks and opportunities seamlessly incorporates short-term (within 3 years) issues into operational and financial planning, thereby strengthening immediate resilience and responsiveness. For medium-term (3–10 years) to long-term (beyond 10 years) risks and opportunities, we analyse emerging trends and key drivers to inform strategic planning. This integration is clearly reflected in our long-term goals and ambitions, which demonstrate our unwavering commitment to sustainability and the proactive management of climate-related factors.

To further enhance our understanding of potential future impacts, we have conducted climate-related scenario analysis using the scenarios recommended by the Network for Greening the Financial System (NGFS), including the Net Zero 2050 (NZE), Delayed Transition, and Current Policies scenarios. These scenarios help us evaluate the resilience of our business model under different climate pathways, including orderly and disorderly transitions, as well as varying degrees of physical risk exposure.

Climate-related risks and opportunities have been progressively incorporated into the Group's overall risk management process, with climate-related risks treated as a priority area. This ensures that climate considerations are systematically assessed, prioritised, and monitored alongside other material risks, supporting more robust decision-making and long-term business sustainability.



Identifying, assessing, and responding to climate-related risks

Risk	Analysis	Respond
Physical Risk		
Acute physical risks: Extreme Weather and Disaster	<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.</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.
Time horizon: short-term	<p>Current and anticipated financial effect: Acute physical risks have not resulted in material financial impact during the Reporting Period. Extreme weather events have led to occasional temporary production interruptions and increased emergency response costs, but the overall impact on order fulfilment has remained limited. The Group has consistently met delivery commitments, supported by comprehensive insurance coverage. If extreme weather events become more frequent or severe, potential increases in repair expenses, insurance premiums, and indirect costs from supply chain disruptions could exert upward pressure on operating expenses.</p>	



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Risk	Analysis	Respond
<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.</p> <p>Current and anticipated financial effect: Chronic physical risks have not resulted in material financial impact during the Reporting Period. No significant disruptions to operations, supply chains, or cost structures have been observed as a result of these long-term climate shifts. As average temperatures continue to rise, increased reliance on cooling systems is anticipated to lead to higher energy consumption and elevated operational costs. If sea-level rise or shifts in precipitation patterns accelerate, potential increases in maintenance, protective infrastructure investment, facility retrofitting, or relocation expenses could exert upward pressure on capital expenditures and ongoing operating costs. Supply chain cost volatility from altered resource availability may also contribute to gradual margin pressure if not effectively mitigated.</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.



Risk	Analysis	Respond
Transition Risk		
Policy risks: Emerging regulation	<p>With the announcement of China's '3060' carbon peak and carbon neutral national strategy, a series of policies requiring manufacturing enterprises to reduce carbon emissions has been introduced. Since 2013, the pulp sector has been included in China's regional carbon trade schemes, posing a threat of escalating carbon costs within our raw material supply chain. Moreover, if our own facilities fall under carbon tax or cap and trade regulations in the coming future, it could lead to increased direct operational costs.</p>	<ul style="list-style-type: none"> • Implement a comprehensive system for monitoring and reporting carbon emissions to identify reduction opportunities and comply with regulatory requirements; • 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	<p>Current and anticipated financial effect: Policy risks have not resulted in material financial impact on the Group during the Reporting Period. No significant increase in raw material costs or direct operational expenses attributable to carbon pricing mechanisms has been observed to date. As carbon trading schemes expand and potentially evolve into a nationwide carbon tax or stricter cap-and-trade system, escalating carbon costs in the upstream pulp supply chain could lead to higher raw material prices. Should the Group's own facilities become subject to direct carbon pricing regulations in the future, this may increase operational costs through compliance expenditures, carbon credit purchases, or emission reduction investments. These factors could exert upward pressure on cost of goods sold and overall operating margins if not effectively mitigated through supply chain diversification, efficiency improvements, and low-carbon process upgrades.</p>	
Time horizon: short-term and medium-term		



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Risk	Analysis	Respond
<p>Technological risks: Transitioning to lower emissions technology</p> <p>Time horizon: long-term</p>	<p>Embracing intelligent and green technologies represents the cornerstone for achieving high-quality development within China's manufacturing sector, and as a packaging manufacturer, we align with this vision, otherwise, it will increase energy and resource consumption.</p> <p>Current and anticipated financial effect: Technological risks have not resulted in material financial impact during the Reporting Period. Continued investment in intelligent and green technologies is anticipated to require ongoing capital expenditure. While these investments may initially increase upfront costs, they are expected to deliver long-term savings through improved energy efficiency, reduced resource intensity, lower carbon-related expenses, and enhanced market positioning.</p>	<ul style="list-style-type: none"> Upgraded production facilities to improve automation and production capabilities; Invest in R&D to develop lower-carbon products and processes; Provide employee training on low-carbon concepts and skills.
<p>Market risks: Changing customer behaviour</p> <p>Time horizon: short-term and medium-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> <p>Current and anticipated financial effect: Market risks have not resulted in material financial impact during the Reporting Period. The Group has continued its carbon neutrality initiatives and related sustainability efforts, earning positive recognition from customers. While customers do not currently impose mandatory requirements for carbon-neutral products, this alignment has generated favourable effects on customer relationships, order stability, and brand perception, with no significant revenue loss or margin pressure observed from unmet expectations. As customer preferences continue to shift toward environmentally friendly, low-carbon and high-ESG packaging, the Group anticipates potential positive financial impacts through increased order volumes from sustainability-focused clients and strengthened market positioning. Sustained progress in carbon neutrality, recycled/FSC-certified material usage, and circular packaging is expected to support revenue growth and margin enhancement via customer loyalty and competitive differentiation.</p>	<ul style="list-style-type: none"> Appointed Environment Committee to conduct ESG governance and improve its performance; Add "Carbon Neutral" and "Recycling" label outer our products; Continued to offset carbon emissions in our production and provide net-zero products; Invest in R&D to develop lower-carbon products and processes; Enhance the scientific and technological innovation ability and R&D ability.



Risk	Analysis	Respond
<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> <p>Current and anticipated financial effect: Reputational risks have not resulted in material financial impact during the Reporting Period. The Group has kept pace with evolving consumer preferences toward low-carbon and environmentally responsible enterprises, maintaining strong customer relationships and brand image with no observable revenue loss or margin pressure from non-compliance or misalignment. If the Group falls behind shifts in consumer and customer preferences toward low-carbon suppliers, this is anticipated to result in reduced order volumes affecting customer retention and acquisition. These factors could exert downward pressure on revenue growth, profitability, and long-term brand value if not proactively addressed through ongoing policy alignment, innovation in low-carbon solutions, and strengthened stakeholder engagement.</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
Resource efficiency opportunities: Use of more efficient production process	Adopting more efficient production processes can offer us significant opportunities to minimize environmental impact, and enhance competitive advantage.	<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.
Time horizon: short-term and medium-term	<p>Current and anticipated financial effect: Further adoption of more efficient production processes is anticipated to deliver positive financial impacts through significant reductions in operating costs, decreased environmental compliance expenses, and improved overall margins. These enhancements are expected to strengthen competitive advantage in a market increasingly favouring resource-efficient and low-carbon suppliers, potentially leading to increased order volumes from sustainability-conscious customers, greater pricing power for optimised product lines, and enhanced long-term profitability. While upfront capital expenditure for technology upgrades or process re-engineering may create short-term cash flow considerations, these investments are projected to generate strong returns through sustained cost savings and operational resilience.</p>	<ul style="list-style-type: none"> • Reform or eliminate outdated and inefficient facilities.
Energy source opportunities: Use of lower-emission sources of energy	Switching to lower-emission energy sources enables the Group to significantly reduce our carbon footprint and align with global sustainability targets.	<ul style="list-style-type: none"> • Annually increasing the installed capacity of solar power in manufacturing plants;
Time horizon: medium-term and long-term	<p>Current and anticipated financial effect: Continued transition to lower-emission energy sources is anticipated to generate sustained positive financial impact through significant reductions in energy procurement costs, lower exposure to future carbon pricing or regulatory penalties under China's carbon neutrality policy, and decreased volatility from fossil fuel price fluctuations. These changes are expected to improve overall operating margins, enhance resilience to energy cost increases, and strengthen competitive positioning in a market favouring low-carbon suppliers. While initial investments in renewable infrastructure may require upfront capital expenditure, these outlays are projected to deliver long-term savings and risk mitigation benefits.</p>	<ul style="list-style-type: none"> • Shift towards natural gas instead of coal for production; • Expand the proportion of green electricity usage.



Opportunity	Analysis	Respond
<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.</p> <p>Current and anticipated financial effect: Further capitalising on the consumer shift is anticipated to generate continued positive financial impact through opportunities to innovate and diversify product offerings, build stronger brand loyalty among environmentally aware consumers, and potentially command premium pricing for green product lines. These developments are expected to drive revenue growth, improve margins through differentiated pricing, and enhance overall brand value in a market increasingly rewarding sustainability. Sustained investment in green innovation is projected to support long-term competitive advantage and market share expansion.</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: short-term and 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> <p>Current and anticipated financial effect: Continued commitment to these initiatives is anticipated to generate sustained positive financial impact through increased market share in existing segments, successful entry into new markets driven by differentiated green and innovative packaging solutions, and attraction of environmentally conscious consumers and clients. These developments are expected to support revenue growth via expanded order volumes, potential premium pricing for advanced and sustainable products, improved margins from efficiency gains, and stronger competitive positioning. While investments in cutting-edge technologies, R&D, process upgrades, and partnership development will require ongoing capital and operational expenditure, these outlays are projected to deliver returns through cost savings, enhanced customer loyalty, and long-term brand value appreciation.</p>	<ul style="list-style-type: none"> • Continually integrating these efforts into our corporate development strategy; • Actively seek collaborations with responsible partners; • Consistently drive innovation to expand our market presence, thereby ensuring that our business maintains a leading position in competitive markets.



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Risk Management

The Group has fully integrated climate-related risk management into our comprehensive, multidisciplinary risk management process and ESG framework, with overall oversight provided by the Environment Committee. We have established a dedicated climate risk management and contingency organisational structure, incorporating climate change and carbon management considerations into our sustainable development goals and long-term planning framework. We maintain a clear awareness of climate risks that are closely linked to our business operations and respond to them promptly and accurately, ensuring that our strategies remain aligned with evolving regulatory requirements and customer expectations. A specialised risk assessment team is responsible for identifying climate-related risks and opportunities across all business activities and management functions. The team promotes cross-functional collaboration to safeguard both tangible and intangible assets while ensuring full compliance with our Code of Business Conduct, internal policies, and applicable legal standards.

Our risk assessment methodology covers the entire value chain, from raw material sourcing through production, distribution, product use, and end-of-life recycling and disposal. It addresses risks and opportunities arising upstream, within our own operations, and downstream. Short-term and medium-term risks are routinely identified and managed through ongoing monitoring, while our strategic planning process focuses on longer-term trends and emerging risks. This includes key physical and transition risks, as well as potential climate-related opportunities. The Group's climate risk portfolios are reviewed annually to maintain a proactive stance and enable timely adjustments. We view these challenges as drivers for continuous improvement, strengthening our overall resilience and supporting the smooth, sustainable development of the business.



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

- Risk identification: We assess the impact and likelihood of identified risks to prioritize them based on their potential severity and frequency of occurrence.
- Risk analysis: We identify specific factors contributing to the assessed risks, evaluate the nature, likelihood, and magnitude of their effects, and use the evaluation results to pinpoint underlying causes or conditions.
- Countermeasure formulation: We implement targeted actions to mitigate identified risks in a manner that balances effectiveness with cost-efficiency, prioritizing critical actions.
- Plan implementation: We translate the developed risk response strategy into a concrete action plan and put it into effect.
- Regular monitoring: We periodically monitor and manage climate-related risks, assess the effectiveness of implemented measures to ensure they effectively reduce risk exposure, and make adjustments as necessary.
- Communication: We ensure that significant risks are promptly escalated through appropriate channels, and that key decisions regarding risk management are communicated to all relevant stakeholders.
- Documentation: We maintain a comprehensive documentation process that includes assessments 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 announced a set of goals and actions to fulfil our commitment to green development. The progress towards achieving these targets in 2025 is as follows:

Item	Targets	Status or Progress in 2025
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 (Scope 1+Scope 2) were reduced by 7.94% (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 42,947 metric tons of carbon emissions in 2024.
Energy	By 2030, energy consumption intensity will have been reduced by 25% (2018 as the base year).	In process ✓ Energy consumption intensity was reduced by 2.85% (2018 as the base year). Our energy consumption per unit of product has reached an industry_x0002_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 Hubei 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 37.39% (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 17.63% was recycled properly and legally.



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Item	Targets	Status or Progress in 2025
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/10,000m ² production volume.	In process ✓ Hazardous waste intensity was 0.008 tonnes/10,000m 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 57.5%.

SUSTAINABILITY STRATEGY

Sustainability Governance

In the Reporting Period, the Group continued to strengthen its sustainable development management and diligently fulfilled its sustainability responsibilities while pursuing its own high-quality development. To strengthen governance and management support, the Group has established a three-level sustainable development governance framework. This structure ensures clear delineation of responsibilities and effective oversight at all levels, supporting the systematic integration of sustainability principles into corporate operations.

The Group has actively refined its internal systems, clarified the specific responsibilities of each department in relation to sustainable development, and incorporated the implementation and management of sustainability initiatives into the annual performance evaluation system for management and key personnel. These measures enable ongoing monitoring and evaluation of environmental protection, occupational safety, and other material sustainability factors, thereby facilitating the effective execution of the Group's sustainability strategy and priority projects.

Looking ahead, the Group remains committed to transparency, accountability and continuous improvement in its sustainability journey. We are confident that the enhanced governance framework will enable us to meet — and exceed — stakeholder expectations, support our long-term business success, and contribute to a more sustainable and equitable future.

ESG Management Structure

The Group has established the Environment Committee to strengthen its commitment to high-quality ESG management. The Committee oversees the formulation and implementation of the Group's ESG strategy, vision, principles, and all related actions. Members of the Environment Committee are appointed by the Board and comprise at least three directors, with a majority being independent non-executive directors. This composition ensures diverse and independent perspectives on ESG matters. The Committee is responsible for providing guidance and exercising oversight over the Company's sustainable development capabilities. The Chairman of the Group serves as a member of the Environment Committee. This arrangement supports a top-down approach, enabling ESG-related work to be carried out smoothly and efficiently across the organisation. The primary 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;
- ✓ 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;
- ✓ Making recommendations under appropriate circumstances to the Board to further enhance the Group's ESG performance.

The Environment Committee convenes at least once annually, with members jointly formulating and monitoring the Group's Sustainable Development Goals. Additional meetings are convened as necessary to address emerging ESG-related developments or challenges. These regular and ad-hoc meetings are essential for maintaining effective ongoing oversight of ESG matters, allowing the Committee to respond proactively to evolving circumstances and stakeholder expectations. Minutes of all meetings are duly recorded and submitted to the Board for review, ensuring full transparency and accountability in the Group's ESG governance processes.

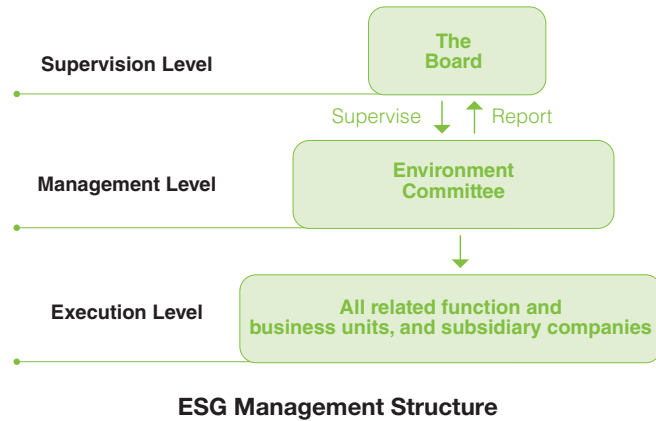
At the apex of the governance structure, the Board of Directors holds ultimate responsibility for overseeing the Group's ESG strategy and its implementation. The Board's key responsibilities in relation to ESG governance include:

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



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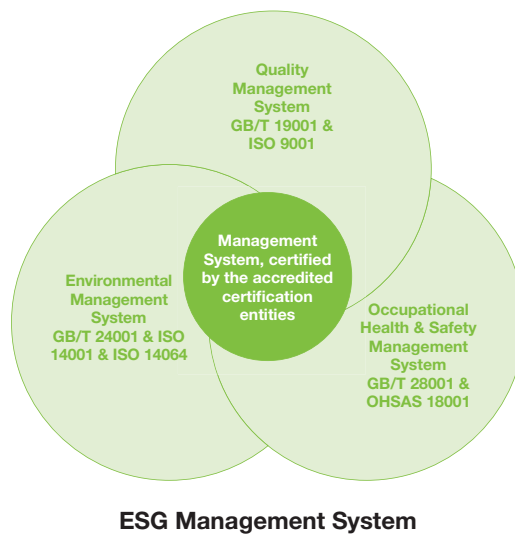
This ESG management structure is designed to enhance decision-making processes and provide specialised oversight and insight across all aspects of our ESG efforts. It demonstrates the Group’s strengths in governance, accountability and proactive leadership in sustainable development.



ESG Management System

The Group’s ESG management framework is a comprehensive and integrated system that seamlessly combines the Quality Management System (QMS), Environmental Management System (EMS), and Occupational Health and Safety Management System (OHSMS). This integrated structure forms the core of our approach to consistently monitor, measure, evaluate and manage ESG-related risks throughout the organisation.

From the selection and procurement of raw materials, through energy conservation and emission reduction measures in production, to strict requirements for waste treatment and disposal, the environmental management system is deeply aligned with the environmental objectives of the ESG framework. This integration ensures systematic control of environmental impacts at every stage of the value chain. The Occupational Health and Safety Management System is fully embedded to safeguard the physical and mental health and safety of employees in the workplace. It enables the Group to actively fulfill its social responsibilities while pursuing economic performance, creating a safe, healthy and supportive working environment. The Quality Management System covers the entire product lifecycle — from raw material sourcing and manufacturing, through product use, to end-of-life disposal and recycling — ensuring consistent product and service quality. This comprehensive coverage provides a solid foundation for achieving the Group’s ESG goals and supports long-term stakeholder trust and sustainable development.





The Group has developed specific, certified management system procedures tailored to each key aspect of ESG management. These documents provide a clear blueprint for orderly, diligent and consistent execution within the responsible units. The procedures are not static; they undergo regular review and updates to ensure ongoing alignment with the latest regulatory requirements, evolving stakeholder expectations, and industry best practices.

By strictly adhering to these structured management systems, the Group ensures that ESG-related risks are identified, assessed and addressed in a systematic and timely manner. This proactive approach enables early detection of potential risks and the implementation of effective mitigation measures, thereby minimising ESG-related risks during operations and preventing potential adverse impacts or losses to stakeholders.

Stakeholder Engagement

The Group firmly believes that ongoing and open dialogue with stakeholders is essential for achieving long-term sustainable development. Throughout the Reporting Period, we have maintained and utilised multiple communication channels to enable efficient, constructive and meaningful exchanges with our key stakeholders. This practice has played an important role in promptly identifying material ESG issues and supporting the continuous improvement of our ESG performance.

We have identified four primary stakeholder groups most relevant to our business: investors (shareholders), employees, suppliers and customers. During the Reporting Period, we engaged actively with these key stakeholder groups through targeted and tailored approaches. These interactions helped us identify and address material ESG issues specific to our business context, enabling us to refine our ESG initiatives and align them more closely with stakeholder needs and expectations.

Stakeholders are encouraged to provide feedback through various established channels. All opinions and information shared by stakeholders are treated with strict confidentiality and will not be disclosed to third parties. These channels allow us to gather valuable insights that help identify areas for further improvement in our environmental, social and governance performance.

Stakeholder	Communication Channel
Investor (Shareholder)	Shareholders' meetings Annual and interim reports, ESG report, financial statements, circulars and announcements Company's 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 reports Company's website



Environmental, Social and Governance Report

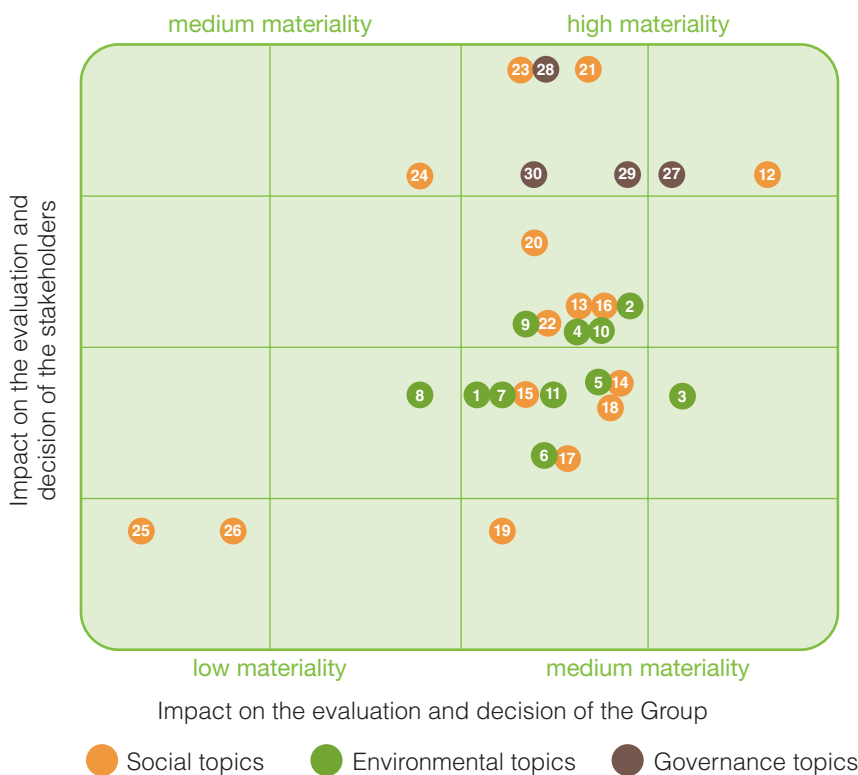
Materiality Assessment

To more effectively align stakeholder expectations with the key factors influencing our business, the Group conducts an annual materiality assessment. This process deepens our understanding of the issues that are important to stakeholders and those that have a material impact on our operations and value creation. It enables us to develop targeted actions and solutions that support the effective implementation of the Group's sustainability strategy.

In 2025, we conducted an in-depth review of industry development trends and engaged in extensive communication and feedback exchanges with various stakeholders. On this basis, we re-evaluated the completeness and appropriateness of the ESG topics. As a result, we removed "Board Governance" and changed "Financial Risk Management" to "Risk Management".

During the Reporting Period, we identified 30 ESG issues by reference to national and international reporting frameworks, while considering China's policy environment, our own operational characteristics, and peer disclosure practices. To assess materiality, we engaged both external stakeholders (investors, suppliers, customers) and internal stakeholders (employees) through an online questionnaire survey. A total of 72 valid responses were collected. The data were analysed and the issues were ranked according to stakeholder perceptions of importance.

The resulting materiality matrix guided our prioritization of ESG issues. Topics located in the first quadrant — those rated highest in both stakeholder importance and business impact — were assigned the highest priority for enhancing ESG performance. At the same time, we continue to monitor and include lower-priority issues in our improvement plans, recognising that their significance may increase as external conditions and expectations evolve.



High Materiality Issues

Medium and Low Materiality Issues

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

- (a) The score of issue No. 1 is the same as No. 7 and No. 15
- (b) The score of issue No. 4 is the same as No. 10, No. 13 and No. 16
- (c) The score of issue No. 5 is the same as No. 14 and No. 18
- (d) The score of issue No. 6 is the same as No. 17
- (e) The score of issue No. 9 is the same as No. 22
- (f) The score of issue No. 23 is the same as No. 28



Environmental, Social and Governance Report

COMPLIANCE AND INTEGRITY

Compliance Operation and Risk Management

In pursuit of high-quality and long-term development, the Group firmly believes that sound risk management and compliant operations are essential for the sustainable growth of a family-owned business and critical to protecting stakeholder interests. Guided by a top-down integrity supervision structure and supported by a robust management system, the Group diligently oversees and coordinates key aspects of corporate activities, including risk management, internal control, and internal audit assessments. These efforts ensure that compliant practices are consistently embedded in daily operations.

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

Our risk management approach is proactive and systematic. The Group employs professionally competent auditors to conduct regular and ad hoc audits of the Company and its subsidiaries, covering business activities, financial income and expenses, significant matters, and the implementation of internal control systems across departments. These internal audits are supplemented by annual reviews from independent external entities, which help confirm that business operations remain efficient and aligned with corporate objectives and strategies. Meanwhile, each subsidiary maintains its own internal control team responsible for day-to-day monitoring of the internal control system and timely correction of any identified deficiencies.

To further enhance risk management capabilities and prevent or mitigate risks at the source, the Group has standardised daily business process requirements to reduce errors and irregularities. In support of continuous improvement, we place strong emphasis on compliance and risk management training. During the Reporting Period, 822 employees participated in training sessions, accumulating over 303 hours of training in total. Through systematic training, the Group fosters a strong culture of compliance and risk awareness, empowering employees at all levels to identify, manage, and mitigate risks effectively.

Anti-Corruption

Within the Group, integrity and transparency are fundamental principles. We maintain a zero-tolerance stance toward fraud, bribery, extortion and money laundering across all aspects of our operations. This commitment is supported by the establishment of a dedicated Anti-Corruption Management Unit and the implementation of the Anti-Corruption and Anti-Bribery Management Procedures. These procedures apply comprehensively to all business interactions and contacts with government agencies, business units, customers, third parties, and other internal and external activities.

Our anti-corruption framework includes explicit provisions incorporated into the Employee Handbook, which serves as a core reference for all employees. In addition, individuals in key positions are required to sign a Letter of Commitment against Corruption and Bribery, formally affirming their adherence to the Group’s ethical standards.



Anti-corruption education forms part of the induction programme for new employees. We also provide regular anti-corruption training to directors, officers and employees, embedding integrity into our corporate culture and daily conduct. All departments reinforce this through anti-corruption publicity during routine department meetings. In 2025, a total of 934 individuals participated in such training.

To encourage a culture of openness and accountability, employees and business partners are urged to report any suspected corrupt activities. Confidential reporting channels, including a dedicated mailbox and hotline, are maintained to protect the identity of whistleblowers. The Anti-Corruption Management Unit is responsible for preserving the confidentiality of all reports, conducting investigations, assisting the General Manager where necessary, and maintaining complete records of investigations and outcomes.

During the Reporting Period, the Group fully complied with all 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 PRC. No legal proceedings, fines or sanctions related to corrupt practices were incurred. We continue to monitor and update information on applicable anti-bribery and anti-corruption laws and regulations to enhance employees' legal awareness and prevent related risks and incidents.

Business Ethics and Morality

The Group adheres firmly to the principles of fair competition and strongly opposes all forms of unfair competitive practices. To elevate the ethical standards of employees and suppliers and to mitigate risks associated with business ethics violations, we have developed and implemented a Code of Business Conduct. In addition, we have established clear regulatory requirements and are committed to collaborating with suppliers and partners to foster a healthy and fair market environment.

We uphold honest business practices and apply rigorous ethical standards across all employees. The management and oversight of business ethics are continuously strengthened. All Group employees in positions involving business activities are required to sign a Letter of Commitment on Integrity. Current employees are strictly prohibited from accepting external employment or engaging in business activities related to the Group's operations without prior approval. They are also prohibited from disclosing any Group information to former employees. Each suspected violation of the Code of Business Conduct is investigated on a case-by-case basis, with handling determined according to the severity of the breach. We provide comprehensive ethics training to all employees to ensure a thorough understanding of and adherence to our ethical standards.

The Group is committed to full compliance with the legal and regulatory framework governing business ethics in Mainland China and Hong Kong. This includes, but is not limited to, the Competition Ordinance of Hong Kong, the Anti-Unfair Competition Law of the PRC, and the Anti-Monopoly Law of the PRC. During the Reporting Period, there were no incidents of monopolistic practices, price fixing, market manipulation, or other violations of fair competition rules.



Environmental, Social and Governance Report

FOSTERING ENVIRONMENTAL SUSTAINABILITY

The Group has maintained a long-standing commitment to sustainability, seamlessly integrating the principles of ecological civilization into its business strategy and operational ethos. This is firmly rooted in the concept that “lucid waters and lush mountains are invaluable assets”, which guides our approach to balancing economic growth with environmental stewardship. In strict compliance with relevant national and international environmental regulations, the Group is dedicated to the pursuit of sustainable and environmentally friendly development. We have operationalised these principles in our daily practices, embedding them as a core corporate value. This longstanding commitment reflects our deep reverence for the natural ecosystem and underscores our resolve to achieve economic benefits while conscientiously fulfilling our responsibility to protect and preserve 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:

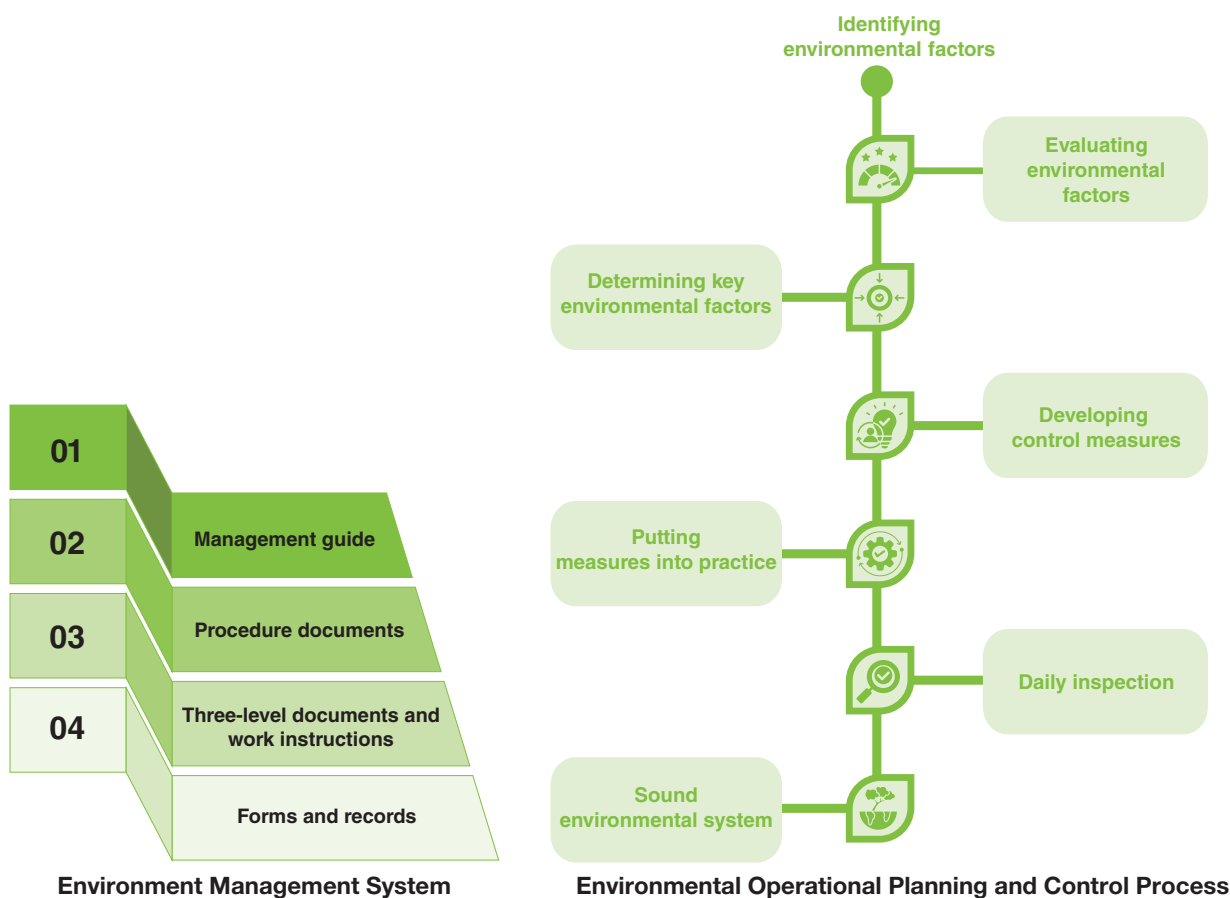
- ▶ *“Environmental Protection Law of the People’s Republic of China”*
- ▶ *“Environmental Protection Tax Law of the People’s Republic of China”*
- ▶ *“Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”*
- ▶ *“Law of the People’s Republic of China on the Prevention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



Environment Management

Committed to delivering superior products while protecting the environment, the Group has established and implemented an environmental management system (EMS) in accordance with GB/T 24001 and ISO 14001 standards. The system covers key sustainability practices including pollution prevention, energy conservation, waste management, and resource recycling. Several of the Group’s manufacturing facilities have obtained ISO 14001 certification, marking an important achievement in advancing the Group’s sustainable development strategy and green development initiatives.

The Group adopts a rigorous approach to developing procedural documents, establishing a robust foundation for the effective operation of its environmental management system. When formulating environmental operation plans and control procedures, we clearly assign responsibilities to the relevant departments to ensure accountability. Concurrently, we have developed a scientific and comprehensive data collection methodology, supported by detailed procedures, to regulate the accurate collection and recording of data across all environmental management processes. In addition, we have implemented a strict record-keeping and archiving mechanism to guarantee that all data is complete, accurate, and fully traceable. We also conduct systematic monthly and annual process evaluations using scientific performance indicators. These evaluations enable thorough review of all processes, identification of any gaps or deviations from set targets, and the timely formulation of corrective and improvement measures. Through these structured efforts, the Group continuously enhances the effectiveness of its daily environmental management practices and effectively fulfils its commitment to sustainable development.



During the Reporting Period, the Group invested RMB2,633,499 in environmental management and improvement initiatives. This investment was primarily directed towards conducting rigorous emissions inspections and implementing significant upgrades to equipment and systems.

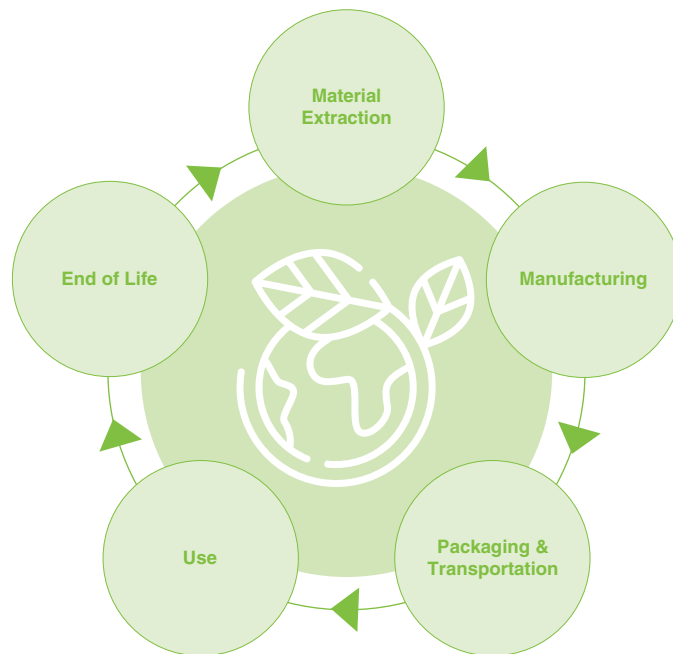


Environmental, Social and Governance Report

Green Products

Becoming a green packaging manufacturer remains central to the Group’s core vision and long-term strategy. We systematically integrate sustainable development principles across the entire product lifecycle — from raw material sourcing and manufacturing, through product use, to end-of-life disposal and recycling. This includes steadily increasing the proportion of environmentally friendly raw materials procured, actively promoting circular economy practices, and fulfilling our corporate responsibility to minimize environmental impact at every stage. Green design and best practices are applied throughout the lifecycle to reduce environmental footprint and achieve true sustainability from cradle to grave. This commitment covers the full spectrum from responsible sourcing of raw materials to facilitating recycling or safe disposal, ensuring that our products not only satisfy stakeholder expectations but also contribute positively to a more sustainable society.

Our green packaging solutions are characterized by three core attributes: recyclability, lightweighting, and non-toxicity. These features reflect our ongoing commitment to environmental stewardship across the product lifecycle. Designed to meet stringent environmental standards, our products are resource-efficient, have minimal impact on ecosystems and human health, and significantly reduce waste generation while supporting resource reuse and circularity. In particular, we actively implement lightweighting strategies starting at the source. By precisely controlling raw material usage, we reduce energy consumption during production and lower associated carbon emissions, thereby contributing to both resource conservation and climate impact mitigation.



Material Extraction	Manufacturing	Packaging & Transportation	Use	End-of-life
<ul style="list-style-type: none"> • 57.5% FSC-certified paper and recycled paper used as raw material in 2025 • Lightweighting strategy applied 	<ul style="list-style-type: none"> • 0 coal fired among 16 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 successfully obtained green product certification in accordance with the Technical Requirements for Green Product Evaluation of Express Packaging issued by the State Post Bureau of China. This certification confirms that our packaging solutions consistently meet stringent environmental standards and fully integrate sustainable development principles across the entire product lifecycle — from raw material sourcing and manufacturing, through product use, to end-of-life disposal and recycling. The certification reflects our strong commitment to embedding green practices at every stage of the value chain, thereby actively contributing to the development and promotion of environmentally responsible express packaging in the industry.



Green Products Certification

Green Operation

The Group has integrated sustainable development principles into its daily operations. To raise environmental awareness among employees and promote resource-efficient practices, we have established a Green Office Management System. This system focuses on conserving energy, water, and other resources, improving the overall ecological efficiency of office spaces, and reducing resource consumption and emissions. Through this initiative, we actively encourage employees to adopt a simple, moderate, green, and low-carbon approach to both work and daily life, fostering a positive atmosphere for sustainable living. Creating a workplace that is both comfortable and environmentally responsible is a shared commitment across the entire organization.

Our office buildings are equipped with energy-efficient lighting and air-conditioning systems to significantly reduce energy use. The green office policy places strong emphasis on the efficient operation of office electronics and supports the ongoing transition to digital workflows. By widely adopting electronic documentation, online meetings, and other digital tools, we continue to reduce paper consumption and steadily progress toward a paperless office environment.

To further decrease our overall carbon footprint, the Group has developed and implemented the Green Office Management Policy and Green Travel Management Policy. These policies encourage employees to prioritize public transportation and other low-carbon commuting options, opt for virtual meetings in place of business travel whenever feasible, and choose lower-carbon alternatives such as high-speed rail over air travel when travel is necessary. We also organize regular employee engagement activities, including “Low Carbon Walking” and “Car Free Day” campaigns, to translate environmental awareness into practical daily actions.

The Group places high importance on building a green corporate culture and embedding environmental consciousness in every employee. We carry out continuous green office promotion activities and, in 2025, organized a variety of environmental initiatives, including sustainability training sessions, knowledge competitions, and tree-planting events.



Environmental, Social and Governance Report

Minimizing Environmental Impact

The Group regards environmental responsibility as a core corporate duty. During the Reporting Period, we achieved 100% compliance with all applicable requirements for emissions to air, wastewater discharge, and solid waste management, in strict accordance with the laws and regulations of both Hong Kong and Mainland China. Beyond managing our own environmental footprint, we actively collaborate with supply chain partners to promote sustainable practices across the value chain, working together to minimize overall environmental impact.

Compared with the previous reporting period, the Group recorded improvement in key environmental performance indicators over the past year. This progress reflects our sustained efforts to strengthen sustainability practices and to adopt innovative solutions that contribute to environmental protection. Through rigorous monitoring, systematic management, and continuous improvement initiatives, we have not only fully met but have exceeded relevant regulatory requirements, establishing higher internal standards for environmental performance. Looking ahead, the Group remains firmly committed to the principles of sustainable development and will continue to pursue further enhancements in environmental performance, striving to set new benchmarks in environmental stewardship.

Air Pollutant Emissions

The Group places strong emphasis on the continuous monitoring, supervision, and control of air emissions through the implementation of a comprehensive air pollution management mechanism. In our packaging materials manufacturing operations, the primary sources of air pollutants are on-site industrial boilers, which emit nitrogen oxides (NO_x), sulfur dioxide (SO₂), and particulate matter (PM), as well as printing processes, which generate volatile organic compounds (VOCs) through both organized (ducted) and unorganized (fugitive) emissions. Emissions from vehicle sources are considered negligible compared with those arising from manufacturing activities and are therefore not included in the air pollutant disclosures presented in this report.

Type of Air Pollutant		Unit	2025	2024	2023	Change, %
NO _x	emission	kg	5,131.46	6,204.80	6,837.28	-17.30%
	intensity	kg/10,000 m ² production	0.08	0.09	0.12	-18.80%
SO ₂	emission	kg	317.15	258.29	306.96	22.79%
	intensity	kg/10,000 m ² production	0.00	0.00	0.01	20.56%
PM	emission	kg	377.22	776.62	1,195.71	-51.43%
	intensity	kg/10,000 m ² production	0.01	0.01	0.02	-52.31%
VOC	emission	kg	1,101.67	801.60	852.91	37.43%
	intensity	kg/10,000 m ² production	0.02	0.01	0.02	34.94%

During the Reporting Period, the Group continued to strengthen its efforts to control and reduce air pollutant emissions. As a result, the total emission intensity of air pollutants decreased by 15.5% compared with 2024. This significant improvement was primarily attributable to several targeted initiatives. At the Guangdong plant, low-nitrogen combustion retrofits were completed on the gas-fired boilers. At the Suzhou plant, the frequency of activated carbon replacement in the emission control system was increased. These actions collectively delivered a substantial reduction in air pollutant emissions.

In addition to these projects, the Group has implemented systematic measures to ensure consistent compliance with air emission standards and to achieve further emission reductions. All waste gas generated from production processes is strictly prohibited from being released into the atmosphere without proper treatment. On-site waste gas treatment systems are operated to capture and process emissions effectively. Both treated and untreated waste gases undergo rigorous testing by qualified third-party certified organizations to confirm that air emissions from all manufacturing facilities meet applicable regulatory requirements. Furthermore, the Group has established regular inspection and preventive maintenance programs for ventilation, cleaning, and dust collection systems. Any equipment found to be defective or malfunctioning is immediately taken out of service and repaired or replaced to maintain system reliability and emission control performance.



Greenhouse Gas Emissions

The Group has established greenhouse gas (GHG) emission reduction targets to guide informed business decisions and to address both current and future climate-related risks and opportunities. At each of our manufacturing plants, comprehensive greenhouse gas management protocols have been implemented, supported by systematic Monitoring, Reporting, and Verification (MRV) procedures. These measures enable accurate quantification, effective management, and ongoing mitigation of GHG emissions across our operations.

The organizational boundary for greenhouse gas emissions follows the operational control approach and encompasses all 16 production plants and one training centre under the Group's control during the Reporting Period. The total greenhouse gas emissions were quantified in full accordance with 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 include direct emissions from fuel combustion in stationary sources such as boilers and canteens, emissions arising from the operation of official and production vehicles, emissions from anaerobic treatment processes in septic tanks and wastewater systems. Scope 2 emissions consist of indirect emissions associated with the purchase of electricity and steam. Scope 3 emissions encompass other indirect emissions occurring in the Group's value chain, both upstream and downstream, including purchased goods and services, fuel- and energy-related activities not included in Scope 1 or Scope 2, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, and downstream transportation and distribution.

The greenhouse gases included in the inventory are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). The greenhouse gas emissions data are expressed in carbon dioxide equivalent (CO₂e). The calculations are based on, but not limited to, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the Announcement on the 2023 Carbon Dioxide Emission Factors for Electricity jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of the PRC, the China Product Life Cycle Greenhouse Gas Emission Factor Database, the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), and the Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6, 2021). A summary of the Group's greenhouse gas emissions performance for the Reporting Period is presented in the table below.

Emission scope	Unit	2025	2024	2023	Change, %
Scope 1	tCO ₂ e	18,616.14	17,604.72	14,848.06	5.75%
Scope 2	tCO ₂ e	25,096.55¹	27,251.91	24,678.26	-7.91%
Total GHG emission (Scope 1 + Scope 2)	tCO ₂ e	43,712.68	44,856.63	39,526.32	-2.55%
Intensity (Scope 1 + Scope 2)	tCO ₂ e/10,000 m ² production volume	0.65	0.68	0.70	-4.32%
Scope 3	tCO ₂ e	560,204.18²	/	/	/
Total GHG emission	tCO ₂ e	603,916.86	/	/	/
Intensity	tCO ₂ e/10,000 m ² production volume	8.31	/	/	/

¹ Regional grid emission factors are applied for location-based Scope 2 emissions, corresponding to the specific power grids supplying our facilities (North China, Northeast China, East China, Central China, South China, and Southwest China).

² The Group's Scope 3 greenhouse gas emissions are primarily derived from the procurement of raw papers. The purchased raw papers include a certain proportion of recycled paper. Due to the current lack of a dedicated emission factor for recycled paper in publicly available Chinese databases, the Group referenced the ratio between recycled paper (730 kgCO₂e/tonne) and virgin paper (910 kgCO₂e/tonne) in the UK DEFRA Government GHG Conversion Factors. Applying this ratio to the Chinese corrugated base papers emission factor of 1,226.79 kgCO₂e/tonne yields an estimated emission factor for recycled paper of approximately 984.13 kgCO₂e/tonne.



Environmental, Social and Governance Report

In 2025, the Group observed an decrease in the total absolute greenhouse gas emissions (Scope 1 + Scope 2) compared with 2024. Through targeted efforts to improve energy efficiency and transition to lower-carbon energy sources, the Group achieved a 4.32% reduction in Scope 1 + Scope 2 emission intensity. The key contributing factors included a reduction in diesel and gasoline consumption, as well as a significant increase in the proportion of renewable energy used across operations. At several of our plants, the shift toward solar energy adoption and the progressive transition of company vehicles to electric models have played an important role in lowering greenhouse gas emissions.

Additionally, for the first time in the Reporting Period, the Group has included Scope 3 emissions in its greenhouse gas inventory. This marks an important step toward greater transparency across the value chain and provides a more comprehensive baseline to guide future reduction strategies and target-setting.



Electric Vehicle



Solar Panels

Since 2009, the Group has actively participated in voluntary carbon reduction mechanisms through the purchase and retirement of carbon credits. As the first manufacturing company in China to achieve carbon neutrality, we took an early step toward addressing climate change and advancing low-carbon development. To date, the Group has successfully offset a cumulative total of 571,112 metric tons of CO₂ equivalent emissions generated from our manufacturing operations. This has been achieved through the procurement of International Renewable Energy Certificates (I-RECs) and Certified Emission Reductions (CERs) from recognized international and domestic carbon markets. Offering carbon-neutral products has not only strengthened our competitive position by enabling fair and sustainable market participation, but has also provided direct financial support for the development and operation of large-scale greenhouse gas reduction projects globally.

To underscore our long-term commitment to environmental responsibility and leadership in sustainable packaging, the Group successfully registered the “Carbon Neutral” trademark in 2010. Since its registration, our carbon-neutral products have received strong market recognition. A growing number of customers have requested that the “Carbon Neutral” logo be printed on their packaging, reflecting their own desire to communicate a green and environmentally responsible brand image to end consumers.



The Group believes that the increasing availability and adoption of net-zero carbon products will help drive positive changes in consumer behavior and contribute to broader societal progress toward a low-carbon economy. Currently, we are progressing with the verification and certification of our 2025 greenhouse gas emissions inventory. This work is foundational to our ongoing carbon neutrality efforts. Upon successful completion of the verification and certification processes, the Group intends to carry out the corresponding carbon offsetting activities for the year in accordance with established standards and procedures.



“Carbon Neutral” Trademark



Trademark Registration Certificate

Waste Management

The Group recognizes that sound waste management, proper disposal, and efficient recycling are integral and complementary components of sustainable development. To this end, we have established comprehensive Waste Management Procedures and Hazardous Waste Management Rules to ensure systematic, scientific, and responsible handling of both non-hazardous and hazardous waste. These structured policies reflect our commitment to minimizing environmental impact, maximizing resource recovery and reuse, and contributing to the development of a circular economy by treating and repurposing waste materials in an environmentally sound manner.

Non-hazardous waste primarily comprises raw material residues, plastic packaging from raw materials, and municipal solid waste. Recyclable portions of non-hazardous waste are collected separately and directed to recycling channels, while non-recyclable waste is disposed of through qualified sanitation facilities in accordance with local regulations. Municipal solid waste is sorted at source and temporarily stored in designated containers to facilitate proper handling and processing.

For hazardous waste — including ink residues, sewage sludge, waste activated carbon, and waste printing plates — the Group implements standardized management in strict compliance with national hazardous waste regulations. Hazardous waste is identified on-site according to the applicable hazardous waste inventory, stored in a dedicated, purpose-built hazardous waste warehouse that meets regulatory standards, and subsequently transferred for safe treatment and disposal exclusively to licensed hazardous waste business operators.

Type of waste		Unit	2025	2024	2023	Change, %
Hazardous waste	amount	tonnes	517.28	515.347	490.15	0.38%
	Intensity	tonnes/10,000 m ² production volume	0.008	0.008	0.009	-1.45%
Non-hazardous waste	amount	tonnes	47,547.20	43,941.68	37,035.17	8.21%
	Intensity	tonnes/10,000 m ² production volume	0.705	0.664	0.660	6.24%



Environmental, Social and Governance Report

Wastewater management

In our manufacturing plants, wastewater primarily originates from equipment cleaning and daily activities. We adopt 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.

			2025	2024	2023	Change, %
		Unit				
Wastewater discharge	amount	m ³	72,291.64	60,238.39	66,100.55	20.01%
	Intensity	m ³ /10,000 m ² production volume	1.07	0.91	1.18	17.83%

During the Reporting Period, all wastewater discharges were tested by qualified third-party organizations, with inspection reports issued to verify strict compliance with applicable discharge standards. Wastewater discharge intensity increased compared to the previous year, primarily due to changes in production processes at certain facilities during the Reporting Period.

Despite this increase in intensity, the Group remains fully committed to continuously improving water management performance. We are actively implementing measures to reduce wastewater generation at source, enhance wastewater recycling and reuse rates, optimize process water efficiency, and explore further technological upgrades to achieve a progressive downward trend in wastewater discharge intensity in the coming periods.

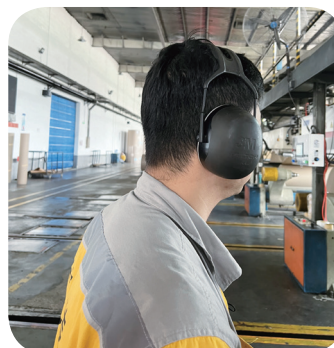
Noise Management

Recognizing the importance of controlling noise to foster a healthier workplace and minimize our impact on the surrounding community, the Group has established a dedicated Noise Pollution Prevention Procedure. This procedure governs the systematic management of noise generated by key equipment, including printing presses, automatic die cutters, automatic box gluers, air compressors, and boilers.

To effectively control noise at the source and reduce its propagation, the Group adopts a combination of engineering and administrative measures. These include the installation of low-noise equipment, the use of sound-absorbing enclosures and barriers, and the mandatory provision and use of personal hearing protection (such as earplugs) for relevant personnel. These controls are designed to ensure that workplace and boundary noise levels comply with applicable legal standards and regulatory requirements. Should any monitoring result indicate that noise levels exceed prescribed limits, immediate corrective actions are taken, including equipment maintenance, adjustment, or replacement as necessary, to restore compliance and safeguard employee health and safety. In addition, for all new construction or expansion projects, the Group establishes designated noise monitoring points at the factory boundary. Regular monitoring is conducted during the construction phase to verify that noise emissions remain within acceptable limits and do not adversely affect the surrounding community.



Plant Noise Reduction Project



Employees Wear Hearing Protection

Compliance

During the Reporting Period, the Group has 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

The Group has implemented a comprehensive set of measures to strengthen energy management, reduce reliance on traditional fossil fuels, and effectively control greenhouse gas emission intensity. To support these objectives, we have established a structured energy management system together with review and control procedures. The system places strong emphasis on resource conservation, efficient energy utilization, and the active implementation of energy-saving and consumption-reduction projects. We also promote the progressive adoption of renewable energy sources and continue to enhance the organization's overall capability in resource management. All production sites and office locations strictly adhere to the requirements of GB/T 23331 (Energy Management Systems) and ISO 50001. Each site has successfully obtained third-party certification for compliance with these internationally recognized energy management standards.



ISO 50001 Certificate



Environmental, Social and Governance Report

Across our 16 factories, electricity purchased from the grid represents the primary source of energy consumption within the facilities. In addition to electricity, the Jiangsu and Zhejiang factories procure steam externally for production processes, while the remaining factories rely on natural gas boilers as their main source of thermal energy. Furthermore, gasoline and diesel are consumed by vehicles used for production operations and official business within the factory premises.

Energy Management

Type of energy		Unit	2025	2024	2023	Change, %
Electricity	amount	kWh(grid)	33,784,436.95	33,424,833.15	29,975,953.00	1.08%
	Intensity	kWh/10,000 m ² production volume	500.88	504.73	534.13	-0.76%
Diesel oil	amount	Litre	144,191.21	164,178.03	185,023.81	-12.17%
	Intensity	litre/10,000 m ² production volume	2.81	3.03	3.30	-7.03%
Unleaded petrol	amount	Litre	257,469.41	294,709.29	230,474.92	-12.64%
	Intensity	litre/10,000 m ² production volume	4.07	4.80	4.11	-15.17%
Natural gas	amount	m ³	8,029,809.18	7,544,680.62	6,329,704.00	6.43%
	Intensity	m ³ /10,000 m ² production volume	128.28	124.36	124.64	3.15%
Coal	amount	t	0	0	0	/
	Intensity	t/10,000 m ² production volume	0	0	0	/
Outsourcing Steam	amount	GJ	69,275.32	74,297.69	68,936.11	-6.76%
	Intensity	GJ/10,000 m ² production volume	6.12	5.50	5.53	11.32%

During the Reporting Period, the Group achieved reductions in the intensity of electricity, diesel and gasoline consumption to varying degrees. Total energy consumption amounted to 127,409,882.66 kWh, with an energy intensity of 1,888.96 kWh per 10,000 m² of production volume¹. The intensity remained largely stable compared with the previous year.

We made steady progress in expanding distributed rooftop photovoltaic (PV) power generation and small-scale solar installations. In 2025, nine plants utilized solar energy, with installed solar capacity increasing by 11.97% compared to 2024, generating a total of 7,101,082.5 kWh of renewable electricity and avoiding the equivalent of 4,050 metric tons of CO₂ emissions.

The Group continued to implement a range of effective energy management initiatives across its facilities. These included the adoption of advanced energy-saving production equipment such as fully automated printing presses and intelligent board production lines, installation of waste steam heat recovery systems to reuse thermal energy, deployment of 100% energy-saving lighting fixtures, and use of intelligent temperature control systems.

These ongoing measures have helped maintain energy efficiency at an industry-leading level — the Group's energy consumption per unit of product continues to rank in the top 5% of the packaging industry, as confirmed by the Paper Products Packaging Committee of the China Packaging Federation.

¹ Calculated based on the HKEX ESG Code and the conversion equivalents from GB/T 2589-2020.



Water Conservation

The Group is committed to continuously reducing its water footprint. Responsible water management forms a critical component of our green development strategy, driven by the challenges of climate change and the expectations of stakeholders. To achieve this, we have established a comprehensive water resource management system and developed a series of targeted management policies and procedures, including water pollution prevention and control procedures, water use management methods, and wastewater treatment and daily monitoring management methods.

We place high importance on the protection and efficient utilization of water resources and actively seek to minimize water consumption across every stage of the production process. Regular inspections of water supply facilities are conducted to detect and prevent leaks. Systematic recording, monitoring, analysis of water usage, and prompt response to any abnormal conditions are established as core requirements of our water management practices. Particular emphasis is placed on enhancing water recycling. In our production operations, the use of recirculated water for equipment cleaning is mandatory. Recirculated water is also utilized for temperature reduction processes.

			2025	2024	2023	Change, %
		Unit				
Water consumption	amount	m ³	147,806.00	148,205.00	137,437.60	-0.27%
	Intensity	m ³ /10,000 m ² production volume	2.19	2.24	2.42	-2.08%

Raw Material Use

The Group recognises the critical importance of resource conservation and has established Resource Conservation Management Procedures to enhance the efficiency of resource use across operations. In manufacturing processes, we have reduced the consumption of strapping and stretch wrap and actively collaborate with supply chain partners on recycling and reuse initiatives. In office environments, we continue to promote duplex printing, digital documentation, and electronic communication tools to minimise paper usage. While these measures have helped maintain resource efficiency, the intensity of packaging material and office paper consumption did not decrease during the Reporting Period. This was primarily due to changes in operational requirements. Nevertheless, the Group remains fully committed to ongoing resource conservation and will continue to implement additional measures, process optimisations, and behavioural initiatives to achieve progressive reductions in resource intensity in future periods.

Environmentally friendly raw materials form the foundation of our sustainable product offering. When selecting materials, the Group prioritises environmental attributes and long-term sustainability. FSC-certified paper and recycled paper represent the largest share of our raw material inputs, accounting for 57.51% of total raw paper consumption in 2025. This high proportion reflects our core identity as a green packaging manufacturer and directly responds to the sustainability expectations of our customers.

Type of raw materials			2025	2024	2023	Change, %
		Unit				
Raw papers in production	amount	tonnes	481,363.53	468,529.32	396,614.69	2.74%
	Intensity	tonnes/10,000 m ² production volume	7.14	7.07	7.07	0.87%
Packaging materials in finished products	amount	tonnes	584.71	530.84	472.08	10.15%
	Intensity	tonnes/10,000 m ² production volume	0.01	0.01	0.01	8.15%
Office papers for working office	amount	tonnes	25.89	23.51	23.34	10.15%
	Intensity	tonnes/10,000 m ² production volume	0.38	0.35	0.42	8.15%



Environmental, Social and Governance Report

THRIVING PEOPLE AND SOCIETY

The Group places high value on stakeholder relationships across our entire value chain, which reinforces our commitment to being a responsible employer and reliable business partner. At the core of our philosophy is a strong dedication to protecting the rights of our employees, supporting their professional development and career growth, and ensuring their occupational health and safety, while at the same time striving to provide superior products and services to our customers. We work to maintain mutually beneficial relationships with all stakeholders and collaborate closely with them to contribute positively to local communities and to help build a better society for the future.

Compliance with legal and regulatory requirements remains a fundamental cornerstone of our business. The Group strictly complies with all 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 regards its people as its most valuable asset and the primary driver of long-term sustainable development. We are deeply committed not only to safeguarding the well-being of our employees, but also to supporting their personal growth and professional advancement. We strive to cultivate an equitable, inclusive, and diverse workplace, while providing extensive training and development opportunities to continuously enhance employees' skills, capabilities, and career potential. Equal emphasis is placed on occupational health and safety, work-life balance, and the overall harmonious development of our workforce.



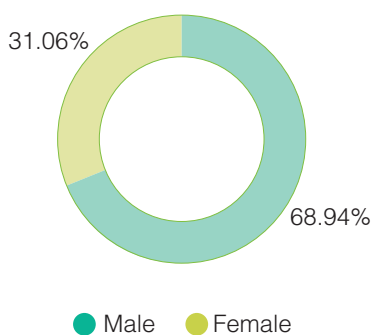
The steady and sustainable growth of the Group depends on a stable and well-functioning human resources system. In full compliance with applicable labor laws and regulations, the Group has established a comprehensive set of human resource management policies and procedures. These policies cover a broad spectrum of employment-related matters, including recruitment and promotion, termination and resignation, compensation and benefits, standards of conduct and workplace behavior, attendance and leave entitlements, working hours and public holidays, working environment and occupational safety, employee training and development, confidentiality obligations, anti-discrimination and diversity, equal opportunity, anti-corruption, and the strict prohibition of child labor and forced labor.

Employment Equality and Human Rights

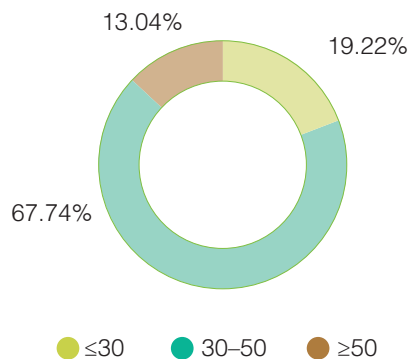
Equality, diversity and inclusion form an important part of the Group's employment strategy. Our human resources function focuses on recruiting talent with a wide range of skills, while placing particular emphasis on ethics, diligence and logical thinking. We maintain a non-discriminatory approach in hiring, compensation, benefits and career advancement, ensuring that no decisions are influenced by gender, age, religion or physical condition. This helps create a workplace where every employee feels respected and encouraged to contribute, which in turn supports the Group's competitiveness. All employees are engaged under written labour contracts that fully comply with applicable laws. These contracts clearly protect employees' legitimate rights and interests and help maintain stable and harmonious labour relations.

During the Reporting Period, the Group employed 1,925 full-time staff in Mainland China and Hong Kong. Approximately one-third of employees were female, and 41% of the management team were female. The majority of the workforce (67.74%) were aged between 30 and 50 years. The employee-to-management ratio was approximately 16:1.

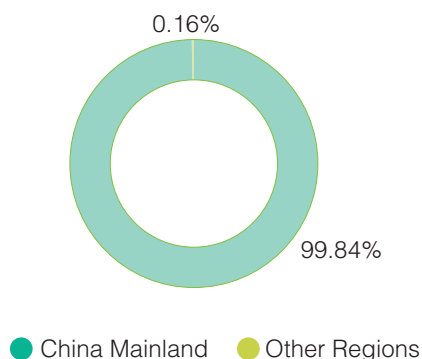
Gender Distribution of Employee



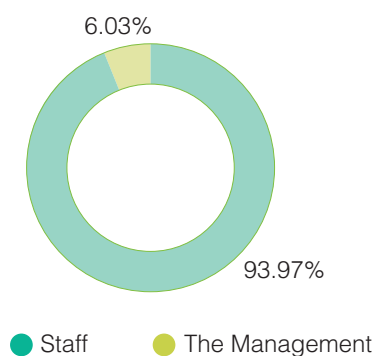
Age Distribution of Employee



Geographical Region Distribution of Employee



Employment Type Distribution





Environmental, Social and Governance Report

In 2025, the employee turnover rate was 24.18%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
26.20%	19.30%	39.34%	20.44%	13.45%	24.21%	0.00%

The Group is committed to protecting the fundamental human and labour rights of all employees and expects the same level of commitment from our suppliers in meeting ethical standards. We strictly prohibit forced labour, prison labour and child labour through the implementation of the Prohibition of Child Labour and Remedial Control Procedures and the Compulsory Labour and Disciplinary Control Procedures. The human resources and administration departments are responsible for identifying and monitoring any potential labour rights violations during recruitment, employment and through annual internal reviews. When a violation is confirmed, we promptly initiate investigations, apply corrective measures and discuss the matter at employee representative meetings.

Policies are in place to prevent discrimination, harassment and bullying, reflecting our commitment to human rights and equality. In accordance with the Labour Law of the PRC, the Labour Contract Law of the PRC, the Regulations on the Implementation of the Labour Contract Law, and the Law of the PRC on the Protection of Women’s Rights and Interests, we strictly prohibit practices such as pregnancy testing during recruitment. We safeguard the legitimate rights and interests of female employees in accordance with the law and provide support through various channels, including the establishment of mother-and-baby rooms.

The Group ensures that wages paid to employees are not lower than the statutory minimum wage levels applicable in each location. We comply fully with the Social Insurance Law of the PRC and the Regulations on Work-Related Injury Insurance, providing mandatory social insurance and workers’ compensation coverage for all employees. Forced labour is strictly prohibited. We adhere to the government’s 40-hour working week standard, observe all statutory public holidays, and respect employees’ right to resign in accordance with legally prescribed procedures.

During the Reporting Period, no employment violations occurred within the Group. There were no material non-compliances related to recruitment, child labour, forced labour, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other employee benefits and welfare matters. The Group has fully complied with all relevant laws and regulations of the PRC and Hong Kong that have a significant impact on its operations in relation to these areas.

Safety and Health

The Group is committed to providing a safe and healthy working environment for all employees and to ensuring safe and stable production operations. To achieve this, we have established a comprehensive Environment, Health and Safety (EHS) management system supported by a set of key policies and procedural documents, including the Occupational Health and Safety Management System Manual, Monitoring and Control Procedures for EHS Measurement, Occupational Hazard Post Rotation System, and other related documents. These materials collectively form the core framework of our EHS management system. A dedicated EHS team has been formed to identify, assess and manage potential health and safety risks across the organisation. In addition, we have defined and implemented key performance indicators related to safety and health to ensure consistently high standards of EHS execution in 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).



All manufacturing sites and offices comply with GB/T 45001 and ISO 45001 standards for occupational health and safety management systems. Several of our production facilities have obtained ISO 45001 certification. To systematically reduce EHS risks, the Group has implemented various control measures and strategies, including emergency response plans for industrial accidents, ongoing production process improvements, enhanced electrical safety practices, effective control of noise and vibration, and strict enforcement of personal protective equipment requirements.



ISO 45001 certificate

The Group regards the creation and maintenance of a safe and healthy workplace as a shared responsibility across all employees and levels of the organisation. This shared commitment highlights the importance of continuously building individual EHS (Environment, Health and Safety) skills and awareness among our workforce. To achieve this, the Group implements a comprehensive training programme throughout the organisation. The training covers relevant laws and regulations, internal policies and procedures, the EHS management system, as well as practical response measures for various emergency situations, including fires, chemical spills and workplace injuries. Regular emergency drills are conducted to reinforce preparedness and practical skills. These collective efforts are aimed at systematically reducing EHS-related risks and demonstrate the Group's firm commitment to protecting the health and safety of every employee.

To further strengthen safety awareness and establish a solid foundation for production safety, the Group consistently organises a range of targeted activities. These include regular training sessions, fire drills, emergency response plan drill and other related initiatives.



Emergency Response Plan Drill



Fire Drill



Environmental, Social and Governance Report



Hazardous Chemicals Emergency Response Plan Training



Emergency First Aid Training

During the Reporting Period, the total number of days lost due to work injuries was 545, accounting for 0.11% of the annual working time in total¹, and the injury rate per million man-hours was 1.83². In response to the work-related injuries that occurred during the period, the Group has strengthened safety measures and safety education programmes to better identify and prevent potential hazards, with the aim of further reducing the frequency and severity of work-related injuries in the future. At the same time, the Group is committed to providing comprehensive support to employees affected by work injuries. This support includes personal visits to maintain close communication with the injured employee and their family, delivery of care packages and daily necessities, coordination and assistance with medical treatment and rehabilitation, as well as emotional care and psychological support as needed.

	Unit	2025	2024	2023
Number of Death Incidences	piece	0	0	0
Number of Work-related Injury	piece	7	24	16
Proportion of Industrial Injury ³	%	0.11%	0.22%	0.11%

During 2025, the Group arranged comprehensive physical examinations for employees through qualified medical organizations. These examinations covered 100% of the total workforce, reflecting our ongoing commitment to proactively monitoring and safeguarding employees' health. In addition to regular health checks, the Group consistently organizes a variety of health promotion activities and programs designed to support both the physical and mental well-being of all employees. These initiatives encompass health-related training sessions, the provision and maintenance of sports facilities to encourage physical activity, and psychological health support services.



Physical Examination



Mental Health Training

¹ based on 1,925 employees and 248 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)



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 and supported workforce is fundamental to the Group's long-term success, we continue to strengthen our employee welfare system and actively organize a wide range of caring and inclusive activities. These efforts are guided by our commitment to placing employee welfare and well-being at the core of our workplace culture. Throughout the year, we diligently arrange welfare activities to celebrate employees' birthdays and major holidays, ensuring that these important personal and festive occasions are marked with warmth, appreciation, and a sense of recognition. Particular attention is given to providing tailored benefits and support for female employees, acknowledging their vital contributions to the organization.

To better support employees with family responsibilities, the Group offers generous maternity and paternity leave policies in accordance with applicable laws, as well as practical assistance related to childcare and care for elderly family members. These measures are designed not only to honor employees' personal life milestones but also to foster a stronger sense of community, belonging, and mutual support within the workforce.

In addition, the Group provides counseling services to employees who may be facing personal difficulties or work-related challenges, ensuring they have timely and professional support to help them manage life's complexities. Recognizing the importance of work-life balance, we continue to develop flexible policies and cultivate an organizational culture that enables employees to effectively balance their professional responsibilities with personal and family needs.



Birthday Party



Festival Gifts



Women's Day Event



Employee Care Visit



Environmental, Social and Governance Report

Training and Development

The Group is committed to fostering a work environment in which employees can thrive, realize their full potential, and align their personal values with the creation of greater value for the organization. To support this vision, we have established well-structured compensation, internal incentive, and promotion systems designed to recognize and reward the demonstration of professional skills, innovation, and outstanding performance. These mechanisms not only provide clear and rewarding career pathways within the Group but also reinforce broader initiatives aimed at enhancing employee satisfaction, engagement, and long-term development.

The Group places strong emphasis on training and developing employees to meet evolving business requirements while supporting their individual career aspirations. We actively create opportunities for employees to grow professionally and gain valuable experience. The Group's systematic human resource management procedures and training management systems provide a solid foundation for developing and implementing the annual training plan. To ensure that training remains relevant and practical, employees are directly involved in identifying the specific needs of their positions through discussions. Training programmes are carefully tailored to achieve maximum effectiveness, with objectives, content, delivery methods and assessment approaches adjusted according to the diverse skill levels, responsibilities and tasks associated with different roles. In addition, the Group regularly organises workshops and seminars to facilitate knowledge sharing, skill enhancement and professional exchange among employees.



Zhejiang University Seminar



Internal Training

During the Reporting Period, the Group delivered a total of 196,443 hours of training to 3,227 participants. This training coverage represented a substantial portion of the total workforce, reflecting our continued investment in building employee capability and supporting professional growth. The breakdown of training hours by gender and employment type is presented in the table below. Notably, total training hours increased by 486.15% compared with the previous reporting period.

	unit	By gender		Employment Type	
		Male	Female	Management level	Staff
Number of training people	people	2,329	998	414	2,913
Percentage	%	70.00%	30.00%	12.44%	87.56%
Average training hours	hour	61.43	53.47	38.07	62.03



Communication and Connection

The continuous development of the Group relies fundamentally on the dedication and efforts of every employee. We regard open communication and strong interpersonal connections among employees as the foundation of a cohesive and dynamic workplace. To nurture this environment, the Group continues to organise and conduct a variety of leisure and recreational activities. These initiatives aim to enrich employees' cultural and social life outside of work, enhance their overall quality of life, and strengthen team cohesion. The activities range from department-level team-building exercises to large-scale company-wide events, all intended to foster a unified and supportive organisational culture.

To promote transparency and effective two-way communication, we have established multiple channels for employees to express their views and suggestions. These include suggestion boxes and regular employee satisfaction surveys, which enable staff to share ideas and concerns and ensure their opinions are heard and considered in decision-making processes. Survey results are systematically analysed and used as an important reference for formulating human resource policies that help attract, retain, and develop talent, creating mutual benefit for both the company and its employees. We also value direct dialogue between management and employees. Regular town hall meetings and employee symposiums are held to facilitate in-depth discussions on workplace improvement and other matters of common concern.

In addition, the Group actively supports the establishment and independent operation of a strong labour union. The union serves as an important channel for articulating employee concerns, representing employees in discussions on labour rights, working conditions, benefits and other employment-related issues, and collaborating with management to find practical solutions.

Through these communication mechanisms, engagement activities, and institutional arrangements, the Group strives to build a workplace where communication flows freely, relationships are strengthened, and every employee feels respected. This reflects our balanced commitment to both professional development and the personal well-being of all staff.



Healthy Running Activity



Team Outdoor Activity



Tug of War



Team Building Games



Environmental, Social and Governance Report



Employee Symposium



Festival Activity

Collaborating with Value Chain

The Group recognises the critical role that the entire value chain — from suppliers to customers — plays in achieving sustainable development. Accordingly, we place strong emphasis on establishing long-term strategic partnerships and embedding principles of sustainability, responsibility, and ethical conduct throughout every stage of our operations and business relationships. This section highlights our integrated and systematic approach to managing key aspects of the value chain. It covers supply chain management, product quality assurance, research and development together with innovation, intellectual property protection, customer service standards, and customer privacy and data security.

Supply Chain Management

The Group relies on a broad and diverse network of suppliers who play an essential role in supporting our operational success and product quality. In 2025, we collaborated with a total of 1,100 suppliers. Of these, 99.7% were located in mainland China, with the remaining suppliers based in Hong Kong. Maintaining a stable, reliable, and responsible supply chain that aligns with our sustainability objectives and shared values is a key priority for the Group. We therefore require all suppliers to uphold high standards of social responsibility and ethical business conduct throughout their operations.

The Group is committed to partnering only with suppliers that share our values of ethical conduct, environmental responsibility, and social equity. Suppliers are admitted to the Qualified Supplier List only after completing a standardised procurement evaluation process. This includes on-site audits and ESG performance assessments covering child labour and forced labour, legal and fair remuneration, equal employment opportunity, human rights, environment, health and safety (EHS) practices, working hours, intellectual property protection, and all other requirements set out in the Group's Supplier Code of Conduct. In addition, suppliers are required to comply with the international standards of the Restriction of Hazardous Substances Directive (RoHS) and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation to ensure that materials and products do not pose risks to human health or the environment.

The Group adopts a tiered, risk-based approach to supplier management with a strong focus on environmental and social performance. Priority is given to Grade A suppliers that demonstrate excellence in providing environmentally preferable products and services. Suppliers identified as high-risk in terms of social responsibility are subject to dedicated social responsibility audits. Only those that demonstrate satisfactory improvement are included or retained on the Qualified Supplier List. We regard suppliers as important strategic partners and place great value on open communication and constructive interaction. To keep pace with evolving sustainability expectations and continuously improve the sustainability performance of our supply chain, the Group has developed targeted supplier training programmes and capacity-building initiatives.



The Production Operation Center conducts monthly evaluations of suppliers based on product quality, service responsiveness, and delivery performance. At the same time, dynamic monitoring, management, and periodic re-evaluation of social responsibility performance are carried out according to customer requirements and risk levels. When a supplier repeatedly fails to meet quality standards due to the same recurring issue, corrective and preventive actions are required, and the effectiveness of these measures must be verified. If the problem persists, the supplier may be removed from the supply base and replaced to maintain supply chain stability and product quality.

To reinforce mutual commitment, the Group has signed the Supplier Code of Conduct or a Sustainability Commitment Letter with 342 suppliers. During the Reporting Period, we delivered a total of 521 hours of supplier training and engagement meetings. These activities aim to strengthen suppliers' capabilities to meet our expectations while providing a valuable platform for sharing best practices, fostering mutual learning, and deepening long-term supply chain partnerships.

Product Quality

The quality, safety and health of the packaging delivered to our customers is of paramount importance to the Group. We firmly believe that maintaining customer trust forms the foundation of our success and sustainable long-term growth. The Group strictly complies with the Product Quality Law of the PRC and all other relevant laws and regulations in the countries and regions where we operate. We continuously strengthen our quality management system to ensure the highest standards. We have established a comprehensive quality control and management system certified to ISO 9001. The system covers systematic inspection and control of raw materials upon receipt, semi-finished products during manufacturing, and finished goods prior to shipment.

Strict whole-process quality management is implemented from incoming materials to final delivery. Dedicated quality engineers are assigned at each key stage to monitor critical control points, promptly identify and analyse any abnormalities, and implement corrective actions. Products are released for shipment only after thorough inspection and testing confirm compliance with quality and regulatory requirements. To provide transparent evidence of compliance, we issue internal inspection reports as well as reports from accredited third-party testing organisations. These confirm adherence to applicable standards and regulations, including GB/T 6543-2008 (Single and Double Corrugated Boxes for Transport Packaging), the Restriction of Hazardous Substances (RoHS) directive, and requirements related to Substances of Very High Concern (SVHC), among others.

In 2025, the Group achieved a product qualification rate of 99.7%, and there were no product recalls due to safety or health concerns. An efficient mechanism is in place to address any non-conforming raw materials, reprocessed items, batch production lots or spot-check samples. When non-conforming products are identified at the customer side, a structured recall process is followed: customer feedback is received, affected products are recalled, returned items are inventoried and reviewed, root causes are investigated, and investigation results and corrective actions are reported. The sales, warehousing, quality and manufacturing departments work closely with the recall team to ensure effective and timely handling.



Environmental, Social and Governance Report

Beyond delivering safe, healthy and high-quality products, the Group is actively committed to developing circular packaging solutions. In product design and manufacturing, we focus on minimising environmental impact at end-of-life by selecting raw materials that meet national and international sustainability standards and by placing strong emphasis on recyclability and reusability of our packaging.



ISO 9001 Certificate



Quality Management Training



Recycling Mark

R&D and Innovation

The Group places high importance on innovation and research and development (R&D), viewing them as a key driver of long-term corporate growth. Recognising the critical role of R&D in advancing sustainability, improving product quality and promoting technological progress, we actively engage employees in research and innovation activities. In 2010, the Group established a Packaging R&D and Testing Center and an ISTA-certified Transportation Packaging Laboratory. These facilities enable us to offer customers professional services including packaging research and design, packaging technology consulting, and transportation packaging testing.



The Group maintains a strong and open-minded pursuit of innovative and transformative ideas. By continuously strengthening R&D capabilities, we seek to drive the upgrading of key production factors and support sustainable development in the long term. In 2025, the Group successfully held the Fourth “Artisan Cup” internal competition. The competition was open to all employees, with special encouragement for packaging designers from headquarters and various manufacturing plants, though it was not limited to them. The “Artisan Cup” aims to stimulate innovative thinking, unlock the creative potential of employees, promote progress in packaging design and technology, and accelerate the practical application of new solutions. Since the first “Artisan Cup” was launched in 2022, seven entries from the competition have been granted utility model patents, reflecting the tangible innovation outcomes generated through this platform.



The Fourth “Artisan Cup”

Intellectual Property Protection

The Group places high priority on the protection of intellectual property, recognizing it as a cornerstone of our ability to innovate and maintain competitiveness. We strictly comply with the Patent Law of the PRC, the Copyright Law of the PRC, the Trademark Law of the PRC, and all other relevant laws and regulations. To safeguard these valuable assets, the Group has implemented a systematic intellectual property protection and management process. Upon completion of any technical project, all related technical documents and files must be submitted to the Group. These materials undergo thorough evaluation to assess the necessity and feasibility of filing a patent application. When deemed appropriate, patent applications are filed in a timely manner to protect our inventions and innovations.

The Group actively defends its intellectual property rights against any form of illegal infringement and takes appropriate legal action when necessary to prevent unauthorised use. During the R&D project development process, timely intellectual property classification, filing, application, and registration tasks are mandatory. Strict internal controls are maintained over the use of all intellectual property assets, including drawings, design templates, patented technologies, and product specifications. Any unauthorised use of these assets is strictly prohibited. To further strengthen protection and reduce risks, the Group continues to organise various forms of intellectual property training and regular awareness-raising activities to enhance employees’ understanding of IP protection and help prevent potential risks.

At the same time, the Group upholds the highest standards of respect for the intellectual property rights of others. Before starting any new R&D project, our teams conduct comprehensive prior searches and clearance reviews using patent databases and scientific literature to ensure that no existing third-party rights are infringed. We consistently purchase licensed software and other intellectual property-protected products, and we strictly avoid any form of unauthorised use, copying, or imitation of patented technologies or registered trademarks belonging to others.



Environmental, Social and Governance Report

Excellent Customer Service

The Group is committed to delivering exceptional customer experience and consistently high service quality. To support this objective, we have developed a comprehensive set of customer service policies and procedures. These include structured guidelines for communicating with customers to understand their product and service requirements, a detailed Customer Complaint Management Guide, and other supporting standards. We also carry out regular customer satisfaction surveys to better understand customers' needs and expectations, strengthen long-term relationships, and continuously improve service quality.

In 2025, the Group received a total of 679 customer complaints, representing a 10% decrease compared with the previous year. Upon receiving a complaint, we adhere to strict response timelines: initial response and assessment within 8 hours, formulation of a preliminary remediation plan within 24 hours, delivery of a refined solution to the customer within 3 business days, and follow-up verification of the solution's effectiveness within 5 business days. All complaints are fully resolved in accordance with this process. In addition, we systematically collect, categorise and analyse all customer complaints received during the year. Representative issues are identified and used to refine and strengthen our complaint handling procedures, thereby improving both efficiency and overall customer satisfaction.

Our annual customer satisfaction survey is conducted through multiple channels, including email, face-to-face interviews, telephone calls and written correspondence. For customers who have submitted complaints during the survey period, we carry out targeted on-site investigations to directly address their concerns. For other customers, satisfaction is assessed via written surveys and phone interviews. Insights gathered from these interactions are shared across relevant business units and departments to ensure timely awareness of market trends and evolving customer expectations. During the Reporting Period, more than 99.65% of responding customers expressed satisfaction with the Group's products and services.

Customer Privacy and Data Security

During the Reporting Period, the Group has fully complied with all relevant laws and regulations that have a material impact on its operations concerning health and safety, advertising, labelling, privacy matters, and methods of redress relating to the products and services provided. These include, among others, the Product Quality Law of the PRC, the Patent Law of the PRC, the Personal Information Protection Law of the PRC, and the Personal Data (Privacy) Ordinance of Hong Kong.

To ensure systematic and lawful handling of personal information, the Group has established the Information Protection and Privacy Control Procedure. This procedure applies to the protection and management of personal information belonging to the Company, its customers, suppliers, consumers, and employees. Employees in supervisory positions or roles involving access to critical or sensitive company information (including but not limited to finance, sales, human resources, procurement, technology, quality, and network management) are required to sign a confidentiality agreement upon joining the Company. Where necessary, they are also required to sign a separate confidentiality and non-disclosure agreement to further safeguard sensitive information. Strict physical access controls are enforced at all factory premises. Identity authentication is mandatory for all personnel entering or leaving the facilities, and employees are prohibited from entering or accessing areas unrelated to their assigned duties.

The Group has adopted a Code of Conduct that clearly sets out its cybersecurity and privacy policies. The Code expressly prohibits employees from disclosing any confidential business information, personal information, or other sensitive data relating to the Company, its employees, or external parties (including customers and suppliers) to any unauthorised third party. The unlawful storage, processing, transfer, sale, provision, or disclosure of collected data is strictly prohibited. In the event of any suspected or actual breach, the Group will promptly initiate an investigation and hold the responsible person accountable in accordance with internal policies and applicable laws.



Supporting the Community

Community engagement is one of the key channels through which the Group fulfils its social responsibility. This section describes the various ways in which the company extends its commitment beyond its immediate business operations, reaching out to the broader community through public welfare initiatives and leveraging its corporate resources to contribute to society.

Our approach reflects the understanding that the Group plays a role not only as a business seeking economic returns, but also as an active participant in promoting societal well-being and sustainable development. Through initiatives focused on improving community life, supporting vulnerable groups, and advancing environmental stewardship, the Group seeks to create positive impact that extends beyond its direct business interests.

Community Service

The Group actively participates in community activities to foster harmonious relations with local communities and to build a positive corporate image. Our community efforts focus particularly on improving the local environment and volunteering, as part of a broader series of initiatives within the communities where we operate. These activities aim to contribute to the overall development of the community and to exert a positive influence on society.

In 2025, a total of 30 employees volunteered 30 hours across various community service projects. Employees took part in environmental protection activities such as litter picking and tree planting to help maintain and enhance the local environment. In addition, the Group organized activities to pay tribute to firefighters, expressing gratitude for their long-term dedication to safeguarding social stability and ensuring the safety and well-being of the public.

These community engagement activities reflect the strong sense of social responsibility and volunteer spirit among our employees. They also align closely with the Group's broader ESG objectives of contributing to a more sustainable, inclusive, and caring society.



Tree-planting



Volunteer Activity



Solicitude to Fire Fighters



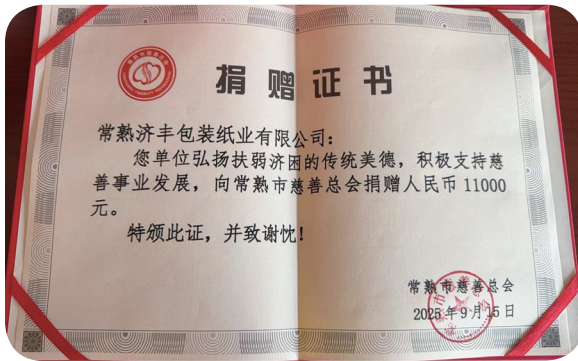
Environmental, Social and Governance Report

Public-welfare

As a socially responsible enterprise, the Group has consistently maintained a strong commitment to public welfare. We actively practice the spirit of charity through concrete actions, extend assistance to disadvantaged groups, and contribute to the advancement of social welfare undertakings.

In 2025, the Group’s total contributions to social welfare initiatives amounted to RMB16,000. This investment reflects our deep involvement in social development and our determination to fulfill our corporate social responsibility through tangible support.

A portion of these funds was directed to charitable organizations via direct donations, demonstrating our support for institutions that deliver meaningful assistance to underprivileged individuals and communities. In addition, the Group organized employee participation in the Heartbeat Charity Concert, an event that not only strengthened team cohesion and shared purpose among our staff, but also enabled us to contribute the proceeds to the Soong Ching Ling Foundation. This initiative further supported children’s welfare and educational development, extending the positive impact of our employees’ collective efforts.



Donation Certificate



Charity Concert

College Cooperation

In 2025, the Group officially launched the 14th edition of the “PMPGC Cup” Packaging Structure Design Competition, a prestigious nationwide competition for university students specializing in packaging design.

The “PMPGC Cup” has attracted widespread attention and support from academia, industry, and society at large. Over the years, it has successfully built a valuable platform that facilitates close interaction and collaboration among universities, enterprises, and relevant institutions. The competition has generated considerable social influence by creating an environment where academic research and industrial practice intersect, encouraging innovation and nurturing high-quality talent in the packaging design sector.

The design declaration of “PMPGC Cup” is “Creativity looks up to the starry sky, application is down to earth”. Through this platform, the Group seeks to stimulate participants’ creative potential and innovative thinking while guiding future packaging engineers to advance the modern packaging industry with design principles centered on innovation, environmental protection, moderation, and friendliness.



Since its inception in 2010, the “PMPGC Cup” has been held annually for thirteen consecutive editions. It has established cooperative relationships with more than 60 colleges and universities across the country. To date, the competition has reached and influenced over 90,000 individuals and has received nearly 2,000 entries. By providing students with a direct channel to engage with real-world packaging industry challenges, the “PMPGC Cup” plays an important role in cultivating the next generation of designers and innovators. Through continued support for this initiative, the Group actively contributes to the development of forward-looking packaging solutions and reinforces its long-term commitment to promoting sustainability, creativity, and practical application within the packaging industry.



“PMPGC Cup” Packaging Structure Design Competition Awards Ceremony



Environmental, Social and Governance Report

HKEX ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Reference Section
A. Environmental	
<p>Aspect A1: Emissions</p> <p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	<p>Fostering Environmental Sustainability</p>
<p>KPI A1.1 The types of emissions and respective emissions data.</p>	<p>Air Pollutant Emissions</p>
<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Waste Management</p>
<p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Waste Management</p>
<p>KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.</p>	<p>Minimizing Environmental Impact</p>
<p>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.</p>	<p>Waste Management</p>



Subject Areas, Aspects, General Disclosures and KPIs

Reference Section

Subject Areas, Aspects, General Disclosures and KPIs	Reference Section
<p>Aspect A2: Use of Resources</p> <p>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.</p>	Optimal Resource Utilization
<p>KPI A2.1</p> <p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	Energy Management
<p>KPI A2.2</p> <p>Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Water Conservation
<p>KPI A2.3</p> <p>Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	Energy Management
<p>KPI A2.4</p> <p>Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p>	Water Conservation
<p>KPI A2.5</p> <p>Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	Raw Material Use
<p>Aspect A3: The Environment and Natural Resources</p> <p>General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	Fostering Environmental Sustainability
<p>KPI A3.1</p> <p>Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	Fostering Environmental Sustainability



Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Reference Section
B. Social Employment and Labour Practices	
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Thriving People and Society
KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region. Employment 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: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. Thriving People and Society
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. Safety and Health
KPI B2.2	Lost days due to work injury. Safety and Health
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. Safety and Health
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer. Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category. Training and Development



Subject Areas, Aspects, General Disclosures and KPIs		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
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



Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Reference Section	
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	<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	Anti-Corruption
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption	
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	
KPI B7.3 Description of anti-corruption training provided to directors and staff.	Anti-Corruption	
Community		
Aspect B8: Community Investment	<p>General Disclosure</p> <p>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.</p>	Supporting the Community
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting the Community	
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Supporting the Community	



Part D: Climate-related Disclosures	Reference Section/Explanation
(I) Governance	
19. An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Governance Sustainability Governance
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	



Environmental, Social and Governance Report

Part D: Climate-related Disclosures	Reference Section/Explanation
(II) Strategy	
Climate-related risks and opportunities	
<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	Strategy
Business model and value chain	
<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and (b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	Strategy



Part D: Climate-related Disclosures

Reference Section/Explanation

Strategy and decision-making

- 22.** An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:
- (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:
 - (i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;
 - (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);
 - (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and
 - (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and
 - (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).
- 23.** An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).

Strategy

The Group is actively developing a comprehensive climate transition plan by integrating internal resources, processes, and capabilities, supported by a robust implementation framework.

Strategy

Financial position, financial performance and cash flows

Current financial effect

- 24.** An issuer shall disclose qualitative and quantitative information about:
- (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and
 - (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

Strategy

The Group is conducting an internal assessment to review the outcomes of quantitative financial evaluations. To date, We have not identified any climate-related risks or opportunities that are expected to have a material impact on the financial statements in the next reporting period.



Environmental, Social and Governance Report

Part D: Climate-related Disclosures	Reference Section/Explanation
Anticipated financial effect	
<p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <ul style="list-style-type: none"> (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: <ul style="list-style-type: none"> (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. 	<p style="text-align: right;">Strategy</p> <p>The Group is conducting an internal assessment to review the outcomes of quantitative financial evaluations. At this stage, we have not disclosed quantified financial impacts. While formulating this holistic transition plan, the Group is simultaneously conducting financial analysis and resource allocation work.</p>
Climate resilience	
<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> (i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; 	<p style="text-align: right;">Strategy</p>



**Reference
Section/Explanation**

Part D: Climate-related Disclosures

- (b) how and when the climate-related scenario analysis was carried out, including:
 - (i) information about the inputs used, including:
 - (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
 - (2) whether the analysis included a diverse range of climate-related scenarios;
 - (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
 - (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
 - (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
 - (6) time horizons the issuer used in the analysis; and
 - (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);
 - (ii) the key assumptions the issuer made in the analysis; and
 - (iii) the reporting period in which the climate-related scenario analysis was carried out.

(III) Risk Management

27. An issuer shall disclose information about:

- (a) the processes and related policies it uses to identify, assess, prioritise and monitor Risk Management climate-related risks, including information about:
 - (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);
 - (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;
 - (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);
 - (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;
 - (v) how the issuer monitors climate-related risks; and
 - (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;
- (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and
- (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.



Environmental, Social and Governance Report

Part D: Climate-related Disclosures	Reference Section/Explanation
(IV) Metrics and Targets	
Greenhouse gas emissions	
<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	Greenhouse gas emissions
<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	Greenhouse gas emissions
Climate-related transition risks	
<p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	The Group is progressively quantifying the financial impacts associated with identified climate-related transition risks.
Climate-related physical risks	
<p>31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	The Group is progressively quantifying the financial impacts associated with identified climate-related physical risks.



Part D: Climate-related Disclosures

Reference Section/Explanation

Climate-related opportunities

32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.

The Group is progressively quantifying the financial impacts associated with identified climate-related opportunities.

Capital deployment

33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

The Group is developing a robust methodology to ensure accurate and consistent disclosure of climate-related investments in future reports.

Internal carbon prices

34. An issuer shall disclose:

- (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and
 - (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;
- or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.

The Group does not currently maintain an internal carbon pricing mechanism. However, we are closely monitoring evolving carbon-related regulatory requirements and market trends, which will inform the development of appropriate response strategies going forward.

Remuneration

35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).

Governance



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Part D: Climate-related Disclosures	Reference Section/Explanation
Industry-based metrics	
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	Metrics and Targets
Climate-related targets	
<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 	Metrics and Targets
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer’s processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	<p>Metrics and Targets</p> <p>The target and the methodology for setting the target has not been validated by a third party.</p>
<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.</p>	<p>Metrics and Targets</p> <p>Greenhouse gas emissions</p>



Part D: Climate-related Disclosures	Reference Section/Explanation
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none">(a) which greenhouse gases are covered by the target;(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;(d) whether the target was derived using a sectoral decarbonisation approach; and(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits:<ul style="list-style-type: none">(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;(ii) which third-party scheme(s) will verify or certify the carbon credits;(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Metrics and Targets Greenhouse gas emissions
<p>Applicability of cross-industry metrics and industry-based metrics</p> <p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	Metrics and Targets