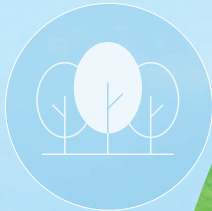


2024

CLIMATE-RELATED DISCLOSURES REPORT



About this Report

Editor's Remark

This is our 2nd climate-related disclosures report. This report has been prepared in reference to the IFRS[®] Sustainability Disclosure Standard, Climate-related Disclosures, which covers governance, risks and opportunities, carbon emission targets, to name a few.

Reporting Period

This report covers the period from 1st January 2024 to 31st December 2024.

Frequency of Reporting

Annual

Reporting Organizations

Leo Paper Group Headquarter and production plants (Heshan Astros printing plant, Leo United Paper Products plant, Heshan Leo Packaging & Printing plant, Hunan Astros printing plant, Leo Paper Products (Vietnam) plant). Unless specified, the figures in this report are for Heshan Astros printing plant, which is the primary plant for Leo Paper Group.

Publication

April 2025

Verification

This report has been reviewed by an independent 3rd party (Hong Kong Quality Assurance Agency, HKQAA) to provide assurance on the report contents.

Reference

Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

IFRS[®] S2 Climate-related Disclosures *

*IFRS[®] S2 Climate-related Disclosures Standard is published by the International Sustainability Standards Board (ISSB).

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About Leo Paper Group

Leo has long integrated climate change into its business development strategies and operations. Starting in 2023, Leo has begun making relevant disclosures in alignment with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

In 2024, Leo reorganized and optimized its climate-related disclosures. Referencing the International Sustainability Standards Board (ISSB)’s IFRS® S2 Climate-related Disclosures standard, issued in June 2023, Leo has made its climate-related disclosures in areas such as governance, risks and opportunities, carbon emission targets etc., which aims at high-quality climate information disclosure.

Governance

Against the backdrop of global efforts to actively address climate change, Leo has taken concrete actions to respond to the global climate call. The Green Harmony® Committee, under the Board of Directors, is responsible for overseeing comprehensive climate management.

This includes developing and reviewing climate-related strategies, monitoring and managing climate-related risks and opportunities, and implementing necessary actions and measures.

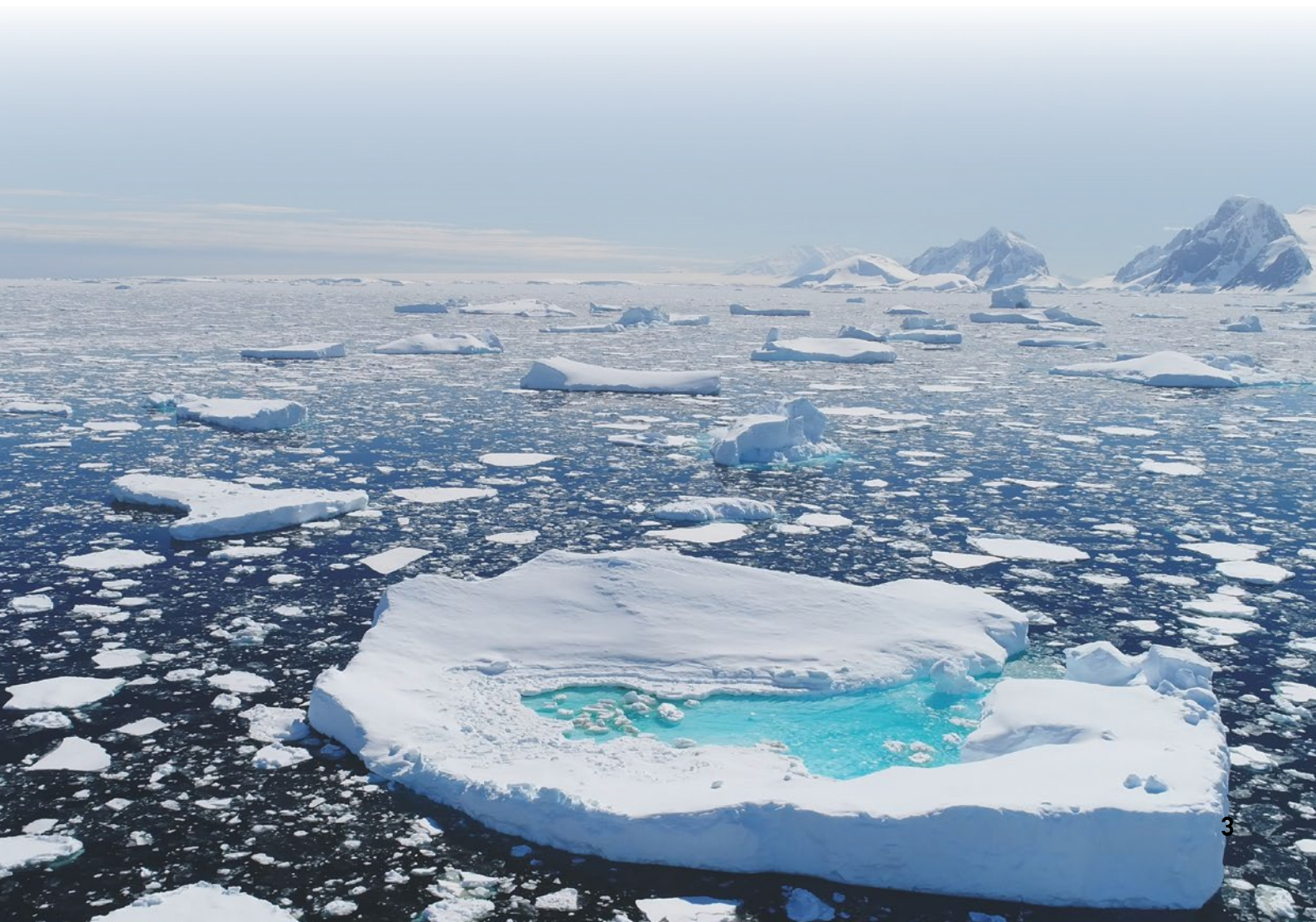


Climate Change Risks and Opportunities

Leo recognizes that climate change risks and opportunities have the potential to impact its business operations. By integrating business operations, geographical locations, and various climate scenario analyses, Leo has studied and assessed the impacts of physical and transition risks, as well as corresponding opportunities. Based on the severity of impact and likelihood of occurrence, we have compiled a list of key risks and opportunities and developed corresponding response strategies.

Physical Risks

Climate change may lead to various physical risks, including extreme weather events and extreme heat. To assess potential physical risks, we have utilized the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 8.5 scenario, which projects a global average temperature increase of approximately 4°C by 2100. Based on this scenario, we have analyzed the potential severe impacts of climate change and developed corresponding mitigation measures.



Physical Risks		
Extreme Weather (Heavy Rain, Typhoons, Flooding)	Potential Consequences	<ul style="list-style-type: none"> • Increase the spending on extreme weather mitigation measures, such as placing sandbags for flood control. • Increase expenditure on infrastructure, equipment, transportation and transportation equipment maintenance. • Increase economic losses from reduced capacity and disruptions to supply chain products or services. • Increase the cost of insurance premiums. • Increase employee health and safety risks.
	Period*	• Medium Term
	Counter-risk Measures	<ul style="list-style-type: none"> • Formulate emergency prevention and control measures for extreme weather, and simulate drills every year to ensure that protection can be provided in time and losses can be minimized in the event of extreme weather. • Increase resilience to extreme weather, including defense resources (e.g., sandbags and pumps), training, and more. • Strengthen communication and cooperation with local governments to prepare for extreme weather in advance.
Extreme Heat	Potential Consequences	<ul style="list-style-type: none"> • Increase the cost of energy and water consumption. • Increase the cost of environmental improvement on the factory site. • Increase employee health and safety risks. • Increase the economic losses caused by the decline in production capacity.
	Period*	• Long-term
	Counter-risk Measures	<ul style="list-style-type: none"> • Develop extreme heat cooling protocols to ensure the use of equipment and the health and safety of employees. • Strengthen the maintenance of refrigeration equipment and improve the cooling efficiency of cooling towers.

* Short Term(0-3 years), Medium Term(3-10 years) and Long-term(over 10 years).

Transition Risks

To ensure the comprehensive identification and analysis of potential transition risks, we have incorporated the International Energy Agency's (IEA) Sustainable Development Scenario (SDS), the Net Zero Emissions by 2050 scenario, and the scenario where the global average temperature will not rise beyond 2°C by 2100. We have analyzed key transition risks in areas such as policies and regulations, technology, and markets, and have developed corresponding mitigation measures.

Transition Risks	Potential Consequences	Period*	Counter-risk Measures
Policies and Regulations	<ul style="list-style-type: none"> Carbon taxes or carbon trading schemes leads to increased operating costs. 	Medium Term	<ul style="list-style-type: none"> Regularly collect and understand the latest carbon tax rates and carbon trading market information, and continue to carry out carbon emission reduction and carbon neutrality to reduce operating costs.
	<ul style="list-style-type: none"> Increased reporting obligations for greenhouse gas emissions and environmental violations leads to increased compliance costs. 	Short Term	<ul style="list-style-type: none"> Continuously collect and understand the latest laws and policies, and update internal management systems in a timely manner to ensure compliance with disclosure and compliance requirements.
Technology	<ul style="list-style-type: none"> Increase capital investment in new technologies for energy conservation and carbon reduction. 	Long-term	<ul style="list-style-type: none"> Adopt efficient and low-carbon production equipment, technology and process to improve the effective use of energy and resources.
	<ul style="list-style-type: none"> Increase R&D expenses to explore environmental protection solutions. 	Long-term	<ul style="list-style-type: none"> Support independent research and development and innovation of green and low-carbon solutions.

Transition Risks	Potential Consequences	Period*	Counter-risk Measures
Market	<ul style="list-style-type: none"> Higher fuel and energy costs led to higher raw material procurement and operating costs. 	Long-term	<ul style="list-style-type: none"> Promote the use of renewable or low-emission energy sources to reduce the risk of future fuel and energy price fluctuations.
	<ul style="list-style-type: none"> Changes in consumer preferences affect the competitiveness and share of product markets. 	Medium Term	<ul style="list-style-type: none"> Maintain close communication with stakeholders to keep abreast of their needs and expectations.
			<ul style="list-style-type: none"> Accelerate the research and development of green and low-carbon solutions, enhance market competitiveness, and meet the needs and expectations of stakeholders.

* Short Term(0-3 years), Medium Term(3-10 years) and Long-term(over 10 years).

Opportunities

Leo proactively addresses climate change and seizes the opportunities as they rise. We practice green and low-carbon techniques to create a path towards a green and low-carbon economy.

Green Production and Operations



- Promote the use of water-based inks, UV inks, environmentally certified paper, and eco-friendly packaging.
- Introduce digital printing technologies and other environmentally friendly production techniques/processes.
- Develop products with biodegradable and recyclable materials.

Efficiency Enhancement and Energy Utilization



- Adopt more efficient and low-carbon transportation methods.
- Upgrade traditional equipment/processes to enhance production efficiency.
- Increase the use of recyclable energy.
- Implement energy-saving technological upgrades to improve the efficient utilization of energy.

Collaborative Partnerships



- Establish cooperative relationships with upstream and downstream enterprises, research institutions, environmental organizations, and other stakeholders.
- Focus on the development of green and low-carbon technologies/materials/equipment, resource sharing, market expansion, and the formulation of industry standards.

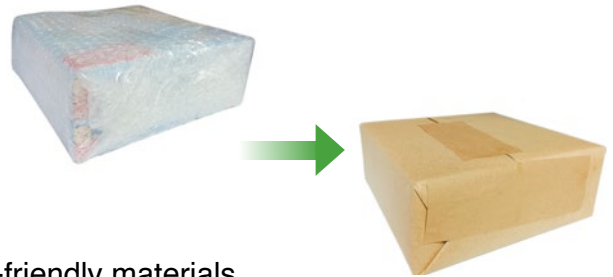
Carbon Reduction Action Plan

In active response to the ambitious goal of achieving carbon neutrality by 2050, Leo has formulated its Climate Change Action Plan. This plan aims to reduce carbon emissions and embark on a new journey toward green development.

01.Green Supply Chain Management

Material Application/R&D

- Prioritize the use of environmentally certified paper, low- or non-volatile chemicals, and biodegradable or recyclable printing consumables, accessories, and packaging materials.
- Collaborate with suppliers, universities, and other partners in research and development of more eco-friendly materials and components.



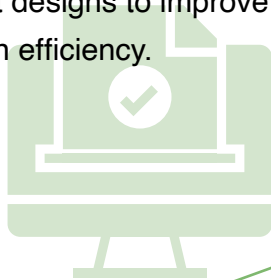
Low-Carbon Logistics and Transportation

- Optimize the transportation routes and prioritize the use of low-carbon transportation vehicles.

02. Process Optimization

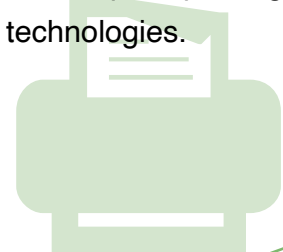
Pre-Press Process Optimization

- Promote digital pre-press design workflows and adopt advanced design software.
- Optimize layout designs to improve paper utilization efficiency.



Printing Process Optimization

- Enhance the production efficiency of the printing color management system by introducing advanced color calibration techniques, printing equipment and technologies.



03. Energy Management

Energy Consumption Monitoring

- We have established a professional energy monitoring and management system to track energy usage in real time.

Energy-Saving Technological Upgrades

- We have planned to gradually phase out the high-energy-consuming equipment and upgrade existing equipment to improve production efficiency.

Clean Energy and Recycled Energy

- We actively develop and utilize clean energy while increasing the use of recycled energy.

04. Employee Environmental Awareness Enhancement

Employee Training

- Organize carbon reduction training sessions for employees regularly .
- Invite external experts to conduct seminars and share the latest carbon reduction technologies and experiences.



Incentive Mechanisms

- Employees and teams who demonstrate outstanding performance in carbon reduction efforts are recognized.



Climate-related Risk Management

Leo recognizes that climate-related risks have become a critical issue. To effectively mitigate the risks posed by climate change, we have integrated climate-related risks into our corporate risk management system and have established corresponding control and response measures. These measures include strengthening infrastructure development, optimizing supply chain management, and increasing investment for research and development of green and low-carbon technology.

Additionally, we have developed emergency response plans for extreme weather events and conduct annual drills to minimize their possible effects and ensure our business continuity.

Internal Carbon Pricing

Leo plans to incorporate the environmental costs of carbon emissions into corporate cost decision-making and planning processes and establish an internal carbon pricing methodology.

Calculation Method:

1

Carbon Emission Costs: (e.g., Electricity)

= Purchased Electricity (kWh) ×
Emission Factor (CO₂e/kWh) ×
Average Carbon Market Price

2

Carbon Reduction Benefits: (e.g., Solar Energy)

= Solar Energy Usage (kWh) ×
Emission Factor (CO₂e/kWh) ×
Average Carbon Market Price

Carbon Emission Targets

Leo actively supports the United Nations Sustainable Development Goals (SDGs). Based on our strategic assessment of climate-related risks and opportunities, we have set an overarching target to achieve net-zero emissions by 2050.

Additionally, we have established an interim goal: to reduce Scope 1 and Scope 2 carbon emission intensity by 25% by 2025 compared to 2019 levels.

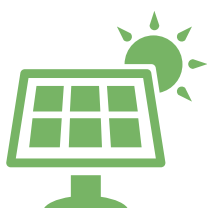
25%

reduction in greenhouse
gas emissions per unit
output is expected in 2025
compared with 2019.

Renewable Energy

By implementing on-site solar power systems, solar streetlights, and purchasing green electricity, we actively promote the use of renewable energy. These efforts aim to reduce reliance on grid electricity, minimize energy consumption, and lower carbon emissions.

1 Solar Power System



12,300 MWh
of solar energy

- The solar power system was officially put into operation at the end of 2023 at Leo's Largest Production Plant - Heshan Astros Printing Factory. In 2024, the factory utilized 12,300 MWh of solar energy.

2 Green Certificate Purchases 2024



8,500 MWh
of Green Certificates

- Total of 8,500 MWh of Renewable Energy Certificates (RECs) or Green Energy Certificates (GECs) were purchased.

Carbon Emissions

Effective 2010, we established a corporate-level carbon emission accounting mechanism which is in accordance with the ISO 14064-1 standard and IPCC guidelines. We conduct annual carbon emission accounting and verification.

In 2024, the Scope 1 and Scope 2 carbon emissions at Leo's Heshan Astros plant were 38,349 tons, representing over 25% reduction in emission intensity compared to 2019 levels.

Here below the carbon emissions of our Heshan Astros Production Plant:

Indicator	2024
Direct (Scope 1) Carbon Dioxide Equivalent (CO ₂ e) Emissions (Tons):	3,253
Indirect (Scope 2) Carbon Dioxide Equivalent (CO ₂ e) Emissions (Tons):	35,096
Total(Tons)	38,349

IFRS S2 Climate-related Disclosures Content Index

This content index is based on the International Sustainability Standards Board (ISSB)'s IFRS® S2 Climate-related Disclosures, released in June 2023. Please refer to the table below for detailed information.

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
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Governance

5	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	
	To achieve this objective, an entity 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 entity shall identify that body(s) or individual(s) and disclose information about:	
	(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	
	(ii) 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;	
6	(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
	(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity'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; and	• Governance
	(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
	(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:	• Governance
	(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.	

Strategy

8	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.	
9	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:	
	(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	• Climate Change Risks and Opportunities
	(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain;	
	(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan;	
	(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning; and	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities • In addition, Leo is preparing for more comprehensive disclosure.

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
	(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities • Carbon Reduction Action Plan • Carbon Emission Targets

Climate-related risks and opportunities

10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities
	(b) explain, for each climate-related risk the entity has identified, whether the entity 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 entity 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 entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	

Business model and value chain

13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities
	(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated.	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
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Strategy and decision-making

14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	
	(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	
	(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities;	<ul style="list-style-type: none"> • Carbon Reduction Action Plan • Carbon Emission Targets
	(ii) current and anticipated direct mitigation and adaptation efforts;	
	(iii) current and anticipated indirect mitigation and adaptation efforts;	
	(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	
	(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	<ul style="list-style-type: none"> • Carbon Emission Targets
	(b) information about how the entity is resourcing, and plans to resource, the activities disclosed.	<ul style="list-style-type: none"> • Carbon Reduction Action Plan
	(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.	<ul style="list-style-type: none"> • Carbon Emission Targets

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
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Financial position, financial performance, and cash flows

15	An entity shall disclose information that enables users of general purpose financial reports to understand:	
	(a) the effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period; and	<ul style="list-style-type: none">• Climate Change Risks and Opportunities• In addition, Leo is preparing for more comprehensive disclosure.
	(b) the anticipated effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity’s financial planning.	
16	Specifically, an entity shall disclose quantitative and qualitative information about	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	<ul style="list-style-type: none">• Climate Change Risks and Opportunities• In addition, Leo is preparing for more comprehensive disclosure.
	(b) the climate-related risks and opportunities identified 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;	
	(c) how the entity 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:	
	(i) its investment and disposal plans, including plans the entity is not contractually committed to; and	<ul style="list-style-type: none">• Carbon Reduction Action Plan
	(ii) its planned sources of funding to implement its strategy; and	<ul style="list-style-type: none">• Green loans• Leo’s own funds
	(d) how the entity 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.	<ul style="list-style-type: none">• Climate Change Risks and Opportunities

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
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Climate resilience

22	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity’s identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity’s circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:	
	(a) the entity’s assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:	
	(i) the implications, if any, of the entity’s assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	• Climate Change Risks and Opportunities
	(ii) the significant areas of uncertainty considered in the entity’s assessment of its climate resilience;	
	(iii) the entity’s capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:	
	(1) the availability of, and flexibility in, the entity’s existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	• Climate Change Risks and Opportunities
	(2) the entity’s ability to redeploy, repurpose, upgrade or decommission existing assets; and	
	(3) the effect of the entity’s current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and	
	(b) how and when the climate-related scenario analysis was carried out, including	
	(i) information about the inputs the entity used, including:	
	(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	• Climate Change Risks and Opportunities
	(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;	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
22	(4) whether the entity used, among its scenarios, a climate related scenario aligned with the latest international agreement on climate change;	• Climate Change Risks and Opportunities
	(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6) the time horizons the entity used in the analysis; and	
	(7) what scope of operations the entity used in the analysis;	
	(ii) the key assumptions the entity made in the analysis, including assumptions about:	
	(1) climate-related policies in the jurisdictions in which the entity operates;	• Climate Change Risks and Opportunities
	(2) macroeconomic trends;	
	(3) national- or regional-level variables;	
	(4) energy usage and mix; and	
	(5) developments in technology; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	

Risk management

24	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritize and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	
25	To achieve this objective, an entity shall disclose information about:	
	(a) the processes and related policies the entity uses to identify, assess, prioritize and monitor climate related risks, including information about:	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities • Climate-related Risk Management
	(i) the inputs and parameters the entity uses;	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
25	(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities • Climate-related Risk Management
	(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks;	
	(iv) whether and how the entity prioritizes climate-related risks relative to other types of risk;	
	(v) how the entity monitors climate-related risks; and	
	(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;	<ul style="list-style-type: none"> • Leo did not make changes to the processes.
	(b) the processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	<ul style="list-style-type: none"> • Climate Change Risks and Opportunities • Climate-related Risk Management
	(c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	

Metrics and targets

27	The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	
28	To achieve this objective, an entity shall disclose:	
	(a) information relevant to the cross-industry metric categories;	<ul style="list-style-type: none"> • Carbon Emission Targets • There are no industry-specific indicators available.
	(b) industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry; and	
	(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
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Climate-related metrics

29	An entity shall disclose information relevant to the cross-industry metric categories of:	
	(a) greenhouse gases - the entity shall:	
	(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	
	(1) Scope 1 greenhouse gas emissions;	• Carbon Emission Targets
	(2) Scope 2 greenhouse gas emissions; and	• Carbon Emission Targets
	(3) Scope 3 greenhouse gas emissions;	• Leo is preparing for more comprehensive disclosure.
	(ii) 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 an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions;	• Carbon Emission Targets
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	• Carbon Emission Targets
	(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between:	• Carbon Emission Targets
	(1) the consolidated accounting group; and	
	(2) other investees excluded;	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
29	(v) for Scope 2 greenhouse gas emissions disclosed in accordance, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	• Carbon Emission Targets
	(vi) for Scope 3 greenhouse gas emissions disclosed, disclose:	
	(1) the categories included within the entity'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); and	• Leo is preparing for more comprehensive disclosure.
	(2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance;	
	(b) climate-related transition risks – the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	• Climate Change Risks and Opportunities • Climate-related Risk Management • In addition, Leo is preparing for more comprehensive disclosure.
	(c) climate-related physical risks – the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	
	(d) climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities;	
	(e) capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	
	(f) internal carbon prices – the entity shall disclose:	
	(i) an explanation of whether and how the entity is applying a carbon price in decision-making; and	• Internal Carbon Pricing
	(ii) the price for each metric ton of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;	
	(g) remuneration – the entity shall disclose:	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
29	(i) a description of whether and how climate-related considerations are factored into executive remuneration; and	<ul style="list-style-type: none"> Employee compensation is not linked to climate-related issues.
	(ii) the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations.	

Climate related targets

33	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	
	(a) the metric used to set the target;	• Carbon Emission Targets
	(b) the objective of the target;	
	(c) the part of the entity to which the target applies;	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) any milestones and interim targets;	
	(g) if the target is quantitative, whether it 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.	
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	• Carbon Emission Targets
	(b) the entity’s processes for reviewing the target;	• The medium-term carbon emission targets are verified by the Hong Kong Quality Assurance Agency, which also oversees the progress in meeting these targets.
	(c) the metrics used to monitor progress towards reaching the target; and	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
34	(d) any revisions to the target and an explanation for those revisions.	• No revision has been made to the target.
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity’s performance.	• Carbon Emission Targets
36	For each greenhouse gas emissions target disclosed, an entity shall disclose:	
	(a) which greenhouse gases are covered by the target.	• Carbon Emission Targets
	(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 net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	
	(d) whether the target was derived using a sectoral decarbonization approach.	
	(e) the entity’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 the entity shall disclose information including:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	• Carbon Emission Targets • Leo’s net greenhouse gas emission target plan involves achieving the remaining carbon emissions target through the purchase of carbon credits after implementing carbon reduction projects.
	(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 for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use.	

Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Leo Paper Group (hereinafter referred to as "Leo Paper") to conduct an independent verification for its Sustainability Disclosures (the "Selected Disclosures") stated in its Sustainability Report 2024 ("the Report"). The selected disclosures covered the period from 1st January 2024 to 31st December 2024 and represented the sustainability performance of Leo Paper.

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")
- the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

The verification team also reviews the disclosures in the Report by making reference to the following disclosure frameworks, as the Report has been prepared with references to:

- IFRS S2 Climate-related Disclosures ("IFRS S2")

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

Leo Paper is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by Leo Paper for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the Leo Paper and HKQAA.

Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Leo Paper that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. This Sustainability Information may be subject to inherent uncertainty.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team, with a reasonable level of assurance, that the Report has been prepared, in all material respects, in accordance with the GRI Standards 2021 and the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

In addition, the verification team reviewed the Report with reference to the IFRS S2 Climate-related Disclosures and considered that the Report has been prepared by making reference to the contents or parts of the contents of the aforementioned disclosure frameworks.

Signed on behalf of Hong Kong Quality Assurance Agency



KT Ting
Chief Operating Officer

March 2025

Ref: 14951379 -VER

About Leo Paper Group

Leo Paper Group was founded in 1982 and is headquartered in Hong Kong. With over 42 years of experience in the printing industry, Leo has established a global business network. Employing more than 10,000 people, Leo provides professional one-stop services to clients worldwide, including pre-press, printing, and post-press processing of paper-based products. It is a large-scale, modern printing enterprise operating as a privately owned business.

“To be the global leader in the printing communications industry!” has always been Leo’s vision. Through technological innovation, improved service quality, and the proactive adoption of sustainable materials the company continuously advances toward this goal and steadily progresses toward its objectives.



Primary Manufacturing Plant

Heshan Astros



Other Manufacturing Plants

- Leo Packaging & Printing
- Leo United Paper Products
- Hunan Astros
- Leo Paper Products (Vietnam)



Activities

Design, Printing, Production, Reprographic Activities, and Project Management of paper based.



Major Product Categories

Books, Games, Gift items, Packaging, and other paper products.



Subsidiaries that Support Sustainability Solutions



Heshan Leo Metrology and Testing Services Co. Ltd.:

An independently accredited laboratory offering comprehensive testing services for our clients and suppliers.



Leo Agroforestry Product Development Limited:

The Reforest Project in the stony desert areas of Shaoguan aims to restore the land through tree planting and the production of tea seed oil, promoting local ecological sustainability.

2024

CLIMATE-RELATED DISCLOSURES REPORT



Management Excellence Award
for ESG Contribution
傑出 ESG 遙躍管理大獎



Pioneering Organisation in Net-Zero Contribution
碳中和貢獻先鋒組織
— 卓越獎 —



中国认可
国际互认
测试
TESTING
CNAS L3791



ISO 9001 • ISO 14001
ISO 45001 • ISO/IEC 27001



ISO 14064-1: 2018

LEO PAPER GROUP (HONG KONG) LIMITED'S Greenhouse Gas Assertion for the period 1 Jan 2024 to 31 Dec 2024 has been verified by Hong Kong Quality Assurance Agency in accordance with ISO 14064-1:2018 as meeting the requirements of ISO 14064-1:2018. (Report Reference No.: 140612024-CT16)



C000168



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