

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

LINOCRAFT

Printing Since 1972



LINOCRAFT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8383

INTRODUCTION

Linocraft Holdings Limited (hereafter referred to as “**Linocraft**” or “**Group**” and its subsidiaries) are international printing services company that principally engaged in providing quality printing services which focus on packaging printing and its products include packaging boxes, rigid boxes, paper-board inserts, instruction manuals and printed labels to direct customers and contract manufacturers of international renowned brands. The Group has production plants principally located in Malaysia and the Philippines.

The Group approach to Corporate Responsibility ensures that Environmental, Social and Governance (“**ESG**”) risks and opportunities are identified, evaluated and controlled in line with industry best practice. This aims to set the direction for a future-orientated business strategy that balances economic success with environmental and social responsibility, in line with the expectations of stakeholders. The Group seek to promote sustainable business practices, increase transparency and ensure that the Group risk management processes help to avoid negative environmental and social impacts arising from its core businesses. As such, the Group has incorporated ESG commitments into its operational business model, through the adoption of a management system approach aligned to ISO 14001:2015, the international standard for environmental management.

The reporting period of this report is from 1 September 2018 to 31 August 2019 (the “**Reporting Period**” or the “**Year 2019**”) together with the comparative data for the year ended 31 August 2018 where appropriate.

REPORTING FRAMEWORK

This ESG report (the “**Report**”) follows the ESG Reporting Guideline as set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

SCOPE OF THIS REPORT

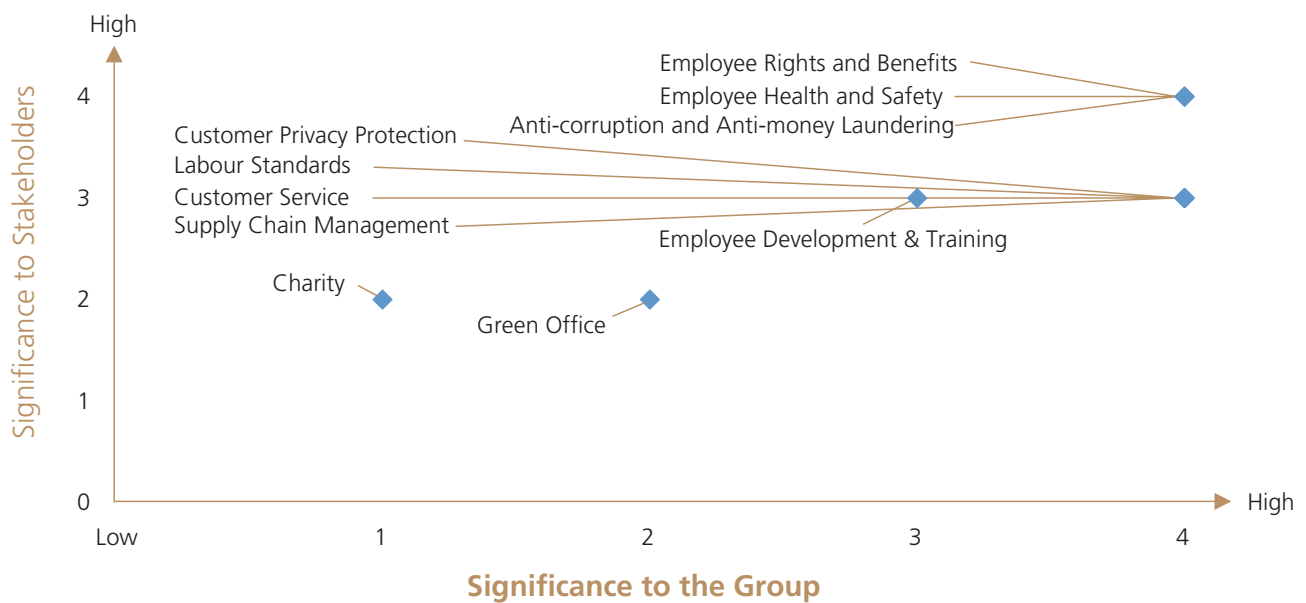
This Report focuses on the operation of the Group at its principal places of business in Malaysia and the Philippines. The disclosures in this Report are mainly extracted from the Group’s statistical reports and relevant documents. The Group has complied with the “comply or explain” provisions set out in the ESG Guide for the Year 2019.

IDENTIFICATION AND COMMUNICATION WITH STAKEHOLDERS

The Stock Exchange has set forth four principles for reporting in the ESG Guide: Materiality, Quantitative, Balance and Consistency, which should form the basis for preparing the Report. As recommended, through stakeholder engagements, the Group can understand wide-ranging views and identify material environmental and social issues.

The Group is committed to operating in a sustainable manner while balancing the interests of its various stakeholders whom are communicated through meetings, enquiries, interviews and discussions, including: shareholders, employees, customers, suppliers and subcontractors, regulatory authorities and the local communities in which the Group operates.

The Group has conducted a survey with the aforesaid stakeholders and obtained 40 number of samples to help identifying stakeholder's priorities. On the scale from 0 to 4, where 0 is the least concern and 4 is the most concern key issues which are of stakeholder's concern.



MATERIALITY ASSESSMENT

Linocraft has maintained close communication with its stakeholders. Through multiple discussions and direct communications, the Group understands the core issues that matter most to its stakeholders. By understanding the critical issues from both internal and external perspectives through vital stakeholders and, to develop corporate strategy, goals, targets, programs, initiatives, to advance business sustainability across Asia Region.

ENVIRONMENTAL RESPONSIBILITY

Linocraft control agenda is a key priority, and the Group devote significant resources to adhering and adapting to the substantial number of heightened regulatory expectations and reporting requirements that guide aforesaid industry. And the Group is committed to provide quality printing services to its client in a manner that minimizes potential adverse impact on the environment and energy sources.

Aspect A.1: Emissions

The Group's business does not produce material amounts of emissions, however greenhouse gas and emission is inevitable in the printing operation. The printing process will also generate contamination and chemical waste. Linocraft aims to minimize emission or chances of arising environmental hazard.

Air Emission

Linocraft is committed to operating in compliance with applicable environmental laws and regulations in all material respects and protecting environment by minimizing the negative impact of the Group's operation on the environment. The major air and greenhouse emissions, discharges into the water of the Group are from the printing devices which consume a significant amount of energy and produce a substantial volume of waste during its processes. The Group has implemented a number of internal environmental policies, with appropriate equipment installed to help reduce the adverse impact brought to the environment.

Energy

The Group's main energy consumption comes from electricity, water, diesel and LPG Gas in its operation.

The following table shows the energy consumption by types, volume and intensity for 293,589,779 and 240,719,883 in total output in pieces for the year ended 31 August 2019 and 2018.

Energy	Unit	Total Energy consumed		Intensity output % per piece of consumed for (per paper production)	
		2019	2018	2019	2018
Electricity	kWh	6,189,781	5,800,678	2.11%	2.41%
Diesel	Liter	127,263	29,200	0.04%	0.01%
Liquefied Petroleum Gas	Kg	24,600	36,600	0.01%	0.02%

Type of Emission by Category

Direct Air Emission	Nitrogen Oxides (NOx)		Sulphur Oxides (SOx)		Particulate Matter (PM)	
	2019	2018	2019	2018	2019	2018
	Kg		Kg		Kg	
Ink	*	*	*	*	46	*
Gaseous fuel consumption (LPG)	*	*	*	*	*	*
Vehicles	572	163	30	*	36	16

* Air emission is not disclosed as the amount is insignificant.

Greenhouse Gas Emission ("GHG emission")

	CO ₂ and CO ₂ equivalents (kg)	
	2019	2018
Direct GHG emissions from stationary and mobile combustion	198,965	187,643
Indirect GHG emission from purchased electricity	4,300,805	4,350,508

Waste Management

Due to the nature of the Group business, isopropyl alcohol (IPA) in varying doses has been used in sheetfed offset printing. As required by Department of Environment Malaysia, any water that is adulterated with chemicals (IPA, ink and etc.) is to be channeled to a water treatment plant and processed. Processed water (all contaminants removed) is then channeled into rain water discharge/drain. The water treatment plant is strictly governed by local legislation. The Group is committed and obtained ISO14001:2015 environment management system certification to maintain best practice in preserving the environment.

The following table shows the waste by types for the year ended 31 August 2019 and 2018:

Code	Description	Originated Process	Total Disposed (Metric Tonnes)	
			2019	2018
SW 303	Waste of adhesive glue	Laminate	6.808	1.236
SW 307	Waste of coolant	Printing	26.817	18.120
SW 409	Waste of contaminated containers	Printing	12.432	16.801
SW 410	Waste of contaminated rags/plastic	Printing	17.000	17.877
SW 416	Sludge of inks	Water treatment plant	39.071	14.895

Remarks: Waste code categorized as per Environmental Quality (Scheduled Waste) Regulations 2005

For hazardous wastes, which mostly are chemical water, rags, ink residue and other photographic wastes, the Group works with licensed waste disposal contractors to handle these wastes responsibly as the statutory requirements. Amount of waste disposed are recorded and matched with contractors report to ensure they are entirely disposed in an appropriate manner.

Appointed contractor for waste collection

Scheduled waste collection with licensed contractor approved by Department of Environment.

Contractor	License No.	License Validation
Estalco Sdn Bhd (" Estalco ")	002360 & 004652	May 2019–April 2020
5E Resources Sdn Bhd (" 5E Resources ")	003892 & 003893	May 2019–April 2020
Southern Strength Sdn Bhd (" Southern Strength ")	004768 & 004769	May 2019–April 2020
Solid Earth Trading (" Solid Earth ")	TP-4A-10-00044	April 2019–March 2020

Appointed contactor for handling specific type of wastes during the Year 2019

Waste Code	Waste Description	Contractor			
		Estalco	5E Resources	Southern Strength	Solid Earth
SW 416	Sludge of Ink	✓	✓	✓	✓
SW 410	Contaminated Rags	✓	✓	✓	—
SW 409	Contaminated Container	✓	✓	✓	✓
SW 307	Waterbase Waste	—	✓	✓	—
SW 303	Glue Waste	—	✓	—	✓

Chemical Consumption for Water Treatment Plant for the year ended 31 August 2019 and 2018 in Metric Tonnes ("Mt")

Chemical	Chemical Consumption (Mt)	
	2019	2018
Sodium Hydroxide (Caustic Soda)	0.226	0.680
Pac Chemical	2.245	3.298
Polymer	0.019	0.028
Balance Nutrient (Powder)	0.008	0.003
Balance Nutrient (Liquid)	0.230	0.324
	2.728	4.333

Wastes are classified by recyclable, hazardous and non-hazardous, and with different contractors appointed for each specific type of wastes. The Group has assigned different recyclers in different sites to collect recyclable wastes such as scrap paper and used printing plates regularly.

Aspect A.2: Use of Energy

The Group has adopted a series of internal control policies and procedures to enhance the efficiency in consumption of resources including energy, water and other raw materials. The Group practices scheduled wastes management with accordance to the regulations under ministry of environment while reducing harm to our environmental. All employees are committed to continually enhancing the environmental awareness to ensure that these measures work in line with the growth of our business strategies and integrated into day-to-day operation of the business.

Energy

The Group's main energy consumption comes from electricity, water, diesel and LPG Gas in its operation.

The following table shows the energy consumption by types, volume and intensity for 293,589,779 (2018: 240,719,883) in total output in pieces for the year ended 31 August 2019 and 2018.

Energy	Unit	Total Energy consumed		Intensity output % per piece of consumed for (per paper production)	
		2019	2018	2019	2018
Electricity	kWh	6,189,781	5,800,678	2.11%	2.41%
Water	Cubic Meter	63,123	32,659	0.02%	0.01%
Diesel	Liter	127,263	29,200	0.04%	0.01%
LPG	Kg	24,600	36,600	0.01%	0.02%

Efficient Energy Use

The Group has adopted series of internal control policies and procedures to enhance its efficiency in consumption of resources including energy, water and other raw materials. All employees are committed to continually enhancing the environment awareness to ensure that these measures work in line with the growth of the Group's business strategies and integrated day to day operation of the business. The Group has adopted the following measures:

- Controlling of temperature of the air-conditioner in the office;
- Turning off idle plant and equipment;
- Practicing 5R's in the Group which is reuse, reduce, recycle, refuse and repair to help reducing wastage; and,
- Eliminating excessive materials, packaging and wastage

Aspect A.3 The Environment and Natural

The Group practices scheduled wastes management in accordance to the regulations under ministry of environment while reducing harm to our environmental. At the same time, the Group practices 5R's in the Group which is reuse, reduce, recycle, refuse and repair to help reducing wastage. With certified ISO 14001:2015, Environmental Management System, and the Group is committed to preserve the environment by:

- Complying with applicable legal and regulatory requirements;
- Continuous improving environment system;
- Preventing water, air noise and land pollution through environmental programs related to significant environmental aspects; and
- Promoting environmental-friendly programmes, e.g. energy saving, waste reduction and recycling of water materials.

During the Year 2019, the Group did not have any material non-compliance issues in respect of any applicable laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Water Utilization

Waste water is the next pollution the Group try hard to reduce. Plate-making and other printing process requires a lot of water for rinsing zinc plates and generates waste water contaminated with ink.

In addition, the Group has adopted a number of measures to save water as following:

- Always turn taps off tightly;
- Check the hoses and pipes for leaks, cracks, and other damage regularly and repair it in a timely manner;
- Give priority to effective water-saving products in purchase decision

During the Reporting Period, the Group has consumed 63,123 (2018: 32,659) cubic meter of water.

SOCIAL RESPONSIBILITY

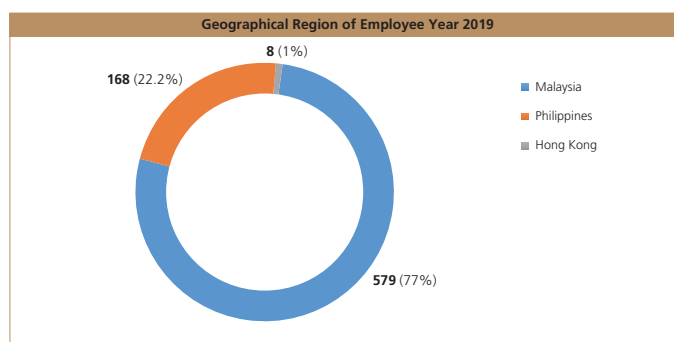
Aspect B1: Employment and Remuneration Policies

Employment

The Group aims to create positive experiences that enable their valued employees to thrive. Equal to protecting the health and safety of its employees, taking consideration that environmental stewardship among its most important business responsibilities. The Group recognises that success in the printing and packaging industry is dependent on its employees. The Group has maintained the staff handbook which stipulates the policies of recruitment, dismissal, promotion, remuneration and benefits of employees. The Group recruits employees based on working attitude, industry experience, educational background and interpersonal skills. And the Group generally pays its employees a fixed salary and discretionary performance-based bonus that is paid yearly, subject to individual performance. Certain level of staff qualify for sales target-based monthly incentives.

Linocraft pays attention to employees' job satisfaction and views it to be of equal importance. The Group view human capital as its greatest asset and believe that happiness of employees inspires productivity. The Group periodically review staff welfare to ensure job satisfactory and comfortable working environment for all employees. The Group also rewards or promotes staff according to performance assessment management believe that good workers should be amply rewarded, and such reward motivates employees to strive for strong performance each year to aid in Group's overall growth. The Group believes that, the management policies, working environment, development opportunities and employee benefits have contributed to employees' satisfaction levels and retention level. During the Year, the Group organised bonding activities, such as badminton and annual staff dinner, to allow employees to build up teamwork and to strengthen their bonding.

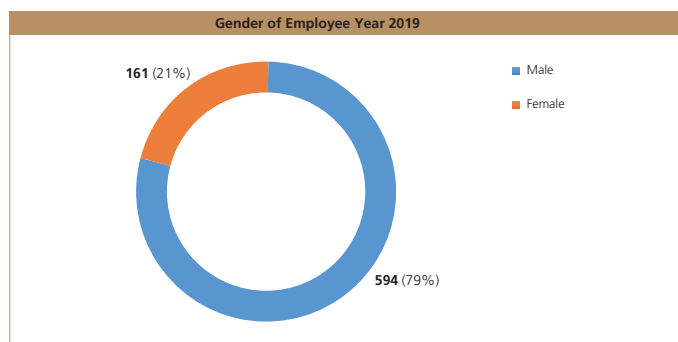
During the Reporting Period, the Group has 755 (2018: 524) full-time employees. The following chart sets out a breakdown in percentage of the Group's employees by geographical region. In 2019, most of the employees in the Group are from operation in Malaysia and Philippines which consists of 747 employees (99% of the total workforce).



In addition, Human Resources Department conducts a comprehensive recruitment review process to ensure that the data provided by the candidates are accurate. The Group's recruitment and promotion process are carried out in a fair and open manner for all employees; employees are recognized and rewarded by their contribution, work performance and skills, and outcomes will not be affected by any discrimination on the grounds of age, gender, physical or mental health status, marital status, family status, race, skin color, nationality, religion, political affiliation and other factors.

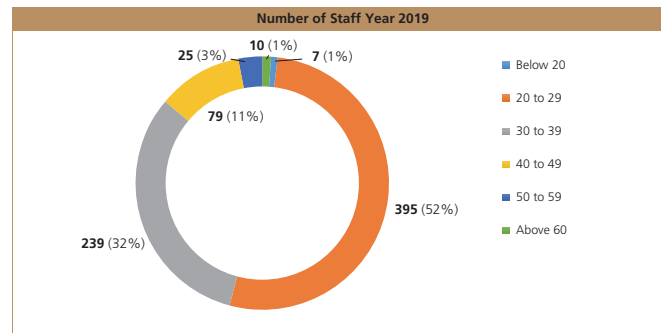
Total Workforce by Gender

Gender	Male		Female		Total	
	2019	2018	2019	2018	2019	2018
Number of staff	594	398	161	126	755	524
Percentage	79%	76%	21%	24%	100%	100%



Total Workforce by Age

Age Group	Below 20		20 to 29		30 to 39		40 to 49		50 to 59		Above 60		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Number of staff	7	15	395	247	239	165	79	63	25	26	10	8	755	524
Percentage (%)	1%	3%	52%	47%	32%	31%	11%	12%	3%	5%	1%	2%	100%	100%



Excluding changes of employment associated with on expansion on Philippines's plant, the total employee turnover rate for the Group for Year 2019 in Geographical Region of Malaysia were **20.6%** which consists of major Group of Age Group between **20 to 29** of **11.4%** and Gender proportion of **Female**, **13.4%** as stipulated at the table below.

Total Employee Turnover Rate by Geographical Region

Geographical Region	Turnover Rate
Malaysia	20.6%

Total Employee Turnover Rate by Gender

Gender	Turnover Rate
Male	7.2%
Female	13.4%

Total Employee Turnover Rate by Age Group

Age Group	Turnover Rate
Below 20	0.6%
20 to 29	11.4%
30 to 39	5.9%
40 to 49	2.5%
50 to 59	0.2%
Above 60	0.0%

The Group strictly prohibits the employment of children or forced labor and sets out the policies in our labor code to eradicate child labor, juvenile workers and forced labour.

Aspect B2: Health and Safety

Human capital is one of the key pillars of the Group's success. The Group follows the Malaysian health and safety- related rules and regulations set out in the Occupational Safety and Health Act 1994. To ensure that employees work in a safe and healthy environment, The Group has a safety and health officer under the human resource team headed by human resources and general affairs manager. Safety and health officer has attended safety and health officer course organised by National Institute of Occupation Safety and Health of Malaysia. The Group also established a safety and health policy for our employees to follow. In addition, the Group provides occupational safety education and trainings, conducted by external trainers, to raise employees' awareness of safety issues.

The Group is also required, under the Occupational Safety and Health Act, to formulate and revise (as often as may be appropriate) a written statement of its general policy with respect to the safety and health at the work place of the employees, as well as the current arrangements for carrying out such policy. The Group has prepared its written statement entitled safety and health policy whereby all employees are required to report any injury or work related illness to their immediate superior regardless of the seriousness of the injuries, the supervisor will then investigate and report it back to the management for further corrective and preventive actions to be taken.

The following table shows the Group work-related fatalities and injury statistic for the year ended 31 August 2019 and 2018:

Total man hour		Occupational accident lost time in hour		Occupational poisoning & disease cases in hour	
2019	2018	2019	2018	2019	2018
1,724,200	996,480	216	216	0	0

The Group is not aware of any material non-compliance with the above-mentioned relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards during the reporting period.

In addition, the Group has assigned responsible person to identify any actual and potential hazards and risks to each individual and work towards safe and hygienic work environment, and to ensure that office and work environment is in line with or higher than requirements of relevant laws. Human Resource Department have also arranged rescue, fire and evacuation drills to improve staff safety awareness; and employees are expected to comply with the policies and procedures, and cooperate in all safety trainings.

Aspect B3: Development and Training

The Group values employees as human capital and invests resources to educate and improve their standards so that they can make a greater contribution to the Group's success. A training plan is developed on a yearly basis by human resources department to schedule its employees to attend training/courses that to enhance their capabilities. The Group provides both internal and external training regarding the basic knowledge of machinery operation, relevant regulations, internal quality audit and other useful topics. The table below shows the training subject of employees trained by department:

Training Record September 2018 – August 2019

No	Subject	Department	Training Date
1	Basic Training Guide For Maintenance Technician	Maintenance	10/09/2018 To 12/09/2019
2	Safe Chemical Handling & Chemical Spillage Training	Related Department	12/09/2018 & 13/09/2018
3	Managing The Transition And Compliance To Sales And Services Tax 2018	Finance	14/09/2018
4	Fire Evacuation Drill	Warehouse, Production, QA, Admin	29/09/2018
5	Health And Safety Orientation	Production/Warehouse	05/10/2018
6	Forklift Safety Operation	Warehouse/Production	05/10/2018
7	Earthquake Evacuation Drill	Warehouse, Production, QA, Admin	06/10/2018
8	Fire Drill & Extinguishers Training	All Department	10/10/2018
9	Advanced Financial Analysis For Effective Business Management	Finance	10/10/2018 & 11/10/2018
10	Labour Act (JTK)	Human Resource	16/10/2018
11	Training Need Analysis	Human Resource	23/10/2018
12	Operation And Maintenance Training-Agfa Avalon N24 Ctp System Agfa Elantrix 150 Dx Processor	Production	25/10/2018
13	Forklift Competence Safety Training	Related Department	04/11/2018
14	Kba Maintenance & Operations Training	Production	13/11/2018
15	Pre-Employment Orientation	Production	19/11/2018
16	Pre-Employment Orientation	Production	21/11/2018
17	Llda Pco Accreditation	Human Resource	21/11/2018 To 23/11/2018
18	Emergency Preparedness & Response Plan (ERT)	Related Department	10/12/2018–12/12/2018
19	Pre-Employment Orientation (Code Of Discipline/Bribery & Corruption/Child Labour Policy/Confidential Property)/ Conflict Mineral Policy/Supplier's Management Policy	Warehouse, Production, QA, Admin	14/01/2019
20	Pre-Employment Orientation (Code Of Discipline/Bribery & Corruption/Child Labour Policy/Confidential Property)/ Conflict Mineral Policy/Supplier's Management Policy	Warehouse, Production, QA, Admin	21/01/2019
21	Recruitment & Interviewing Strategies	Human Resource	22/01/2019
22	Forklift Safety Operations	Related Department	27/01/2019
23	Basic Occupational Safety & Health (Bosh) For Nurses	Human Resource	18/02/2019 To 23/02/2019
24	Fire Safety Training & Education	Warehouse, Production, QA, Admin	22/02/2019
25	Basic Occupational First Aid	Related Department	27/02/2019

Training Record September 2018 – August 2019

No	Subject	Department	Training Date
26	HRDF — Jom Guna Levi	Human Resource	13/03/2019
27	LHDN — Pembelajaran Cukai	Human Resource	13/03/2019
28	Empowering Supervisory Skill Toward Effective OSH Management	Health & Safety	23/03/2019 & 24/03/2019
29	Semi Automatic Ab Gluer Machine Operation And Preventive Maintenance	Production	30/03/2019 To 02/04/2019
30	Ojt At Malaysia	Purchasing	15/04/2019 To 27/04/2019
31	Hearing Conversation Program	Related Department	22/04/2019 & 23/04/2019
32	Behaviour Based Safety	Related Department	25/04/2019 & 26/04/2019
33	Failure Mode & Effect Analysis	Warehouse, Production, QA, Admin	03/05/2019 To 04/05/2019
34	Ipop Assembly Orientation	Production	21/05/2019
35	Orientation On Folding & Stitching Process	Production	13/06/2019
36	Procurement & Supply Chain Management	Procurement	24/06/2019 & 25/06/2019
37	Hazards Identification, Risk Analysis, and Risk Control (HIRARC)	Related Department	02/07/2019
38	Training Of The Trainers	Admin	16/07/2019 To 18/07/2019
39	Purchasing Cost Management-Total Cost Reduction	Finance	18/07/2019 & 19/07/2019
40	Seminar Keselamatan Kebakaran	Health & Safety	22/07/2019
41	Basic Training Course For Pollution Control Officers	Human Resource	23/07/2019 To 27/07/2019
42	Time Management & Work Productivity Strategies	Related Department	24/07/2019 & 25/07/2019
43	MFRS/IFRS Technical Updated 2019	Finance	29/07/2019
44	Safe Chemical Handling & Chemical Spillage Training	Related Department	06/08/2019 & 07/08/2019
45	Supply Chain Management	Procurement	08/08/2019 & 09/08/2019
46	Niosh — Train The Trainer Training	Health & Safety	18/08/2019–22/08/2019
47	Supervisory Leadership, Supervisory, Motivation & Supervisory Creativity	Procurement	26/08/2019 & 27/08/2019
48	Taklimat Akta Perhubungan Perusahaan JTK	Human Resource	27/08/2019

Aspect B4: Labor Standard

The Group fully agreed that employing child and forced labour are a violation of basic human rights and international labour conventions, and poses threats to the sustainable development of the society and economy. Linocraft has put in place human resources policies and guidelines in compliance with the relevant employment laws and regulations of the local governments.

During the Year 2019, the Group strictly complied with the employment ordinance and did not employ any child labour nor forced labour in accordance with the relevant laws and regulations of the local governments.

Aspect B5: Supply Chain Management

The Group's suppliers are mainly suppliers of raw materials such as paper, facer, glue, chemical and printing plate, as well as foreign worker providers and logistics companies. Linocraft believes that suppliers are one of the key components of Group's business and they play an important role in the manufacturing process. The Group also believes that fostering close working relationships with suppliers is imperative so as to maintain reliable sources of raw material supplies to produce high quality products. The raw materials are procured from several countries such as Malaysia, Hong Kong, Indonesia, and Thailand. In general, the raw materials are ordered based on the yearly projections provided by the customers. The forecasts are reviewed by both marketing and purchasing department on a monthly basis to ensure that sufficient raw materials are procured in time for production. Based on the forecast, the Group places orders for raw materials for production to meet customers' orders. Operations team plans for resources based on production schedule to ensure that adequate manpower is allocated to production lines. The same team also plans logistics support and obtains additional resources from the logistics partners when necessary.

The Group believes that effective communication is the key to maintain a long-term relationship with suppliers. The Group reviews the qualifications and performance of suppliers including background, quality, price, delivery lead time, complaint history and financial stability on a regular basis and to take all reasonable efforts to conduct appropriate inspections and checks to current and potential suppliers.

The Group strives to focus on ethical supply chain management while producing a global supply chains. During the Reporting Period, the Group has 517 (2018: 291) suppliers all over the world, which mostly consists of 332 (2018: 259) suppliers from Malaysia, 112 (2018: 0) suppliers from Philippines, 28 (2018: 12) suppliers from Singapore and 17 (2018: 0) suppliers from China and 15 (2018: 9) suppliers from Hong Kong. Other source of supplies include United States, Germany, Finland, Indonesia, Thailand and etc. The Group was not aware of any key suppliers that has any significant negative impact on the business ethics, environmental protection and labour practices.

Aspect B6: Product Responsibility

Linocraft has been awarded the ISO 9001:2015 quality management system certification in provision of printing and packaging products. This certification is a testament to its commitment to delivering products and services of the highest quality to its customers. The Group's management believe that this certification can boost customers' confidence on the products and services provided by the Group.

The Group places strong emphasis on consistently upholding the quality of its products. The Group has in place a quality assurance team which performs checks on different departments' processes on an annual basis, to ensure the implementation of the quality management system requirements of ISO 9001:2015 and own established requirements. The primary duties of the quality assurance team are formulating and implementing systematic quality management policies and standard operating procedures for the Group's operational processes in order to maximise the overall quality consistency of its products; overseeing compliance of the quality management policies and procedures by different departments of our Group; carrying out internal audits to identify areas for improvements; and preparing the results of external quality accreditation audits for discussion in the management review meetings.

The Group has a sales support team that responds to customer enquiries, feedback and complaints. All complaints will be recorded essentially on the internal system which records the details of complaint, monitors the handling and progress of the complaint and records the results of the resolution. The Group is also committed to protecting customer's personal data. All the personal information collected by the Group is strictly used in accordance with the relevant laws and regulations. All of its employees and third party service providers who have access to customer's data are required to respect its confidentiality.

During the Year 2019, the Group was not aware of any incidents of non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling, privacy matters relating to products and services provided and methods of redress that have significant impact on the Group.

Aspect B7: Anti-corruption

Linocraft strictly complies with the local laws and regulations by establishing strict anti-corruption and integrity codes and developing internal corresponding and management systems, which require all directors, management and employees of the Group to maintain a high level of business ethics. Employees discovering any corruption, bribery, blackmail, fraud and money laundering incident must be reported to the Board. All complaints filed are confidential and the Company is responsible to protect the legitimate rights and interests of whistle blower. All reported cases would be investigated in a fair and proper manner and the Group will take necessary actions to protect the rights and interests of the Group and their stakeholders.

During the Reporting Period, the Group did not experience any incident of non-compliance with the applicable laws and regulation relating to bribery, extortion, fraud and money laundering.

Aspect B8: Community Involvement

The Group recognizes its responsibility towards its stakeholders, community and the environment and considers corporate social responsibility as an important direction for development. The Group understands the importance of achieving economic, environmental and social sustainability for the long term success of its business. The Group sustainability guidelines lay out our principles and actions for managing and performing ethically and sustainably, throughout the Group's operational flow.

