



# 2025

## SUSTAINABILITY REPORT

Committed to Green Development  
Dedicated to Happy and Harmonious Leo Community  
Committed to Business Excellence

# About This Report

## Editor's Remark

We are pleased to present our 17<sup>th</sup> annual Environmental and Social Responsibility Report, detailing the sustainability initiatives undertaken by Leo Paper Group during the 2025 calendar year. This report 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 Code, and with reference to the IFRS<sup>®</sup> S2 Climate-related Disclosures Standard. To ensure the highest level of accuracy and reliability of its contents, the data presented herein has been independently verified by the Hong Kong Quality Assurance Agency (HKQAA).

## Reporting Period

This report covers Leo Paper Group's sustainability performance for the period of **1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025**.

## 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. The data and figures in this report pertain to the Heshan Astros Printing Plant, which serves as the primary facility, unless otherwise specified.

## Publication

April 2026

## Reference

- Global Reporting Initiative (GRI\*) Sustainability Reporting Standards
- ISO 26000 Guidelines for Social Responsibility
- United Nations Global Compact Principles
- AA1000 Account Ability Principles Standard
- Hong Kong Exchanges (HKEX) Environmental, Social and Governance (ESG) Reporting Code
- IFRS<sup>®</sup> S2 Climate-related Disclosures\*

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

\*IFRS<sup>®</sup> S2 Climate-related Disclosures Standard is published by the International Sustainability Standards Board (ISSB).



# CONTENTS

- 02 Chairman's Message
- 04 About Leo Paper Group

## Sustainability Management

- 07 Management Structure
- 08 Integrated Management System
- 09 Stakeholder Engagement and Material Issues Analysis
- 13 Risk Management
- 15 Business Ethics
- 17 Supplier Management

## Committed to Green Development

- 19 Green and Harmonious Management
- 20 Climate-related Disclosures
- 28 Green Supply Chain
- 32 Energy Management
- 33 Water Management
- 34 Air Emissions Management
- 35 Waste Management
- 36 Leo Shaoguan Agriculture and Forestry Project
- 36 Environmental Promotion and Training
- 38 Environmental Indicators

## Dedicated to Happy and Harmonious Leo Community

- 41 Occupational Health and Safety
- 43 Training and Development
- 46 Employee Caring
- 48 Leisure Activities
- 49 Commitment to Community Development
- 50 Social and Economic Indicators

## Committed to Business Excellence

- 53 Quality Control
- 56 Research and Development
- 57 Optimizing Digital and Intelligent Management
- 58 New Business Development
- 60 Participation in Standards Development
- 60 Sustainable Development Targets 2025

- 64 External Recognitions 2025
- 66 Support the United Nations Sustainable Development Goals
- 70 GRI Content Index
- 82 HKEX ESG Reporting Code
- 89 IFRS S2 Climate-related Disclosures Content Index
- 101 Independent Assurance Report

2025 marked a significant year for Leo as it deepened its commitment to sustainable development—a reflection of Leo’s dedicated efforts toward building a better shared future.

In the past year, Leo has made significant strides in the development of green materials, the implementation of green logistics, and the adoption of green energy. Leo has opened a new chapter in clean energy by vigorously advancing the construction of solar power facilities and implementing meticulous management practices.

Building on this foundation, Leo has extended its environmental initiatives across the supply chain and has been working to build a green supply chain ecosystem. Through active participation in the development of national and industrial standards, Leo contributes to advancing green development throughout the industry.

Beyond our commitment to environmental protection, valuing our employees is a vital part of our efforts to strengthen the foundation of social development and fulfill our people-oriented approach to social responsibility. We place great emphasis on occupational health and safety and strive to create a safe and proper working environment. From advanced safety protection equipment to regular safety training, and from comprehensive emergency plans to thoughtful health care services, every detail reflects Leo's care for its workforce.

Concurrently, Leo provides abundant training and development opportunities, empowering employees to achieve personal growth and career aspirations. A variety of cultural activities strengthen team cohesion, fostering a warm, home-like atmosphere in the workplace. Through community volunteer initiatives, Leonians are able to realize their self-worth by giving back to society.

Driven by the determination to "lead change", Leo continuously optimizes its management processes, positioning excellence and intelligent upgrading as the core drivers of corporate development. Leo has established robust quality management, environmental management, and occupational health and safety systems and has launched a series of forward-looking intelligent initiatives.

Looking ahead, with our dedication and a shared vision and equipped with more innovative thinking and more pragmatic actions, let’s join hands to collectively write a new chapter in sustainable development.



**Samuel Leung**

Chairman of Leo Paper Group

# CHAIRMAN'S MESSAGE



# About Leo Paper Group

Since its establishment in Hong Kong in 1982, Leo Paper has grown to become a leading provider of printing solutions, leveraging more than 40 years of profound industry experience. Leo currently maintains 6 sales offices and 5 major production plants, forming an extensive and robust global business network.

Leo Paper operates a modern, large-scale printing production system supported by a dedicated team of over 9,000 staff. It offers full-chain production capabilities, encompassing pre-press preparation, printing production, and post-press finishing. Specializing in one-stop professional paper product solutions, Leo is committed to helping global clients maximize their product value through exceptional quality and unmatched innovation.

## Major Activities & Products

### Paper-based Activities:

Design

Printing

Production

Reprographic Activities, etc.



### Major Products

Books

Games

Gift Items

Packaging

Other Paper Products

## Manufacturing Plants



### Primary Plant

**Heshan Astros**



### Other Plants

- Leo Packaging & Printing
- Leo United Paper
- Hunan Astros
- Leo Vietnam

## Subsidiaries that Support Sustainability Solutions



### Heshan Leo MTS

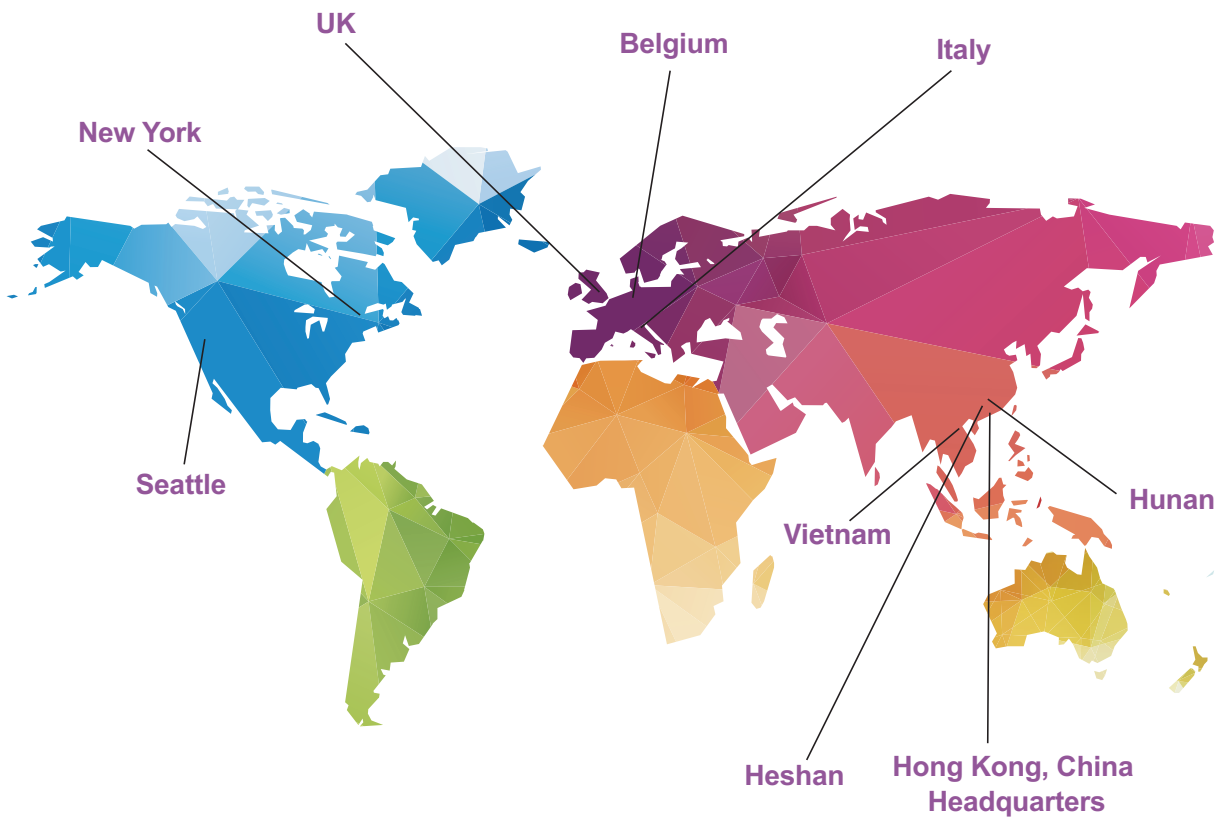
An independently accredited laboratory offering comprehensive testing services.



### Leo Agroforestry

Restore the land through tree planting and the production of tea seed oil, promoting local ecological sustainability.

**Global Distribution (9 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 is committed to embedding the principles of sustainable development into every facet of its operations. To this end, it has established a systematic risk management framework, rigorous business ethics standards, and a comprehensive information security management system, while also ensuring business continuity through regular emergency drills. Furthermore, Leo actively promotes responsible sourcing among its suppliers and collaborates closely with value chain partners to jointly advance sustainable development.

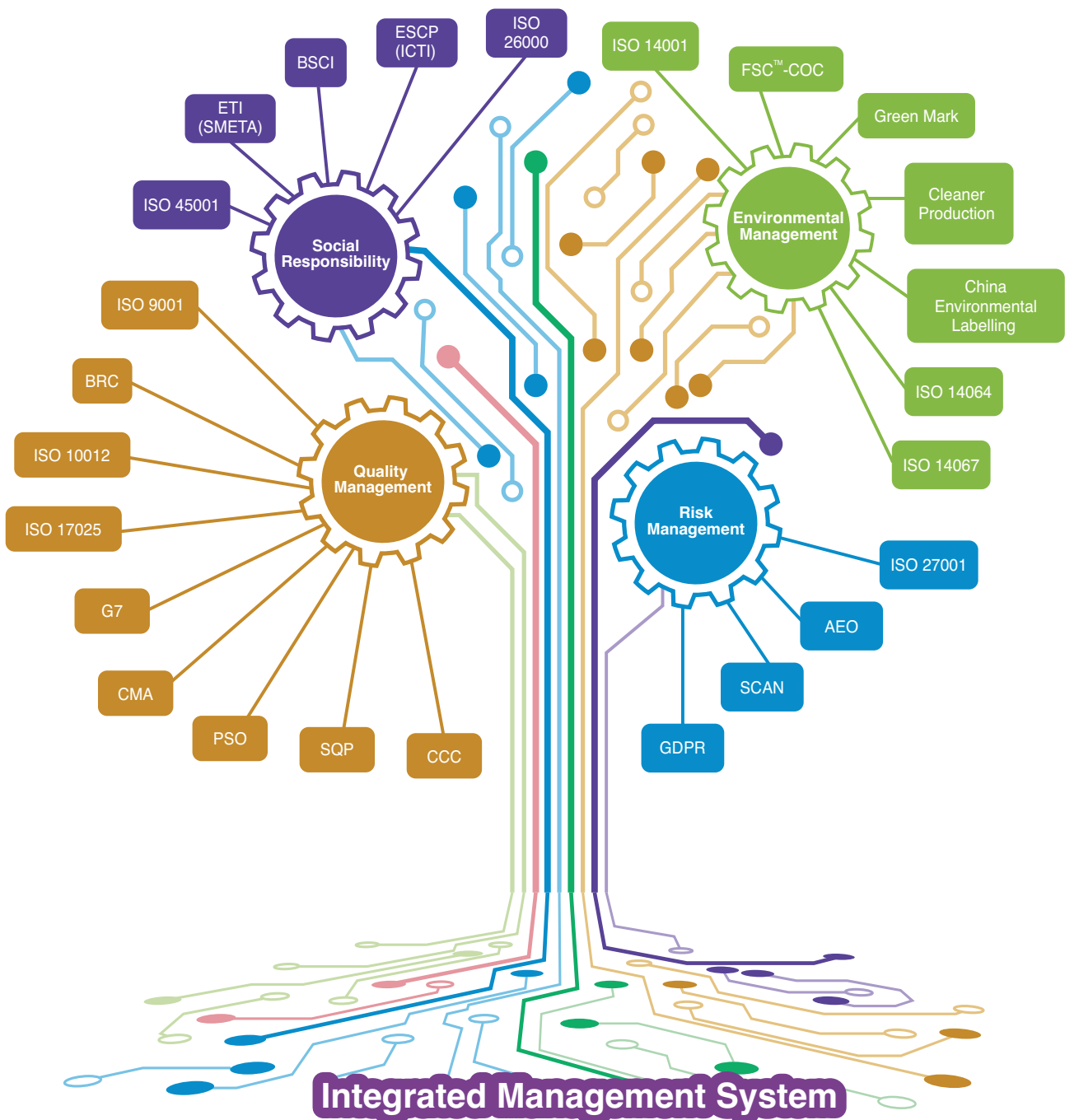
## Management Structure

To ensure the effective implementation of its sustainability initiatives, Leo has formed the Sustainability Management Committee. The Committee is responsible for strategically planning and managing performance across core areas such as corporate governance, environmental protection, employee care, labor rights, and community support.



# Integrated Management System

Leo has effectively integrated international standard elements across various operation aspects, including quality, environment, social responsibility, and risk management, and incorporated them into the entire operational process. This has led to the establishment of a comprehensive management system encompassing “**Social Responsibility, Quality Management, Risk Management, and Environmental Management**”.



# Stakeholder Engagement and Material Issues Analysis

By systematically analyzing the global economic situation, stakeholders' concerns, as well as the latest social responsibility standards and policy trends, Leo identifies risks and challenges, uncovers opportunities and growth points, screens and identifies material issues, and formulates strategies to promote high-quality development.

## 1 Stakeholder Identification and Communication

Through diverse methods such as questionnaires, client meetings, conferences, and client visits, Leo identifies stakeholders and understands their expectations, concerns, and demands, which provides a basis for identifying material issues.

## 2 Issue Identification and Screening

By considering internal and external environments as well as stakeholders' expectations, Leo extensively identifies potential material issues. Through a comprehensive assessment based on the likelihood of occurrence and the impact on stakeholders and Leo's business activities, Leo ultimately screens and determines 19 key material issues.

## 3 Confirmation of Key Material Issues

Through internal management review of the screening results, Leo confirms the key material issues that may have a significant impact.

## 4 Response to Material Issues

Leo formulates corresponding measures for material issues and discloses the selected key material issues.

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

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

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

The table below provides an overview of Leo's important material issues and the corresponding measures taken.

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

## Risk Management

Leo has set up a systematic prevention mechanism covering internal auditing, emergency response, anti-corruption measures, and codes of conduct, to effectively tackle major risks and ensure the safety of corporate properties.

### Internal Audit Mechanisms

Leo has established a dedicated internal audit team to conduct internal audits and special assessments in areas such as social responsibility, quality, safety, environment, and information security. Based on different system standards and customer and operational requirements, we continuously monitor and optimize the effectiveness of internal policy implementation.

In 2025, our internal audit team conducted a total of 20 internal system audits and 52 special assessments.

# 20

## Internal System Audits

Covering ISO 9001, ISO 14001, ISO 45001, PSO, China Environmental Labeling, BRC, FSC™-COC, SCAN, etc.

# 52

## Special Assessments

Focusing on key business processes, compliance, information security, product safety, codes of conduct, etc.

### Emergency Preparedness and Drills

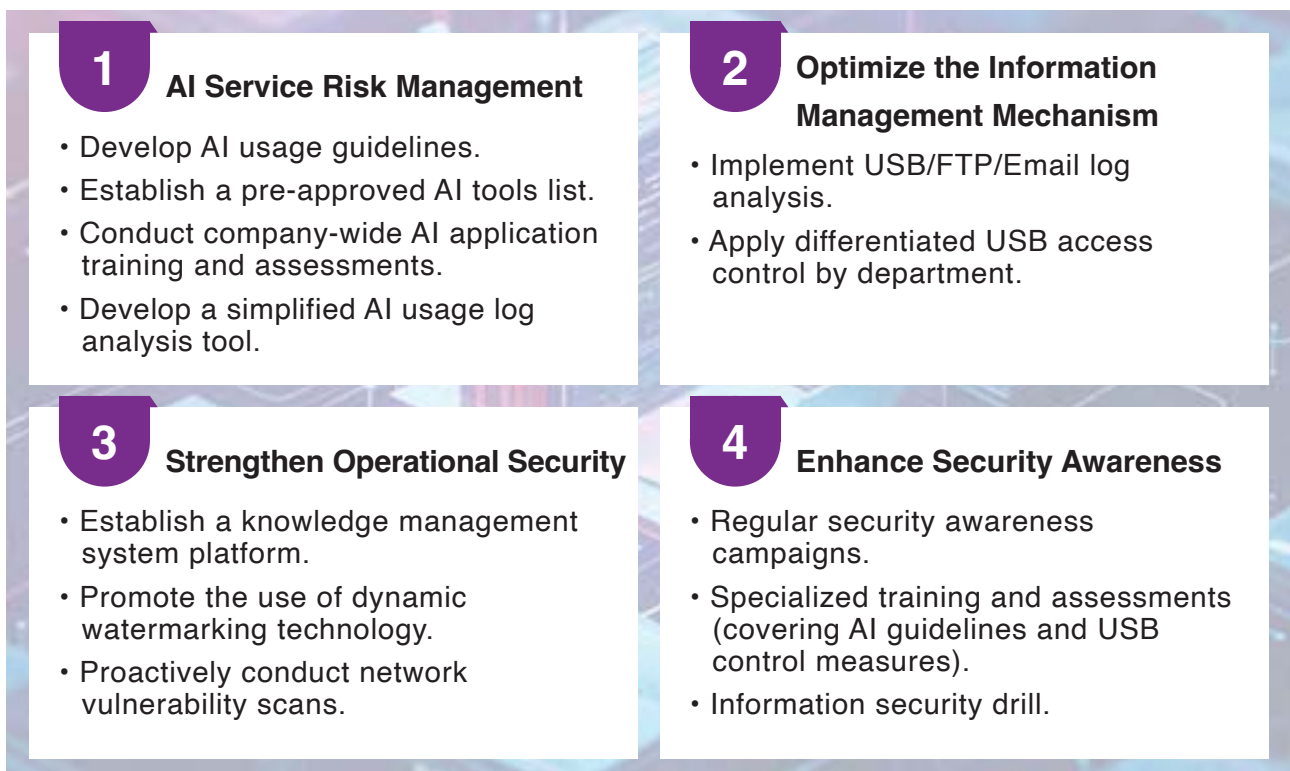
Each year Leo conducts risk drills to validate the effectiveness of its response plans, as well as enhance to the practical competence of relevant departments.

## Major Risk Drills



## Information Security

Leo has established a comprehensive information security management system covering networks, data, and applications. Leo ensures the security of information assets and business continuity through continuous dynamic monitoring, regular training and drills, and optimization of management mechanisms.



## Protection of Intellectual Property

Leo has established a comprehensive intellectual property system covering its core assets and customers' rights and interests, and has implemented an intellectual property protection mechanism.

### Trademarks & Patents



- Establish an internal ledger for intangible assets.
- Set up a dedicated department responsible for trademark registration, renewal, as well as patent application and maintenance.

### Legal Protection



- Establish a dedicated legal team.
- Continuously monitor market trends and promptly take action to safeguard legal rights.

### Customer Rights Protection

- Establish a comprehensive customer property protection system.
- Assign dedicated personnel to manage customer property.
- Regularly organize employee training.



# 4,700+

Participants in Customer Property & Brand Protection Training

## Business Ethics

Leo has been continuously enhancing and optimizing its business ethics system. Anti-corruption education and accountability mechanisms have been deeply integrated into our operational processes. We ensure the integrity of our bidding process through clear and transparent procedures and a robust evaluation process. We implement a fair, consistent, and transparent system for business ethics.

### Integrity and Anti-corruption

In the past year, we optimized our anti-corruption management system through enhanced training, conflict-of-interest declarations, and strict audit supervision, integrating integrity requirements into business processes.

## Leo's Integrity and Anti-corruption System

### Anti-corruption Governance Committee

Corruption Prevention Team

Education and Culture Building Team

Special Investigation Team

### Risk Management

1. Employee Code of Conduct Handbook
2. Disclosure and Declaration of Accepting Gifts 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. Online Portals

## Bidding Center

Established in 2010, Leo's Tendering Center has ensured fairness, efficiency, and transparency in every step by setting up standardized procedures. Its goal is to select high-quality partners and achieve optimal resource allocation.

# 31

Tendering Projects Completed

Procurement | Engineering | Services

## Code of Conduct

Leo applies international standards to build a comprehensive and systematic code of conduct management system. Through measures such as conducting systematic training and establishing regular auditing and inspection mechanisms, Leo has integrated code of conduct requirements into every operational link.

ESCP(ICTI)

ETI(SMETA)

BSCI

### International Standards

The comprehensive code of conduct management system covers fair operations, wages, freedom of association, underage worker protection, anti-forced labor, gender equality, and more.

## Supplier Management

Leo's supplier management aims to ensure efficient resource allocation and a quality supply through rigorous screening and long-term cooperation mechanisms.

### SCREENING PHASE

- ➔ Strict qualification reviews
- ➔ On-site inspections/audits
- ➔ Quality and compliance control
- ➔ Supply chain structure optimization

### COOPERATION PHASE

- ➔ Regular meetings
- ➔ On-site inspections/audits
- ➔ Comprehensive assessment mechanism
- ➔ Supplier collaborative innovation

**2025: 50 Supplier Reviews Conducted**

# COMMITTED TO GREEN DEVELOPMENT

- Green and Harmonious Management
- Climate-related Disclosures
- Green Supply Chain
- Energy Management
- Water Management
- Air Emissions Management
- Waste Management
- Leo Shaoguan Agriculture and Forestry Project
- Environmental Promotion and Training
- Environmental Indicators



Leo has embedded green initiatives into every aspect of its decision-making and operational processes and has established a comprehensive green management system.

In 2025, Leo further implemented environmental projects, including the development and production of green products, the building of a green supply chain, and promotion of clean and renewable energy, and many more carbon-reduction initiatives.

## Green and Harmonious Management

Since the establishment of the Green and Harmonious Committee in 2010, Leo has constructed a systematic green governance framework and has continuously enhanced green and low-carbon practices through five modules.



### Leo Paper Group Green Harmony® Committee

#### 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

#### 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

#### Green Living and Culture

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

#### Green Management System

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

Green Manufacturing Practice, Education and Training

## Climate-related Disclosures

Leo has established a climate information disclosure framework in compliance with the International Sustainability Standards Board (ISSB)'s IFRS® S2 Climate-related Disclosures standard, integrating climate-related risks and opportunities into its core strategy. By setting emission reduction targets, Leo effectively manages climate risks.

### Governance

Leo has fully integrated climate risk management into its governance system. The Board of Directors has established the Green Harmony® Committee responsible for formulating climate strategic objectives, managing climate-related risks and opportunities, and establishing an efficient communication mechanism. This ensures that climate actions are integrated with overall governance, enhancing Leo's climate governance effectiveness.

### Climate Change Risks and Opportunities

Leo has systematically identified and analyzed climate-related transition risks, their physical risks and assessed their impacts on strategy, market, operations, and other aspects, and formulated measures to ensure Leo maintains business resilience under diversified climate scenarios.

#### Physical Risks

Leo has reviewed and identified the physical risks associated with climate change, including extreme weather events and prolonged high or low temperatures. To assess their potential impacts, we have systematically examined the severe threats these factors pose to our operations, assets, and supply chain based on the high-emission scenario RCP 8.5 published by the IPCC, which projects a possible global average temperature increase of approximately 4°C by 2100. We have also formulated mitigation and adaptation measures to enhance business resilience and ensure sustained operational capabilities.

Medium Term (4-10 years)



#### Extreme Weather (Heavy Rain, Typhoons, Flooding)

##### Potential Consequences

- ⚠ Increase spending on extreme weather mitigation measures, such as deploying sandbags for flood control.
- ⚠ Increase expenditures on infrastructure, equipment, transportation, and maintenance of transport facilities.

- ⚠ Economic losses rise due to reduced production capacity and disruptions in products or services over the supply chain.
- ⚠ Insurance premium costs increase.
- ⚠ Employee health and safety risks escalate.

#### Counter-risk Measures

- ✔ Reinforce key flood control infrastructure.
- ✔ Develop emergency prevention and control measures for extreme weather and conduct annual simulation drills.
- ✔ Diversify supply chain deployment.
- ✔ Conduct regular inspections and preventive maintenance on outdoor equipment.
- ✔ Establish a rapid repair response mechanism.
- ✔ Monitor weather alerts in real-time and activate response mechanisms immediately.

#### Long Term (over 10 years)



### Extreme Heat

#### Potential Consequences

- ⚠ Rising costs of refrigeration energy consumption and water resource usage.
- ⚠ Decline in production efficiency due to increased employee health risks and higher equipment overheating failure rates.
- ⚠ Increased costs for environmental improvement initiatives.

#### Counter-risk Measures

- ✔ Develop cooling operation protocols for extreme heat conditions to ensure normal equipment operation and safeguard employee health and safety.
- ✔ Strengthen maintenance of refrigeration equipment and enhance cooling efficiency of cooling towers.
- ✔ Promote energy-efficient equipment and intelligent temperature control technologies.

## Transition Risks

Drawing on the International Energy Agency's Net Zero Emissions by 2050 Scenario (NZE), a pathway aligned with limiting global warming to 1.5 °C, Leo has conducted a comprehensive identification and analysis of transition risks across policy, technology, and market dimensions. Additionally, Leo has formulated mitigation measures to ensure effective responses to various transition challenges.



### Policies & Regulations

#### Risk 1

Medium Term (4-10 years)

**Carbon taxes or carbon emissions trading can lead to increased compliance costs.**

- Regularly collect and stay informed about the latest carbon tax rates and carbon trading market information.
- Continuously implement carbon emission reduction and carbon neutrality initiatives to lower operational costs.

#### Risk 2

Short Term (1-3 years)

**The strengthening of mandatory climate disclosure requirements can result in rising compliance and reporting costs.**

- Establish a disclosure system compliant with standards such as IFRS S2, and carry out data governance and third-party verification.



### Technology

#### Risk 1

Long Term (over 10 years)

**Existing equipment may not meet new energy efficiency standards, leading to increased capital expenditures for equipment upgrades or replacements.**

- Regularly assess equipment energy efficiency and formulate plans for the gradual upgrading or replacement of equipment.
- Apply for government energy-saving subsidies, green low-interest loans, or tax incentives to reduce investment costs.



## Technology

### Risk 2

Long Term (over 10 years)

**The rapid development of low-carbon alternatives creates a technology risk for existing assets, often requiring increased capital investment in newer, cleaner technologies.**

- Adopt efficient and low-carbon production equipment, technologies, and processes to enhance energy and resource efficiency.
- Conduct in-house research and development of green and low-carbon solutions.



## Market

### Risk 1

Long Term (over 10 years)

**There is increasing pressure on the supply chain to undergo a low-carbon transformation.**

- Launch supply chain carbon footprint assessment and collaborative emission reduction projects.

### Risk 2

Medium Term (4-10 years)

**Consumer preferences are shifting towards low-carbon products.**

- Increase R&D and promotion of low-carbon products.
- Conduct product carbon footprint certification.
- Establish a green brand strategy and enhance customer communication.

## Opportunities

Leo has systematically integrated climate change response into its core business development, identifying and capitalizing on opportunities for low-carbon transformation through multi-faceted efforts, including technological innovation, energy efficiency improvements, green product development, and renewable energy adoption.



### Product and Service Innovation

Our commitment to sustainability includes:

- Using biodegradable and recyclable materials
- Offering effective carbon accounting services



### Resource Efficiency Enhancement

Reducing the intensity of energy, water, and raw material consumption:

- Process optimization
- Energy efficiency retrofits
- Adoption of low-carbon equipment



### Energy Structure Transformation

Increasing the share of renewable energy:

- Solar power
- Green electricity trading
- Replacement of fuel-powered forklifts with electric alternatives



### Green Supply Chain Development

Lowering the carbon footprint:

- Implementing green procurement
- Optimizing logistics for greater efficiency
- Collaborating with suppliers to reduce carbon emissions

## Carbon Reduction Action Plan

Recognizing the global call to address climate change, and aligning with Leo's context and strategic objectives, we have implemented a robust and actionable climate action plan.



### Product & Service Innovation

- Deliver end-to-end carbon footprint calculations for printed paper products.
- Drive sustainability through innovative design, including material reduction, light weighting, and recyclability.

Sponge to Paper Particles

Plastic to Paper Pallets

Plastic to Paper Bags



## Low-carbon Supply Chain Operations

### Green Packaging and Logistics Optimization

- Promote the use of flexible soft packaging for inks to reduce material consumption.
- Optimize logistics loading and route planning to minimize empty vehicle mileage.
- Increase the use of intermodal transportation combining water and land routes.
- Select logistics partners that utilize new energy sources.
- Advocate for the adoption of LNG-powered cargo ships where applicable.
- Deploy AGV unmanned intelligent electric forklifts and electric trucks within factory operations.



### Green Procurement

- Prioritize paper from sustainable forests.
- Introduce flush-free CTP plates to reduce water and chemical use.
- Replace solvent-based inks with bio-based or water-based alternatives.

### Resource Efficiency Enhancement

- Implement on-demand printing to reduce waste.
- Optimize layouts to maximize material use.
- Upgrade VOCs treatment for compliance.
- Promote water reuse and install water-saving appliances.



## Energy Transition

### Renewable Energy

- Install solar photovoltaic systems on factory rooftops.
- Participate in green power and green certificate trading.
- Deploy solar-powered street lighting across facilities.
- Implement waste heat recovery systems for air compressors.
- Gradually transition to electric vehicles and electric forklifts.





## Energy Transition

### Energy Efficiency Improvement and Equipment Upgrades

- Replace outdated production equipment with high-efficiency alternatives.
- Implement intelligent upgrades for central air conditioning and air compressor systems.
- Retrofit printing machines and drying systems for improved energy performance.
- Complete full conversion of lighting systems to LED.
- Adopt permanent magnet variable frequency air compressors.



## Awareness Enhancement

### Employee and Supplier Training

- Conduct regular specialized carbon reduction training sessions for employees.
- Invite external industry experts to deliver a series of lectures on carbon reduction.
- Organize green and low-carbon seminars for suppliers.

### Incentive Mechanisms

- Provide rewards and recognition to employees and teams that excel in carbon reduction efforts.

## Climate-related Risk Management

To effectively mitigate the impact of climate-related risks on business operations, Leo has fully integrated these risks into its core risk management framework. Through a systematic identification and assessment process, we evaluate both physical risks—such as the impact of extreme weather on operations—and transition risks, including policy, market, and technological changes. Based on this assessment, we have created targeted control and adaptation strategies. These include enhancing the resilience of critical infrastructure, promoting a green and diversified supply chain, and investing in the research, development, and application of low-carbon technologies.

For extreme weather events that are increasing in frequency and have the potential to cause significant disruption, we have established dedicated emergency response plans. These plans are validated and continuously optimized through annual cross-departmental drills, ensuring business continuity and organizational preparedness.

## Internal Carbon Pricing

Leo plans to internalize the environmental impacts of carbon emissions by establishing a scientific, systematic, and business-aligned internal carbon pricing methodology. This framework will enable the full integration of carbon costs into key business processes, including investment decision-making, production planning, and operational performance evaluation.

1

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

= Purchased Electricity (kWh) ×  
Emission Factor (CO<sub>2</sub>e/kWh) ×  
Average Carbon Market Price

2

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

= Solar Energy Usage (kWh) ×  
Emission Factor (CO<sub>2</sub>e/kWh) ×  
Average Carbon Market Price

## Carbon Emission Targets

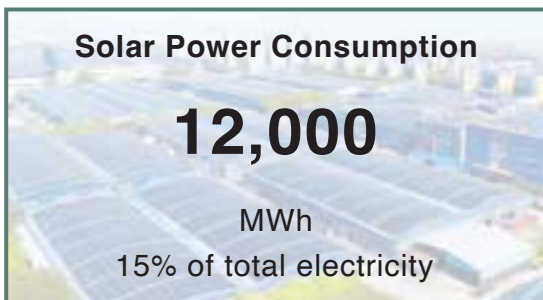
Leo has categorized the addressing of climate change as a core strategic priority in support of global sustainable development goals. As a key milestone along this pathway, we have set a clear mid-term target: to reduce the carbon emission intensity of Scope 1 and Scope 2 emissions by 25% by 2025, using 2019 as the baseline year.

### Renewable Energy

Leo has identified increasing the proportion of renewable energy as a core approach to achieving its climate goals. Through a variety of measures—including the installation of photovoltaic systems on its own premises, the purchase of green certificates, and the deployment of solar street lights—Leo is optimizing its energy structure.

In 2025, while prioritizing the use of self-generated solar power to meet its own electricity needs, Leo will feed surplus electricity into the local power grid, enabling efficient energy utilization and sharing.

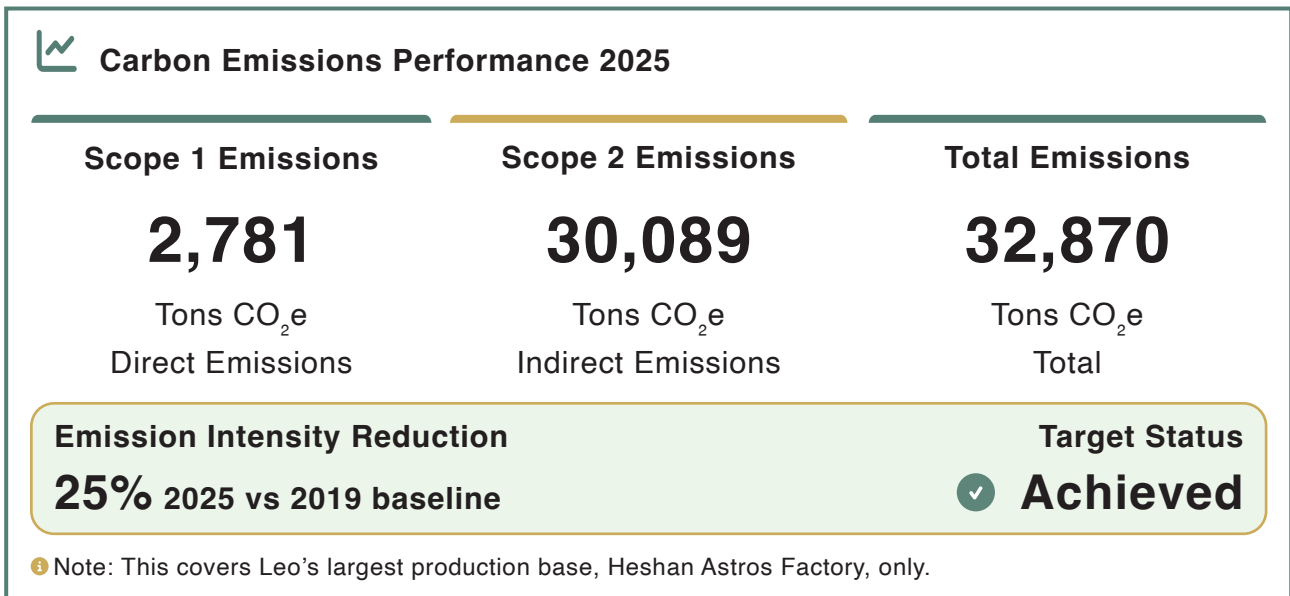
### Renewable Energy Achievement 2025



Note: This covers Leo's largest production base, Heshan Astros Factory, only.

## Carbon Emissions

Since 2010, we have established a comprehensive and traceable enterprise-level carbon emission accounting system in accordance with the ISO 14064-1 standard and IPCC guidelines. To ensure the credibility of the data, we have consistently conducted annual third-party verifications.



## Green Supply Chain

Through 2025, Leo remained dedicated to establishing a comprehensive sustainable end-to-end green supply chain. By enforcing green procurement standards, driving innovation in eco-friendly materials, proactively tackling regulations like the EUDR, and refining its green logistics, it aimed to integrate sustainable management from source to delivery.

### Green Procurement and R&D

Our stringent procurement system prioritizes materials with green attributes—such as FSC-certified paper, low-VOCs inks (including soy-based and water-based alternatives), alcohol-free dampening solutions, and water-based adhesives. Effectively, this source reduction strategy enhances environmental performance throughout the entire production cycle.

In addition, Leo emphasizes the innovation and development of new materials to minimize environmental impact. We actively engage in the research, development, and application of green materials—for example, by replacing plastic components with paper-based alternatives or integrating renewable ingredients into products. These efforts significantly reduce the environmental footprint associated with plastic usage.

**Key Initiatives 2025**

Recycled Paper and Paper from Certified Well-managed Forests	<b>97.08%</b> Certified and recycled paper
Use of Natural Fibre Ribbons	<b>Over 6.8 million</b> Conventional satin ribbons replaced by cellulose-based alternatives
Green Label Materials	<b>Plastic-free base labels</b> → Replace the intermediate PE lamination layer
	<b>Cellulose film labels</b> → Replace traditional PET plastic labels

**Low-carbon Logistics**

Leo is committed to reducing transportation emissions through structural optimization. In 2025, we increased the proportion of multimodal transport connections to replace high-carbon road transportation. At the same time, we collaborated with logistics suppliers to use vessels powered by cleaner fuels such as liquefied natural gas (LNG), ultimately reducing the logistics carbon footprint.

**Multimodal Transport Integration**

By reducing reliance on overland trailers and expanding water-land combined transport to ports, carbon emissions can be reduced by approximately 70%. Similarly, by using rail-freight integration, emissions can be cut by around 80%.

**LNG Vessel Operations**

Compared to traditional diesel-powered vessels, LNG ships reduce CO<sub>2</sub> emissions by approximately 25%, slash nitrogen oxide emissions by 90%, and nearly eliminate sulfur oxides and particulate matter, significantly lowering maritime pollutant discharges.

### Maiden Voyage of LNG-Powered Vessel at Heshan Port

The maiden voyage ceremony of the LNG-powered vessel, themed “Green and Low-Carbon Supply Chain: Advancing Sustainable Development,” was held at Heshan Port. Jointly organized by Leo and Chu Kong Transshipment & Logistics Co. Ltd., the event marked a key milestone in advancing collaboration on green and low-carbon supply chains and promoting green shipping. The launch represented both a technological breakthrough and a strong commitment to green transformation. Powered by LNG, the vessel delivers substantial environmental benefits, contributing to cleaner waterways and a better environment.



### Green and Low-Carbon Supply Chain Summit

Following events held in June and September 2023, the Green and Low-Carbon Supply Chain Summit marked Leo’s third thematic forum on green supply chain development. Under the theme “Driving a Green and Low-Carbon Supply Chain for a Sustainable Future,” the Summit promoted cross-industry collaboration to accelerate low-carbon transformation. It brought together over 180 participants, including customers and representatives from the banking, logistics, and manufacturing sectors. Leo shared insights on low-carbon practices, green finance, and green logistics. The event concluded with the announcement of a future forum on strategic environmental KPIs , followed by a symbolic tree-planting activity.



## Establishing Environmental Targets for the Supply Chain

### Supplier Environmental Data Collection

To support the integration of environmental performance into supplier selection criteria (QCD + E), Leo continued to advance its green supply chain initiatives. Following the Green and Low-Carbon Supply Chain Summit held on 19 March 2025, Leo established environmental KPIs for suppliers.

Environmental data were collected for 2024–2025 from suppliers with annual procurement of HKD 1 million or above, covering energy consumption, water usage, solar power generation or consumption, VOC emissions, and hazardous waste. By July 2025, we had achieved a 100% response rate and completed data analysis.

### Establishment of Supplier Environmental KPIs

Leo issued the “2026 Voluntary Emission Reduction Initiative” to suppliers, encouraging them to set reduction targets for carbon emissions, hazardous waste, VOCs, or other environmental initiatives. Using 2025 as the baseline, suppliers are encouraged to establish emission reduction targets for 2026.

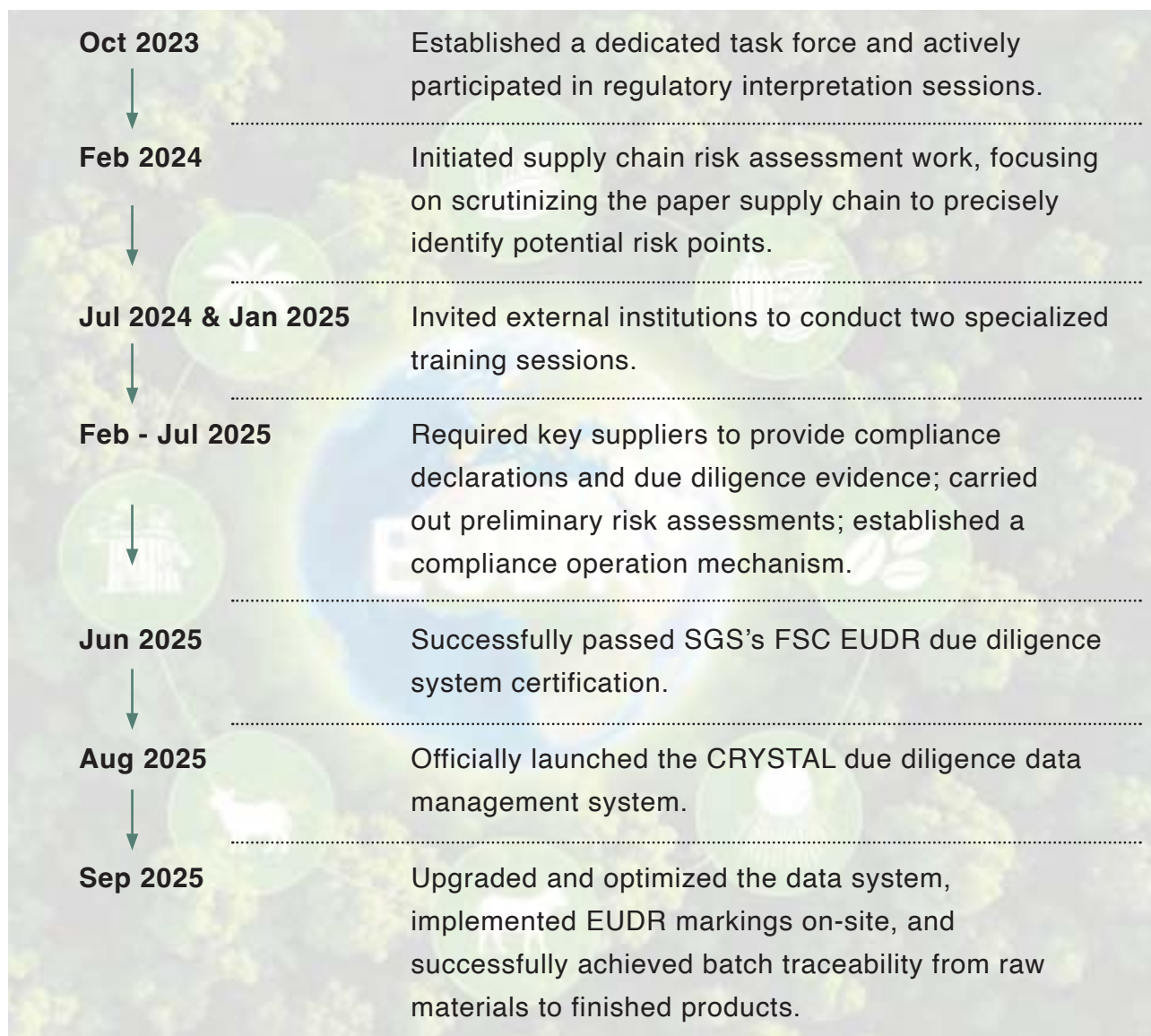
In 2026, Leo will conduct environmental audits on selected key suppliers to assess progress against their stated targets, further enhancing implementation of sustainability initiatives across the supply chain.

## Compliance with EU Deforestation Regulation (EUDR)

Under its sustainable development framework, Leo actively advances compliance with the European Union Deforestation Regulation (EUDR). We have established batch traceability from raw materials to finished products and integrated EUDR requirements into our green procurement policy to build a sustainable supply chain system.



## Our Progress in EUDR Compliance Work:



## Energy Management

Leo has advanced its energy management initiatives, with the core principles of “optimization and efficiency enhancement, technological innovation, and structural transformation”. Through strengthened energy monitoring and data analysis, Leo has achieved precise identification of high-energy-consumption areas and implemented targeted improvements. At the same time, it has promoted the iterative upgrading of energy-efficient equipment, with a strong focus on implementing green energy projects such as waste heat recovery from air compressors, clean energy substitution, and the electrification of fuel-powered vehicles, to establish a comprehensive low-carbon production model.

In 2025, Leo continued to drive down energy consumption through a series of impactful measures:

**Central Air Conditioning Water Pump Renovation**

**450 MWh**

Electricity Reduction

Replaced 13 outdated, inefficient central air conditioning water pumps with energy-saving models.

**Air Compressor Optimization**

**1,330 MWh**

Electricity Reduction

Replaced 30 old single-stage compression screw air compressors with 8 high-efficiency, high-power two-stage compression models.

**UV Lamp Renovation**

**300 MWh**

Electricity Reduction

Upgraded traditional lamps to LED-UV lamps for UV varnishing machines.

**LED Tube Replacement**

**550 MWh**

Electricity Reduction

Switched conventional LED tubes to new energy-efficient and high-performance LED tubes.

## Water Management

Leo has implemented a comprehensive approach to water resource management, systematically reducing water consumption and minimizing environmental impact through an integrated closed-loop model of “conservation – treatment – reuse”.

### Wastewater Treatment

All factories are equipped with wastewater treatment systems that operate in full compliance with regulatory standards.



### Water Reuse

At the largest manufacturing site, Heshan Astros, Leo has extensively promoted the use of reclaimed water. Treated water is now applied to processes such as cleaning and spray cooling, significantly improving water circulation efficiency.



## Water Conservation

Leo has installed high-efficiency water-saving fixtures and implemented a routine third-party leak detection and repair program to fundamentally reduce non-beneficial water use.

### 2025 Water Management Measures:

- ✓ Cooling system upgrade: tap water spray → central air conditioning system (zero consumption).
- ✓ Leak repairs: 31 leak points repaired.
- ✓ Reclaimed water: Extended to container spray system.

ⓘ Note: This covers Leo’s largest production base, Heshan Astros Factory, only.

### 2025 Achievements

Fresh Water	-27%	▼
Reclaimed Water	+13%	▲

## Air Emissions Management

In 2025, Leo continued to advance its exhaust gas management efforts in line with the principles of “source reduction, process control, and end-of-pipe treatment.” By integrating technological upgrades, process and material optimization, and effective treatment measures, Leo further minimized the environmental impact of its exhaust gas emissions.

### Source Control:

- Prioritize low-VOCs raw materials: vegetable-based ink, water-based adhesive, low-VOCs cleaning agents, etc.
- Adopt digital printing to minimize solvent use and emissions.

### Process Control:

- Establish dedicated storage areas for inks, solvents, and other raw materials.
- Implement effective anti-volatilization measures, including sealed lids and negative pressure exhaust systems, to contain emissions at source.

### End-of-Pipe Treatment:

- Installed 25 exhaust treatment systems (primary and secondary activated carbon adsorption) to ensure compliance.
- Deployed online monitoring for real-time emission oversight.

## Waste Management

Leo strictly adheres to the principles of the circular economy by integrating the concepts of “source reduction and resource utilization” across all its operations. We systematically promote waste reduction, resource recovery, and treatment to minimize the final volume of waste sent for disposal, achieving both environmental and economic benefits.

### Source Reduction

Through technological upgrades and material substitution, Leo reduces resource consumption and waste generation at the source.

- Process-free CTP plates → chemical waste liquid eliminated
- Centralized ink supply → waste ink reduced
- Flexible ink packaging → material usage minimized

### Resource Utilization

Leo has established a comprehensive waste classification and recycling system.

- Non-hazardous waste (paper, plastics, etc.) → sorted, sealed, labeled, and handed over to certified recycling companies.
- Hazardous waste (ink, rags, containers, etc.) → sorted, sealed, labeled, and entrusted to licensed professional units for safe disposal or resource regeneration.

**In 2025, Leo implemented the following measures to further reduce waste generation:**

#### **Process-free CTP Zinc Plates**

The adoption rate of process-free CTP zinc plates increased to 74%, significantly reducing the use of chemicals during plate processing and lowering environmental pollution and hazardous waste generation at the source.

#### **Automatic Ink Dispensing Systems**

Printing machines were equipped with fully automatic ink dispensing systems, and ink packaging was transitioned from metal cans to flexible packaging. Together, these measures have reduced hazardous waste generation by approximately 20 tons per year.

## Leo Shaoguan Agriculture and Forestry Project

Since 2013, Leo Shaoguan Agriculture and Forestry has collaborated closely with the local authorities to advance regional “rocky desertification” control efforts. Following a structured plan, the company has carried out scientific afforestation, primarily selecting highly adaptable tree species that offer significant ecological benefits. This initiative has effectively curbed the progression of rocky desertification and substantially reduced soil erosion.

At the same time, Leo Shaoguan Agriculture and Forestry has actively explored the integration of ecological restoration with industrial development by encouraging local farmers to plant oil tea trees.



## Environmental Promotion and Training

### Environmental Promotion

Leo regards environmental protection as a core corporate responsibility. In 2025, the company systematically carried out a series of environmental advocacy and outreach initiatives. These efforts not only translated policy requirements into employees’ conscious awareness and actions but also extended the reach of green initiatives from the factory to the surrounding community.

#### Tree Planting Activity

- Collaborated with Green and Low-carbon Supply Chain Summit participants and strategic suppliers on a joint tree-planting initiative.
- Engaged 30 Leo team members in the “Arbor Day” event.



#### Promotion of Recycling Initiatives

##### Creative Environmental Protection Campaign

We transformed waste materials into educational displays, repurposing old cardboard boxes into models of “dragons” and “tanks,” and converting plastic bottles and paper boxes into aerospace replicas such as rockets and satellites.

### **“Green Mid-Autumn Festival” Recycling Campaign**

We collected surplus mooncakes and recyclable materials, including mooncake boxes, to promote waste reduction during the festive season.

### **Second-hand Item Sharing Initiative**

We encouraged employees to share idle personal items with others, extending the culture of reuse from the workplace into the broader community.



### **Food Angel Project**

The surplus edible food from local markets was collected and distributed free of charge to families and community groups in need. In 2025, the project successfully saved 650 kilograms of cabbage from going to waste.



### **“Green Corner” Launched in Hong Kong**

Leo Paper Group has launched the “Green Corner” at its Hong Kong headquarters, a dedicated showcase highlighting the Group’s achievements in sustainability, environmental management and responsible production. Key highlights include the proportion of FSC-certified paper products, the recycled water usage rate, and an accredited laboratory supporting green R&D.

The Group also advances eco-friendly solutions such as plastic-free alternatives and water-based coatings and drives long-term community reforestation efforts, and has received multiple ESG awards and certifications from recognized international organizations.



### **Leo Sustainability Express**

Leo Sustainability Express is a quarterly e-newsletter published by Leo Group and distributed via its digital platforms, including Facebook and other online channels. The newsletter aims to keep customers and stakeholders informed of the Group’s sustainability progress, while providing updates on international regulatory requirements and related response measures.

Since its launch in October 2024, six issues have been released, focusing on sustainability topics relevant to the printing and packaging industry. Coverage includes major global regulations such as the EU CSRD, CSDDD, EUDR, and battery and waste battery regulations, as well as the Group’s environmental initiatives, green supply chain seminars, sustainability events, and environmental awards. Additional information is available via the QR code provided in related materials. Readers can access further information by scanning the QR code shown in the relevant materials.



## Environmental Training

In line with its green development strategy, in 2025, Leo organized and implemented a series of specialized environmental protection training programs. These programs aim to systematically improve employee understanding and execution capabilities in solid waste classification, environmental protection concepts, and hazardous waste management.



▲ "Waste Sorting Begins with Me" Training



▲ "Strengthening Values to Advance Green Practices" Corporate Culture Training

## Environmental Indicators

(Heshan Astros Printing Plant)

### Water Consumption and Recycling

Water Consumption	2023	2024	2025
Fresh Water (Tons)	2,056,240	1,411,609	1,029,675
Reclaimed Water (Tons)	451,562	416,951	471,106
Total Water (Tons)	2,507,802	1,828,560	1,500,781
Reclaimed Water (%)	18.01	22.80	31.39

## Waste Generation and Reduction

Indicator	Units	2023	2024	2025
Total Waste Generation	Tons	38,726	35,959	29,558
	Improvement Since 2007 (%)	29.44	34.48	46.15
Hazardous Waste Generation	Tons	837	796	494
	Improvement Since 2007 (%)	63.72	65.48	78.57

## Recycled Paper and Paper from Certified Well-managed Forests

Indicator	2023	2024	2025
Percentage of Recycled Paper and Paper from Certified Well-managed Forests (%)	97.32	96.31	97.08

## Energy Consumption

Indicator	2023	2024	2025
Total Fuel Consumption within the Organization (GJ):	10,644	10,439	8,096
Total Electricity Consumption within the Organization (GJ):	329,002	287,112	245,262

## Greenhouse Gas (GHG) Emissions

Indicator	2023	2024	2025
Direct Carbon Dioxide Equivalent (CO <sub>2</sub> e) Emissions (Fuel, LPG, Waste Water Treatment Plant, etc.) (Tons):	3,740	3,253	2,781
Indirect Carbon Dioxide Equivalent (CO <sub>2</sub> e) Emissions (Purchased Electricity Consumed) (Tons):	52,090	35,096	30,089
Indirect Carbon Dioxide Equivalent (CO <sub>2</sub> e) Emissions (Air Travel) (Tons):	22	24	19
Total(Tons):	55,852	38,373	32,889
GHG Emissions Improvement Since 2007 (%)	51	67	71

# DEDICATED TO HAPPY AND HARMONIOUS LEO COMMUNITY

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



Leo upholds the core value of being “people-oriented” to maintain a happy and harmonious corporate community.

In 2025, Leo continued with employee care programs, educational support, assistance for vulnerable groups, and enhancements to occupational health and safety systems to strengthen Leo’s connection with employees, and promote the integrated development of Leo and the community.

## Occupational Health and Safety

Safety is the bedrock of our employee development, business success, and a thriving community. In 2025, Leo further advanced the continuous optimization of its occupational health and safety management by strengthening employees’ safety culture and awareness and conducting systematic fire safety emergency drills.

### Safety Education and Outreach Initiatives

#### Fire Safety Education and Outreach Initiatives

A comprehensive fire safety program was implemented in 2025 to raise employee awareness, strengthen safety protocols, and embed primary safety responsibilities. The specific training sessions that were conducted are as follows:



▲ Four fire evacuation drills and one large-scale fire drill.



▲ Fire safety training for students, faculty, and staff at schools, kindergartens, and summer camps.



▲ Fire safety training for on-site outsourced service providers.



▲ Other training programs, including volunteer firefighter instruction, heptafluoropropane fire extinguishing system operation, and fire safety publicity and education campaigns.

## Traffic Safety Education and Outreach Initiatives

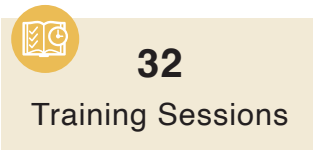
On May 6, 2025, Heshan Astros' EHS and Emergency Management Center, together with the Heshan Traffic Safety Team, hosted the "Traffic Safety Knowledge Education and Promotion Series". This event was held at our company's production plant. Combining specialized training with hands-on activities, the initiative engaged drivers, EHS representatives, and employees. The multi-faceted effort enhanced the strong culture of traffic safety among all attendees.



## Occupational Safety and Health Training Program

We are committed to improving safety awareness and practical protective skills through regular and targeted training. This approach ensures robust support for the continued advancement of our occupational health and safety management initiatives.

### 2025 Training Statistics:



Topics ranged from safety officer professional development and workplace safety to hazardous chemical handling, fire safety, and other critical safety areas.

## Work-related Accidents

Occupational health and safety is of utmost importance at Leo. We are committed to continuously strengthening risk control measures and advancing our safety culture in pursuit of a zero-accident production environment.

In 2025, a total of three minor work-related incidents were recorded, and there were no major accidents.

Indicator	2023	2024	2025
Annual Injury Case	4	8	3
Injury Case per 1000 Employees	0.52	1.08	0.44

## Training and Development

Our comprehensive, multi-tiered training and development framework offers employees diverse learning opportunities and well-defined career progression paths. Through targeted capability building, we empower individuals to realize their full potential, contributing to both personal growth and the company's long-term success.

### Digital and Intelligent Talent Development

In 2025, we introduced the Digital and Intelligent Talent Development Program, structured in two phases: CDA Certification Training and a Practical Project Training Camp.

Meanwhile, the Practical Project Training Camp, designed around our real business needs, delivered eight completed data analysis projects. Spanning from online theoretical learning to hands-on offline application, and from professional certification to tackling practical challenges, each stage of the program embodied the intelligence and efforts of all involved.



**94.7%**  
CDA Certification  
Pass Rate



## Lean Project Training

### Building a Logistics Mindset: Core Principles Training

In 2025, to support the launch of the seventh phase of logistics improvement activities under the Lean Project, we invited professional trainers to deliver an introductory session on foundational logistics concepts.

The session was designed for colleagues from all relevant departments to build a shared understanding of the logistics principles behind the Just-In-Time (JIT) production system prior to the project kick-off.



### Lean Production Training

At our Heshan Astros production plant, in November 2018, the Dojo—a dedicated training environment—was officially launched. Designed to establish a sustainable and effective training model, it serves to nurture lean management talents, support our lean production initiatives, and drive continuous efficiency improvement.

#### Curriculum

- Three levels: elementary, intermediate, advanced.
- Nine major categories of TPS knowledge system.

#### Training Approach

- Theoretical learning
- Hands-on practice
- Project-based application

#### 2025 Delivery

- 10 training sessions
- 237 participants



## Executive Lecture Series

In 2025, Leo held two executive lecture sessions delivered by senior management, who shared professional knowledge and practical experience to help employees enhance their comprehensive work capabilities.

**The “Global Supply Chain” lecture** systematically covered the history, development trends, and impact of the global landscape on supply chain management, as well as strategies for optimal allocation of enterprise resources.

**The “AI Application Practice and Thinking in the Printing Industry” lecture** shared cutting-edge applications of AI and RPA (Robotic Process Automation) technologies in intelligent production, logistics, office operations, and supply chain collaboration, drawing on the company’s actual practices. The session aimed to help the management team broaden their professional vision and improve management capabilities.



## Continuous Improvement Challenge

In January 2025, the Production Research Office held two improvement competitions: the 1st Regular QCC Competition (8 teams) focused on autonomous management and quality improvement, and the 1st Department-Level Independent Improvement Competition (10 teams selected from 74) focused on production capacity enhancement and process optimization. In both competitions, outstanding performers were selected and commended. Through their efforts, they effectively addressed practical problems and contributed to fostering a strong quality culture.



## Employee Caring

Leo is dedicated to fostering a work environment that supports both well-being and personal fulfillment of all Leonians. Throughout 2025, we enhanced our employee care culture by organizing a diverse range of activities designed to strengthen Leonians' sense of achievement and overall happiness.

### Soul Station

Leo has established the Soul Station and formed a team of volunteer counselors to provide employees with services including mental health promotion, mental health screening, psychological counseling, and regular care. Through these efforts, we continuously focus on and strive to improve employees' occupational mental health.



**52**

Members as of 2025  
Volunteer Counselor Team

### Caring Workshop

Leo's Caring Workshop was established in May 2011 as a dedicated workplace for employees with disabilities, recognized as one of the first provincial-level employment bases for people with disabilities in Jiangmen. Through tailored production arrangements and compassionate living support, the workshop empowers its employees to realize their self-worth and lead fulfilling lives.



**123**

Employees in Leo's Caring  
Workshop as of December 2025.

### Supports to Female Employees

Leo places great emphasis on the well-being of its female employees by establishing a comprehensive support system that addresses their needs from multiple angles. Special care is provided to employees who have recently given birth.

Thoughtful Accommodations:

- Designated dining areas for pregnant employees
- Priority seating on company shuttles
- Two well-equipped “Caring Mother Rooms”
- .....

## Volunteer Activities

In 2025, the volunteer team organized a range of public welfare initiatives, including charity sales and rural clean-up campaigns. They also advanced environmental protection efforts, such as clearing stagnant water from local parks.

Through these diverse activities, Leo demonstrated its commitment to community care, contributed to ecological improvement, and gave back to society through concrete actions, helping to foster a green, healthy, harmonious, and friendly community.



**145**

Volunteer Members



**442.5h**

Volunteer Hours



## Happy Summer Camp

During the summer vacation of 2025, Heshan Astros, in partnership with ESCP, hosted the third “Happy Summer Camp”. With fully upgraded facilities in 2025, we provided a more comfortable summer care environment for 40 employees’ children.

The Happy Summer Camp offers a variety of activities and courses for the children, such as drawing, singing, storytelling sessions, fire safety education, environmental storytelling sessions, and DIY cake baking, along with the distribution of exquisite gifts.

Through a variety of engaging activities, the Happy Summer Camp not only created an entertaining and educational summer growth platform for employees' children—demonstrating Leo's heartfelt care for employees and their families—but also conveyed the concept of green development through practical actions, fulfilling its corporate social responsibilities.



## Leisure Activities

Leo has enriched employees' leisure and cultural life by organizing a variety of engaging activities. These initiatives have not only enriched their spare time but also strengthened team interaction and cohesion, fostering a harmonious corporate culture.



Mid-Autumn Garden Party |  
Joy & Reunion



43rd Anniversary |  
Fun Competitions

## Commitment to Community Development

Upholding its social responsibilities, Leo integrates its growth with community progress through active participation in co-construction initiatives. In 2025, Leo further advanced these efforts by supporting public welfare activities and educational programs to build a prosperous and harmonious community.

### Education Support

Leo earnestly fulfills its social responsibilities in education by establishing kindergartens, middle schools, and university teaching sites within the factory zone-with educational resources open to local students.

Leo has built a diverse education support system covering preschool, vocational, and higher education. By empowering local education development with high-quality resources, Leo supports the cultivation of local talent and demonstrates its commitment to boosting community growth.



**Established Greenfield Kindergarten**

**2008**



**Established Jiangmen Astros Vocational and Technical School**

**2010**



**Established Jiangmen Branch of Jinan Extension School**

**2021**



## Public Welfare Activities

In 2025, Leo fulfilled its corporate social responsibility through a variety of public welfare activities.



During the Mid-Autumn Festival, we visited social welfare institutions and offered care to vulnerable groups.



Leo also launched a charity fundraising campaign to provide financial support to the victims of the Wang Fuk Court incident in Tai Po, demonstrating compassion and corporate responsibility through concrete actions.



## Social and Economic Indicators

(Heshan Astros Printing Plant)

### Employment

Indicator	Average Number of Employee		
	2023	2024	2025
Male	4,136	4,041	3,745
Female	3,589	3,342	3,048
Total	7,725	7,383	6,793

Indicator	Age Group 2025		
	Below 30	30-50	Over 50
Number	1,235	4,489	1,069
Percentage	18%	66%	16%

### Occupational Health and Safety

Indicator	2023	2024	2025
Annual Injury Case	4	8	3
Injury Case per 1000 Employees	0.52	1.08	0.44

### Market Presence

Indicator	Proportion of Senior Management Hired from the Local Community		
	2023	2024	2025
Local	53%	56%	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		
	2023	2024	2025
Male	61%	61%	61%
Female	39%	39%	39%

### Training and Education

Employee Category	Average Training Hours per Employee#		
	2023	2024	2025
Frontline Staff / Workers	4	6	5
Management (Grade 1-4)	18	21	15
Management (Grade 5-6)	19	25	18
Management (Grade 7-8)	22	43	25
Senior Management / Top Management	8	16	12

#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
- New Business Development
- Participation in Standards Development
- Sustainable Development Targets 2025



Leo has a commitment to operational excellence across the entire value chain. By systematically advancing quality control systems, strengthening innovation and R&D capabilities, and driving digital and intelligent transformation, Leo holistically enhances its product and service quality.

## Quality Control

Leo has established a rigorous, end-to-end quality control system that governs at every stage, from raw material inspection and in-process production monitoring to finished product testing.

Backed by a professionally staffed laboratory and sustained quality improvement initiatives, Leo consistently raises its quality benchmarks to deliver superior and reliable products and services to its customers.

## Product Safety -Process Control

To ensure the consistent delivery of safe and compliant products, Leo has established a dedicated Product Safety Committee and implemented a comprehensive, end-to-end safety management system.

This system governs every stage of the process, from raw material procurement to final product delivery, ensuring that each stage is systematically monitored and securely controlled.

### Product Safety Committee

- ▶ Coordinates all activities for product safety and compliance.
- ▶ Reviews and coordinates the implementation of internal material safety measures in alignment with the latest regulations.
- ▶ Coordinates responses and resolves the product safety compliance issues.
- ▶ Manages and oversees the operation of the product safety management system.



## Product Safety Full-Process Control Measures

- **Source Control**  
Maintain a qualified supplier list. Require suppliers of key raw materials (e.g., paper, ink) to provide safety test reports and qualification certificates.
- **Process Control**  
Develop and implement standard operating procedures. Establish traceability points for each key process within the CSI system to enable full batch-level traceability. Conduct routine patrol inspections and sampling inspections on semi-finished products throughout production.
- **Finished Product Delivery Control**  
Perform comprehensive finished product testing—including performance and safety performance tests—in accordance with international, national, and customer-specific standards.
- **After-Sales Service and Feedback**  
Systematically collect customer quality feedback and complaints. Maintain a rapid response mechanism to ensure effective and timely handling measures.
- **Continuous Improvement System**  
Empower the cross-departmental Product Safety Committee to regularly collect and analyze data on potential improvement areas, driving ongoing enhancements in product safety.



## Internal Independent Laboratory

Since 2009, Leo has operated an independent, accredited laboratory with full metrology, inspection, and testing capabilities—authorized to issue notarized data externally.

Accreditations	Core Testing Services
<ul style="list-style-type: none"> <li>• CMA</li> <li>• CNAS</li> <li>• CPSC</li> <li>• ISTA</li> </ul>	<ul style="list-style-type: none"> <li>• Toy and children’s product safety testing</li> <li>• Material analysis</li> <li>• Product reliability and package transport testing</li> <li>• Metrological calibration</li> <li>• .....</li> </ul>

2025 New Initiatives
<ul style="list-style-type: none"> <li>• Full alignment with GB 6675 (2025) toy safety standard.</li> <li>• Enhanced packaging safety and ISTA transport simulation.</li> <li>• Broader capabilities in printing materials, paper, inks, and adhesives.</li> <li>• Advanced full-process product safety controls.</li> </ul>



## Continuous Quality Improvement

In 2025, Leo drove quality and efficiency through two key programs: the Creative Improvement Competition and employee-led improvement activities. These initiatives enhanced product quality while reducing costs and boosting productivity.

### Creative Improvement Competition

Targeted cost, quality, and efficiency gains. A standout example: AI-powered workflow optimization that improved operational efficiency.



## Self-Initiated Improvement Activities

- ✓ Make-Ready Time Reduction: 10 projects, over 10% average time savings.
- ✓ Speed Optimization: 23 projects, 15% increase in machine speed and capacity.



## Research and Development

Leo has placed innovation and R&D at the core of its corporate strategy. The company focuses on three key directions: new technologies, advanced materials, and automated equipment. A dedicated R&D team has been established to systematically and continuously advance research and development efforts.

In 2025, Leo achieved the following breakthroughs across its three core R&D pillars:



## Optimizing Digital and Intelligent Management

In 2025, Leo advanced its digital transformation by deploying AI, RPA/Power Automate, and data visualization tools, laying the technological groundwork for greater operational efficiency and smarter business management.

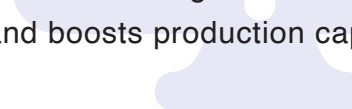
### AI Applications

Leo advanced AI adoption through training camps, Copilot workshops, and case-sharing sessions. Systematic training and hands-on practice have strengthened AI capabilities across the workforce, delivering real efficiency gains.



### Visualized Data Applications

By integrating supply chain, manufacturing, and sales data via IoT, Leo built a visualization platform that delivers clear insights for lean improvements. This drives continuous on-site management enhancements and boosts production capacity.



### RPA/Power Automate

Leo has made Process Automation and Data Visualization the cornerstone of its digital transformation. In 2025, Leo expanded its use of RPA/Power Automate and data visualization tools to drive efficiency and enable smarter, data-driven decisions.

Automating high-frequency, repetitive tasks has significantly reduced processing time and freed up personnel.

**34**

RPA Bots

**279**

Power Automate  
Workflows

## New Business Development

During 2025, in line with its new business development strategy, Leo focused on advancing two core infrastructure initiatives: the commissioning of a food packaging production line and the comprehensive relocation and upgrade of its new facility in Hunan. These efforts have laid a solid physical foundation and ensured production capacity to support future business growth.

### Food Packaging Facility Construction

To meet the growing market demand for innovative food packaging solutions, Leo made a strategic decision and officially launched a project dedicated to the construction of a new food packaging factory. As of 2025, the factory has successfully achieved the following key milestones:



## Upgrade of Hunan New Factory

To meet the needs of rapid business growth and transformation, Leo initiated the relocation and upgrade project for its factory in Hunan in 2021. The first phase of this project was officially put into operation at the end of April 2025.

### Automation and Equipment Upgrades



1. The Hunan factory is equipped with advanced printing presses, screen printing machines, and post-processing equipment — including CTP plate-making systems, automatic laminating machines, and automatic die-cutting machines — enabling end-to-end production that covers printing, post-press processing, assembly, and shrink-wrapping.
2. By leveraging in-house R&D capabilities, the Hunan factory has independently modified all manually operated production equipment, reducing labor intensity for employees and increasing production capacity by 50%.

### Green and Low-Carbon Construction



1. The plant meets national Level III green building standards; auxiliary buildings meet Level II standards-integrating eco-friendly, energy-efficient, and sustainable design.
2. All production materials are environmentally friendly, with pollution control facilities in place to ensure product safety and sustainability from the source.

### Boosting Local Employment



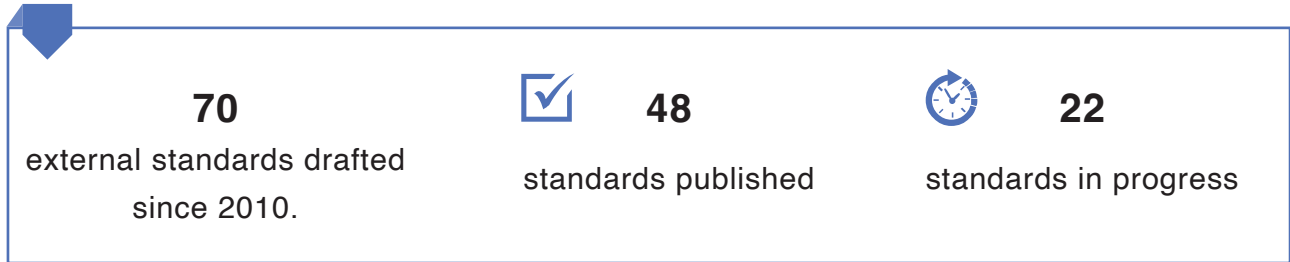
**370+**  
local jobs created.

**11**  
jobs for disabled workers created  
through a dedicated workshop.

## Participation in Standards Development

In 2025, Leo actively participated in the drafting of international/national/industry standards, contributing to the standardized development of the industry.

Since 2010, Leo has participated in the drafting of a cumulative total of 70 external standards, of which 48 have been published and 22 are currently in progress.



48 Standards Published	
<b>2</b>	<b>22</b>
International standards	National standards
<b>13</b>	<b>11</b>
Industry standards	Other standards



## Sustainable Development Targets 2025

Since 2022, we have successfully obtained certifications under the Sustainability Performance Linked Loan (SLL) Program, granted by the Hong Kong Quality Assurance Agency (HKQAA).

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

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

### Emission Factor A: 0.5271kgCO<sub>2</sub>e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024	2025
Generation (MT)	66,932	65,133	60,992	55,248	42,397	40,788	34,454
Generation (MT/Mil HKD Sales of Leo)	16.65	18.66	15.13	14.47	13.53	11.97	12.33
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+12.03%	-9.13%	-13.11%	-18.74%	-28.11%	-25.95%

The above table is based on the emission factor of the Southern China Power Grid: 0.5271 kg CO<sub>2</sub>e/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 carbon emissions for 2025 include GEC purchases totaling 8,000,000 kWh.

The target reduction in 2025 was 16.9% compared to the base year of 2019. The actual improvement was 25.95%. The target has been successfully met.

### Emission Factor B: 0.5703kgCO<sub>2</sub>e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024	2025
Generation (MT)	72,039	69,895	65,668	59,482	45,565	43,864	37,051
Generation (MT/Mil HKD Sales of Leo)	17.92	20.02	16.29	15.58	14.53	12.88	13.26
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+11.7%	-9.10%	-13.08%	-18.91%	-28.13%	-26.00%

The above table is based on the emission factor for the National Power Grid: 0.5703 kg CO<sub>2</sub>e/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 carbon emissions for 2025 include GEC purchases totaling 8,000,000 kWh.

The target reduction in 2025 was 16.9% compared to the base year of 2019. The actual improvement was 26.00%. The target has been successfully met.

### Emission Factor C: 0.4403kgCO<sub>2</sub>e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024	2025
Generation (MT)	56,671	55,565	51,596	46,740	36,031	34,606	29,239
Generation (MT/Mil HKD Sales of Leo)	14.10	15.92	12.59	12.24	11.48	10.16	10.46
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+12.91%	-10.71%	13.19%	-18.58%	-27.94%	-25.82%

The above table is based on the emission factor for the Southern China Grid (Guangdong): 0.4403 kg CO<sub>2</sub>e/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 carbon emissions for 2025 include GEC purchases totaling 8,000,000 kWh.

The target reduction in 2025 was 16.9% compared to the base year of 2019. The actual improvement was 25.82%. The target has been successfully met.

### Emission Factor D: 0.4419kgCO<sub>2</sub>e/kWh

Indicator	2019 (base year)	2020	2021	2022	2023	2024	2025
Generation (MT)	56,860	55,741	51,769	46,897	36,148	34,720	29,335
Generation (MT/Mil HKD Sales of Leo)	14.15	15.97	12.63	12.29	11.53	10.20	10.50
Improvement (%) Compared to base year 2019 (MT/Mil HKD Sales of Leo)	--	+12.86%	-10.74%	13.14%	-18.52%	-27.92%	-25.80%

The above table is based on the emission factor for the Southern China Grid (Guangdong): 0.4419 kg CO<sub>2</sub>e/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 carbon emissions for 2025 include GEC purchases totaling 8,000,000 kWh.

The target reduction in 2025 was 16.9% compared to the base year of 2019. The actual improvement was 25.80%. The target has been successfully met.

## Use of Renewable Energy

The annual renewable energy generated from solar panels installed in factory areas is used to substitute electricity purchased from the power grid, within the boundary of Heshan Astros Printing Ltd. In 2025, the Heshan factory was equipped with approximately 50,000 m<sup>2</sup> of solar panels and generated over 16,268 MWh of electricity—approximately 7.3% more than the previous year.

The annual average utilization rate was 75%. Solar energy generation surpassed the target of 3,300 MWh. The target was successfully met.

## Information Security

No information security data breaches were reported in 2025, with zero related legal cases, customer complaints, or external audit findings. The target was successfully met.

Major actions to strengthen our information security:

### — **01. AI Risk Management**

Updated the AI application procedure by establishing a clear list of approved tools and evaluation standards, while maintaining an up-to-date internal AI whitelist. Relevant staff members completed mandatory AI-related training and assessments.

### — **02. Data Breach Prevention**

USB access rights were comprehensively reviewed across business units, with tailored controls implemented to address different operational needs. A secure, encrypted file transfer platform was deployed to ensure sensitive documents are shared only through protected channels.

### — **03. Security Awareness Enhancement**

Strengthened employee awareness of password management, phishing prevention, and data compliance, supported by targeted training and examinations.

### — **04. Website & Ransomware Defense**

Web security was reinforced through Web Application Firewall (WAF) protection. In addition, four rounds of ransomware simulation exercises were conducted to improve detection, response, and technical readiness.

## External Recognitions 2025

### Selected Environmental Awards/Recognitions 2025



#### Green Pioneer Enterprise

- Awarded by CEC



#### HONG KONG Green and Sustainability Contribution Awards

- Awarded by the Hong Kong Quality Assurance Agency



#### Participating Unit of the “Green Brand Construction Specification” Standard

- Awarded by the Guangdong Cleaner Production Association and Green Brand Development Committee

### Selected Social Awards/Recognitions 2025



#### Good MPF Employer

- Awarded by the Mandatory Provident Fund Schemes Authority



#### Guangdong Red Cotton Cup for Poverty Alleviation and Assistance

- Awarded by the Rural Work Leading Group of the Guangdong Provincial Committee

## Other Selected Awards/Recognitions 2025



### Printing Technology and Creativity Awards

- Awarded by the Hong Kong Printers Investment Association



### Asian Print Awards

- Awarded by the Print & Media Association of Singapore



### The 36th Hong Kong Print Awards

- Awarded by the Graphic Arts Association of Hong Kong





### Outstanding Member Unit of the Guangdong Copyright Protection Federation

- Awarded by the Guangdong Copyright Protection Federation

## Support the United Nations Sustainable Development Goals

Leo supports the 2030 Agenda for Sustainable Development by embedding sustainability into its core business strategy. We have identified the United Nations Sustainable Development Goals (SDGs) most relevant to our operations and value chain. Through targeted, concrete actions, Leo is committed to advancing these goals and strives to create mutually beneficial outcomes that generate both commercial success and positive social impact.

The United Nations Sustainable Development Goals	Leo's Actions and Measures
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• Prioritize the procurement of materials from responsible sources, including paper from certified forests, as well as eco-friendly inks and adhesives.</li> <li>• Offer customers optimization recommendations for lightweight design and the selection of environmentally responsible materials.</li> <li>• Encourage suppliers to provide green logistics transportation and eco-friendly packaging solutions.</li> <li>• Reduce resource consumption through standardized operations, equipment upgrades, and a comprehensive waste classification and recycling system.</li> </ul>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>• Create a safe, healthy, and compliant office and work environment by rigorously implementing safety procedures and hygiene standards.</li> <li>• Establish quality and safety control procedures that cover the entire production process, from raw material intake to finished product shipment.</li> <li>• Provide professional mental health counseling and support through an Employee Assistance Program (EAP), and regularly organize special health initiatives, such as free screenings for female employees, including “two cancers” (breast and cervical) and nasopharyngeal carcinoma.</li> <li>• Develop a comprehensive health protection plan that includes statutory basic medical insurance, supplementary commercial medical insurance, and an employee mutual aid mechanism for disease-related donations.</li> <li>• Actively support local medical and health development by donating medical equipment and aiding the construction of local hospitals.</li> </ul>

The United Nations Sustainable Development Goals	Leo's Actions and Measures
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> <li>• Expand the use of cleaner energy: Build on-site solar power generation systems, install solar street lighting, and utilize green electricity certificate trading to increase the proportion of cleaner energy used.</li> <li>• Deepen the application of energy-saving technologies: Promote energy-efficient renovations throughout the factory, adopt low-energy, high-efficiency equipment, and optimize energy performance across manufacturing processes.</li> <li>• Accelerate the transition to low-carbon transportation: Gradually phase out fuel-powered vehicles and equipment, upgrading toward electrification and cleaner energy alternatives.</li> </ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> <li>• Establish wastewater treatment facilities to achieve compliant discharge of all wastewater.</li> <li>• Implement a reclaimed water reuse system to recycle treated wastewater for applications such as toilet flushing and landscaping, thereby enhancing overall water resource utilization efficiency.</li> <li>• Adopt water-saving equipment and process technologies, and conduct regular inspections and maintenance of water supply pipelines to minimize water wastage.</li> </ul>
 <p><b>4</b> QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>• Establish scholarship and financial assistance programs to support economically disadvantaged students in pursuing their education.</li> <li>• Establish and support educational institutions, including Greenfield Kindergarten, Jiangmen Astros Vocational and Technical School, and the Jiangmen Branch of Jinan Extension School.</li> <li>• Donate educational equipment and hardware resources to local communities to enhance educational outcomes and learning environments.</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• Collaborate with universities to establish internship bases, providing resources for skill enhancement and academic advancement to support employees' continuous growth.</li> <li>• Implement a fair and transparent promotion system that ensures occupational safety and equal development opportunities for all employees.</li> <li>• Establish a caring and inclusive factory environment to actively promote employment opportunities for people with disabilities.</li> </ul>

The United Nations Sustainable Development Goals	Leo's Actions and Measures
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>• Establish anti-discrimination and gender equality policies to ensure that women and men in the same positions receive equal benefits and promotion opportunities.</li> <li>• Set up lactation rooms and implement paid maternity and infant care leave to support women in balancing work and family responsibilities.</li> <li>• Safeguard the rights of female employees to take leave during pregnancy, childbirth, and lactation, while continuously improving the workplace care mechanisms.</li> </ul>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>• Establish a robust compliance and anti-corruption system, and conduct regular third-party social responsibility audits.</li> <li>• Prohibit forced labor and child labor.</li> <li>• Sign integrity and ethics code agreements with suppliers to jointly strengthen supply chain governance.</li> <li>• Support community mediation programs to promote social harmony and legal awareness.</li> </ul>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>• Promote energy conservation, utilize green electricity, and optimize waste and water resource management to reduce the environmental impact of operations.</li> <li>• Create a barrier-free environment to ensure equal access to facilities and services for vulnerable groups.</li> <li>• Prioritize collaboration with local suppliers to shorten transportation chains and strengthen the community economy.</li> <li>• Support community public facilities and services, including healthcare, firefighting, education, and culture, as well as emergency response to natural disasters and unexpected incidents.</li> <li>• Develop contingency plans and regularly conduct disaster prevention drills to enhance employees' emergency response capabilities.</li> </ul>
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> <li>• Prioritize the procurement of environmentally certified paper and establish a supply chain traceability mechanism to eliminate illegal logging.</li> <li>• Promote tree planting and afforestation in rocky desertification areas to support habitat restoration.</li> <li>• Strictly control the discharge of chemical substances to prevent soil and water pollution and reduce harm to wildlife.</li> </ul>

The United Nations Sustainable Development Goals	Leo's Actions and Measures
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> <li>• Provide employment opportunities for vulnerable groups.</li> <li>• Support community education, healthcare, and social welfare facilities to strengthen local support networks.</li> <li>• Make donations and participate in volunteer services to support poverty alleviation programs.</li> <li>• Establish the Leo Agroforestry Products Development Limited to promote local agriculture, increase farmers' incomes, and drive sustainable rural development.</li> </ul>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>• Promote R&amp;D of new technologies, advanced materials, and automated equipment to enable green product design and reduce environmental impact across the product life cycle.</li> <li>• Advance intelligent manufacturing with IoT and big data to optimize production, improve energy and resource efficiency, and minimize waste.</li> <li>• Strengthen water, power, communications, and disaster prevention systems to ensure operational stability and employee safety.</li> <li>• Deepen industry-academia collaboration by supporting vocational education and engineering talent development to cultivate the next generation of professionals.</li> </ul>
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>• Establish fair promotion and compensation systems to eliminate discrimination based on gender, age, or physical condition.</li> <li>• Provide vocational training and employment opportunities for vulnerable groups.</li> <li>• Require suppliers to uphold human rights and labor standards to prevent discrimination and exploitation across the supply chain.</li> <li>• Set up scholarships and internships to help economically disadvantaged individuals enhance their skills and employability.</li> </ul>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> <li>• Establish cooperation platforms with governments, non-profit organizations, and academic institutions to jointly promote sustainable development projects, including participation in standard-setting initiatives.</li> <li>• Share technological resources and management experience to assist supply chain partners in enhancing their sustainability management capabilities.</li> </ul>

## GRI Content Index

<b>Statement of use</b>	Leo Paper Group has reported in accordance with the GRI Standards for the period from 1 <sup>st</sup> January 2025 to 31 <sup>st</sup> December 2025.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	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	• Social and Economic Indicators • In 2025, the average number of local employees was 2,660, while the average number of employees in other regions was 4,133. All employees are full-time employees.
	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
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## GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.</li> </ul>
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> <li>Annual Report</li> </ul>
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Management Structure</li> <li>Stakeholder Engagement and Material Issues Analysis</li> </ul>
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> <li>Management Structure</li> </ul>
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Management Structure</li> <li>Stakeholder Engagement and Material Issues Analysis</li> </ul>
	2-15 Conflicts of interest	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> <li>Stakeholder Engagement and Material Issues Analysis</li> <li>Management Structure</li> </ul>
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>LEO provides professional training courses for senior management, and senior management acts as a mentor to organize technical and professional training courses for staff.</li> <li>Social and Economic Indicators</li> </ul>
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> <li>The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.</li> </ul>

## GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
GRI 2: General Disclosures 2021	2-19 Remuneration policies	<ul style="list-style-type: none"> <li>The information is classified as confidential as per specification of our ISO 27001 information security management system, and thus not to disclose.</li> </ul>
	2-20 Process to determine remuneration	
	2-21 Annual total compensation ratio	

### Strategy, policies and practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> <li>Sustainability Management</li> </ul>
	2-23 Policy commitments	<ul style="list-style-type: none"> <li>Internal Audit Mechanisms</li> <li>Business Ethics</li> </ul>
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>Business Ethics</li> <li>Leo has established reporting channels, verifies all complaints and takes remedial measures, and regularly reports the handling status and improvement effectiveness to management.</li> </ul>
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> <li>No violation of laws and regulations.</li> </ul>
	2-28 Membership associations	<ul style="list-style-type: none"> <li>Guangdong Cleaner Production Association</li> <li>Member of China Green Development Union</li> <li>Member of Guangdong Quality Development Association</li> <li>Member of China Enterprise Anti-corruption Alliance</li> <li>Member of Sedex</li> <li>Member of Agency for Volunteer Service</li> </ul>

## GRI Standards Disclosures

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

## 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"> <li>• Green Procurement and R&amp;D</li> <li>• Environmental Indicators</li> <li>• All paper used are renewable materials.</li> <li>• 114,315 tons of paper consumption in 2025.</li> </ul>
	301-2 Recycled input materials used	<ul style="list-style-type: none"> <li>• Green Procurement and R&amp;D</li> <li>• Environmental Indicators</li> </ul>
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	<ul style="list-style-type: none"> <li>• No reclaimed products and their packaging materials from our customers.</li> </ul>

### Topic: Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Energy Management</li> <li>• Climate-related Disclosures</li> </ul>
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> <li>• Energy Management</li> <li>• Climate-related Disclosures</li> <li>• Environmental Indicators</li> <li>• GWP data from IPCC Sixth Assessment Report</li> <li>• No sales of electricity, heating, cooling and steam (or equivalent energy).</li> </ul>
	302-2 Energy consumption outside of the organization	<ul style="list-style-type: none"> <li>• Information unavailable because of no adequate data source of 2025.</li> </ul>
	302-3 Energy intensity	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• 0.35 tons of CO2 emissions of fuel consumption and electricity consumption within the organization per production unit in 2025.</li> </ul>
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> <li>• Energy Management</li> <li>• Climate-related Disclosures</li> </ul>

## 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"> <li>• 60.32% reduction of energy consumption per production unit in 2025 compared with that of the base year.</li> <li>• 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.</li> <li>• GWP data from IPCC Sixth Assessment Report</li> </ul>

### Topic: Water and effluents

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Water Management</li> </ul>
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	<ul style="list-style-type: none"> <li>• Water Management</li> </ul>
	303-2 Management of water discharge-related impacts	<ul style="list-style-type: none"> <li>• 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).</li> </ul>
	303-3 Water withdrawal	<ul style="list-style-type: none"> <li>• Water Management</li> <li>• Environmental Indicators</li> <li>• All fresh water comes from municipal water.</li> </ul>
	303-4 Water discharge	<ul style="list-style-type: none"> <li>• Water Management</li> <li>• 310,123 tons of water discharged in 2025.</li> </ul>
	303-5 Water consumption	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> </ul>

## GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
<b>Topic: Emissions</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Air Emissions Management</li> <li>• Energy Management</li> <li>• Climate-related Disclosures</li> </ul>
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• No biogenic CO2 emissions.</li> <li>• Base year for the calculation is 2007 because of the available of data.</li> <li>• GWP data from IPCC Sixth Assessment Report</li> <li>• Consolidation approach for emissions: operational control.</li> </ul>
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• Base year for the calculation is 2007 because of the available of data.</li> <li>• GWP data from IPCC Sixth Assessment Report</li> <li>• Consolidation approach for emissions: operational control.</li> </ul>
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• Base year for the calculation is 2022 because of the available of data.</li> <li>• GWP data from IPCC Sixth Assessment Report</li> <li>• Consolidation approach for emissions: operational control.</li> </ul>
	305-4 GHG emissions intensity	<ul style="list-style-type: none"> <li>• 0.37 tons of CO2 emissions of the direct and energy indirect greenhouse gas emissions within the organization per production unit in 2025.</li> </ul>

## 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"> <li>• Energy Management</li> <li>• Climate-related Disclosures</li> </ul>
	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"> <li>• Air Emissions Management</li> </ul>

### Topic: Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Waste Management</li> </ul>
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> <li>• Waste Management</li> <li>• The main raw materials of Leo's products are paper, ink, etc.</li> </ul>
	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> <li>• Waste Management</li> <li>• All the waste generated is disposed by designated qualified waste disposal contractors.</li> </ul>
	306-3 Waste generated	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> </ul>
	306-4 Waste diverted from disposal	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• All the waste generated is disposed by designated qualified waste disposal contractors.</li> <li>• 29,064 tons of non-hazardous waste in 2025.</li> </ul>
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• All the waste generated is disposed by designated qualified waste disposal contractors.</li> <li>• 29,064 tons of non-hazardous waste in 2025.</li> </ul>

## GRI Standards Disclosures

GRI Standards	Disclosures	Cross-reference/Comments
<b>Topic: Occupational health and safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> <li>• Risk Management</li> </ul>
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> <li>• Sustainability Management</li> <li>• Occupational Health and Safety</li> </ul>
	403-2 Hazard identification, risk assessment, and incident investigation	<p>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.</p>
	403-3 Occupational health services	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>
	403-4 Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>
	403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>
	403-6 Promotion of worker health	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> <li>• Risk Management</li> <li>• In 2025, 3 emergency response drills were carried out to enhance emergency preparedness.</li> </ul>

## 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	• All Workers
	403-9 Work-related injuries	<ul style="list-style-type: none"> <li>• Social and Economic Indicators</li> <li>• There are totally 3 work-related injuries in 2025, which are classified as minor injuries based on the “Occupational Safety Incidents Classification” . The number of high-consequence work-related injuries is zero.</li> <li>• No contractor injuries in the workplaces.</li> <li>• 0.148 of injury rate per 1,000,000 hours worked in 2025.</li> </ul>
	403-10 Work-related ill health	None

### Topic: Training and education

GRI 3: Material Topics 2021	3-3 Management of material topics	• 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"> <li>• Social and Economic Indicators</li> <li>• Training is provided regardless of gender. Average training hours of male employees: 7; average training hours of female employees: 9.</li> </ul>
	404-2 Programs for upgrading employee skills and transition assistance programs	• Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	• 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"> <li>• Employee Caring</li> <li>• Leisure Activities</li> <li>• Commitment to Community Development</li> </ul>
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> <li>• Employee Caring</li> <li>• Leisure Activities</li> <li>• Commitment to Community Development</li> <li>• All operations are implemented with local community engagement, impact assessments, and/or development programs.</li> </ul>
	413-2 Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> <li>• Employee Caring</li> <li>• Leisure Activities</li> <li>• Commitment to Community Development</li> <li>• Air Emissions Management</li> <li>• Waste Management</li> <li>• Water Management</li> </ul>

### Topic: Supplier assessment

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

## 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	<ul style="list-style-type: none"> <li>• Social criteria are in place to screen new suppliers.</li> </ul>
	414-2 Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> <li>• All suppliers were assessed for social impacts. No supplier has been identified as having significant actual or potential negative social impacts.</li> </ul>

### Topic: Marketing and labeling

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Green Procurement and R&amp;D</li> <li>• Quality Control</li> </ul>
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	<ul style="list-style-type: none"> <li>• Green Procurement and R&amp;D</li> <li>• Quality Control</li> </ul>
	417-2 Incidents of non-compliance concerning product and service information and labeling	<ul style="list-style-type: none"> <li>• No incidents of non-compliance concerning product and service information and labeling.</li> </ul>
	417-3 Incidents of non-compliance concerning marketing communications	<ul style="list-style-type: none"> <li>• No incidents of non-compliance concerning marketing communications.</li> </ul>

### Topic: Customer privacy

GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Information Security</li> <li>• Quality Control</li> </ul>
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>• Information Security</li> <li>• Quality Control</li> <li>• No incidents of customer privacy and losses of customer data.</li> </ul>

# HKEX ESG (Environmental, Social and Governance) Reporting Code

Subject Areas, Aspects, General Disclosures and KPIs	
KPIs	Cross-reference/Comments
<b>A. Environmental</b>	
<b>Aspect A1: Emissions</b>	
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"> <li>• Climate-related Disclosures</li> <li>• Water Management</li> <li>• Air Emissions Management</li> <li>• Waste Management</li> <li>• No violation of laws and regulations.</li> </ul>
A1.1 The types of emissions and respective emissions data	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> </ul>
A1.3 Total hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> </ul>
A1.4 Total non-hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• 29,064 tons of non-hazardous waste in 2025.</li> </ul>
A1.5 Emission target(s) set and steps taken to achieve them	<ul style="list-style-type: none"> <li>• Climate-related Disclosures</li> </ul>
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	<ul style="list-style-type: none"> <li>• Waste Management</li> </ul>
<b>A. Environmental</b>	
<b>Aspect A2: Use of Resources</b>	
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials	<ul style="list-style-type: none"> <li>• Climate-related Disclosures</li> <li>• Green Procurement and R&amp;D</li> <li>• Energy Management</li> <li>• Water Management</li> <li>• Waste Management</li> </ul>

## Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
A2.1 Direct and / or indirect energy consumption by type in total and intensity	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• 70,338,028 kWh of fuel and electricity consumption within the organization in 2025.</li> <li>• 801.27 kWh of fuel and electricity consumption within the organization per production unit in 2025.</li> </ul>
A2.2 Water consumption in total and intensity	<ul style="list-style-type: none"> <li>• Environmental Indicators</li> <li>• 12 tons of freshwater consumption within the organization per production unit in 2025.</li> </ul>
A2.3 Energy use efficiency target(s) set and steps taken to achieve them	<ul style="list-style-type: none"> <li>• Climate-related Disclosures</li> <li>• Water Management</li> </ul>
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"> <li>• Climate-related Disclosures</li> <li>• Water Management</li> </ul>
A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced	<ul style="list-style-type: none"> <li>• Total packaging materials used for finished products were 29,508 tons in 2025.</li> </ul>

### A. Environmental

#### Aspect A3: The Environment and Natural Resources

<p>General Disclosure</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources</p>	<ul style="list-style-type: none"> <li>• Climate-related Disclosures</li> <li>• Water Management</li> <li>• Air Emissions Management</li> <li>• Waste Management</li> </ul>
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"> <li>• Climate-related Disclosures</li> <li>• Water Management</li> <li>• Air Emissions Management</li> <li>• Waste Management</li> <li>• Environmental Indicators</li> </ul>

## Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
<b>B. Social Employment and Labour Practices</b>	
<b>Aspect B1: Employment</b>	
<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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</p>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• No violation of laws and regulations.</li> </ul>
<p>B1.1 Total workforce by gender, employment type, age group and geographical region</p>	<ul style="list-style-type: none"> <li>• Social and Economic Indicators</li> </ul>
<p>B1.2 Employee turnover rate by gender, age group and geographical region</p>	<ul style="list-style-type: none"> <li>• The average turnover rate of female employees was 0.73%, and that of male employees was 0.87% in 2025.</li> <li>• The average turnover rate of employees under the age of 30 was 3.53%, the average turnover rate of employees aged 30-50 was 0.46%, and the average turnover rate of employees over the age of 50 was 0.33% in 2025.</li> <li>• The average turnover rate of local employees was 0.50% in 2025.</li> </ul>
<b>B. Social Employment and Labour Practices</b>	
<b>Aspect B2: Health and Safety</b>	
<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 providing a safe working environment and protecting employees from occupational hazards.</p>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> <li>• No violation of laws and regulations.</li> </ul>

## Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	• No Fatality
B2.2 Lost days due to work injury	• 128 man-days lost due to industrial injury.
B2.3 Occupational health and safety measures adopted, how they are implemented and monitored	• 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.	• Training and Development
B3.1 The percentage of employees trained by gender and employee category	• All Workers
B3.2 The average training hours completed per employee by gender and employee category	• Social and Economic Indicators • Training was provided regardless of gender. Average training hours of male employees: 7 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.	• Code of Conduct • No violation of laws and regulations.
B4.1 Measures to review employment practices to avoid child and forced labour	• 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	• When hiring employees, Leo strictly follows the regulations and procedures of prohibition of child or forced labour.

## Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
<b>B. Social Employment and Labour Practices</b>	
<b>Aspect B5: Supply Chain Management</b>	
<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain</p>	<ul style="list-style-type: none"> <li>• Supplier Management</li> </ul>
<p>B5.1 Number of suppliers by geographical region</p>	<ul style="list-style-type: none"> <li>• 32 major raw material suppliers were from Guangdong Province, China, and the remaining 8 major raw material suppliers were from other regions in 2025.</li> </ul>
<p>B5.2 Practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored</p>	<ul style="list-style-type: none"> <li>• Supplier Management</li> </ul>
<p>B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored</p>	<ul style="list-style-type: none"> <li>• Supplier Management</li> </ul>
<p>B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored</p>	<ul style="list-style-type: none"> <li>• Supplier Management</li> </ul>
<b>B. Social Employment and Labour Practices</b>	
<b>Aspect B6: Product Responsibility</b>	
<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"> <li>• Quality Control</li> <li>• Protection of Intellectual Property</li> <li>• Green Procurement and R&amp;D</li> <li>• No violation of laws and regulations.</li> </ul>

## Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	<ul style="list-style-type: none"> <li>• No recalls for safety and health reasons.</li> </ul>
B6.2 Number of products and service-related complaints received and how they are dealt with	<ul style="list-style-type: none"> <li>• No incidents of non-compliance concerning product and service information and labeling.</li> <li>• Quality Control</li> </ul>
B6.3 Practices relating to observing and protecting intellectual property rights	<ul style="list-style-type: none"> <li>• Protection of Intellectual Property</li> </ul>
B6.4 Quality assurance process and recall procedures	<ul style="list-style-type: none"> <li>• Quality Control</li> </ul>
B6.5 Consumer data protection and privacy policies, how they are implemented and monitored	<ul style="list-style-type: none"> <li>• Protection of Intellectual Property</li> <li>• Leo respects and protects customer data in strict accordance with the requirements of general data protection regulations (GDPR) and other applicable laws and regulations.</li> </ul>

### B. Social Employment and Labour Practices

#### Aspect B7: Anti-corruption

<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 bribery, extortion, fraud and money laundering.</p>	<ul style="list-style-type: none"> <li>• Integrity and Anti-corruption</li> <li>• No violation of laws and regulations.</li> </ul>
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"> <li>• Integrity and Anti-corruption</li> </ul>

## Subject Areas, Aspects, General Disclosures and KPIs

KPIs	Cross-reference/Comments
B7.2 Preventive measures and whistle-blowing procedures, how they are implemented and monitored	<ul style="list-style-type: none"> <li>• Integrity and Anti-corruption</li> </ul>
B7.3 Description of anti-corruption training provided to directors and staff	<ul style="list-style-type: none"> <li>• Integrity and Anti-corruption</li> </ul>

### B. Social Employment and Labour Practices

#### Aspect B8: Community Investment

<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests</p>	<ul style="list-style-type: none"> <li>• Employee Caring</li> <li>• Commitment to Community Development</li> </ul>
<p>B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)</p>	<ul style="list-style-type: none"> <li>• Employee Caring</li> <li>• Commitment to Community Development</li> </ul>
<p>B8.2 Resources contributed (e.g. money or time) to the focus area</p>	<ul style="list-style-type: none"> <li>• Employee Caring</li> <li>• Commitment to Community Development</li> </ul>

\*This Sustainability Report has been prepared with reference to both the IFRS S2 Climate-related Disclosures Content Index and the HKEX ESG (Environmental, Social and Governance) Reporting Code. The cross-reference to the HKEX ESG Code focuses on Part C of the Code. For detailed information on climate-related disclosures, please refer to the IFRS S2 Climate-related Disclosures Content Index in this report.

## 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.	
6	To achieve this objective, an entity shall disclose information about:	• Governance
	(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;	
	(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		
(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:	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
	(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:	<ul style="list-style-type: none"> <li>• Climate Change Risks and Opportunities</li> <li>• Climate Change Risks and Opportunities</li> <li>• In addition, Leo is preparing for more comprehensive disclosure.</li> </ul>
	(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	
	(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	

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"> <li>• Climate Change Risks and Opportunities</li> <li>• Carbon Reduction Action Plan</li> <li>• Carbon Emission Targets</li> </ul>

### 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"> <li>• Climate Change Risks and Opportunities</li> </ul>
	(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"> <li>• Climate Change Risks and Opportunities</li> </ul>
(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	<p>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.</p> <p>Specifically, the entity shall disclose:</p>	
	<p>(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.</p> <p>Specifically, the entity shall disclose information about:</p>	
	<p>(i) current and anticipated changes to the entity’s business model, including its resource allocation, to address climate-related risks and opportunities;</p>	<ul style="list-style-type: none"> <li>• Carbon Reduction Action Plan</li> <li>• Carbon Emission Targets</li> </ul>
	<p>(ii) current and anticipated direct mitigation and adaptation efforts;</p>	
	<p>(iii) current and anticipated indirect mitigation and adaptation efforts;</p>	
	<p>(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</p>	
	<p>(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.</p>	<ul style="list-style-type: none"> <li>• Carbon Emission Targets</li> </ul>
	<p>(b) information about how the entity is resourcing, and plans to resource, the activities disclosed.</p>	<ul style="list-style-type: none"> <li>• Carbon Reduction Action Plan</li> <li>• Carbon Emission Targets</li> </ul>
<p>(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.</p>		

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:	
	<p>(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</p> <p>(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.</p>	<ul style="list-style-type: none"> <li>• Climate Change Risks and Opportunities</li> <li>• In addition, Leo is preparing for more comprehensive disclosure.</li> </ul>
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"> <li>• Climate Change Risks and Opportunities</li> </ul>
	(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"> <li>• In addition, Leo is preparing for more comprehensive disclosure.</li> </ul>
	(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"> <li>• Carbon Reduction Action Plan</li> </ul>
	(ii) its planned sources of funding to implement its strategy; and	<ul style="list-style-type: none"> <li>• Green loans</li> <li>• Leo's own funds</li> </ul>
(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"> <li>• Climate Change Risks and Opportunities</li> </ul>	

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:	• Climate Change Risks and Opportunities
	(1) climate-related policies in the jurisdictions in which the entity operates;	
	(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"> <li>• Climate Change Risks and Opportunities</li> <li>• Climate-related Risk Management</li> </ul>
(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"> <li>• Climate Change Risks and Opportunities</li> <li>• Climate-related Risk Management</li> </ul>	
	(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	<ul style="list-style-type: none"> <li>• Leo did not make changes to the processes.</li> </ul>	
	(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;		
	(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"> <li>• Climate Change Risks and Opportunities</li> <li>• Climate-related Risk Management</li> </ul>
	(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"> <li>• Carbon Emission Targets</li> <li>• There are no industry-specific indicators available.</li> </ul>
	(b) industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry; and	
(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.		

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

29	An entity shall disclose information relevant to the cross-industry metric categories of:	
	(a) greenhouse gases - the entity shall:	
	(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	
	(1) Scope 1 greenhouse gas emissions;	• Carbon Emission Targets
	(2) Scope 2 greenhouse gas emissions; and	• Carbon Emission Targets
	(3) Scope 3 greenhouse gas emissions;	• Leo is preparing for more comprehensive disclosure.
	(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions;	• Carbon Emission Targets
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	• Carbon Emission Targets
	(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between:	• Carbon Emission Targets
	(1) the consolidated accounting group; and	
	(2) other investees excluded;	

IFRS S2 Reference Paragraph	Core Content	Cross-reference/ Comments
29	(v) for Scope 2 greenhouse gas emissions disclosed in accordance, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	<ul style="list-style-type: none"> <li>• Carbon Emission Targets</li> </ul>
	(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	<ul style="list-style-type: none"> <li>• Leo is preparing for more comprehensive disclosure.</li> </ul>
	(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;	<ul style="list-style-type: none"> <li>• Climate Change Risks and Opportunities</li> <li>• Climate-related Risk Management</li> <li>• In addition, Leo is preparing for more comprehensive disclosure.</li> </ul>
	(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	<ul style="list-style-type: none"> <li>• Internal Carbon Pricing</li> </ul>
	(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"> <li>Employee compensation is not linked to climate-related issues.</li> </ul>
	(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;	<ul style="list-style-type: none"> <li>Carbon Emission Targets</li> </ul>
	(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;	<ul style="list-style-type: none"> <li>Carbon Emission Targets</li> <li>The medium-term carbon emission targets are verified by the Hong Kong Quality Assurance Agency, which also oversees the progress in meeting these targets.</li> </ul>
	(b) the entity's processes for reviewing the target;	
(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.	<ul style="list-style-type: none"> <li>No revision has been made to the target.</li> </ul>
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.	<ul style="list-style-type: none"> <li>Carbon Emission Targets</li> </ul>
36	For each greenhouse gas emissions target disclosed, an entity shall disclose:	
	(a) which greenhouse gases are covered by the target.	<ul style="list-style-type: none"> <li>Carbon Emission Targets</li> </ul>
	(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;	<ul style="list-style-type: none"> <li>Carbon Emission Targets</li> <li>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.</li> </ul>
	(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.	

## Independent Assurance Report

### 1. Introduction

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was engaged by Leo Paper Group (“the Company”) to conduct an independent assurance of the sustainability disclosures (“Sustainability Disclosures”) presented in its Sustainability Report 2025 (“the Report”) for the reporting period from 1 January 2025 to 31 December 2025 (“Reporting Period”) and issue this Independent Assurance Report (“Assurance Report”). For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company’s internal use only. Our sustainability assurance activities and this Assurance Report are undertaken based on the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities and independence as set out under Appendix A. A generic version of Appendix A is available for reference on the HKQAA website ([www.hkqaa.org](http://www.hkqaa.org)) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

the Global Reporting Initiative’s Sustainability Reporting Standards (“GRI Standards”)

The assurance team also reviewed whether the Sustainability Disclosures have been prepared with reference to IFRS S2 Climate-related Disclosures (“IFRS S2”)

### 2. Assurance Methodology

HKQAA’s assurance procedure was 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 (“IAASB”).

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in the ISAE 3000, using a risk-based approach. Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

### 3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the Sustainability Disclosures in the Company's Sustainability Report 2025 for the Reporting Period from 1 January 2025 to 31 December 2025 are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code, and with reference to reporting criteria as stated in the Introduction section of this Assurance Report.

This Assurance Report is made solely for the use of Leo Paper Group and the users of its Sustainability Report 2025, and for use in accordance with the reporting criteria set out in the Introduction section of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come. We confirm our independence from the Company in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

**Signed on behalf of Hong Kong Quality Assurance Agency**



3 April 2026

Ref: 14996131

# Editorial Postscripts

This report provides an overview of our sustainability performance over the past year. Looking ahead, we remain steadfast in our commitment to advance sustainable development across multiple dimensions. Our ongoing efforts will focus on scaling the use of renewable energy, advancing the research and development of production materials, implementing innovative carbon reduction initiatives, and enhancing operational efficiency through intelligent manufacturing principles and AI applications. In particular, we will intensify efforts to develop a green supply chain ecosystem with the collaboration of our partners, thereby driving the low-carbon transformation of the industry.

This report is available on the Environment and Society page of Leo Paper Group's website: [www.leo.com.hk](http://www.leo.com.hk)

## For feedback or inquiries regarding this report, please contact:

LEO CSR Team

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For online feedback or inquiries, please send us a message at:

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# 2025

## SUSTAINABILITY REPORT



Learn more about our  
Sustainability Practices



Outstanding Award for  
Excellent Climate  
Disclosure Contribution



ISO 14064-1: 2018

LEO PAPER GROUP (HONG KONG) LIMITED's Greenhouse Gas Report for the period 1 Jan 2022 to 31 Dec 2022 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.: 149902442116)

