

LEO

SUSTAINABILITY

EXPRESS



Q3 2025
ISSUE #04

GPSR
(General Product
Safety Regulation)

**World
Environment Day
& Go Green Logos
Launch**

EUDR Webinar

**Leo Sustainability
Report 2024
Highlights**

ABOUT LEO SUSTAINABILITY EXPRESS

THROUGH OUR SUSTAINABILITY EXPRESS, WE AIM TO SHARE OUR SUSTAINABILITY INITIATIVES WITH OUR CLIENTS AND PARTNERS, AND WORK HAND IN HAND TO CREATE A GREENER, MORE SUSTAINABLE FUTURE TOGETHER.



Go Green

General Product Safety Regulation (GPSR)

The General Product Safety Regulation (GPSR) applies to all consumer products, whether new or used, with some exceptions like food and pharmaceuticals. This regulation came into effect on 13 Dec 2024 which replaced GPSD.

GPSR covers both manufactured and imported goods sold in any market channel. The core principle is that products must be safe under normal and reasonable use, and producers are required to assess the risks associated with their products.

Obligations of Economic Operators

Manufacturers must ensure that their products meet GPSR standards. They are required to conduct internal risk analyses and prepare technical documentation that includes test reports, risk assessments, and traceability records (e.g., ISBN for production batches). This documentation must be retained for 10 years. Manufacturers must implement necessary procedures to ensure that mass-produced items remain compliant. Each product must carry a label with the type, batch, or serial number, along with the manufacturer's name and address. Any warnings or safety information must be provided in the official language of the destination. Clear instructions and safety information must accompany the product, and manufacturers must inform relevant parties in the supply chain of any identified safety issues.



Responsible Person: Every product sold in the EU must have a designated "Responsible Person" based in the EU, who is accountable for addressing safety inquiries and ensuring compliance with GPSR. This can be the manufacturer, the importer (if the manufacturer is outside the EU), an authorized representative of the manufacturer, or a fulfillment service provider.

Importers are responsible for ensuring that products meet GPSR standards before they are placed on the market. Their name and address must appear on the product, and they must provide clear written instructions and safety information. Importers must also ensure that the storage and transport of products do not compromise safety compliance. They are required to cooperate with market surveillance to ensure product safety and keep technical documentation for 10 years. Immediate action is

necessary if a product is found to pose safety risks, and accessible communication channels for the public must be maintained.

Distributors must verify that manufacturers and importers comply with labeling requirements, including product identification and contact information. They should ensure that storage and transport conditions maintain product conformity and must not sell non-compliant products.

Overall, the GPSR emphasizes safety, accountability, and clear communication among all parties involved in the supply chain.

To be continued.....

Coming up next: Market surveillance; reporting obligations and more.

World Environment Day

On May 26, we conducted a discussion about World Environment Day to highlight the importance of a sustainable future for our staff at the HK headquarters. In this session, we explored pressing global environmental challenges, including climate change, biodiversity loss, and plastic pollution, while emphasizing the significance of World Environment Day.

We shared Leo's commitment to environmental practices, such as utilizing renewable energy, implementing green supply chains, and pursuing various sustainability initiatives. Leonians were encouraged to adopt small changes in their daily lives to collectively support sustainable development. This discussion not only deepened our understanding of environmental issues but also inspired our team's dedication to environmental protection.



Looking ahead, Leo will continue to promote green initiatives and collaborate with employees to make a positive impact on the planet. The theme for World Environment Day 2025 is "Beat Plastic Pollution," and we have launched a Green logo to appear exclusively on our promotional items, highlighting sustainability characteristics of material to encourage customer adoption of them in product development.

1. Go Green

represents our commitment to sustainability and environmental stewardship, signaling eco-friendly practices and reduced waste in our products. Choosing items with this icon helps support a sustainable future.



2. Plastic Free

indicates that no plastic is used in the product or packaging, including ink, paper, and post-processing. This reduces pollution and encourages eco-friendly alternatives for a sustainable future.



3. Plastic Reduction

refers to overall reduction of plastic content within all products, aiming to minimize environmental impact.



4. Recyclable

Items can be collected, separated or processed and transformed back into raw materials or products. This facilitates waste reduction, resource reuse and sustainability.



5. Recycled Contents

means that a portion of the materials used in manufactured products is derived from recycled sources, reducing reliance on virgin materials and promoting sustainability.



6. Biodegradable

materials decompose naturally by microorganisms, transforming into non-toxic compounds that help reduce environmental pollution and waste.



Highlight on EUDR Webinar

On May 9, we hosted an insightful webinar on the European Union Deforestation Regulation (EUDR), attracting 161 participants eager to learn about sustainable sourcing practices. The session highlighted the EUDR's significance in combating deforestation and promoting responsible trade paper products.

A key focus of the webinar was our approach to classifying the risk levels of our

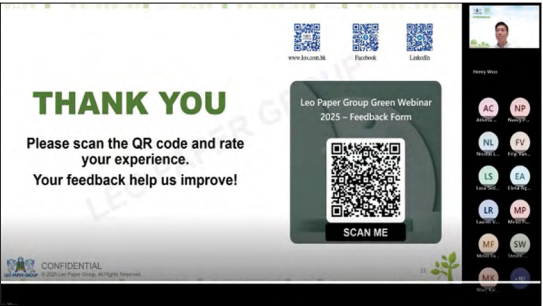
paper sources. We proudly utilize 97% FSC-certified paper, ensuring compliance with EUDR standards and maintaining all the paper source is from at least a non-negligible risk level. What sets us apart is our commitment to fulfilling compliance down to the paper batch level. This means that even when timber originates from the same source, each batch is assessed to ensure it meets EUDR standards, providing an additional layer of accountability in our supply chain.



To support these efforts, we introduced “Crystal Leo,” our innovative IT infrastructure integrated with our ERP system. This platform performs comprehensive risk assessments and generates Leo Due Diligent Statements (LDDS), streamlining our compliance process. Our first pilot run of Crystal Leo was in December 2024, where we had gathered feedback from selected customers to refine the system further.

Following the pilot, we have planned to officially launch the system in July, enhancing our operational efficiency and transparency. Additionally, an online version will be available for self-service in December, empowering customers to access information and tools related to our sustainability practices.

Overall, the webinar not only reinforced our commitment to EUDR compliance but also showcased our proactive measures in fostering a sustainable future. We are dedicated to leading the way in responsible sourcing and ensuring that our customers can trust the integrity of our products.



Sustainability Report 2024

The Sustainability Report 2024 of Leo Paper Group has been released. It marks our 16th environmental and social responsibility report, highlighting our sustainability initiatives from the past year. The full report is available on the Environment and Society page of our website.

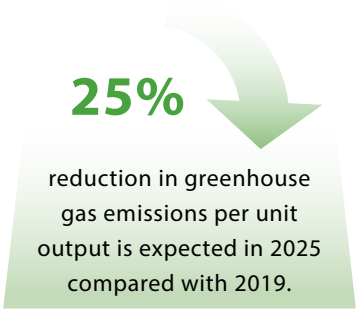
https://www.leo.com.hk/uploads/docs/editor/Sustainability-Report_2024-Update.pdf

Contributing to systematic, comprehensive management, Leo Paper achieved substantial progress in various sustainability areas: generation and use of renewable energy, research and application of environmental materials, and reduction of energy consumption.

Highlight of our environmental performance:

Cabon Emission Target

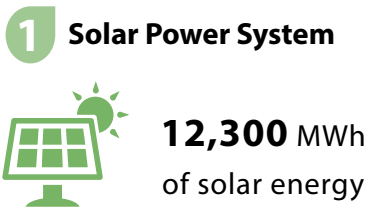
“Leo actively supports the United Nations Sustainable Development Goals(SDGs). Based on our strategic assessment of climate-related risk and opportunities, we have set an overarching target to achieve net-zero emission by 2050.



Additionally, we have established an interim goal: to reduce Scope 1 &2 carbon emission intensity by 25% by end of 2025 compared to 2019 level.”

Renewable Energy Utilization

“The solar power system was installed and became operational at the end of 2023 at Leo’s Heshan Astors Printing Factory. In 2024, the factory utilized 12,300MWh solar energy”.



Plastic Reduction Initiatives

“Examples of these efforts include using paper belts instead of plastic, paper bags instead of plastic bags, adhesive paper seals instead of plastic tapes. These initiatives demonstrate our commitment to sustainable practices.

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	