



THRIVING RESPONSIBLY

SUSTAINABILITY REPORT 2021

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Luxking Group Holdings Limited (“Luxking”) is a reputable manufacturer of biaxially oriented polypropylene (“BOPP”) films and pressure sensitive adhesive (“PSA”) tape products that has been listed on the mainboard of the Singapore Exchange Limited (Stock Code: BKK) since 2005. Luxking and its subsidiaries (collectively as the “Group”) are headquartered in Hong Kong, with our manufacturing facility located in Zhongshan, the People’s Republic of China (the “PRC” or “Mainland China”). Our principal activities are classified into four business segments: the manufacturing of general purpose adhesive tapes (“general tapes”), industrial specialty tapes (“IS tapes”) and BOPP films, as well as the trading of adhesive tapes. Luxking’s products are used by more than 1,000 customers in the PRC and overseas markets, who come from diverse industries spanning the printing, packaging, automotive and electronic sectors. We principally conduct our business in Mainland China and Hong Kong region.

The Group’s Zhongshan facility is currently certified under ISO9001:2015 and ISO14001:2015 standards, as well as IATF 16949:2016 for the design and production of double adhesive tape for automotive industries. The Group’s major source of raw materials is polypropylene resin from petrochemical suppliers in the PRC for the production of BOPP films. Our Zhongshan facility is also a member of the China Adhesives and Tape Industry Association.

During the reporting year ended on 30 June 2021 (the “reporting year” or “FY2021”), Luxking employed a total of 487 permanent, full-time employees across all of our operations. Despite continue facing a challenging business environment due to the COVID-19 pandemic across our operational markets, we have recorded a great increase in terms of revenue and profit for the financial year, whereby the Group’s revenue rose by 27.6% year-on-year to RMB508.5 million and our gross profit increased 18% to RMB65.2 million in FY2021. Our detailed financial positions and business review are elaborated in the FY2021 Annual Report.

VALUES AND MISSION

Committed to integrating sustainability into its business, the Group upholds the core values of pursuing excellence, continuous innovation and exceeding customer expectations. The Group strives to achieve “Dedicated, Professional and Meticulous” in terms of quality control.

ABOUT THE GROUP

Group Structure



LUXKING GROUP HOLDINGS LIMITED
(Incorporated in Bermuda)

100%

EXCEL GLORY LIMITED
(Incorporated in the British Virgin Islands)

100%

CHINA KING INTERNATIONAL TRADING LIMITED
(Incorporated in Hong Kong)

100%

TIAN HOLDINGS LIMITED
(Incorporated in Hong Kong)

100%

LUXKING INVESTMENT LIMITED
(Incorporated in Hong Kong)

100%

LUXKING INTERNATIONAL CHEMICALS LIMITED
(Incorporated in Hong Kong)

100%

ZHONGSHAN NEW ASIA ADHESIVE PRODUCTS CO., LTD.
(Established in the PRC)

100%

湖北力王新材料有限公司
(Established in the PRC)

As our fourth sustainability report (the “report”), we aim to disclose our Group’s sustainability policies, targets, KPIs and performance based on the identified material sustainability topics after conducting stakeholder engagement.

Reporting Scope and Boundary

The report focuses on Luxking’s operations relating to the manufacturing and sales of BOPP films, IS tapes and general tapes (collectively referred to as the “Tapes”) for the financial year ended on 30 June 2021 (the “reporting year” or “FY2021”) within the manufacturing facility in Zhongshan managed by Luxking. For FY2021, we have expanded the reporting boundary to cover not only the production departments (i.e. FY2020 reporting boundary), but the entire Zhongshan manufacturing facility with all departments included. This expansion of reporting boundary helps us to disclose more sustainability performance data to our stakeholders that will facilitate them in better evaluating our overall sustainability disclosures both qualitatively and quantitatively.

Depending on future business priorities and data availability, we will continue to even further the scope of our sustainability disclosures in the coming reporting years.

The chart below shows the Group’s corporate governance structure with various departments:



Reporting Cycle

For reporting cycle, we publish our sustainability report annually as mandated by SGX-ST Listing Rules 711A. We submit this report to SGX in a timely manner as part of our sustainability communication efforts. Readers may find this report digitally on the websites of both SGX and Luxking (www.newasiatapes.com).

Reporting Standards

The Group prepared this sustainability in accordance with the SGX-ST Listing Rules 711A and 711B on sustainability report, with implementation guidance as stipulated in the Practice Note 7.6: Sustainability Reporting Guide (“PN 7.6”) issued by the SGX. As with our previous reports, this sustainability report is developed with reference to the Global Reporting Initiative’s (“GRI”) latest international sustainability reporting framework, the GRI Standards (versions 2016 and 2018).

The Group continues to select the GRI Standards as its choice of sustainability reporting framework due to the following key reasons:

- *Wide adoption globally in all sectors:* there are over 10,000 GRI reporters in over 100 countries across many different industries for reporters of all organizational sizes. It remains the most common standard that allows easy comparison between our local, regional and global peers.
- *A highly credible, robust and trustworthy set of standards:* the GRI Standards have evolved and improved over the years under its Global Sustainability Standards Board and Stakeholder Council since its launch in 1997. Today, it still remains an independent organization and its standards are trusted by government agencies, regulators, financial institutions and civil society organizations alike.

ABOUT THIS REPORT

- *Convenient alignment with other international sustainability-related standards:* GRI has robust and credible implementation guidelines on how to effortlessly align itself with various standards such as CDP, SASB, TCFD, IIRC, CDSB. In the meantime, GRI is working with the aforementioned five reporting organizations towards a comprehensive corporate reporting framework. This flexibility allows Luxking to align with these other frameworks, if necessary, in the future.

The disclosures in this report seek to achieve the GRI's Reporting Principles for defining report quality: accuracy, balance, clarity, comparability, reliability, and timeliness.

Readers may find the GRI-SGX Content Index, corresponding to the different topic-specific disclosures, at the end of this report for reference.

External Assurance

Luxking recognizes the importance and significance of adopting external assurance, namely imparting a higher credibility to report development and data gathering processes. As such, the Group continues

to closely monitor the latest SGX-published consultations on potentially requiring issuers to adopt mandatory external assurance on sustainability reports. We would gradually adopt external assurance in the future as the sustainability reporting landscape evolves.

Confirmation and Approval

Luxking's Board of Directors and senior management have approved the scope and content of this sustainability report as of 1 November 2021.

Opinion and Feedback

The Group welcomes feedback from our stakeholders on this report. You may contact us through the following channels:

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In this challenging year, I am very pleased to report that the Group has prevailed against enormous hurdles and risen to new heights. Despite the persistent disruptions to our operations due to the COVID-19 pandemic, the Group has increased revenue by 27.6% across all of our business segments amidst gradual economic recovery. Beyond financial achievements, we have also done well attributing to quality sustainability disclosures.

Expansion of Reporting Scope

In this year's sustainability report, we have improved on materiality analysis and stretched our sustainability reporting scope and data to include the entire Zhongshan manufacturing facility. We aspire to expand reporting coverage in the future as the Group continues to build the new plant in Hubei. Regarding material topics, we have structured the report to focus on various topics outlined in four sections - respectively entitled Responsible Operations, Developing Talents, Protecting Our People and Environmental Stewardship.

Sustainability Governance, Board Diversity and Anti-Corruption

In terms of sustainability governance, the Board has the ultimate accountability in directing the strategic direction in embedding sustainability and climate resilience factors into our business operations. Beyond our effective sustainability governance structure, board diversity¹ and enforcement of anti-corruption policies are equally important to the Group as well as to alignment of requirements from SGX-ST.

The Group takes into consideration of the benefits of various aspects of diversity, including gender, age, education background, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board.

Although anti-corruption has not been identified as a material factor in the report, it is an important pillar in our business strategy. Insofar, the Group has established several policies regarding conflict-of-interest, employee conduct and whistle-blowing, in order to promote transparent business practices and conduct.

Moving Forward with Confidence

In these perplexing yet exciting times, the market offers us new opportunities to capture, but we have to carefully manage sustainability risks simultaneously. The board thanks our management and employees who have worked together as a team to achieve greater sustainability performance in FY2021. Looking ahead, let us continue to work tirelessly towards becoming a more sustainable company.

Leung Chee Kwong

*Executive Chairman and Chief Executive Officer
Luxking Group Holdings Limited*

¹ 20% of the Board is female.

STAKEHOLDER ENGAGEMENT

Luxking commits to building long-lasting and robust relationships with our key stakeholders through a variety of communication channels. By engaging our stakeholders and listening to their concerns, we have identified material sustainability topics and thus prioritized relevant plans to mitigate anticipated risks and seize arising opportunities. As the pandemic continues into 2021, our stakeholder engagement activities, namely face-to-face meetings, focus groups and interviews, were all in compliance with the Group's COVID-19 safe distancing measures as well as local health and safety protocols, or were conducted through digital platforms.

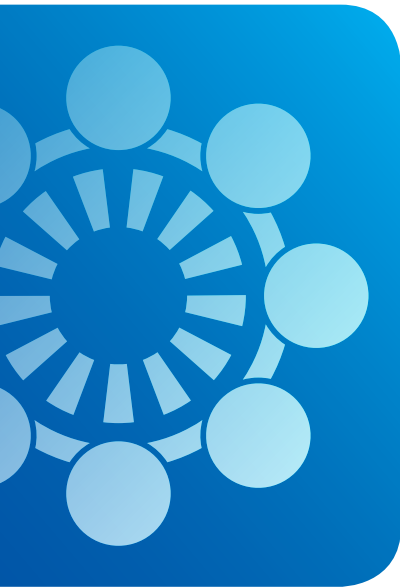
KEY STAKEHOLDER GROUPS		ENGAGEMENT PLATFORMS
Internal Stakeholders	<ul style="list-style-type: none"> • Board of Directors • Management • Executive Staff • General Staff 	<ul style="list-style-type: none"> • Training and development programmes • Annual appreciation events and festival celebrations • Internal company discussions, interviews and focus groups • Opinion and feedback boxes for factory staff
External Stakeholders	Customers	<ul style="list-style-type: none"> • Industry seminars, exhibitions and events • Company website • Dedicated customer support teams
	Shareholders and investors	<ul style="list-style-type: none"> • Annual report and sustainability report • Announcements and circulars on SGX • Company website • Annual General Meeting (AGM)
	Business partners (including suppliers, distributors etc.)	<ul style="list-style-type: none"> • Regular supplier visits and meetings • Events, trade shows and procurement fairs • Constant communication and evaluation process
	Employees' families	<ul style="list-style-type: none"> • Company events
	Governments and regulators	<ul style="list-style-type: none"> • Participation in conferences, meetings and discussions • Factory site visits and office meetings
	Banks and financial institutions	<ul style="list-style-type: none"> • Communication through investor relations team • Announcements and circulars on SGX

Based on the insights from management interviews and stakeholder engagement activities, Luxking continues to focus on the 7 key material sustainability topics for FY2021. Compared to previous sustainability reports, we have expanded our reach to encompass more internal and external stakeholder groups in addressing the various material topics.

MATERIAL TOPICS	RELEVANT STAKEHOLDER GROUPS		REPORT SECTION
	INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS	
Employment 	<ul style="list-style-type: none"> All employees Management 	<ul style="list-style-type: none"> Government & regulators Employees' families Shareholders & investors 	Responsible Operations
Child Labour 	<ul style="list-style-type: none"> Board of Directors Management 	<ul style="list-style-type: none"> Government & regulators Banks and financial institutions Shareholders & investors Business Partners 	
Forced or Compulsory Labour 	<ul style="list-style-type: none"> Board of Directors Management 	<ul style="list-style-type: none"> Government & regulators Business Partners 	
Customer Privacy 	<ul style="list-style-type: none"> Board of Directors Management 	<ul style="list-style-type: none"> Customers Business Partners 	
Training and Development 	<ul style="list-style-type: none"> All employees Management Board of Directors 	<ul style="list-style-type: none"> Government & regulators 	Developing Talents
Occupational Health and Safety 	<ul style="list-style-type: none"> All employees Management Board of Directors 	<ul style="list-style-type: none"> Government & regulators Business Partners 	Protecting Our People
Water and Effluents 	<ul style="list-style-type: none"> Board of Directors Management 	<ul style="list-style-type: none"> Government & regulators Banks and financial institutions Investors & shareholders Local Communities 	Environmental Stewardship

All targets for the upcoming year on these material issues are located in the end of the report before the GRI-SGX Content Index.

SUSTAINABILITY GOVERNANCE



Luxking's Board of Directors has the ultimate responsibility for the business decision-making and sustainability directives of the Group. In terms of implementation, our management and departmental leaders work together to ensure sustainability measures and protocols are put in place so that our yearly targets can be effectively met. On the operational level at our factory, the Group has designated a general manager to lead the Environmental and Chemical Substance Management Committee.



SUSTAINABILITY RISKS AND OPPORTUNITIES

We believe that identifying and monitoring sustainability risks and opportunities is extremely important to the Group's long term business and financial performance. This table depicts the varying sustainability risks and opportunities that have the potential to impact our long-term operations and strategy planning.

RISKS	OPPORTUNITIES RISKS
Economic Outlook	
<p>The pandemic continues to pose adverse impacts to our markets and impedes normal operations. Countries may continue to lock up borders and restrict travelling as the pandemic appears to not slowing down. Therefore, the global economic outlook remains uncertain and volatile.</p>	<p>The Group continues to closely monitor the pandemic situation, both globally and locally in the markets we operate. Integrating sustainability and ESG directions into our business decision-making proves beneficial to value creation in the long run for our stakeholders. Luxking looks towards capturing arising opportunities that will enable us to do better as a responsible corporate citizen.</p>
Occupational Health and Safety	
<p>The pandemic adds another layer of occupational health and safety risks to our frontline employees, in addition to operational work hazards in our factory.</p>	<p>Work safety for our workers and employees is a key tenet in our operational management. The Group has dedicated managers to regularly monitor and review various safety management systems and protocols. Preemptively identifying potential risks and hazards would be key to prevent work-related incidents.</p>
Talent Retention	
<p>The Group recognizes that a skilled and talented workforce is essential to our long term success. The challenge to retain valuable workers remains since the manufacturing industry faces high competition in the PRC. The pandemic further adds to the complication. The loss of skilled employees may disrupt daily operation and lead to high costs of replacement.</p>	<p>We have established a long term employee development and talent management strategy. Our management conduct regular performance interviews with employees and career progression reviews. We provide not only financial incentives, but also opportunities to grow professionally and personally through training and team-building exercises alike. Cultivating a committed and passionate workforce is always our goal.</p>

SUSTAINABILITY RISKS AND OPPORTUNITIES

Data Management

Robust customer and supplier data management is critical to our operations. As we process data on a daily basis, there are persistent risks associated with potential data leakage and breaches when cases of cyberattacks have gone up in recent times. In the case of a potential data breach, it may result in financial losses amidst other negative consequences and business disruptions.

IT systems and infrastructure are closely guarded with additional security measures that only allow specified and authorized personnel to access. In terms of data management, we have implemented a classification system across our operations that informs the degree of access. As such, Luxking strives to protect and safeguard all confidential data, whether they belong to our customer, suppliers or business partners, to the best of our ability.

Environmental Impact

Our manufacturing facility bears the inherent environmental pollution risk. Additionally, climate change poses international and local environmental risks to us in the long term. Environmental risks could have social impacts that affect local communities and employees. Furthermore, these risks may damage our corporate brand reputation, and disturb customer and supplier relationships.

Our three main departments (production department, department of quality control and department of environmental safety) and the Environmental and Chemical Substance Management Committee are overseeing the negation of environmental and effluent pollution of our operations. We have multiple environmental management handbooks or guidance and a list of banned hazardous chemicals to ensure full adherence to local regulations and standards. The Group's management is also actively evaluating energy-saving measures and alternative energy supply in order to plan out a more sustainable organization that works for the future.



Fair Employment

Since our inception, Luxking has always defined a clear and straight-forward hiring policy for all of our employees. Internally, the Group has a set of standardized, step-by-step hiring protocols (i.e. Company Recruitment Guide) in which our recruiters and human resources managers have to adhere to when the company hires. Our management regularly review and update our hiring policy according to the latest local labour laws and standards so that our employees' rights of fair employment are protected. The Company Recruitment Guide highlights that:

- We screen and verify all new job applicants with supporting documents to make sure they are qualified with no criminal record and over 18 year-old (not child labour).
- No discrimination is allowed as we base our hiring decisions on meritocracy alone.
- Stipulates the standard job probation period of 1 to 3 months, depending on position.
- Delineates the range of benefits offered to full-time staff, such as pension, medical insurance, unemployment insurance, work injury insurance, employer's liability insurance² and maternity insurance, in accordance with the requirements set out in the Labour Law of the PRC, the Social Insurance Law of the People's Republic of China, Regulations on the National Social Security Fund (全国社会保障基金条例), Regulations on Unemployment Insurance (失业保险条例) and Interim Measures on Employee Childbirth Insurance (企业职工生育保险试行办法).

The following table shows the total employees by grade or level within our reporting scope:

	Total Employees By Grade (Within Reporting Scope)	
Grade	Number of Males	Number of Females
Senior Management	19	0
Middle Management	36	5
Entry-level or General Staff	287	117

² We provide the employer's liability insurance on an additional and case-by-case basis. It is designed to cover employees who have reached retirement age and can no longer apply for national social insurances in PRC.

RESPONSIBLE OPERATIONS

For FY2021, the Group's number and rate³ of new hires and employee turnover (by gender) are summarised in the tables below:

	New Employee Hires			
Age (Years)	Number of Males	Rate %	Number of Females	Rate %
< 30	21	6.1%	7	5.7%
30 - 50	46	13.5%	12	9.8%
> 50	12	3.5%	1	0.8%

	Employee Turnover			
Age (Years)	Number of Males	Rate %	Number of Females	Rate %
< 30	30	8.8%	8	6.6%
30 - 50	30	8.8%	10	8.2%
> 50	8	2.3%	3	1.6%

Full Compliance with Labour Standards: Strictly No Child or Forced Labour

Any form of child labour is strictly prohibited by Luxking. Our recruiters observe guidelines in our Company Recruitment Guide to check and verify all identification documents of incoming job applicants as a preventive measure. Those who fail our age requirements are automatically rejected. Additionally, Luxking does not tolerate any employment of child labour beyond our own business operations, including our suppliers.

For our FY2020 sustainability report, we have set a specific target to extend our anti-child labour policy to all of our suppliers by this year. We have sent out over 41 supplier surveys of which 32 were returned to us (78%). All (100%) returned surveys confirmed with signature that they do not employ child labour⁴ but 66% responded that they do not have a management system standard or guideline to abolish child labour. Although the Group is encouraged by the survey results, we would continue to urge all of our suppliers to establish a set of related anti-child labour policy standard or guideline in the near future.

Equivalently, no forced or compulsory labour is allowed in the Group. All employees of the Group's operations are hired on a voluntary and fair basis. We have postulated that the standard working hours are 8 hours per day. Luxking has maintained a Requirement on Restricting Overtime Hours (对加班时间的限制性规定), under which any overtime arrangement requires prior mutual agreement between our employees and their supervisors, and employees would be subjected to proportionate compensation with leave or allowance. The Group has conducted an Employee Satisfaction Survey⁵ (员工满意度调查) in Q1 FY2021.

³ Rate: out of the number of males (342) and females (122) within the reporting scope.

⁴ In reference to the International Labour Organization Conventions 138 & 182 definitions and descriptions.

⁵ Sent out the survey to 100 different employees.

The survey contained 15 questions classified by different categories, including compensation, job satisfaction, company culture, internal communication, respect given by management to employees, as well as understanding of management system and career progression. 13 out of 15 questions have achieved over a 90% score, indicating a high employee satisfaction. Employees also voiced out recommendations for improvements such as organizing further team-building activities and better food quality in the company canteen.

Customer Privacy

Luxking treats data protection and customer privacy issues very seriously, and have a host of preventive protocols and measures to deal with any data breach or cyberattack. Our approach to protecting customer privacy includes:

We maintain a IT system to register and store confidential customer information at a restricted-access location. Approval is needed for copying such confidential information

We classify data across our operations into three main categories in accordance to the nature of the data. The categories inform the requisite level of security and degree of access.

All employees are required to protect company's trade secrets and proprietary information, including customer data. Employees are required to read and understand related protection measures documented in the Employee Handbook.

Human resources department and IT personnel would be notified and take subsequent remedial actions in an unfortunate event of suspected or actual data breach. Management would assess the situation and possibly collaborate with authorities to investigate such digital transgressions in a timely manner.

During FY2021, we have not received any complaints, whether internally or externally (including regulatory bodies), regarding customer privacy breaches and had zero incidents of data breaches in terms of identified leakages, thefts or losses of customer data. Luxking is committed to maintain our clean record of zero data breaches

DEVELOPING TALENTS

Employee Training and Career Development

We believe that equipping our employees with the latest knowledge and skills related to their careers is essential in building a capable and passionate workforce in the long run.

In FY2021, the Group has provided these training, educational or sharing sessions to our three employee groups. These are some of the highlighted topics

EMPLOYEE GROUP	TRAINING AND EDUCATIONAL ACTIVITIES
General Staff	<ul style="list-style-type: none">• Emergency response protocol training• Production safety training for new employees• Operational safety procedures for high-risk positions• Training on the use of firefighting equipment & emergency escape routes• Topical training such as the raw materials inspection, infrared spectroscopy• COVID-19 Pandemic Prevention Measures
Middle Management	<ul style="list-style-type: none">• Product Safety• Product Quality Enhancement and Techniques• COVID-19 Pandemic Prevention Measures• Lean Production Management• Occupational Health & Safety Workshops and Fire Drills• Emergency Disaster Response Training
Senior Management	<ul style="list-style-type: none">• High productivity and efficient time-management• Business Development and Production Cases Sharing• Business Partners Exchange Event• Sales Strategy Focus Groups• Industry Trends and Production Techniques

The myriad of training and educational topics is designed to suit every employee group respective to their job responsibilities and work coverage. Senior and middle management are focused on improving product quality and production management with higher efficiency as well as exchanging ideas with business partners. On the other hand, training for general staff is mostly dedicated to enhancing operational efficiency and uplifting skills on using specific equipment and tools in the frontline.

During the reporting year, the Group also organised regular training for all employees during the reporting year. Before the introduction of any new equipment, employees are required to familiarise themselves with new safety protocols in order to operate the equipment without close supervision.

The average number of training hours per employee are presented in the table below:

	Male	Female
	Total number of training hours	
Senior Management	698	N/A
Middle Management	1122	48
Entry-level/General Staff	6076	2148
Total	7896	2196

Luxking believes that regular performance reviews are beneficial to employee's career development and productivity improvement. This table below shows the number and percentage of employees by gender who received performance reviews during the reporting year:

	Male		Female	
	Number	Percentage	Number	Percentage
Senior Management	19	100%	N/A	N/A
Middle Management	36	100%	5	100%
Entry-level/ General Staff	287	100%	117	100%
Total	342	100%	122	100%



PROTECTING OUR PEOPLE

Occupational Health & Safety

The Group has been cultivating a strong culture of safety among our employees, especially for our factory staff and special equipment operators. We believe that it is our company's moral responsibility to properly and adequately train our employees in prioritizing occupational health and safety ("OHS") during their daily routines.

All of our employees are covered by our OHS management system, as mandated by the Production Safety Law of the PRC:

	The Entire Zhongshan Facility (within reporting scope)
Number of employees covered by the Group's health and safety management system (internally audited)	552 ⁶
Percentage of employees covered by the Group's occupational health and safety management system (internally audited)	100%

Luxking's OHS management system has been working effectively since it has been established. There are clear OHS rules and procedures in which all employees must understand and adhere to. Our OHS handbook and various training protocols clearly defines the roles and responsibilities at each staff level and job type at Luxking. The OHS handbook also trains staff on how to document their specialized work routines in regards to following safety procedures. The Group's OHS team assess on-site hazards and safety risks when they conduct surprise or regular inspections. Our frontline employees are encouraged to anonymously raise their concerns and safety recommendations through feedback boxes managed by our human resources department. We take employees' suggestions seriously as they have the first-hand and onsite experience to spot not only potential safety risks, but also opportunities to enhance OHS for everyone's wellbeing.

On the other hand, our robust Safety Production Training System is implemented in accordance with the Production Safety Law of the PRC, which requires all new hires to undergo at least 48 hours of safety training and pass a safety exam. The PRC legislation stipulates that all special equipment operators need to undertake professional training and be certified by the relevant authorities before they can commence any related work.

At the Group level, we have produced two annual reports about production safety and OHS for employees working on either the BOPP films or tapes segments. The production teams of the two segments reviewed incidents and recommended areas of improvement to superiors so that safety loopholes could be sealed as quickly as possible. In the year, the Group has conducted medical inspections for employees to ensure that they are of fit and healthy status to work. For example, when several employees had medical issues after exposure to loud machinery noises at their posts, they were treated accordingly and relocated to suitable job posts with extremely low noise pollution. Preserving a healthy workforce remains our perceptual priority.

⁶ 552 denotes the total number of staff covered, including turnover staff, within the reporting period.

Expanding on the previous reporting boundary to cover the entire factory, we have recorded just 2 recordable work-related injuries this year. The injured employees have since recovered and returned to work. The table depicts this figure as seen below:

The Entire Zhongshan Facility (within reporting scope)		
	Number	Rate ⁷
Work-related fatalities	0	N/A
Recordable work-related injuries	2	0.43%
Fatalities from work-related ill health	0	N/A
Recordable work-related ill health	0	N/A

Special Measures on Tackling the Pandemic

In the sustained COVID-19 pandemic situation, the Group remained steadfast in our preventive and responsive measures. Abiding by the Law on the Prevention and Control of Infectious Disease (中华人民共和国传染病防治法) and the Emergency Plan for Public Health Emergencies (突发公共卫生事件应急预案) of the PRC, these are the highlights of our measures:

COVID-19 Pandemic Measures
Strict hygienic protocols on sanitation, personal hygiene and hand-washing
Wearing protective masks at all times
Regularly disinfecting equipment and common areas such as canteens, meeting rooms and corridors
Emergency plans to report, isolate and treat suspected or actual cases of the virus to prevent pandemic spreading

A COVID-19 pandemic response committee, led by our Executive Chairman Mr. Leung Chee Kwong personally, is dedicated to draw up a pandemic response strategy with implementation plans (e.g inspection of personnel and vehicles in and out of premises, disinfection stations and emergency isolation wards) for departmental managers to promptly execute.



⁷ Over total no. of employees in the reporting scope (i.e. 464 people).

ENVIRONMENTAL STEWARDSHIP

Luxking is committed to reduce our environmental impacts and search for more environmental-friendly solutions to be adopted. Specifically, we have set up The Environmental and Chemical Substance Management Committee (环境关联化学物质管理委员会), which is led by our general manager, that consists of representatives from a variety of departments like quality control, production, and sales. The Committee has the duty to monitor chemical hazards and assess environmental risks and set up environmental improvement targets to achieve. Our Environmental Management and Chemical Substance Guidance (环境关联化学物质管理规定) is an essential yet comprehensive guidebook to govern tasks related to chemicals handling and supply chain documentation protocols. In this Guidance, we have outlined a detailed list and criteria of prohibited hazardous chemicals to not be used in our products⁸. In FY2021, we have compiled a List of Environmental Issues⁹ (环境因素清单) that our managers and frontline workers should consider when conducting production activities.

FSC-Certified Paper Pulp Supply

In our FY2020 report, the Group also determined that the Forest Stewardship Council (FSC) certification will be one criterion when procuring paper supplies. This year we took action and evaluated that over 48% of our paper supplied came from paper pulps¹⁰ that are either FSC certified or with other certifications. The result is encouraging and we would continue to push more of our paper suppliers to adopt FSC-level certifications.

Water and Effluents

Luxking acknowledges the significance of water conservation and wastewater treatment. Our operations team track, analyze and review our factory's monthly water usage before setting commensurate reduction targets on water use. As with previous reporting years, the Group did not withdraw municipal water supply from water-stressed areas. Water is used for these main purposes: production of BOPP films and Tapes, portable water use by staff, general cleaning and evaporative cooling. The water usage for FY2021 and FY2020 by the whole Zhongshan factory is shown here:

	FY2021	FY2020
	The Entire Zhongshan Facility	
Water withdrawn from third-party sources (ML)	218.0	159.4
Water intensity (ML / million RMB revenue)	0.431	0.403

⁸ Including asbestos, cobalt dichloride, diarsenic pentoxide, lead chromate, acrylamide and formamide.

⁹ A total of 161 identified issues covering 1) noise, water, air pollution, 2) solid wastes and 3) energy usage.

¹⁰ Additionally, 60% of our suppliers manufacture their products using paper pulp from FSC source/ sustainable source.

As depicted by the figures, we have experienced a higher amount of water usage than the previous year although our water intensity stays within acceptable range due to our increased revenue. The reasons for the water usage increase are due to the following:

- Higher water withdrawn due to measures related to the COVID-19 pandemic, including increased frequency of cleaning and sanitizing, heightened hygienic standard in premises.
- Water usage in our factory cooling system amplified due to higher average temperatures over the year. Water was irrigated on rooftops of production units hence cooling could be achieved through water evaporation.
- We carried out a major maintenance of machinery utilizing water for cleaning, where inspections are carried out every 3-5 years depending on machine conditions.
- We discovered a leakage in the underground water supply system and tubes. The leakage was successfully fixed and experts were hired to examine the whole underground water network in our factory's vicinity. No further anomalies were found.

For FY2022, we have revised our water intensity target to be 0.400ML/mil RMB.






Our on-site tertiary wastewater treatment plant¹¹ continues to be a critical element in our environmental measures. The plant operates according to the international ISO14001:2015 standard, where our environmental safety department oversees the quality of treated effluent to ensure compliance with the discharge limits of water pollutants. On a daily basis, used portable water by our cleaning staff is discharged into the municipal sewage system. The Group continues to evaluate suitable solutions for better and more efficient water treatment.







¹¹ During the treatment process, wastewater passes through four treatment tanks: the treatment tank, anaerobic tank, storage tank and aerobic tank.

TARGETS OF OUR SUSTAINABILITY MATERIAL ISSUES

The Group would like to highlight that we are actively searching for more environmental-friendly solutions to enhance energy efficiency and to be less reliant on fossil fuel-based energy supply. As such we will carry out feasibility studies on solar panels installation for our factory. The table below outlines our updated targets on the various sustainability material issues for FY2022:

Material Issue	Target(s) for FY2021	Status of Progress	Target(s) for FY2022 <i>Applies to expanded reporting boundary</i>
Employment 	<ul style="list-style-type: none"> To ensure all employees are covered by state pensions and insurance schemes (or relevant insurance) 	Achieved.	<ul style="list-style-type: none"> To ensure all employees are covered by state pensions and insurance schemes (or relevant insurance), while re-employment employees are covered by employer's liability insurance
Child Labour 	<ul style="list-style-type: none"> Extend the anti-child labour policy to our suppliers 	Achieved. (41 Supplier Survey sent, 32 returned. Of the 32 survey returned, 100% does not employ child labour, and 66% has specified "No child labour" guideline.)	<ul style="list-style-type: none"> Continue the practice. Both Luxking and its suppliers do not employ any child labour. The Group may continue to survey our suppliers on this issue.
Forced or Compulsory Labour 	<ul style="list-style-type: none"> To maintain dialogue or communication channels with employees to understand their needs and improve their benefits. 	Achieved.	<ul style="list-style-type: none"> To maintain dialogue or communication channels with employees to understand their needs and improve their benefits. No forced or compulsory labour.
Customer Privacy 	<ul style="list-style-type: none"> To prevent incidents and complaints of customer data breaches. 	Achieved.	<ul style="list-style-type: none"> To prevent incidents and complaints of customer data breaches.
Training and Development 	<ul style="list-style-type: none"> To review and improve existing training and educational materials. 	Achieved; the Group's training and educational materials were reviewed and updated.	<ul style="list-style-type: none"> To review and improve existing training and educational materials.

TARGETS OF OUR SUSTAINABILITY MATERIAL ISSUES

<p>Occupational Health and Safety</p> 	<ul style="list-style-type: none"> To maintain the current evaluation process for employees' occupational health and safety. 	<p>Achieved.</p>	<ul style="list-style-type: none"> To review and improve the current evaluation process for employees' occupational health and safety.
<p>Water and Effluents</p> 	<ul style="list-style-type: none"> To reduce the total water usage of the whole factory by 5%. 	<p>Not achieved; yet we have kept our water intensity in range of our FY2020 figure.</p>	<ul style="list-style-type: none"> Achieve 0.400 ML/mil RMB water intensity target
<p>Paper Use</p> 	<ul style="list-style-type: none"> To evaluate the Group's current release paper liner and paper carrier suppliers and determine whether their paper supplies meet the FSC requirements. 	<p>Achieved. We have completed our evaluation. 48.6% of our release paper liner and paper carrier supplies were confirmed by our suppliers that their supplies of paper pulps are either FSC certified or with certifications using sustainable source.</p>	<ul style="list-style-type: none"> FSC certification continues to be one of our decision items (but not the only deciding factor) when we choose paper material supplies. Luxking will continue to encourage its suppliers to use paper pulps sourced from sustainable sources.
<p>Additional Environmental Measures (New direction)</p> 	<ul style="list-style-type: none"> N/A 	<p>N/A</p>	<ul style="list-style-type: none"> As a new strategic sustainability direction, the Group will continuously search for energy efficient solutions and devise new carbon footprint reduction measures. Our management will carry out feasibility study on solar panels installation in our factory.

GRI-SGX CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
GRI 102: General Disclosures 2016				
Organisational Profile				
102-1	Name of the organization	-	2	
102-2	Activities, brands, products, and services	-	2	
102-3	Location of headquarters	-	2	
102-4	Location of operations	-	2-3	
102-5	Ownership and legal form	-	3	
102-6	Markets served	-	2	
102-7	Scale of the organization	-	2-3	
102-8	Information on employees and other workers	-	2, 12-13	
102-9	Supply chain	-	2	
102-10	Significant changes to the organization and its supply chain	-	N/A	No significant changes
102-11	Precautionary Principle or approach	-	9-11	
102-12	External initiatives	-	2	
102-13	Membership of associations	-	2	
Strategy				
102-14	Statement from senior decision-maker	LR711B-1e	6	
102-15	Key impacts, risks, and opportunities	PN7.6-3.3	9-11	
Ethics and integrity				
102-16	Values, principles, standards, and norms of behaviour	-	2	
Governance				
102-18	Governance structure	PN7.6-3.1	3-4	
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7	7-8	
102-29	Identifying and managing economic, environmental, and social impacts	PN7.6-3.3	7-8	
Stakeholder Engagement				
102-40	List of stakeholder groups	-	7	
102-41	Collective bargaining agreements	-	N/A	
102-42	Identifying and selecting stakeholders	-	7-8	

Disclosure	Description	SGX	Page	Remarks
102-43	Approach to stakeholder engagement	-	7-8	
102-44	Key topics and concerns raised	-	7-8	
Reporting Practices				
102-45	Entities included in the consolidated financial statements	-	3	
102-46	Defining report content and topic boundaries	-	4-5	
102-47	List of material topics	-	8	
102-50	Reporting period	-	4	
102-52	Reporting cycle	-	4	
102-53	Contact point for questions regarding the report	-	5	
102-54	Claims of reporting in accordance with the GRI Standards	LR711B-1d	4-5	
102-55	GRI content index	-	23-25	
102-56	External assurance	PN7.6-3.8	4	Remarks on The Group's stance on external assurance only
GRI 303: Water and Effluents 2018				
103	Management approach disclosure	LR711B-1 b	19-20	
303-1	Interactions with water as a shared resource	-	19-20	
303-2	Management of water discharge related impacts	-	19-20	
303-3	Water withdrawal	-	19-20	
GRI 401: Employment 2016				
103	Management approach disclosure	LR711B-1 b&c	12-14	
401-1	New employee hires and employee turnover	-	12-13	
GRI 403: Occupational Health and Safety 2018				
103	Management approach disclosure	LR711B-1 b&c	17-18	
403-1	Occupational health and safety management system	-	17-18	

GRI-SGX CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
403-2	Hazard identification, risk assessment, and incident investigation	-	17-18	
403-3	Occupational health services	-	17-18	
403-4	Worker participation, consultation, and communication on occupational health and safety	-	17-18	
403-5	Worker training on occupational health and safety	-	15, 17	
403-9	Work-related injuries	-	18	
403-10	Work-related ill health	-	18	
GRI 404: Training and Education 2016				
103	Management approach disclosure	LR711B-1 b&c	15-16	
404-1	Average hours of training per year per employee	-	15-16	
404-2a	Type and scope of programs implemented and assistance provided to upgrade employee skills	-	15-16	
404-3	Percentage of employees receiving regular performance and career development reviews	-	15-16	
GRI 408: Child Labour 2016				
103	Management approach disclosure	LR711B-1 b&c	13	
408-1c	Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labour	-	13	
GRI 409: Forced or Compulsory Labour 2016				
103	Management approach disclosure	LR711B-1 b&c	13	
409-1b	Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	-	13	
GRI 418: Customer Privacy 2016				
103	Management approach disclosure	LR711B-1 b&c	14	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	14	



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