

COMMITTED TO
GREEN
DEVELOPMENT

2024

SUSTAINABILITY REPORT

COMMITTED TO
BUSINESS
EXCELLENCE

DEDICATED TO
HAPPY AND
HARMONIOUS
LEO COMMUNITY



About this Report

Editor's Remark

This marks our 16th Environmental and Social Responsibility Report. This report outlines the sustainability initiatives undertaken by Leo Paper Group during 2024. It has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Hong Kong Exchanges and Clearing Limited (HKEX) Environmental, Social, and Governance (ESG) Reporting Guide, and with reference to the IFRS[®] S2 Climate-related Disclosures Standard. The data presented in this report has been independently reviewed by the third party, Hong Kong Quality Assurance Agency (HKQAA), to ensure the accuracy and reliability of its contents.

Reporting Period

This report covers Leo Paper Group's sustainability performance from **1st January 2024 to 31st December 2024**.

Frequency of Reporting

Annual

Reporting Organizations

Leo Paper Group's headquarters and production plants include the Heshan Astros Printing Plant, Leo United Paper Products Plant, Heshan Leo Packaging & Printing Plant, Hunan Astros Printing Plant, and Leo Paper Products (Vietnam) Plant. Unless otherwise specified, the data and figures in this report pertain to the Heshan Astros Printing Plant, which serves as the primary facility.

Publication

April 2025

Reference

Global Reporting Initiative (GRI*) Sustainability Reporting Standards

ISO 26000:2010 Guidelines for Social Responsibility

United Nations Global Compact Principles

AA1000 Account Ability Principles Standard 2008

Hong Kong Exchanges (HKEX) Environmental, Social and Governance Reporting Guide (ESG)

IFRS[®] S2 Climate-related Disclosures *

*GRI is an international organization for developing globally applicable guidelines for corporate sustainability reporting.

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

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In the year 2024, a time filled with both opportunities and challenges, Leo Paper continued the dedication in green and low-carbon development, comprehensive social responsibility management, the construction of happy and harmonious communities, and excellence in business operations. These reflect our unwavering dedication to sustainable development.

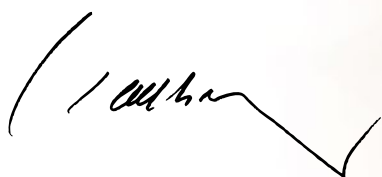
Over the past year, we have made “zero emissions” the core goal of our green and low-carbon development and to address the challenges of climate change. We have adhered to green principles not only in procurement and R&D by selecting environmentally friendly materials but also in implementing strict management of waste in production processes, ensuring every step meets environmental standards. We actively participated in environmental promotion and exchange activities, sharing our experiences with various sectors to collectively drive the green transformation of the industry. More encouragingly, over the years, our environmental indicators have shown continuous improvement, affirming our efforts and inspiring our path toward sustainable development.

As we navigate the challenges of energy management, the importance of accelerating the transition to renewable energy has never been clearer. At Leo, solar energy stands at the forefront of this transformation. The full implementation of solar panel system at our Heshan Astros production plant produced remarkable results in 2024.

While pursuing environmental excellence, we also take our social responsibilities as corporate citizens seriously. We are committed to building happy and harmonious communities, focusing on occupational health and safety, and creating a safe and healthy working environment for our employees. By organizing diverse recreational activities, we enhance team cohesion, while paying attention to their personal growth and career development, we offer abundant training and development opportunities. Additionally, we actively engage in community development projects.

We consistently adhere to excellence and continuously improve the quality of our products and services through quality assurance and lean production. We encourage innovative R&D and explore new technologies and products to meet the diverse needs of the market. Our digital transformation has kept us ahead in the fiercely competitive market, enabling efficient business operations and intelligent management.

We are well aware that the path to sustainable development is long and challenging. However, we firmly believe that by staying true to our original aspirations, taking on responsibilities, and working hand in hand with all stakeholders to address environmental challenges, we can contribute more to our planet. Let us move forward together and write a new chapter in sustainable development!



Samuel Leung

Chairman of Leo Paper Group



CHAIRMAN'S MESSAGE

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.:

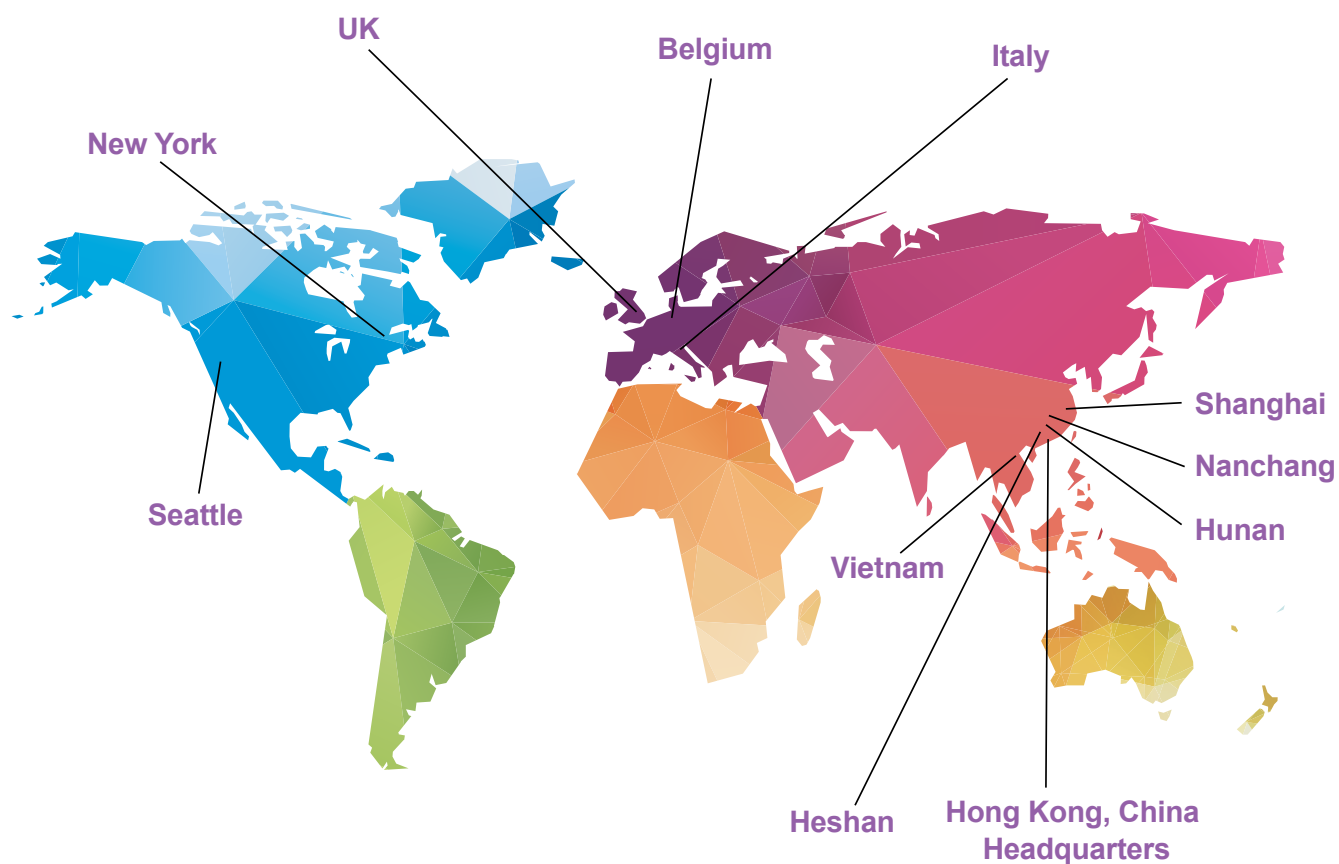
An independently accredited laboratory offering comprehensive testing services for our clients and suppliers.



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.

Global Distribution (11 worldwide locations) and Registered Trademarks in the Relevant Countries/Regions:



SUSTAINABILITY MANAGEMENT

- Management Structure
- Integrated Management System
- Stakeholder Engagement and Material Issues Analysis
- Risk Management
- Business Ethics
- Supplier Management



Leo Paper Group supports the achievement of global Sustainable Development Goals and is committed to integrating sustainable development principles into every aspect of its operations.

Focused on “Excellent Management” and “High-quality Development”, Leo continues to explore a sustainable development path that harmonizes environmental, community, and economic growth.

Management Structure

Leo Paper Group has established a dedicated Sustainability Management Committee to enhance its governance structure. This committee systematically plans and promotes management across various areas, including corporate governance, environmental stewardship, employee care, labor practices, and social support.

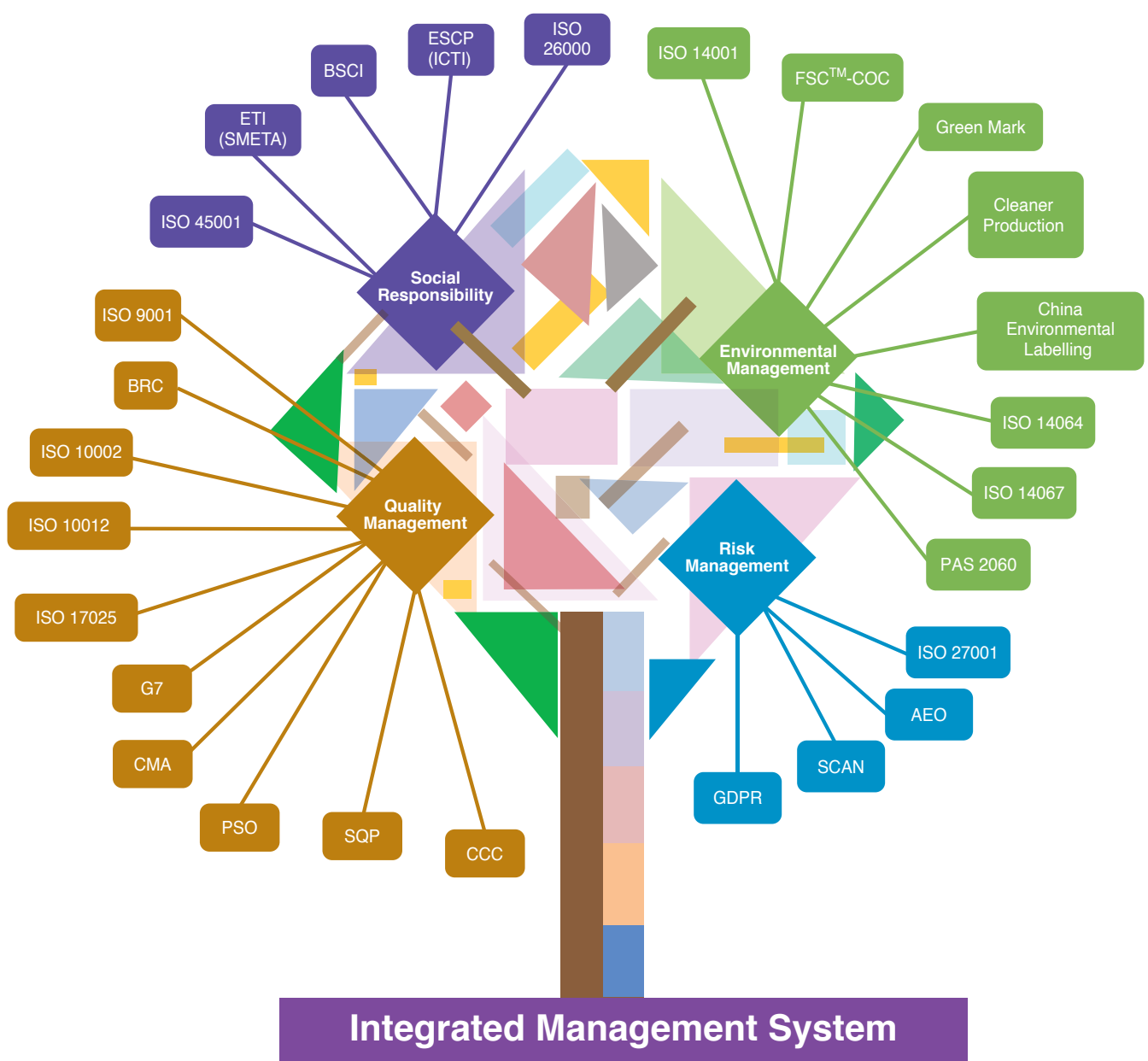
Through these efforts, Leo continuously improves its environmental, social, and governance (ESG) capabilities and advances its overall sustainability performance.



Integrated Management System

By integrating international standards across quality, environmental, social responsibility, and risk management, and aligning these standards with business operations, Leo has established a comprehensive management system that combines **Social Responsibility, Quality Management, Environmental Management, and Risk Management**.

This system enables the company to adapt promptly to market changes, deliver products and services to clients in a more efficient and coordinated manner, and ultimately enhance its overall performance.



Stakeholder Engagement and Material Issues Analysis

In order to identify potential risks and challenges, as well as discover new business opportunities and growth possibilities, Leo analyzes the global economic environment and issues of concern for stakeholders, the latest domestic and international social responsibility standards, and policy trends.

Based on this analysis, Leo screens and identifies key material issues, formulates response strategies, and promotes stable, high-quality development of the company.

1 Stakeholder Identification and Communication

Through methods such as questionnaires, meetings, client conferences, and customer visits, Leo identifies stakeholders who have vested interests. By engaging in in-depth communication with these stakeholders, Leo gains insights into their expectations and concerns.

2 Issue Identification and Screening

By integrating stakeholder expectations with the internal and external environment of the company, wide range of potential material issues that may impact the company are recognized and identified. These matters are then evaluated based on the likelihood of risk occurrence and their degree of influence on stakeholders and Leo's business activities. Through this process, 18 material issues are ultimately selected.

3 Confirmation of Key Material Issues

The results of the screening process are reviewed and approved by internal management to confirm the key material issues that may have significant impacts.

4 Response to Material Issues

In response to the identified material concerns, corresponding action plans are developed. Additionally, the key material issues that have been screened and confirmed are disclosed to ensure transparency and accountability.

The table below illustrates Leo's communication methods with its stakeholders, as well as their concerns and expectations.

	Approach to Stakeholder Engagement	Concerns and Expectations
Customers →	<ul style="list-style-type: none"> • Manuals, documents or emails provided by customers • Customer meetings or visits • Customers visit of Leo's production plants • Industry exhibitions and forums • Participate in seminars or events held by customers • Regular newsletters or e-news • Annual customer survey • Conduct customer reviews 	<ul style="list-style-type: none"> • Quality products and services • Code of conduct management • Environmental performance • Risk management • Financial performance • Sustainable development planing and initiatives
Employees →	<ul style="list-style-type: none"> • Internal employee meetings • Employee representative meetings • Employee satisfaction surveys • Corporate news pubications • Suggestion boxes, emails, bulletin boards and telephone hotlines • Skill-based and professional training • Occupational health and safety training • Employee caring activities • Corporate policy meeting 	<ul style="list-style-type: none"> • Occupational health and safety • Personal growth and development • Working benefits • Employee communication and engagement • Environmental performance
Suppliers →	<ul style="list-style-type: none"> • Seminars for Suppliers • Supplier meetings • Key supplier assessments and audits • Supplier questionnaires • Supplier visits • Providing guidance for process improvement • Supplier Guidelines 	<ul style="list-style-type: none"> • Product and service quality • Sustainable development in operational, environmental and code of conduct management

	Approach to Stakeholder Engagement	Concerns and Expectations
Government/ Agencies ➔	<ul style="list-style-type: none"> • Participation in events organized by local authorities • Communicate directly with local authorities • Participation in workshops organized by local, regional and global organizations • Invite local authorities to provide training or presentations • Visit to Leo's production plants 	<ul style="list-style-type: none"> • Support community/social development • Promote industrial development • Support sustainable development
Non-Governmental Organizations (NGOs) ➔	<ul style="list-style-type: none"> • Participation in seminars organized by non-governmental organizations • NGOs are invited to provide training/presentations to Leo • Meetings with NGOs 	<ul style="list-style-type: none"> • Promote environmentally and socially responsible practices in the industry • Support for vulnerable groups
Community ➔	<ul style="list-style-type: none"> • Participate in the development of national/international standards • Organize events and volunteer services with the local community • Speak at the seminar and share Leo's sustainable development philosophy and experience with the public • Website communication in the local language • Communicate via email and telephone hotline • Activities designed to promote community inclusion 	<ul style="list-style-type: none"> • Support community or social development • Environmental performance • Low-carbon development

The table below outlines Leo's important material issues and the corresponding measures taken to address them.

Important Material Issues	Response to Material Issues
Environmental Protection	<ul style="list-style-type: none"> • Water Resource Management • Waste Management • Air Emissions Management
Eco-friendly Design and Materials	<ul style="list-style-type: none"> • Green R&D and Procurement
Carbon Reduction	<ul style="list-style-type: none"> • Energy Management • Climate-related Disclosures
Occupational Health and Safety	<ul style="list-style-type: none"> • Occupational Health and Safety
Employee Training and Development	<ul style="list-style-type: none"> • Training and Development
Employee Caring	<ul style="list-style-type: none"> • Employee Caring • Leisure Activities
Emergency Response	<ul style="list-style-type: none"> • Emergency Preparedness and Drills
Business Ethics	<ul style="list-style-type: none"> • Business Ethics
Supply Chain Management	<ul style="list-style-type: none"> • Supplier Management
Information Security	<ul style="list-style-type: none"> • Information Security • Protection of Intellectual Property
Independent Innovation	<ul style="list-style-type: none"> • Green R&D and Procurement • Research & Development
Product Safety and Quality	<ul style="list-style-type: none"> • Quality Control

Risk Management

To ensure stable operation of the enterprise, Leo conducts in-depth analysis and identification of potential risks. By establishing mechanisms such as internal controls, emergency response systems, anti-corruption measures, codes of conduct, and various preventive measures, Leo manages corporate risks and have built business resilience.

Internal Audit Mechanisms

Leo has established a dedicated internal audit team that conducts internal system reviews and specialized assessments in areas such as social responsibility, quality, occupational health and safety, environmental management and information security in addition to many more. The purpose is to monitor and optimize the implementation of systematic and operational policies and procedures.

44 Specialized Reviews	19 Internal System Reviews
<ul style="list-style-type: none">• Quality• Product Safety• Information Security• Code of Conduct• Critical Business Processes• Compliance•	<ul style="list-style-type: none">• BRC• FSCTM-COC• ISO 9001/ISO 14001/ ISO 45001/ISO 27001• China Environmental Labeling Products Certificate• Process Standard Offset(PSO)•

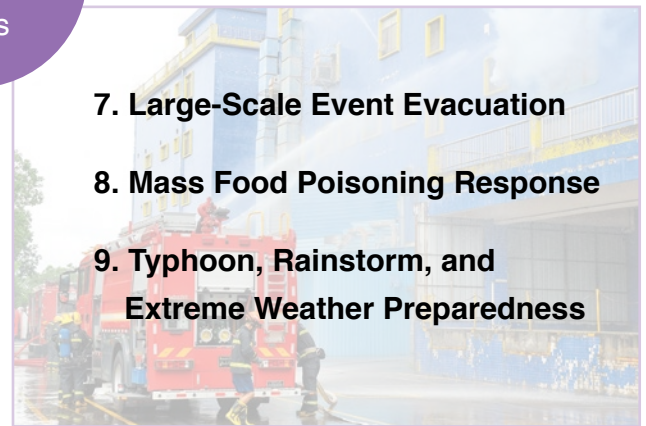
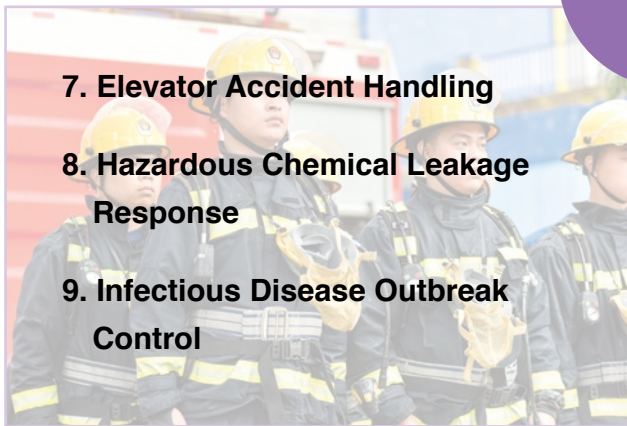
Emergency Preparedness and Drills

Leo places great emphasis on risk control and management. Leo’s largest production base, the Heshan Astros Production Plant, has established a dedicated firefighter team and has equipped them with firefighting buildings, fire trucks, firefighting equipment and facilities and emergency response measures.

Every year, we organize 12 major risk drills. These measures are implemented to respond to risks more efficiently and swiftly.



12
Emergency
Drills



Information Security





In the digital era, Leo recognizes that information assets are a critical safeguard for robust development. Leo continuously optimizes its information security protection levels through the following measures to effectively mitigate risks:

- Establishing an Information Security Management System
- Strengthening Technical Protections
- Conducting Information Risk Assessments
- Providing Information Security Training and Awareness Campaigns
- Implementing Emergency Response Mechanisms for IT Systems

In 2024, we further advanced our information security awareness training, both online and offline, with approximately 430 participants attending the sessions.

Protection of Intellectual Property

To effectively protect intellectual property, Leo has established corresponding mechanisms and management systems for knowledge assets such as drawings/documents, independently developed process technologies/equipment/products, trademarks, and more. These measures aim to safeguard our operations and foster continuous innovation.

	Data Protection	Strict confidentiality measures are applied to drawings, technical documents, and other sensitive materials, with internal protection mechanisms in place.
	Patents	Timely patent applications are filed for innovative processing techniques and improved technologies to safeguard Leo's research and development achievements.
	Trademarks	Finished products involving trademarks are securely stored. Comprehensive trademark registrations are strategically implemented, and their standardized use on product packaging, promotional materials, and other channels enhances brand recognition.
	Legal Safeguards	A dedicated legal team is established to continuously monitor market activities to protect Leo's rights.

Business Ethics

Integrity and Anti-corruption

Leo established the Anti-corruption Governance Committee in 2009 and developed an anti-corruption management system guided by the principles of “corruption prevention, integrity promotion, and special oversight.” This system aims to maintain a fair and just operational environment, ensuring the company’s sustained development.



Leo's Integrity and Anti-corruption System

Risk Management

1. Employee's Code of Conduct Handbook
2. Disclosure and Declaration of Acceptance of Gift and Hospitality
3. Disclosure and Declaration of Conflict of Interest
4. Tendering Management
5. Risk Evaluation and Procedure Reviews

Education & Training

1. Promotional Poster
2. Code of Conduct Guidelines for Seasonal & Festival Activities
3. Annual Thematic Training on Anti-corruption

Monitoring

- Reporting Channels:
1. Postage
 2. Official Post Box
 3. Hotlines
 4. Emails
 5. On-line Portals

Bidding Center

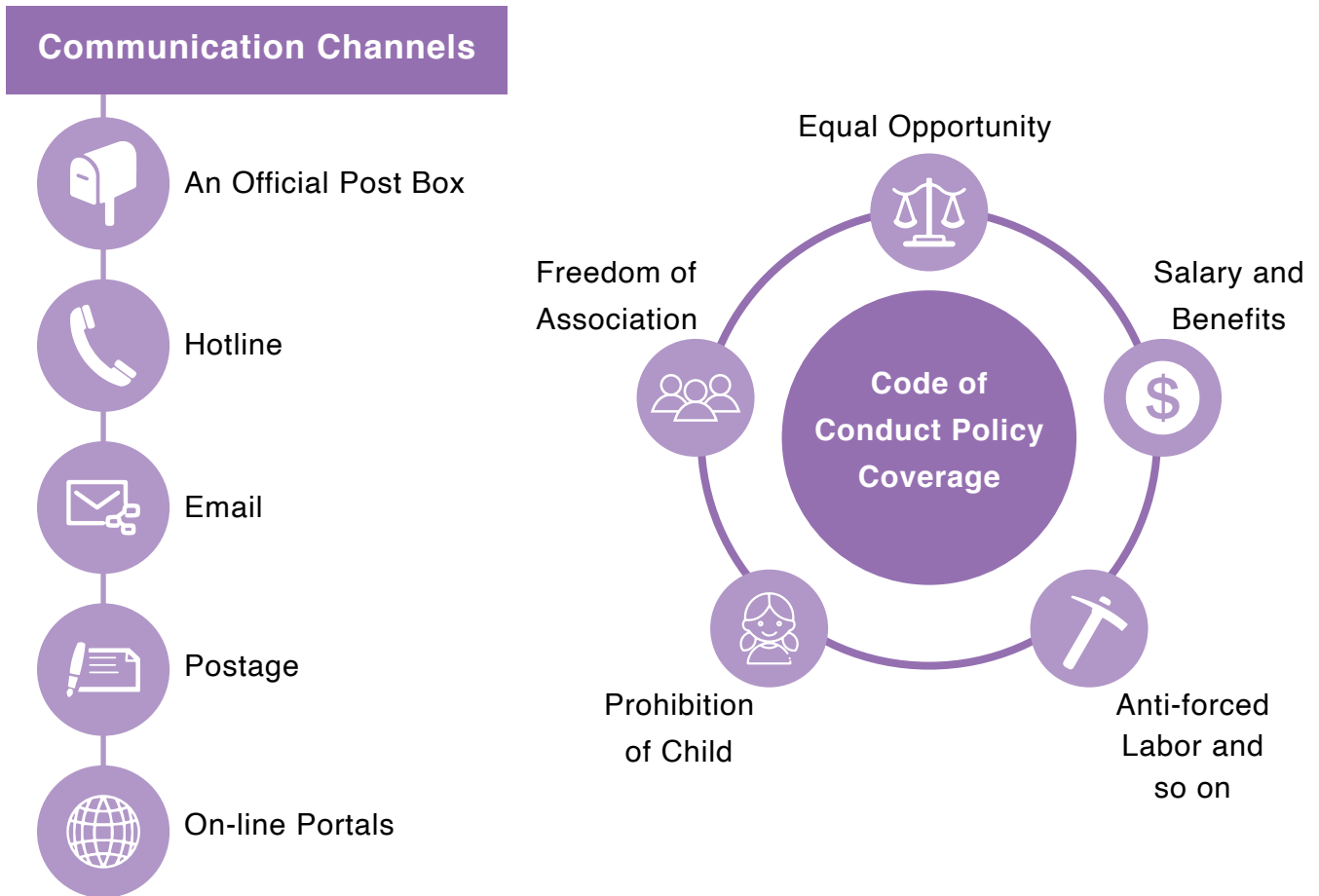
To ensure that each stage of the bidding and procurement process is conducted fairly, effectively, and with transparency, Leo established a dedicated "Bidding Center" in 2010. By implementing standardized bidding procedures and promoting fair competition, the center selects the most qualified suppliers, partners, or contractors.

In 2024, Leo's Bidding Center completed 29 bidding projects for procurement, engineering, services, and other areas.

Code of Conduct

As a responsible enterprise, Leo strictly adheres to international social and ethical standards and initiatives, such as the Ethical Supply Chain Program (ESCP), Ethical Trade Initiative (ETI), and Business Social Compliance Initiative (BSCI), and also regularly invites third-party organizations to conduct audits of our code of conduct, ensuring continuous adherence to code-of-conduct policies.

In addition, Leo has established code of conduct policy to ensure fair operations, salary and benefits, prohibition of child, freedom of association, anti-forced Labor and so on, and established accessible communication channels to encourage employees to provide improvement suggestions.



Supplier Management

Leo has established a rigorous screening and oversight management mechanisms of suppliers. These measures aim to foster collaborative development between Leo and its partners.

Selection Phase

- Comprehensively assess suppliers' qualifications, production capabilities, product quality, environmental management, occupational health and safety, social responsibility, integrity, and all related matters.

Collaboration Phase

- Maintaining close communication with suppliers to promptly address any issues that arise.
- Conducting regular supplier evaluations and working together to optimize and enhance production processes and service quality.

In 2024, we conducted 48 supplier evaluations to ensure compliance with Leo's requirements for environmental protection, health and safety, integrity, quality, and other social responsibility standards.



COMMITTED TO GREEN DEVELOPMENT

- Climate-related Disclosures
- Green R&D and Procurement
- Energy Management
- Water Resource Management
- Air Emissions Management
- Waste Management
- Leo Shaoguan Agriculture and Forestry Project
- Environmental Promotion and Training
- Environmental Indicators



At Leo, we implement the concept of green development, integrating green and low-carbon management into every aspect of the company's operations. In 2010, Leo established the Green Harmony® Committee, which focuses on following five major modules: green products/materials, green manufacturing and operation, green living/culture, green management system, and green manufacturing practices along with education and training.

Through these initiatives, Leo continuously advances its green and low-carbon practices towards achieving sustainable development.



Leo Paper Group Green Harmony® Committee

A Green Products/ Materials

1. Promote low-carbon products and green supply chain
2. Promote environmentally friendly and deplasticized products
3. Develop green manufacturing processes and materials

B Green Manufacturing and Operation

1. Low carbon production - clean energy and energy saving
2. Low VOCs, water consumption and hazardous waste production
3. Low carbon logistic and supply chain
4. Green factory buildings

C Green Living and Culture

1. Green office and living
2. Green culture promotion
3. Green office and IT system
4. Social environmental protection activities

D Green Management System

1. Environmental information network
2. Environmental management system and control mechanism
3. Environmental standards



E. Green Manufacturing Practice, Education and Training

In 2024, Leo continued to reduce the adverse environmental impact throughout the product lifecycle by vigorously promoting the use of clean energy, improving energy efficiency, and emphasizing emission reduction and recycling of waste and wastewater.

Climate-related Disclosures

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	• Higher fuel and energy costs led to higher raw material procurement and operating costs.	Long-term	• Promote the use of renewable or low-emission energy sources to reduce the risk of future fuel and energy price fluctuations.
	• Changes in consumer preferences affect the competitiveness and share of product markets.	Medium Term	• Maintain close communication with stakeholders to keep abreast of their needs and expectations.
			• 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.

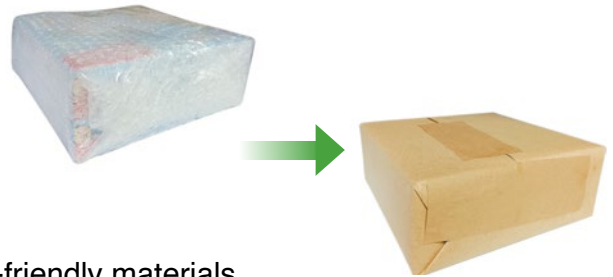
Carbon Reduction Action Plan

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.



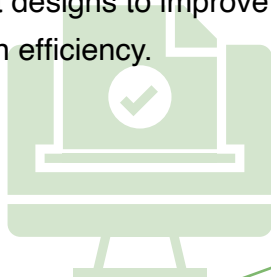
Low-Carbon Logistics and Transportation

- 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

Green R&D and Procurement

Leo has always invested in green research and development as well as green procurement strategies, ensuring that the materials used are compliant, are green and low-carbon. This approach minimizes the negative impact on the environment.

Leveraging its influence in the industry, Leo has driven the supply chain to actively promote green transformation, achieving a win-win situation for both economic benefits and environmental sustainability.

Research and Development against Plastic Pollution

Leo actively engages in the design and development of eco-friendly products and dedicates significant research and development resources to this cause. As early as 2019, we established a professional R&D team focused on reducing plastic use by replacing plastic components and packaging with paper-based alternatives.

Examples of these efforts include using paper pellets instead of foam padding, paper bags instead of plastic bags, adhesive paper seals instead of plastic tapes, etc. These initiatives demonstrate Leo's commitment to sustainable practices and reducing environmental impact.

Plastic Reduction Initiatives 2024	
1,690,000 Belts Paper Belts Replace Plastic Belts	31,100,000 Particles Paper Particles Replace Plastic Stickers
2,280,000 Trays Paper Trays Replace Blister Trays	2,000,000 Bags Paper Bags Replace Plastic Bags

Green Procurement

In the raw material procurement process, Leo has put in place stringent green procurement policies. From the start, when screening the suppliers, environmental qualifications are a key consideration. Leo prioritizes collaboration with suppliers that implement environmental management system and adhere to green production practices.

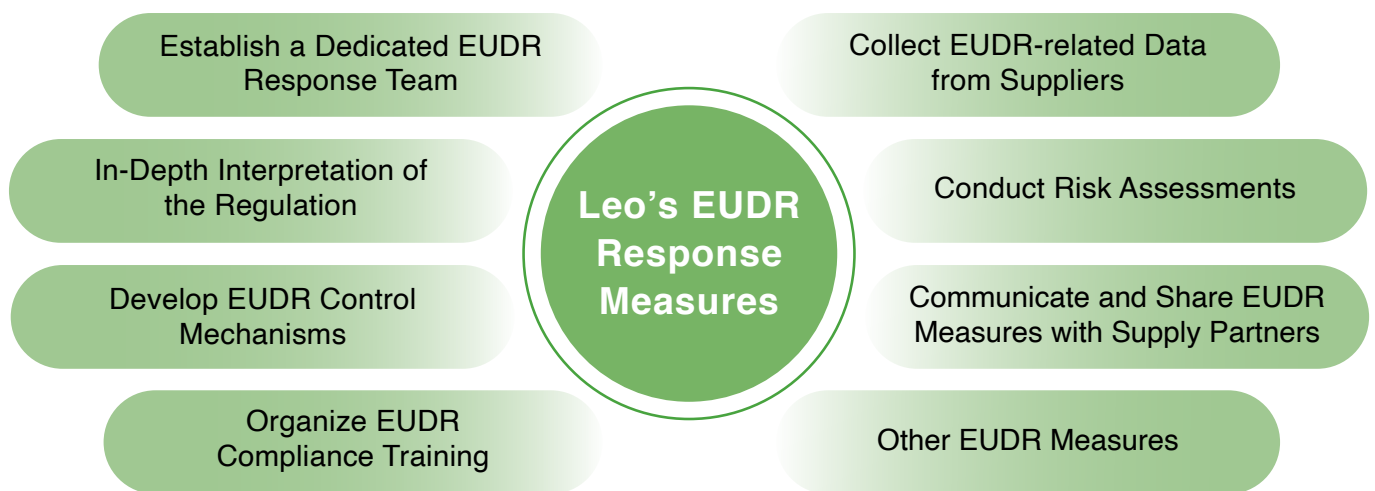
96.31%

▲ Certified Eco-friendly Paper and Recycled Paper Accounted of the Total Paper Use

Leo actively promotes the procurement and application of eco-friendly materials, such as certified Eco-friendly paper and other production materials that generate fewer volatile organic compounds (VOCs) during manufacturing.

Compliance to EU Deforestation Regulation(EUDR)

Leo is implementing comprehensive procurement management measures for wood-related materials, so as to ensure that all materials are sourced from legally and sustainably managed forests, aligning with Leo's commitment to environmental responsibility and compliance with the EUDR (European Union Deforestation Regulation) and other regulations.



These measures reflect Leo's proactive approach to addressing the EUDR, ensuring compliance, and reinforcing its dedication to sustainability and responsible sourcing.

Energy Management

In 2024, Leo continued to reduce energy consumption by promoting energy-saving technological upgrades, conducting energy usage inspections, implementing management-based energy conservation, and expanding the use of renewable energy. We further advanced our commitment to green and low-carbon development.

The main energy-saving improvement measures for 2024 are as follows:

1. Central Air Conditioning System Improvements

By transitioning from the use of central air conditioning system in the Phase II canteen to utilizing the air conditioning host units for cooling and integrating the Phase III and IV air conditioning equipment into a unified cooling system, we effectively reduced the energy consumption of the central air conditioning system.

560,000 kWh
reduction of electricity
consumption annually.

2. Improvement of LED UV Curing Systems for Printing Machines

The LED UV curing systems for the printing machines were replaced with more energy-efficient and higher-productivity LED UV curing systems, effectively reducing energy consumption.

330,000 kWh

reduction of electricity consumption annually.

3. Full Implementation of Solar Pannels System

At the end of 2023, Leo's largest production base, the Heshan Astros Production Plant, officially put a solar power generation system into operation.

12,300 MWh

of solar energy were used in 2024.

Water Resource Management

Faced with the increasingly critical trend of water resource protection, Leo actively took on the social responsibility. By focusing on wastewater treatment, reclaimed water reuse, and promoting the use of water-saving devices, Leo continues to advance water resource management. These efforts aim to enhance the sustainable utilization of water resources.

Specific Water Resource Management Measures:

1. Establishment of Wastewater Treatment Systems

Each production plant is equipped with a wastewater treatment system that complies with local regulations ensure that 100% of the treated water meets national and local discharge standards, preventing environmental pollution.



2. Reclaimed Water Reuse System

Leo's largest production base, Heshan Astros, has established a reclaimed water reuse system, and continuously promotes the reuse of reclaimed water, such as cleaning and gardening irrigation, improving water resource efficiency.

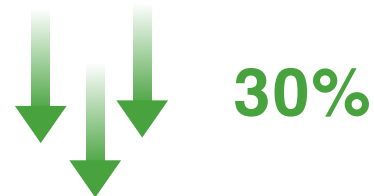
In 2024, Leo further expanded reclaimed water reuse by converting the irrigation system for the Phase III dormitory gardening areas to reclaimed water.



3. Promotion of Water-Saving Devices

In 2024, 500 water-saving valves were installed in different areas of the production plant, reducing water flow rates by over 50% and effectively minimizing water resource waste.

Compared to 2023, in 2024 the fresh water consumption at our production plant of Heshan Astros decreased by approximately:



4. Water Pipeline Leak Detection

In 2024, third-party organizations were invited to regularly inspect and repair leaks in the underground water pipelines at the factory.

Air Emissions Management

By implementing air emissions control measures in areas such as raw material usage, process control, and end-of-pipe treatment, Leo is committed to minimizing the impact of air emissions generated during production on the environment.

Specific Air Emissions Control Measures

Raw Material Usage

Priority is given to using materials with low or no volatile organic compounds (VOCs).

Process Control

Comprehensive control is implemented throughout the stages of storage, transportation, usage, and disposal of materials containing volatile organic compounds.

End-of-Pipe Treatment

Leo's largest production base, Heshan Astros, has installed and operated 25 sets of air emissions treatment systems utilizing "primary activated carbon adsorption + secondary activated carbon adsorption," significantly enhancing air emissions treatment efficiency. Additionally, 9 air emission points are equipped with online systems to ensure real-time monitoring.

Waste Management

Continuously adhering to the “5R’s Principles of Waste Management”, Leo is committed to advancing its waste reduction efforts to achieve green manufacturing. A dedicated team has been established to oversee and monitor the entire waste management process.



Introduce waste reduction equipment and facilities

- Sludge drying systems
- Extruded ink bags
- Automatic ink supply systems
- Waste developer drying systems
-

Standardized production processes

- Optimizing production techniques and layout designs.
- Improving paper utilization rates.

Waste Control Measures

Strictly enforce classification and recycling standards

- Establishing dedicated storage facilities.
- All solid waste is entrusted to qualified recycling vendors for processing.

Establish a comprehensive waste management information system

- Monitoring and recording the entire process of waste generation, storage, and final disposal in real time to ensure standardized waste management.

In 2024, Leo implemented measures to reduce waste generation by :

- ✓ **Replacing traditional printing plate with rinse-free CTP.**
- ✓ **Installing fully automatic ink extruders to accept the use of soft-packaged ink.**

Leo Shaoguan Agriculture and Forestry Project

The Leo Shaoguan Agriculture and Forestry Base conducted ecological forest planting in accordance with the local government's desertification control plan. The base plants ecological forest trees, effectively curbs the erosion caused by desertification in the area and gradually restoring balance to the ecosystem.

In addition, by integrating ecological efforts with industrial development, the base also encourages local farmers to plant oil tea trees suitable for local conditions, and promote economic growth in the surrounding areas.

179,000 trees have been planted.



55% of the area has been covered by afforestation.



Environmental Promotion and Training

Environmental Promotion

To contribute to the improvement of the ecological environment through practical actions, Leo organized “**Tree Planting Activity**” and “**Promotion of Recycling Initiatives**” in 2024.

Tree Planting Activity

- Organized two impactful tree-planting activities.
- Involved Leo's senior management and invited cooperative partners.



Promotion of Recycling Initiatives

- Old Clothing donation and Recycling: As of 2024, 20 recycling sessions have been conducted.
- Lunar New Year Material Recycling: Items such as red envelopes (lai see), gift boxes/ packaging, and food.
- “Green Mid-Autumn Festival” Recycling: Excess mooncakes and mooncake boxes, among other recyclables.

Environmental Training

In 2024, Leo organized specialized training sessions for employees' and the children of the "Happy Summer Vacation" class to enhance understanding of carbon management and proper waste handling, and inspire more people to participate in environmental protection initiatives .



▲ "Garbage Sorting Starts with Me" Training



▲ Carbon-related Knowledge Training



▲ Hazardous and Solid Waste Classification and Disposal Training

Environmental Indicators

(Heshan Astros Printing Plant)

Water Consumption and Recycling

Water Consumption	2022	2023	2024
Fresh Water (Tons)	1,975,867	2,056,240	1,411,609
Reclaimed Water (Tons)	629,601	451,562	416,951
Total Water (Tons)	2,605,468	2,507,802	1,828,560
Reclaimed Water (%)	24.16	18.01	22.80

Waste Generation and Reduction

Indicator	Units	2022	2023	2024
Total Waste Generation	Tons	44,586	38,726	35,959
	Improvement Since 2007 (%)	18.76	29.44	34.48
Hazardous Waste Generation	Tons	820	837	796
	Improvement Since 2007 (%)	64.44	63.72	65.48

Recycled Paper and Paper from Certified Well-managed Forests

Indicator	2022	2023	2024
Percentage of Recycled Paper and Paper from Certified Well-managed Forests (%)	97.53	97.32	96.31

Energy Consumption

Indicator	2022	2023	2024
Total Fuel Consumption within the Organization (GJ):	10,297	10,644	10,439
Total Electricity Consumption within the Organization (GJ):	353,058	329,002	287,112

Greenhouse Gas (GHG) Emissions

Indicator	2022	2023	2024
Direct Carbon Dioxide Equivalent (CO ₂ e) Emissions (Fuel, LPG, Waste Water Treatment Plant, etc.) (Tons):	3,583	3,740	3,253
Indirect Carbon Dioxide Equivalent (CO ₂ e) Emissions (Purchased Electricity Consumed) (Tons):	55,899	52,090	35,096
Indirect Carbon Dioxide Equivalent (CO ₂ e) Emissions (Air Travel) (Tons):	13	22	24
Total(Tons):	59,495	55,852	38,373
GHG Emissions Improvement Since 2007 (%)	48	51	67



DEDICATED TO HAPPY AND HARMONIOUS LEO COMMUNITY

- Occupational Health and Safety
- Training and Development
- Employee Caring
- Leisure Activities
- Committed to Community Development
- Social and Economic Indicators



Leo has always focused on the well-being of its staff. In 2024, Leo remained committed to enhancing the quality of the work and living environment for its employees and to strengthening the community-building initiatives. Through a series of community activities, such as supporting education and training, optimizing occupational health and safety management systems, and caring for employees, Leo aims to foster a harmonious work environment and strengthen team cohesion comprehensively.

Occupational Health and Safety

Leo has always adhered to occupational health and safety management standards and continuously optimizes the occupational health management mechanism. In 2024, by strengthening employees' safety culture and awareness, enhancing emergency response capabilities among all employees, Leo further drives continuous optimization in safety management.

“Safe Production Month” Series of Activities

Leo consistently upholds the principle of “People-oriented, Safety First, Prevention Foremost”. Using the “Safe Production Month” as a platform, Leo organized a series of activities. These activities helped to enhance employees' safety awareness and reduce the occurrence of safety incidents.



▲ “Safety Knowledge Prize Quiz”



▲ “Everyone Hunts for Hidden Hazards”



▲ “Safety Skills Competition”



▲ “Safety Knowledge Finals”

Occupational Safety and Health Training Program

To strengthen safety training and education, to enhance the safety awareness of all employees, and fully prevent and reduce the number of accidents, we annually organize a series of occupational health and safety training programs.

In 2024, we conducted 56 occupational health and safety training courses, with approximately 3,067 staff participating in these programs. These initiatives aim to equip employees with the necessary knowledge and skills to maintain a safe and healthy work environment.



Work-related Accidents

Leo has always made achieving “zero workplace accidents” a goal and continues to strengthen the supervision and inspection of safety production. At the same time, we comprehensively enhance the safety knowledge for employees through a dual approach of training and education.

In 2024, a total of 8 work-related incidents were reported, with no major injuries.

Indicator	2022	2023	2024
Annual Injury Case	8	4	8
Injury Case per 1000 Employees	0.91	0.52	1.08

Training and Development

Safe production is of paramount importance. Leo has always adhered to occupational health. At Leo, we encourage employees to actively participate in various training programs. Leo regards strengthening work standards, imparting professional knowledge, and enhancing professional capabilities as the key directions for talent development.

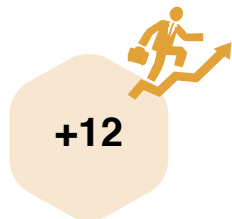
New Employee Orientation Training

To help new employees better understand Leo's environment, systems, and culture, Leo provides comprehensive onboarding training. This training includes lean production courses and team-building activities. Through these, the newcomers embark on a journey of challenges, feeling excited about the achievements and aspirations and ready to step onto their successful career path.

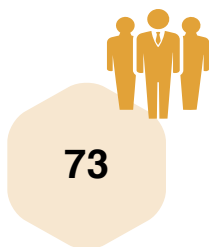


Internal Trainers

Knowledge transfer is crucial for sustainable development. Therefore, in 2016, we established the Leo Internal Trainer Team. Since its establishment, the team has shared their years of accumulated expertise and skills through training programs. This effort ensures the effective transfer of experienced based knowledge.



Newly Added Internal Trainers in 2024



The Current Number of Leo's Internal Trainers



Skills Competition

Last year, the Planning and Scheduling Department organized a skills competition for the logistics team. This competition provided employees with an opportunity to interact and learn from each other and motivated every participant to enhance their operational skills and team strength.

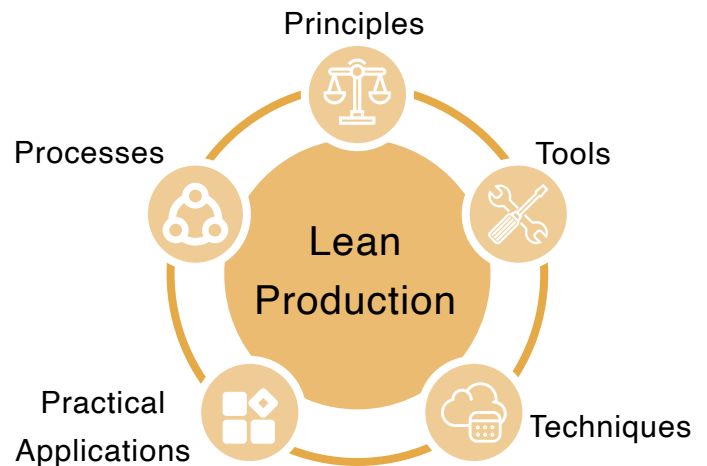
Skills Competition Events

- Forklift Operation Skills
- Stacker Operation Skills
- CSI System
-



Lean Production Training

In 2024, the Leo Lean Dojo organized two training sessions: the “Lean Production Training Camp - Beginner & Intermediate Classes.” Participants gained hands-on experience in the management process of lean production and learned methods and techniques to apply this management mindset to their actual work.



Other Specialized Training Programs

TPM Skilled Personnel Development

On March 21, Leo held a TPM Skilled Personnel Development briefing session, enabling employees to apply their professional knowledge and skills to perform preventive maintenance, quick mold changes, and other operations on equipment for improving overall equipment efficiency.



PSO Knowledge Training

To promote the continuous enhancement of the printing quality, we have specially developed the “LEO-PSO Knowledge Series” courses. The training covered topics such as “Offset Printing Standards and New Trends,” “Fundamentals of Color Theory,” “Printing Basics (Paper & Ink),” and “Digital Process Control Standards for Offset Printing”.



Employee Caring

In 2024, we continued to promote the “Employee Caring” culture, enhancing the sense of achievement and happiness among Leonians through various activities.

Volunteer Activities

Leo has established a dedicated volunteer team. As of now, the team consists of 145 volunteers. In 2024, our volunteer team completed a total of 493.5 service hours by participating in various activities.



Volunteers
145



Volunteers Served for
493.5 Hours

Volunteer Activities

- Leo Carnival
- Care Day events
- Dragon Boat Festival celebrations
- Leo Clean-Up Day
-



Soul Station

In the fast-paced work environment, employee’s mental health is becoming increasingly important. Leo recognizes this and has established the “Soul Station,” recruiting a team of mental health volunteers to provide employees with mental health awareness campaigns, mental health screenings, counseling services, and regular care programs, aiming to improve their occupational mental health. As of 2024, our mental health volunteer team consists of 58 volunteers.



Little Leonians Summer Fun Program

The Happy Summer Camp, jointly organized by Leo and ESCP, has entered its second year. This year, the program successfully welcomed 40 eligible children of our employees, organizing a new session of the Happy Summer Camp. The program offers a variety of activities and courses for the children such as drawing, singing, fitness, storytelling sessions, fire safety education, waste sorting, and printing workshops. These activities have provided “Little Leonians” with a happy and fulfilling summer vacation while increasing the quality time they spent with their parents.



Employee Care Initiatives

In 2024, the company’s senior management and department heads formed a care team to carry out a series of caring activities, including “Mid-Autumn Festival Family Appreciation,” “Improving Canteen Meals,” and “Warm Dormitory Visits.” These initiatives showcased the company’s concern for their well-being, and the efforts to create a supportive work and living environment for every employee.



Caring Workshop

The “Leo Caring Workshop” at our Heshan Astros production plant focuses on offering employment opportunities for individuals with disabilities. By improving the construction of various barrier-free facilities and organizing various caring activities, Leo is committed to creating a warm and comfortable working environment for people with disabilities.



Leisure Activities

At Leo, we organized a wide range of activities to enrich the leisure time of our employees. These activities include not only traditional festival celebrations but also cultural events and more, all designed to strengthen the cohesion among the Leo family.



Committed to Community Development

In 2024, Leo continued to actively participate in community development by supporting educational initiatives and public welfare activities, which aim to build a harmonious community.

Public Welfare Activities

In 2024, Leo remained committed to serving and assisting those in need in the community. By contributing and participating in various events organized by social welfare organizations and a series of other fundraising activities, we spread Leo's care and warmth throughout the community. These efforts encourage community members to actively support public welfare initiatives and foster an environment of compassion.



▲ Food Angel



▲ "Community Soup" by Food Grace

Educational Supports

Leo recognizes that education is the cornerstone of long-term development of enterprises and the community. To fulfill our social responsibility and contribute to talent cultivation and regional growth, we have leveraged our resources to support education, including the establishment of schools. This initiative not only aims to provide local students with high-quality educational resources, but also will nurture future talents to achieve sustainable development.



2008

2010

2021

Established Greenfield Kindergarten

Established Jiangmen Astros Vocational and Technical School

Established Jiangmen Branch of Jinan Extension School

Social and Economic Indicators

(Heshan Astros Printing Plant)

Employment

Indicator	Average Number of Employee		
	2022	2023	2024
Male	4,765	4,136	4,041
Female	3,989	3,589	3,342
Total	8,754	7,725	7,383

Indicator	Age Group 2024		
	Below 30	30-50	50 and above
Number	1,508	4,819	1,056
Percentage	21%	65%	14%

Occupational Health and Safety

Indicator	2022	2023	2024
Annual Injury Case	8	4	8
Injury Case per 1000 Employees	0.91	0.52	1.08

Market Presence

Indicator	Proportion of Senior Management Hired from the Local Community		
	2022	2023	2024
Local	52%	53%	56%

* Manager or above is regarded as senior management; Individuals who indefinitely reside in the Heshan region are regarded as from the local community.

Diversity and Equal Opportunity

Indicator	Proportion of Managing Staff		
	2022	2023	2024
Male	61%	61%	61%
Female	39%	39%	39%

Training and Education

Employee Category	Average Training Hours per Employee#		
	2022	2023	2024
Frontline Staff / Workers	6	4	6
Management (Grade 1-4)	9	18	21
Management (Grade 5-6)	14	19	25
Management (Grade 7-8)	19	22	43
Senior Management / Top Management	10	8	16

#Including all employees of Heshan Astros Printing Plant and Hong Kong Headquarters.



COMMITTED TO BUSINESS EXCELLENCE

- Quality Control
- Research and Development
- Optimizing Digital and Intelligent Management
- Participation in Standard Development
- Sustainable Development Targets 2024



In order to achieve sustainable growth, Leo has taken various actions through its management and core strategies. By strengthening quality control, fostering innovative research and development, and driving digital and intelligent transformation, Leo is fully committed to promoting comprehensive upgrades.

Quality Control

In accordance with quality management standards, industry regulations, and customer requirements, Leo has established and implemented strict and comprehensive quality standards.

We conduct quality management across multiple dimensions, including product safety, full-process quality control, and continuous quality improvement. This ensures the high-quality delivery of products and services.

Product Safety

Leo strictly adheres to relevant laws and regulations as well as internationally recognized product safety standards. Leo has established the Quality Management Committee and an internal laboratory to develop and implement detailed safety indicators and technical requirements across all stages, including raw material selection and product manufacturing, which ensure the safety of products throughout their entire lifecycle.




Quality Management Committee

Leo has established a dedicated Quality Management Committee to oversee the compliance and management of product safety.



Internal Independent Laboratory

In 2009, Leo established an independent metrology and testing laboratory.

 Certifications <ul style="list-style-type: none">• China Metrology Accreditation (CMA)• China National Accreditation Service for Conformity Assessment (CNAS)• International Safe Transit Association (ISTA)	 Services <ul style="list-style-type: none">• Providing professional industrial calibration.• Providing product and raw material testing, inspection, and technical consulting services.	 Advanced Facilities <ul style="list-style-type: none">• Constant temperature and humidity testing laboratory.• Various metrology calibration equipment.• Material testing instruments.
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Product Safety -Process Control

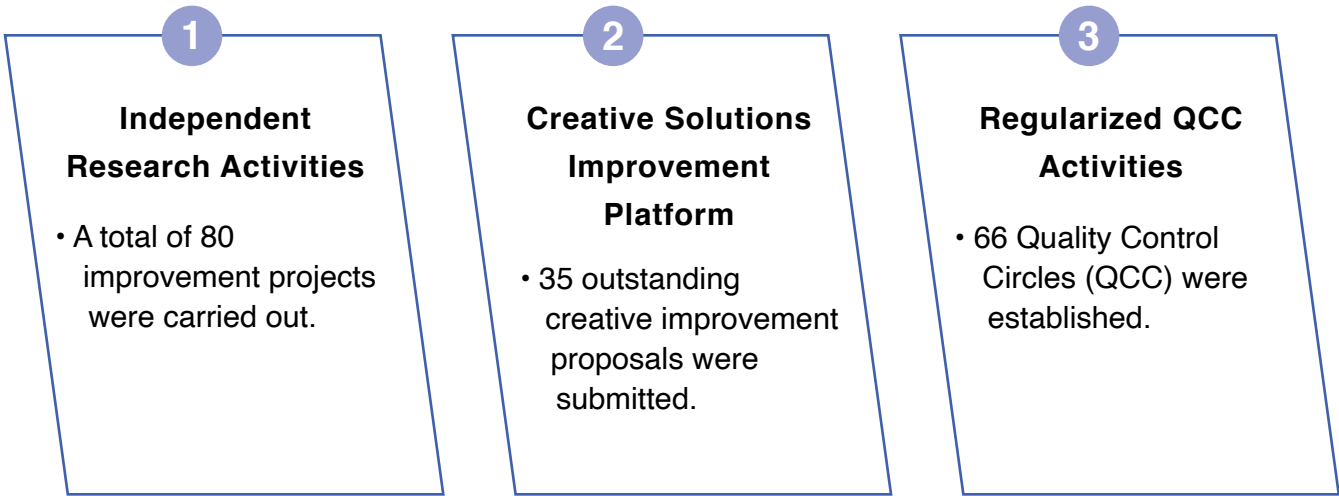
Leo integrates product safety control throughout the entire product lifecycle, and adheres to the principle of continuous improvement to consistently optimize product safety management.

Raw Material Procurement Stage	▶ Conducting strict supplier audits and raw material testing.
Production and Manufacturing Stage	▶ Enhancing real-time monitoring of the production process and performing rigorous quality and safety inspections at each step.
Pre-Shipment Stage	▶ Conducting comprehensive finished product testing, including performance testing and safety performance testing.
After-Sales Service Stage	▶ Establishing a robust product traceability system to collect and respond quickly customer feedback on product safety issues.
Continuous Improvement Stage	▶ Regularly identifying potential product safety issues and improvement opportunities.

Continuous Quality Improvement

Leo is committed to the ongoing enhancement of quality through systematic and proactive measures. This involves regularly analyzing performance data, identifying areas for improvement, and refining processes, products, and services. By fostering a culture of continuous improvement, Leo ensures that quality standards are consistently elevated and operational efficiency is optimized.

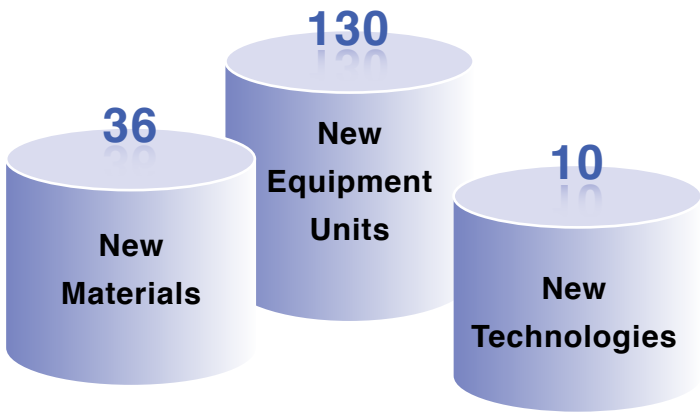
In 2024, Leo advanced its commitment to quality enhancement through initiatives.



Research and Development

Leo places a strong emphasis on innovation as a driving force for growth and competitiveness, and invests heavily in research and development (R&D) to create cutting-edge products, improve existing technologies, and explore new market opportunities.

In 2024, Leo achieved the following innovation and R&D results in materials, technologies, and equipment:



Optimizing Digital and Intelligent Management

In 2024, Leo introduced RPA/Power Automate and visualized data applications to streamline highly repetitive, routine, and monotonous tasks. By deepening the application of data, the company aims to enhance operational efficiency and drive smarter, more agile business processes.

RPA/Power
Automate

Visualized
Data
Applications

Participation in Standard Development

Leo actively engages in the development and establishment of industry standards, leveraging its expertise and experience to contribute to the development of guidelines that ensure quality, safety, environmental management, and innovation across the sector.

To date, Leo has led or participated in the development of 47 international, national, industry, and other standards, covering areas such as product quality, production processes, environmental protection, and integrity.



International

2 Standards



National

23 Standards



Industry

13 Standards



Others

9 Standards



Sustainable Development Targets 2024

Started in 2022, we participated in and successfully obtained certifications for the Sustainability Performance Linked Loan (SLL) Program, granted by the Hong Kong Quality Assurance Agency (HKQAA).

In line with this achievement, we developed an SLL proposal based on these goals, formulating three ambitious and market-leading sustainable development objectives: carbon reduction, renewable energy utilization, and zero data breach incidents in information security.

Reduction of Green House Gas Emission (Scope 1 and Scope 2)

Emission Factor A: 0.5271kgCO₂e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024
Generation (MT)	66,932	65,133	60,992	55,248	42,397	40,788
Generation (MT/Mil HKD Sales of Leo)	16.65	18.66	15.13	14.47	13.53	11.97
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+12.03%	-9.13%	-13.11%	-18.74%	-28.11%

*The above table is based on the emission factor of the Southern China Power Grid: 0.5271 kg CO₂e/kWh.

*The carbon emissions for 2023 include iREC purchases totaling 18,000,000 kWh.

*The carbon emissions for 2024 include iREC and GEC purchases totaling 8,500,000 kWh.

The target reduction for 2024 was set at 15% compared to the base year of 2019. The actual improvement achieved was 28.11%. The target has been successfully met.”

Emission Factor B: 0.5703kgCO₂e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024
Generation (MT)	72,039	69,895	65,668	59,482	45,565	43,864
Generation (MT/Mil HKD Sales of Leo)	17.92	20.02	16.29	15.58	14.53	12.88
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+11.7%	-9.10%	-13.08%	-18.91%	-28.13%

*The above table is based on the emission factor for the National Power Grid: 0.5703 kg CO₂e/kWh.

*The carbon emissions for 2023 include iREC purchases totaling 18,000,000 kWh.

*The carbon emissions for 2024 include iREC and GEC purchases totaling 8,500,000 kWh.

The target reduction for 2024 was set at 15% compared to the base year of 2019. The actual improvement achieved was 28.13%%. The target has been successfully met.

Emission Factor C: 0.4403kgCO₂e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024
Generation (MT)	56,671	55,565	51,596	46,740	36,031	34,606
Generation (MT/Mil HKD Sales of Leo)	14.10	15.92	12.59	12.24	11.48	10.16
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+12.91%	-10.71%	13.19%	-18.58%	-27.94%

*The above table is based on the emission factor for the Southern China Grid (Guangdong): 0.4403 kg CO₂e/kWh.

*The carbon emissions for 2023 include iREC purchases totaling 18,000,000 kWh.

*The carbon emissions for 2024 include iREC and GEC purchases totaling 8,500,000 kWh.

The target reduction for 2024 was set at 15% compared to the base year of 2019. The actual improvement achieved was 27.94%. The target has been successfully met.

Use of Renewable Energy

Annual renewable energy generated from solar panels installed in factory has been used to substitute electricity purchased from the power grid within the boundary of Heshan Astros Printing Ltd.

In 2024, the Heshan factory installed approximately 50,000 m² of solar panels, generating over 15,153 MWh of electricity. The annual average utilization rate was 81%. The solar energy generated surpassed the target of 3,000 MWh, and the target has been successfully achieved.



Information Security

In 2024, no information security data breach incidents were reported. This includes no legal cases, customer complaints, or audit findings related to data breaches.




Major actions taken to strengthen our information security

- ▶ Upgraded the firewall and anti-virus software for critical servers to enhance system protection.
- ▶ Implemented secure mobile device information protection to prevent direct data copying and introduced multi-factor authentication (MFA).
- ▶ Provided online information security training to 430 staff members, with total training hours exceeding 700.
- ▶ Established a ransomware attack response procedure and conducted periodic drills and practices.
- ▶ Joined professional IT institutions and collaborated with server providers to share the latest information security measures.


External Recognitions 2024

Selected Environmental Awards/Recognitions 2024		
Awards	Issuing Units	
	<p>Hong Kong - Guangdong Cleaner Production Excellent Partner(Manufacturing)</p> <p>Department of Industry and Information Technology of Guangdong Province and the Environment Bureau of Hong Kong Government</p>	
	<p>Green and Sustainability Contribution Awards</p> <p>Hong Kong Quality Assurance Agency</p>	
	<p>“ESG Pledge” Scheme</p> <p>Chinese Manufacturers’ Association of Hong Kong</p>	

Selected Social Awards/Recognitions 2024

Awards	Issuing Units
	<p>Good Employer Charter</p> <p>Labour Department of the Government of Hong Kong</p>
	<p>15 years + Caring Company</p> <p>Hong Kong Council of Social Service</p>
	<p>“Printing the Future” Greater Bay Area Internship Program</p> <p>Hong Kong Printers Association</p>

Other Selected Awards/Recognitions 2024

Awards	Issuing Units
	<p>Green Manufacturing - Evaluation Indexes</p> <p>National Technical Committee 337 on Green Manufacturing Technology of Equipment Manufacturing Industry of Standardization Administration of China</p>

Awards	Issuing Units
	<p data-bbox="501 434 820 517">The 35th Hong Kong Print Awards</p> <p data-bbox="979 441 1433 524">Graphic Arts Association of Hong Kong</p>
	<p data-bbox="512 819 807 853">Asian Print Awards</p> <p data-bbox="1015 804 1401 887">Print & Media Association of Singapore</p>
	<p data-bbox="512 1162 807 1245">Asian Packaging Excellence Awards</p> <p data-bbox="1015 1169 1401 1252">Print & Media Association of Singapore</p>
	<p data-bbox="509 1487 810 1666">HKIE MIS Industry Award 2023 - Smart Manufacturing Award Gold</p> <p data-bbox="967 1561 1445 1594">Hong Kong Institution of Engineers</p>

Support the United Nations Sustainable Development Goals

In prompt response to the United Nations 2030 Sustainable Development Agenda, Leo has focused on 14 Sustainable Development Goals (SDGs) in its operations. These goals have been comprehensively integrated into the company's strategic planning, with corresponding actions and measures to support their success.

The United Nations Sustainable Development Goals	Leo's Actions and Measures
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> • Reduce wastes and pollutants during the production process, enhance pollution prevention capabilities, and improve pollution control performance. • Increase the efficiency of energy and natural resource utilization. • Adopt design principles that prioritize recyclability and reusability during the product design phase, and prioritize the use of environmentally friendly and biodegradable materials. • Collaborate with the supply chain to promote the use of green and sustainable materials and optimize logistics and distribution processes.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> • Ensure that the work environment complies with safety and hygiene standards. • Provide health services and training, such as mental health counseling, free cancer screenings for female employees, and more. • Offer comprehensive medical insurance, including basic medical insurance disease reimbursement insurance for female employees. • Support the community by providing medical facilities and resources, such as donating medical equipment and contributing to the construction of local clinic facilities and hospitals.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> • Conduct comprehensive energy audits and develop and implement energy-saving measures, such as optimizing energy efficiency and adopting advanced production technologies and equipment. • Actively develop renewable energy, including promoting the use of solar energy through the construction of solar power generation systems and solar streetlights, as well as gradually increasing the purchase of electricity from renewable sources. • Organize energy education initiatives to raise employee awareness and knowledge about energy conservation.
 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> • Install water-saving equipment. • Construct wastewater treatment facilities and water reuse systems to enhance water resource utilization efficiency.

The United Nations Sustainable Development Goals

Leo's Actions and Measures



- Establish Jiangmen Astros Vocational and Technical School and the Jiangmen Branch of Jinan Extension School.”
- Set up educational scholarships and grants.
- Support the construction of schools and educational facilities.
- Develop apprenticeship programs, provide online learning platforms and resources, and establish an internal training team to help employees enhance their skills and capabilities.



- Create a safe, healthy, and comfortable working environment.
- Establish a “Caring Factory” to provide employment opportunities for people with disabilities.
- Improve the salary and benefits system, protect the legitimate rights and interests of employees, establish career advancement channels, and build a growth platform for employees.



- Establish a Women’s Committee to protect the rights and interests of female employees.
- Conduct gender equality training and formulate gender equality policies.
- Establish fair recruitment, promotion, and compensation mechanisms.
- Implement maternity leave policies for female employees.



- Respect and protect the rights and interests of employees.
- Establish labor dispute mediation mechanism.
- Establish communication mechanism with stakeholders.
- Develop anti-corruption mechanisms and reporting channels, as well as organize anti-corruption training.



- Support the provision of community facilities and services in areas such as healthcare, fire safety, and education.
- Assist communities in emergency response efforts for natural disasters and other incidents.
- Develop emergency plans, organize 12 major risk drills, and enhance employees’ emergency response capabilities.

The United Nations Sustainable Development Goals

Leo's Actions and Measures



- Prioritize the use of wood and paper sourced from sustainably managed forests.
- Vigorously develop afforestation projects in rocky desertification areas and participate in the restoration of native forests.
- Organize tree-planting activities.



- Establish a dedicated poverty alleviation fund.
- Provide systematic training to enhance employees' work capabilities, encouraging them to achieve career advancement.
- Establish the "Leo Agricultural and Forestry Products Development Company" to promote the cultivation of tea oil trees and improve the economic income of surrounding farmers.



- Collaborate with universities, research institutions, suppliers, and customers to jointly develop and innovate new technologies, products, and materials.
- Establish an internal R&D team to conduct research and development of automated equipment, upgrade energy management systems, and optimize and upgrade equipment/production lines.



- Establish fair recruitment policies and compensation systems, provide equal benefits and career development opportunities, and set up reporting channels.
- Collaborate with fair and ethical suppliers.
- Support educational projects to promote inclusive development of urban and rural areas.



- Strengthen green and low-carbon management in the supply chain.
- Participate in the development of international, national industry standards.
- Engage in quality, environmental, and ESG (Environmental, Social, and Governance) promotion activities, sharing experience to jointly advance development in the community and industry.

GRI Content Index

Statement of use	Leo Paper Group has reported in accordance with the GRI Standards for the period from 1 st January 2024 to 31 st December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No Applicable GRI Sector Standard(s)

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
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General disclosures

The organization and its reporting practices

GRI 2: General Disclosures 2021	2-1 Organizational details	• About Leo Paper Group
	2-2 Entities included in the organization's sustainability reporting	• About this Report
	2-3 Reporting period, frequency and contact point	• About this Report • EDITORIAL POSTSCRIPTS
	2-4 Restatements of information	• No Information Restatement.
	2-5 External assurance	• About this Report • Verification Statement

Activities and workers

GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	• About Leo Paper Group
	2-7 Employees	• About Leo Paper Group
	2-8 Workers who are not employees	• All employees are under full-time employment.

Governance

GRI 2: General Disclosures 2021	2-9 Governance structure and composition	• Annual Report • Management Structure
	2-10 Nomination and selection of the highest governance body	• The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.

GRI Standards Disclosures		
GRI Standards	Disclosures	Cross-reference/Comments
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> • Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Annual Report • Management Structure • Stakeholder Engagement and Material Issues Analysis
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Management Structure
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Annual Report • Management Structure • Stakeholder Engagement and Material Issues Analysis
	2-15 Conflicts of interest	<ul style="list-style-type: none"> • Business Ethics
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> • Stakeholder Engagement and Material Issues Analysis • Management Structure
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • LEO provides professional training courses for senior management, and senior management acts as a mentor to organize technical and professional training courses for staff. • Social and Economic Indicators
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.
	2-19 Remuneration policies	<ul style="list-style-type: none"> • The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	<ul style="list-style-type: none"> The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.
	2-21 Annual total compensation ratio	<ul style="list-style-type: none"> The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.

Strategy, policies and practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> Sustainability Management
	2-23 Policy commitments	<ul style="list-style-type: none"> Internal Audit Mechanisms Business Ethics
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Business Ethics
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Business Ethics
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Business Ethics
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> No violation of laws and regulations.
	2-28 Membership associations	<ul style="list-style-type: none"> Guangdong Cleaner Production Association Member of China Green Development Union Member of Guangdong Quality Development Association Member of China Enterprise Anti-corruption Alliance Member of Sedex Member of Agency for Volunteer Service

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
Stakeholder engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	• Stakeholder Engagement and Material Issues Analysis
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	• All employees covered by collective bargaining agreements.
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	• Stakeholder Engagement and Material Issues Analysis
	3-2 List of material topics	• Stakeholder Engagement and Material Issues Analysis
Topic: Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Integrity and Anti-corruption
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • Integrity and Anti-corruption • The risk assessment for corruption in operation was reviewed, in which include all operations in the company.
	205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • Integrity and Anti-corruption • All employees have been presented with Leo's anticorruption policies and procedures. • All employees have received training on anti-corruption.
	205-3 Confirmed incidents of corruption and actions taken	None
Topic: Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Green R&D and Procurement

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 301: Materials 2016	301-1 Materials used by weight or volume	<ul style="list-style-type: none"> • Green R&D and Procurement • Environmental Indicators • All paper used are renewable materials. • 136,533 tons of paper consumption in 2024.
GRI 301: Materials 2016	301-2 Recycled input materials used	<ul style="list-style-type: none"> • Green R&D and Procurement • Environmental Indicators
	301-3 Reclaimed products and their packaging materials	<ul style="list-style-type: none"> • No reclaimed products and their packaging materials from our customers.

Topic: Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Energy Management • Climate-related Disclosures
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> • Energy Management • Climate-related Disclosures • Environmental Indicators • GWP data from IPCC Sixth Assessment Report • No sales of electricity, heating, cooling and steam (or equivalent energy).
	302-2 Energy consumption outside of the organization	<ul style="list-style-type: none"> • Information unavailable because of no adequate data source of 2024.
	302-3 Energy intensity	<ul style="list-style-type: none"> • Environmental Indicators • 0.35 tons of CO2 emissions of fuel consumption and electricity consumption within the organization per production unit in 2024.
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> • Energy Management • Climate-related Disclosures

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	<ul style="list-style-type: none"> • 60.59% reduction of energy consumption per production unit in 2024 compared with that of the base year. • Base year for the calculation of direct and energy indirect greenhouse gas emissions is 2007 because of the available data and information on relevant activities. • GWP data from IPCC Sixth Assessment Report

Topic: Water and effluents

GRI 3: Material Topics 2021	3-3 Management of material topics	• Water Resource Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	• Water Resource Management
	303-2 Management of water discharge-related impacts	• Our on-site wastewater treatment plant has been in place since 1993 to ensure that the treated water meets the Standard B of the National Discharge Standard of Pollutants for Urban Wastewater Treatment Plant (GB18918-2002) and the First Class Standard of Guangdong Discharge Standard of Waste Water (DB44/26-2001).
	303-3 Water withdrawal	<ul style="list-style-type: none"> • Water Resource Management • Environmental Indicators • All fresh water comes from municipal water.
	303-4 Water discharge	<ul style="list-style-type: none"> • Water Resource Management • 399,828 tons of water discharged in 2024.
	303-5 Water consumption	• Environmental Indicators

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
Topic: Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Air Emissions Management • Energy Management • Climate-related Disclosures
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> • Environmental Indicators • No biogenic CO2 emissions. • Base year for the calculation is 2007 because of the available of data. • GWP data from IPCC Sixth Assessment Report • Consolidation approach for emissions: operational control.
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> • Environmental Indicators • Base year for the calculation is 2007 because of the available of data. • GWP data from IPCC Sixth Assessment Report • Consolidation approach for emissions: operational control.
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> • Environmental Indicators • Base year for the calculation is 2022 because of the available of data. • GWP data from IPCC Sixth Assessment Report • Consolidation approach for emissions: operational control.
	305-4 GHG emissions intensity	<ul style="list-style-type: none"> • 0.37 tons of CO2 emissions of the direct and energy indirect greenhouse gas emissions within the organization per production unit in 2024.

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> • Energy Management • Climate-related Disclosures
	305-6 Emissions of ozone-depleting substances (ODS)	None
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> • Air Emissions Management

Topic: Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Waste Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> • Waste Management • The main raw materials of Leo's products are paper, ink, etc.
	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> • Waste Management • All the waste generated is disposed by designated qualified waste disposal contractors.
	306-3 Waste generated	<ul style="list-style-type: none"> • Environmental Indicators
	306-4 Waste diverted from disposal	<ul style="list-style-type: none"> • Environmental Indicators • All the waste generated is disposed by designated qualified waste disposal contractors. • 35,163 tons of non-hazardous waste in 2024.
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> • Environmental Indicators • All the waste generated is disposed by designated qualified waste disposal contractors. • 35,163 tons of non-hazardous waste in 2024.

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
Topic: Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Occupational Health and Safety • Risk Management
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> • Sustainability Management • Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	External specialists are invited to conduct identification, monitoring, and evaluation of health hazards at workplaces. The assessment includes VOCs (Benzene, Toluene, and Ethylbenzene, n-hexane, styrene), dust, noise, ambient environments and others. Based on the assessment results, hazards are identified, with risk assessed. Immediate improvement plans are then developed and implemented to provide a safer work environment for every Leonian.
	403-3 Occupational health services	• Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	• Occupational Health and Safety
	403-5 Worker training on occupational health and safety	• Occupational Health and Safety
	403-6 Promotion of worker health	• Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> • Occupational Health and Safety • Risk Management • In 2024, 8 emergency response drills were carried out to enhance emergency preparedness.

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> • All Workers
	403-9 Work-related injuries	<ul style="list-style-type: none"> • Social and Economic Indicators • There are totally 8 work-related injuries in 2024, which are classified as minor injuries based on the “Occupational Safety Incidents Classification”. The number of high-consequence work-related injuries is zero. • No contractor injuries in the workplaces. • 0.366 of injury rate per 1,000,000 hours worked in 2024.
	403-10 Work-related ill health	None

Topic: Training and education

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Training and Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> • Social and Economic Indicators • Training is provided regardless of gender. Average training hours of male employees: 8; average training hours of female employees: 9.
	404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> • Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> • All staff members receive performance appraisal annually.

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
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Topic: Local communities

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Employee Caring • Leisure Activities • Committed to Community Development
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> • Employee Caring • Leisure Activities • Committed to Community Development • All operations are implemented with local community engagement, impact assessments, and/or development programs.
	413-2 Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> • Employee Caring • Leisure Activities • Committed to Community Development • Air Emissions Management • Waste Management • Water Resource Management

Topic: Supplier assessment

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Supplier Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> • Environmental criteria is in place to screen new suppliers.
	308-2 Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> • All suppliers have been assessed for environmental impacts. No supplier has been identified as having significant actual or potential negative environmental impacts.

GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	• Social criteria are in place to screen new suppliers.
	414-2 Negative social impacts in the supply chain and actions taken	• All suppliers were assessed for social impacts. No supplier has been identified as having significant actual or potential negative social impacts.

Topic: Marketing and labeling

GRI 3: Material Topics 2021	3-3 Management of material topics	• Green R&D and Procurement • Quality Control
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	• Green R&D and Procurement • Quality Control
	417-2 Incidents of non-compliance concerning product and service information and labeling	• No incidents of non-compliance concerning product and service information and labeling.
	417-3 Incidents of non-compliance concerning marketing communications	• No incidents of non-compliance concerning marketing communications.

Topic: Customer privacy

GRI 3: Material Topics 2021	3-3 Management of material topics	• Information Security • Quality Control
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Information Security • Quality Control • No incidents of customer privacy and losses of customer data.

HKEX ESG (Environmental, Social and Governance) Guide Index

Subject Areas, Aspects, General Disclosures and KPIs	
KPIs	Cross-reference/Comments
A. Environmental	
Aspect A1: Emissions	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	<ul style="list-style-type: none"> • Climate-related Disclosures • Water Resource Management • Air Emissions Management • Waste Management • No violation of laws and regulations.
A1.1 The types of emissions and respective emissions data	<ul style="list-style-type: none"> • Environmental Indicators
A1.2 Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity	<ul style="list-style-type: none"> • Environmental Indicators
A1.3 Total hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> • Environmental Indicators
A1.4 Total non-hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> • Environmental Indicators • 35,163 tons of non-hazardous waste in 2024.
A1.5 Emission target(s) set and steps taken to achieve them	<ul style="list-style-type: none"> • Reduction 25% in greenhouse gas emissions per unit output 2025 compared with 2020. • Reduction 25% in hazardous waste per unit output 2025 compared with 2020. • Climate-related Disclosures • Waste Management
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	<ul style="list-style-type: none"> • Climate-related Disclosures • Waste Management

Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
A. Environmental	
Aspect A2: Use of Resources	
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials	<ul style="list-style-type: none"> • Climate-related Disclosures • Green R&D and Procurement • Energy Management • Water Resource Management • Waste Management
A2.1 Direct and / or indirect energy consumption by type in total and intensity	<ul style="list-style-type: none"> • Environmental Indicators • 82,607,016 kWh of fuel and electricity consumption within the organization in 2024. • 799.52 kWh of fuel and electricity consumption within the organization per production unit in 2024.
A2.2 Water consumption in total and intensity	<ul style="list-style-type: none"> • Environmental Indicators • 14 tons of freshwater consumption within the organization per production unit in 2024.
A2.3 Energy use efficiency target(s) set and steps taken to achieve them	<ul style="list-style-type: none"> • Reduction 20% in energy consumption per unit output 2025 compared with 2020. • Climate-related Disclosures • Water Resource Management
A2.4 Whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	<ul style="list-style-type: none"> • Reduction 20% in freshwater consumption per unit output 2025 compared with 2020. • Climate-related Disclosures • Water Resource Management
A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced	<ul style="list-style-type: none"> • Total packaging materials used for finished products were 46,653 tons in 2024.
A. Environmental	
Aspect A3: The Environment and Natural Resources	
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources	<ul style="list-style-type: none"> • Climate-related Disclosures • Water Resource Management • Air Emissions Management • Waste Management

Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
A3.1 The significant impacts of activities on the environment and natural resources and the actions taken to manage them	<ul style="list-style-type: none"> • Climate-related Disclosures • Water Resource Management • Air Emissions Management • Waste Management • Environmental Indicators

A. Environmental

Aspect A4: Climate change

General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	<ul style="list-style-type: none"> • Climate-related Disclosures
A4.1 The significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	<ul style="list-style-type: none"> • Climate-related Disclosures • Environmental Indicators

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	<ul style="list-style-type: none"> • Code of Conduct • No violation of laws and regulations.
B1.1 Total workforce by gender, employment type, age group and geographical region	<ul style="list-style-type: none"> • Social and Economic Indicators

Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B1.2 Employee turnover rate by gender, age group and geographical region	<ul style="list-style-type: none"> • The average turnover rate of female employees was 0.81%, and that of male employees was 1.17% in 2024. • The average turnover rate of employees under the age of 30 was 3.65%, the average turnover rate of employees aged 30-50 was 0.50%, and the average turnover rate of employees over the age of 50 was 0.70% in 2024. • The average turnover rate of local employees was 0.38% in 2024.

B. Social Employment and Labour Practices

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.	<ul style="list-style-type: none"> • Occupational Health and Safety • No violation of laws and regulations.
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	<ul style="list-style-type: none"> • No Fatality
B2.2 Lost days due to work injury	<ul style="list-style-type: none"> • 473 man-days lost due to industrial injury.
B2.3 Occupational health and safety measures adopted, how they are implemented and monitored	<ul style="list-style-type: none"> • Occupational Health and Safety

B. Social Employment and Labour Practices

Aspect B3: Development and Training

General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> • Training and Development
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Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B3.1 The percentage of employees trained by gender and employee category	<ul style="list-style-type: none"> • All Workers
B3.2 The average training hours completed per employee by gender and employee category	<ul style="list-style-type: none"> • Social and Economic Indicators • Training was provided regardless of gender. Average training hours of male employees: 8; average training hours of female employees: 9.

B. Social Employment and Labour Practices

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.	<ul style="list-style-type: none"> • Code of Conduct • No violation of laws and regulations.
B4.1 Measures to review employment practices to avoid child and forced labour	<ul style="list-style-type: none"> • When hiring employees, Leo strictly follows the regulations and procedures of prohibition of child or forced labour.
B4.2 Steps taken to eliminate such practices when discovered	<ul style="list-style-type: none"> • When hiring employees, Leo strictly follows the regulations and procedures of prohibition of child or forced labour.

B. Social Employment and Labour Practices

Aspect B5: Supply Chain Management

General Disclosure Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> • Supplier Management
B5.1 Number of suppliers by geographical region	<ul style="list-style-type: none"> • 41 major raw material suppliers were from Guangdong Province, China, and the remaining 9 major raw material suppliers were from other regions in 2024
B5.2 Practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	<ul style="list-style-type: none"> • Supplier Management
B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	<ul style="list-style-type: none"> • Supplier Management

Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	<ul style="list-style-type: none"> • Supplier Management

B. Social Employment and Labour Practices

Aspect B6: Product Responsibility

<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<ul style="list-style-type: none"> • Quality Control • Protection of Intellectual Property • Green R&D and Procurement • No violation of laws and regulations.
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	<ul style="list-style-type: none"> • No recalls for safety and health reasons.
B6.2 Number of products and service-related complaints received and how they are dealt with	<ul style="list-style-type: none"> • No incidents of non-compliance concerning product and service information and labeling. • Quality Control
B6.3 Practices relating to observing and protecting intellectual property rights	<ul style="list-style-type: none"> • Protection of Intellectual Property
B6.4 Quality assurance process and recall procedures	<ul style="list-style-type: none"> • Quality Control
B6.5 Consumer data protection and privacy policies, how they are implemented and monitored	<ul style="list-style-type: none"> • Protection of Intellectual Property • Leo respects and protects customer data in strict accordance with the requirements of general data protection regulations (GDPR) and other applicable laws and regulations.

Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B. Social Employment and Labour Practices	
Aspect B7: Anti-corruption	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	<ul style="list-style-type: none"> • Integrity and Anti-corruption • No violation of laws and regulations.
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	<ul style="list-style-type: none"> • Integrity and Anti-corruption
B7.2 Preventive measures and whistle-blowing procedures, how they are implemented and monitored	<ul style="list-style-type: none"> • Integrity and Anti-corruption
B7.3 Description of anti-corruption training provided to directors and staff	<ul style="list-style-type: none"> • Integrity and Anti-corruption
B. Social Employment and Labour Practices	
Aspect B8: Community Investment	
General Disclosure 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	<ul style="list-style-type: none"> • Employee Caring • Committed to Community Development
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	<ul style="list-style-type: none"> • Employee Caring • Committed to Community Development
B8.2 Resources contributed (e.g. money or time) to the focus area	<ul style="list-style-type: none"> • Employee Caring • Committed to Community Development

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
	(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.	<ul style="list-style-type: none"> • In addition, Leo is preparing for more comprehensive disclosure.
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
	(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;	<ul style="list-style-type: none"> • In addition, Leo is preparing for more comprehensive disclosure.
	(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 CO ₂ 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

EDITORIAL POSTSCRIPTS

This report highlights our performance over the past year and presents key figures and indicators from the most recent three years. As we look to the future, we remain steadfast in our commitment to advance sustainable development in multiple dimensions. Our ongoing efforts will focus on expanding the use of renewable energy, implementing innovative carbon reduction projects, and enhancing productivity through LEAN and intelligent manufacturing principles and practices. Furthermore, we aim to drive the low-carbon transformation of the industry by fostering collaboration with our partners throughout the supply chain and ensure a collective approach to sustainability and environmental stewardship.

This report is available on the Environment and Society page of Leo Paper Group's website:
www.leo.com.hk

For feedback or inquiries regarding this report, please contact:

LEO CSR Team

Email: csrteam@leo.com.hk

For online feedback or inquiries, please send us a message at:
<http://www.leo.com.hk/contact.html>

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Group Head Office:
LEO PAPER GROUP (HONG KONG) LTD.
Email: info@leo.com.hk

U.K. Sales Office:
LEO PAPER PRODUCTS (UK) LTD.
Email: info@leouk.com

U.S.A. Head Office:
LEO PAPER USA, Seattle
Email: info@leousa.com

U.S.A New York Office:
LEO PAPER USA, New York
Email: info@leousanewyork.com

Europe Sales Office:
LEO PAPER PRODUCTS (EUROPE) B.V.
Antwerp, Belgium:
Email: leo@leo-europe.com

Bologna, Italy:
Email: leo@leo-europe.com

2024

SUSTAINABILITY REPORT



中国认可
国际互认
测试
TESTING
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ISO 14064-1: 2018
LEO PAPER (GROUP) PAPER (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 14064-3:2019 in meeting the requirements of ISO 14064-1:2018. (Report Reference No.: 14061335-CT16)

