



# BaWang International (Group) Holding Limited 霸王國際(集團)控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)

Stock Code: 01338  
股票代碼: 01338



## Environmental, Social and Governance Report 2017 2017 環境、社會及管治報告

\* for identification purposes only  
僅供識別

# Environmental, Social and Governance Report

## 環境、社會及管治報告

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# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### Scope and Reporting Period

This is the first detailed environmental, social and governance (“ESG”) report for BaWang International (Group) Holding Limited and its subsidiaries (collectively referred to as the “Group”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

This ESG report covers the Group’s overall performance in two subject areas, namely, environmental and social of its business operations in Baiyun District, Guangzhou, China from 1 January 2017 to 31 December 2017, unless otherwise stated.

The board of directors of the Company (the “Board”) acknowledges that it has overall responsibility for the Group’s ESG strategy and reporting and for evaluating and determining the Group’s ESG-related risks. On the basis of confirmation provided by the management of the Group and through on-going discussions with the management, management has confirmed to the Board, and the Board believes that the Group has in place appropriate and effective ESG risk management and internal control systems.

### Stakeholder Engagement and Materiality

The Group values input and feedback of its stakeholders as they bring potential impacts to the Group’s business. Key stakeholders such as shareholders, customers, employees, suppliers, government and regulators have been involved in regular engagement activities to share views and expectations regarding the Group’s business operation and ESG performances. During the reporting period, the Group has specifically engaged Board members, senior management, frontline staff, suppliers and customers to gain further insights on material aspects and challenges via meetings, focus groups and questionnaires. Below are recognized as top five material aspects:

- Water and Effluent;
- Environmental Protection Policies;
- Employment;

### 範圍及報告期

本報告是霸王國際(集團)控股有限公司及其子公司(統稱為「本集團」)的第一份環境、社會和管治詳細報告，主要闡述了本集團於環境、社會和管治(ESG)等各方面之表現。本報告乃依據香港聯合交易所有限公司證券上市規則附錄二十七，以及當中提及之ESG報告指南所提出的指引進行了披露。

本環境、社會及管治報告主要彙報了本集團在中國廣州白雲區在環境和社會兩方面之整體表現，除非另有說明，報告期為2017年1月1日至2017年12月31日止。

本公司的董事會(「董事會」)知悉其對本集團的ESG策略及匯報，以及負責評估及釐定本集團與ESG相關的風險承擔的全部責任。基於管理層向董事會所提供的確認，以及董事會與持續性與管理層的討論，管理層已向董事會確認，而董事會亦認為本集團已設立與ESG有關的風險管理及內部監控系統，而該系統為適當及有效的。

### 持份者之參與及重要性

本集團十分重視持份者的意見及反饋，認為會為業務帶來潛在影響，故本集團定期就集團在營運和ESG表現兩方面的表現及期望，諮詢主要持份者，諸如股東、客戶、僱員、供應商、政府和監管機構的意見。本集團特別就報告期內在環境、社會及管治的重要範疇及挑戰，諮詢董事會成員、高級管理層、前線員工、供應商及客戶的意見。透過會議及問卷調查，本集團及持份者確立以下五大重要範疇：

- 水和污水；
- 環境保護政策；
- 就業；

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

- Occupational Health and Safety; and
- Intellectual Property

The above aspects were strictly managed through the Group's policies and guidelines. Management of the aspects have been described in separate sections below. The Group will continue to identify areas of improvement for the concerned aspects and keep close communication with its stakeholders to share and exchange ideas for advancing the Group's ESG management.

### Stakeholders' Feedback

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at IR@1338.hk.

### The Company's Mission and Vision on Sustainability Commitment

#### Mission and Vision on Environmental, Social and Governance

##### Mission & Vision

We are committed to continuously enhance the product offerings of our herbal based household and personal care ("HPC") product categories and to upgrade our existing products with a view to setting the consumption trend. As the standard of living is improving, we believe that people tend to pursue a healthier and more natural lifestyle. We are committed to satisfying their needs by providing Chinese herbal HPC products which suit their lifestyles.

- 職業健康與安全；及
- 知識產權

上述範疇均按照本集團的政策及指引嚴格執行管理。有關管理之詳情，將於下文個別部份另行闡述。本集團將繼續確定有關方面的改進領域，並與利益攸關方保持密切溝通，以分享和交換意見，以推進集團的ESG管理。

### 持份者意見

本集團歡迎各方持份者就環境、社會及管治方針及表現提供意見。請以電郵向我們提出建議或分享意見，電郵地址：IR@1338.hk。

### 公司對可持續性承諾的使命和願景

#### 環境、社會和管治的使命和願景

##### 使命和願景

我們著眼於消費趨向致力於不斷提高中草藥家庭及個人護理產品的產品供應和不斷的升級我們現有產品。隨著人們生活水平的提高，我們相信他們傾向於追求更健康、更自然的生活方式。我們致力於提供適合他們生活方式的中草藥家庭及個人護理產品來滿足他們的需求。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

We will strive to reduce the impact that our internal operations have on the environment through sustainable practices and source reduction initiatives. In addition, we will seek to provide our customers with more and more herbal based HPC products that are intrinsically more sustainable. We focus on reducing resource consumption in our research and development process and reducing pollutants and related emissions in our production process.

#### Accreditation and Certification

The Group adopts a progressive and self-strengthening approach in its management. It complies with various international standards to stay competitive in the industry and enhance its own credibility through third party accreditation. Certifications and recognitions include:

- ISO 14001:2004 Environmental Management System Standards
- ISO 22716:2007 Cosmetics — Good Manufacturing Practices (GMP)
- New High-tech Products Accreditation on herbal shampoo and hair care products, and herbal skincare products
- Permit for Production of Cosmetic Products
- Work Safety Standardization Grade 3 in (Light Industry)

#### A. Environmental

The core business of our Group has certain impact on the environment and natural resources, as an ongoing commitment to good corporate citizenship, we recognize our responsibility in minimizing the negative environmental impact of our business operations, in order to achieve a sustainable development and generate long-term values to our stakeholders and community as a whole.

We regularly assess the environmental risks of our business, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations.

我們將努力通過可持續的做法和減少資源的舉措來減少我們的內部運作對環境的影響。此外，我們將尋求為我們的客戶提供越來越多的基於中草藥家庭及個人護理產品，這些產品在本質上更具有可持續性。我們集中減少在我們的研發過程中的資源消耗以及減少在我們生產過程中污染物和與之相關的排放。

#### 標準與認證

本集團在企業管理上自強不息，引入多個國際標準，以保持行業競爭優勢，並通過第三方認證提高認受性。證書及認證包括：

- ISO 14001:2004環境管理體系標準
- ISO 22716:2007化妝品良好生產規範(GMP)認證
- 中草藥洗髮及護髮產品及中草藥護膚產品認證為高新技術產品
- 化妝品生產許可證
- 安全生產標準化三級企業(輕工)

#### A. 環境

本集團的業務對環境及自然資源有一些影響，作為良好企業公民的持續承諾，我們深明將業務營運對造成的負面環境影響減至最低的責任，以達致可持續發展，為我們的持份者及社區整體產生長期價值。

我們定期評估我們業務的環境風險，並採納必要的防範措施以減少風險及確保遵守相關法律及規例。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

The Group regularly monitors its performance indices in terms of wastewater discharge (pH value, suspended solids, sulfide, chemical oxygen demand, 5-day biochemical oxygen demand, ammonia nitrogen, animal or plant oil, petroleum type, colour, total nitrogen, surface activity of cations, total phosphorus content), noise in various working spaces, air exhaust (dust, sulphur dioxide, nitrogen oxide and smoke). No exceedances were reported during the reporting year.

Corporate responsibility is becoming clearer and more onerous with the ongoing introduction of new environmental protection laws, and corporates are held accountable for managing the impacts on and protecting the living environment, improving air quality and conserving water resources. In 2017, the Group has installed two sets of UV photolysis waste gas purification system for enhanced control of exhaust quality from production plants. During the reporting period, the Group consumed approximately 164.96 tonnes of diesel. To reduce air emissions, the Group aims to gradually replace diesel with natural gas in the coming future.

There were no non-compliance cases noted in relation to environmental laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the reporting period.

#### 1. Emissions

##### (i) Air Emission

During the reporting period, the Group's business did not involve gaseous fuel consumption nor vehicle operations. Thus, no nitrogen oxides (NOx), sulphur oxides (SOx) and respiratory suspended particles (PM) were emitted related to this aspect.

本集團定期監控其排放的廢水的指標(pH值、懸浮物、硫化物、化學需氧量、5天生化需氧量、氨氮、動植物油、石油類、色度、總氮、陽離子表面活性、總磷)、噪音在不同的工作空間、排氣(灰塵、二氧化硫、氮氧化物和煙)。在報告年度中沒有報告超過任何情況。

隨著新環保法的出台，企業的責任更加明確和重大。保護生存環境，改善大氣質量、愛護水資源，是企業不可推卸的責任。2017年度為控制車間廢氣排放量，本集團已安裝兩套UV光解淨化治理系統工程。於報告期內本集團柴油使用量約為164.96噸，未來，本集團希望通過天然氣替代柴油的方案，減少廢氣的排放量。

在報告期內，本集團並無發現有不遵守有關對本集團有重大影響的，與廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生相關的環保法律法規的情況。

#### 1. 排放

##### (i) 空氣排放

在報告期內，本集團的業務不涉及任何氣體燃料消耗或車輛運營。因此，沒有任何氮氧化物(NOx)、硫氧化物(SOx)和懸浮顆粒(PM)相關的排放。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### (ii) Greenhouse Gas (GHG) Emissions

#### (ii) 溫室氣體排放

Scope of Greenhouse Gas Emissions		Emission Sources	Emission (in tonnes of CO <sub>2</sub> e) 二氧化碳排放當量(以噸計)	Total Emission (in percentage) 總排放量(百分比)
溫室氣體排放範疇		排放來源		
<b>Scope 1</b> Direct Emission	<b>範疇1</b> 直接排放		<b>557</b>	<b>12%</b>
Combustion of fuel for stationary source	燃料燃燒(固定源)	Diesel 柴油	521	
Refrigerants	製冷劑		36	
<b>Scope 2</b> Indirect Emission	<b>範疇2</b> 間接排放		<b>3,824</b>	<b>83%</b>
Purchased Electricity	購買電力			
<b>Scope 3</b> Other Indirect Emission	<b>範疇3</b> 其他間接排放		<b>218</b>	<b>5%</b>
Water consumption	用水		52	
Wastewater treatment	污水處理		19	
Business air travel	商務飛行旅程		46	
Paper waste disposal	廢紙棄置		101	
<b>Total</b>	<b>總額</b>		<b>4,599</b>	<b>100%</b>

Note 1: Emission factors were made reference to Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

附註1：除另有說明外，排放系數均參照香港交易所和結算有限公司之制定文件及香港聯合交易所有限公司證券上市規則上市規則附錄二十七而編製。

Note 2: Combined margin emission factor of 0.63 tCO<sub>2</sub>/MWh was used for purchased electricity in Mainland China.

附註2：在中國大陸所購買電力以組合邊際排放系數0.63噸二氧化碳排放當量/兆瓦時計算。

Note 3: Emission data for the combustion of diesel for stationary source were calculated with emission factors from Greenhouse Gas Protocol Tool for Energy Consumption in Chinese, provided by the Greenhouse Gas Protocol.

附註3：固定污染源的燃燒柴油之排放系數，是參考溫室氣體核算體系提供的「固定源的燃料燃燒所致的溫室氣體排放計算工具(中文)」來計算。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

There were 4,599 tonnes of carbon dioxide equivalent (carbon dioxide, methane, nitrous oxide and hydrofluorocarbons) emitted during the reporting period.

a. *Scope 1 – Direct Emissions*

Combustion of fuel for stationary source (diesel)

164.96 tonnes of diesel was used for boilers resulting in an emission of 521 tonnes of carbon dioxide equivalent. The Group has reasonably centralized the production process, which raised the boiler's efficiency and reduced the consumption of fuel.

Refrigerants

20 kg of R22 was used for air-conditioning during the reporting year, contributing to an emission of 36.2 tonnes of carbon dioxide equivalent.

b. *Scope 2 – Energy Indirect Emissions*

Purchased Electricity

Electricity consumption by the Group was supplied by the national electricity grid. During the reporting period, the Group consumed 6,067,080 kWh with an energy intensity of 106.44 kWh/m<sup>2</sup>, emitting 3,824 tonnes of carbon dioxide equivalent. The Group has reasonably centralized the production process and optimized the power consumption required by reducing the usage time of large cold-water machines in production.

在報告期內排放的二氧化碳當量為4,599噸(二氧化碳、甲烷、氧化亞氮和氫氟碳化物)。

a. 範圍1—直接排放

固定源燃料燃燒(柴油)

164.96噸柴油用於鍋爐結果產生了521噸二氧化碳當量。本集團合理地集中安排生產，提高鍋爐效率減少柴油耗量。

製冷劑

在報告年內，使用了20公斤R22用於空調，造成了36.2噸二氧化碳當量的排放。

b. 範圍2—能源間接排放  
購買電力

本集團的電力消耗由國家電網提供。在報告期內，本集團消耗了6,067,080千瓦小時，能量強度為106.44千瓦小時/平方米，排放了3,824噸二氧化碳當量。本集團合理地集中安排生產，減少耗電量較大的生產用冰水機使用時間。



## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

c. *Scope 3 – Other Indirect Emissions*  
Water

During the reporting period, fresh water consumption by the Group was 128,321 m<sup>3</sup> with water intensity of 2.25 m<sup>3</sup>/m<sup>2</sup> contributing to an emission of 52 tonnes of carbon dioxide equivalent. To safeguard water quality and steady supply for production and to ensure water sources were fit for purpose, fresh water was mainly supplied by Guangzhou Water Supply Company. As a water reduction measure, the Group reuses wastewater for flushing toilets after on-site wastewater treatment. During the reporting period there had been no issue with sourcing water fit for purpose.

Wastewater Discharge

During the reporting period, a total of 98,686 m<sup>3</sup> of wastewater was generated, from both production and domestic use, with a ratio of 6:4, contributing to an emission of 19 tonnes of carbon dioxide equivalent. The Group hired certified professionals to handle wastewater treatment. Online monitoring equipment has been installed to transfer real-time data to Guangzhou Baiyun District Environmental Protection Bureau for monitoring.

Business Air Travel

The Group keeps tracks of employees' business travels and their related carbon emission throughout the year. During the reporting year, the Group's business air travel contributed to a total of approximately 46 tonnes of carbon dioxide equivalent emissions.

c. 範圍3—其他間接排放  
水

在報告期內，本集團的自來水消耗量為128,321立方米，其水強度為2.25立方米/平方米，造成了52噸二氧化碳當量的排放。為保障水質和對生產提供穩定供應以及水源符合用途，自來水主要由廣州市自來水公司提供。作為減少用水的措施，本集團將污水處理後的達標水，回用於廠區內沖廁。本報告期內於求取適用水源方面並無遇到任何問題。

廢水排放

在報告期內，總共有98,686立方米的廢水是由生產和生活兩部分產生，比例約6:4，造成了19噸二氧化碳當量的排放。本集團擁有持證資質專業人員專職負責處理污水。污水處理設施安裝在線監控設備，數據傳送廣州市白雲區環保局，供其實時監控。

商務飛行旅程

本集團記錄員工的商務旅行和他們全年的相對碳排放情況。在報告年內，本集團的商務航空旅行產生了總計約46噸二氧化碳當量的排放。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### (iii) Hazardous Waste

A total of 214 tonnes of hazardous waste, which was mainly sludge from wastewater treatment, was generated during the reporting period and was collected and handled by Guangdong Green Environment Technology Co., Ltd.

#### (iv) Non-hazardous Waste

A total of 135.19 tonnes of non-hazardous waste was generated from production and was handled by Jianggao sanitation station. List of non-hazardous wastes are shown in the table below. The Group maximises reuse on cardboard and delivery carton are reused multiple times.

To reduce the amount of waste sent to landfill, according to Employee Handbook, employee has the priority to purchase used office equipment at discounted rates.

#### (iii) 有害廢棄物

在報告期內，總共產生了214噸有害廢物，其主要為污水處理後壓榨的污泥，並全部由廣東綠茵環境科技有限公司收集和處理。

#### (iv) 無害廢棄物

從運營中產生的非危險廢物總量為135.19噸。非危險廢物如下表，由江高鎮環衛站統一處理。本集團注重廢物再利用，主要集中在紙皮，紙箱多次周轉使用。

為減少廢物送到堆填區，根據員工手冊、員工可以以折扣價優先購買舊的辦公設備。

Non-hazardous waste		Unit		Annual quantity/weight approximately
無害廢料名稱列表		單位		全年合計 數量/重量約數
Carton	紙皮	Tonne	噸	93
Discarded paper	廢紙	Tonne	噸	21
Plastic sheet	膠紙	Tonne	噸	19
Plastic packaging bag	膠粒袋	Tonne	噸	2
Paper container	小紙桶	Piece	個	124,862
Paper core	卷心	Piece	個	5,568

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### 2. Use of Resources

Our Group conserves resources for environmental preservation and operational efficiency purposes. To meet our environmental commitments, we implement various efficiency-initiatives throughout our operations for minimising the use of energy, water consumption and use of packaging materials. Through actively monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprint.

##### (i) Energy Consumption

###### Energy Consumption Sources

能源

Diesel	柴油
Electricity	電力

Note: Conversion factors were made reference to China Energy Statistical Yearbook 2017.

The Group's business operations resulted in a total energy consumption of 8,021,489 kWh from the use of diesel and electricity, with an energy intensity of 140.73 kWh/m<sup>2</sup>.

##### (ii) Packaging Materials

###### Packaging Materials

包裝材料

Packaging bottles & attachments	包裝瓶及附著物
Graphic carton and labels	彩盒標籤
Carton and paper boards	紙箱紙板
Plastic wrappings	塑膠包裝紙

With customers approval, the Group uses recyclable materials for packaging. During the reporting period, the Group consumed approximately 4,000 tonnes of packaging materials, which included packaging bottles and attachments (pump head and plastic tube), graphic carton and labels, cartons and paper boards and plastic wrappings.

#### 2. 資源使用

本集團保留資源作環保及營運效益用途。為達成我們的環保承諾，我們於整個營運過程中實施多項效益措施，將用電量、耗水量及產品包材量減至最低。透過積極監察及管理資源使用，務求減少我們的營運成本以及碳足跡。

##### (i) 能源消耗

###### Consumption (in kWh)

消耗(以千瓦時計)

1,954,409
6,067,080

附註：轉換因素參考了《2017年中國能源統計年鑒》。

本集團的業務運營使柴油和電力的能耗達到8,021,489千瓦小時，能源強度為140.73千瓦小時/平方米。

##### (ii) 包裝材料

###### Consumption Distribution (in %)

材料用量分布(以百分比計)

38%
29%
26%
7%

經客戶同意，本集團採用可回收物料作包裝材料。在報告期內，本集團所消耗的產品包裝材料，包括包裝瓶及附著物(按壓泵頭和和軟管)、彩盒標籤、紙箱紙板、塑膠包裝紙共計約4,000噸。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### B. Social

#### 1. Employment and Labour Practices

##### (i) Employment

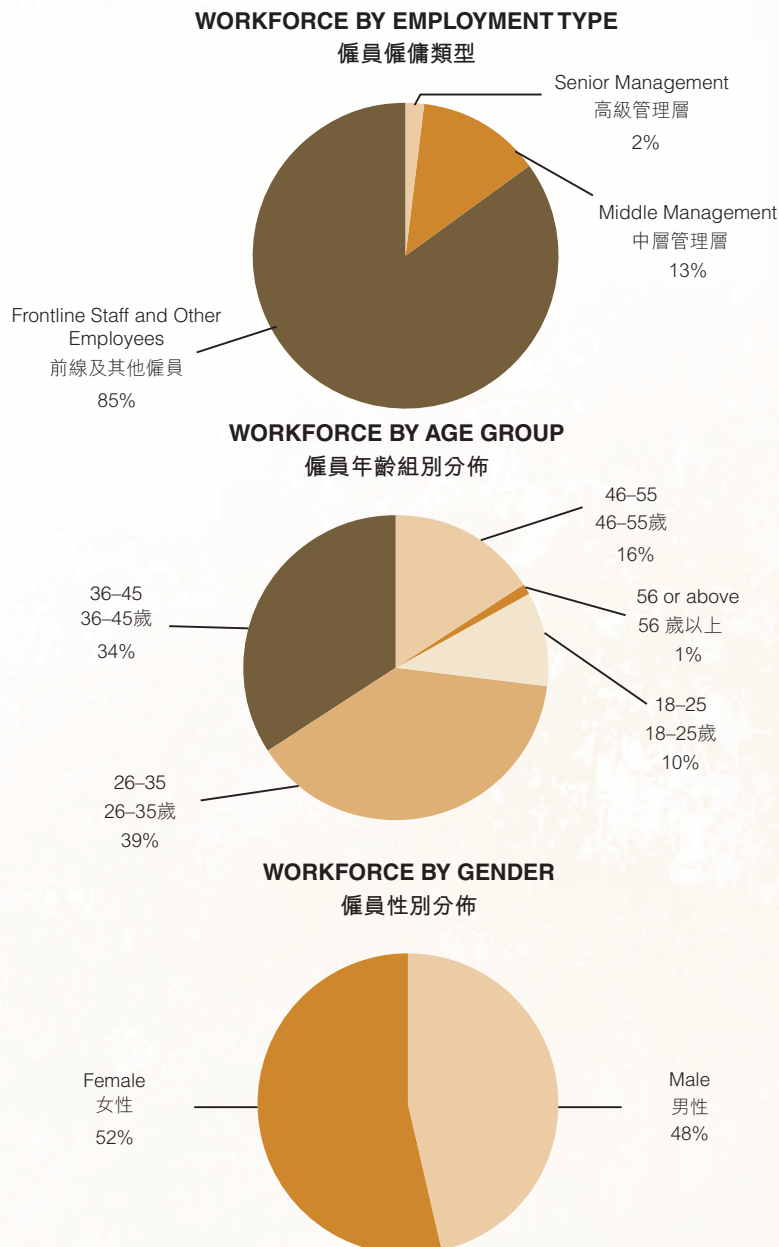
The Group had a total number of 588 employees as of 31 December 2017, who were from various provinces in the People's Republic of China. 99.5% of them were full time employees.

### B. 社會

#### 1. 僱傭及勞工常規

##### (i) 僱傭

截至2017年12月31日，本集團的員工總數為588人，他們來自中華人民共和國的各個省份，其中99.5%是全職員工。



## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

During the reporting period, there were no major changes in policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity and anti-discrimination for the Group. There were no non-compliance cases noted in relation to employment laws and regulations that had a significant impact on the Group during the reporting period.

Employees are entitled to statutory holidays, basic social and housing insurance, as well as discounted price for purchasing the Group's products. Free shuttle bus, meals, accommodation, annual health check are provided to all employees, and they are encouraged to join company activities such as sport competition and annual outing. Working hours are arranged in accordance with the law and according to the employee's specific job position. Standardized working hours and rest periods for different departments of the business operation have been stipulated as part of the Group's policy on human resources management. If overtime working is required, employees must seek approval in advance via standard procedure. The Employment Contract and Staff Manual list out the standard procedures, conditions and circumstances for disciplinary actions, dismissal and termination.

#### *Promotion*

The Group offers opportunities to employees to develop their career and challenge their potential. The Group gives priority to internal employees as candidates should any job vacancies arise. The Group's Promotion Management System provides standardized terms and conditions and approval authority regarding promotions.

在報告期內，有關薪酬和解僱、招聘和晉升、工作時間、休息時間、平等機會、多樣性和反歧視的政策沒有重大變化。期間，沒有出現與就業法律和法規相關並對本集團產生了重大影響的不合規案例。

員工有權享受法定假日、基本社會和住房保險，及以折扣價格購買本集團產品。為所有員工提供免費班車、餐飲、住宿、年度健康檢查，並鼓勵他們參加體育競賽和年度郊游等公司活動。工作時間按照法律規定，並根據員工的具體工作情況安排。作為本集團人力資源管理政策的一部分，規定了不同部門的標準化工作時間和休息時間。如果需要加班，員工必須通過標準程序提前獲得批准。僱傭合同和工作人員手冊列出了紀律處分、解僱和終止的標準程序、條件和情況。

#### *晉升*

本集團為員工提供了事業發展和挑戰他們潛能的機會。同時，在出現職位空缺時，本集團優先考慮內部僱員作為候選人。本集團的晉升管理系統提供了標準化的條款和條件，以及關於晉升的審批權限。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### Year-end Performance Evaluation

The Group carries out annual performance appraisal for employees, which mainly focuses on two areas: (1) result — meeting the target; (2) process — fits with the Group's policies, values and requirements/expectations stated in Staff Manual. Bonus distribution, salary adjustment, training, promotion, transfer of job position, talent management may be considered and discussed upon reviewing the performance results.

#### Anti-discrimination

There is no discrimination among the Group's policies and during recruitment. No employees shall be treated differently on the basis of gender, religion, family status, sexual orientation and race. The Group believes in the concept of "Working with harmony despite differences", respects individuals' differences, welcomes and encourages the diversity among workforce.

#### Turnover

The overall annual employee turnover rate was 44% with 257 employees left the Group in 2017. High turnover is somewhat unavoidable and part of the norm in the industry. The management will closely monitor and review the employment situation. All of them were from the People's Republic of China. The annual turnover rate (categorized by age and gender) in the reporting year are as follows:

#### 年終績效評估

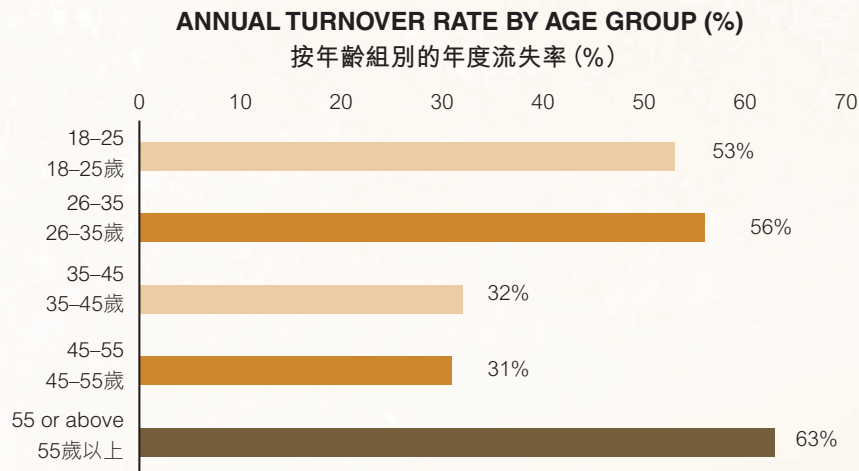
本集團對員工進行年度績效考核，主要集中在兩個方面：(1) 結果—達到目標；(2) 過程—按照員工手冊中規定的團隊的政策、價值觀和要求/期望。在評審業績結果時，或可以考慮並討論獎金分配、工資調整、培訓、晉升、職位調動、人才管理等問題。

#### 反歧視

本集團的政策和招聘過程中沒有存在歧視情況。在性別、宗教、家庭狀況、性取向和種族等方面，任何僱員都不應受到不同待遇。本集團相信「與差異和諧相處」的理念，尊重個人的差異，歡迎並鼓勵員工的多樣性。

#### 員工流失率

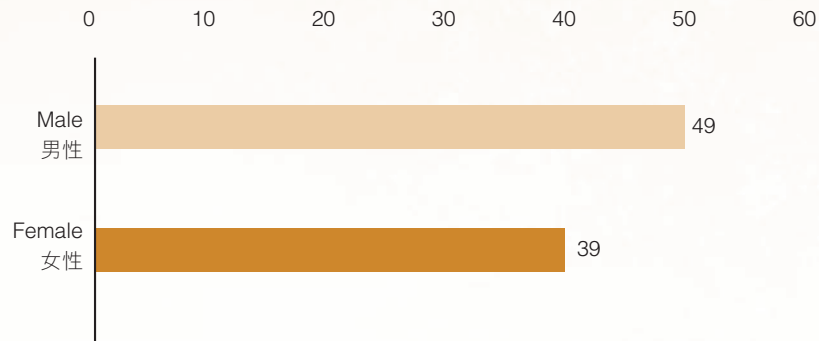
本集團的員工年度流失率為44%，其中257名員工在2017年離開了本集團。高流失率在這個行業是無可避免，也是行業的常態。管理層會繼續密切監察和檢討僱傭情況。所有這些都來自中華人民共和國。報告年度的年流失率(按年齡組別和性別分類)如下：



## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

ANNUAL TURNOVER RATE BY GENDER (%)  
按性別劃分的年度流失率(%)



#### (ii) Health and Safety

We are committed to providing and maintaining a safe, healthy, and hygienic workplace for all employees, and all other persons likely to be affected by our operations and activities.

It is the Group's commitment to provide a safe working environment for all employees, and it is also employee's responsibility to be familiar with the Group's Health and Safety Policy, systems, operating procedures, emergency response and handling procedure. Health and safety standards are given prime consideration in our operations, and regulatory compliance is strongly upheld. Employees at every level are committed to, and accountable for, the delivery of the safety initiatives contained in the staff manual of the Company, with a view to maintaining a vigorous and injury-free culture. Appropriate measures are taken to continuously improve the safety and health aspects in workplace in accordance with the hygiene of cosmetics products regulations laid down by the State Food & Drug Administration of China. Appropriate measures are taken to continuously improve the working environment in accordance with the hygiene of cosmetics products regulations laid down by the

#### (ii) 健康及安全

我們致力為全體僱員及可能受我們的營運及活動影響的所有其他人士提供及維持一個安全、健康及衛生的工作地點。

本集團致力於為所有員工提供一個安全的工作環境，同時，熟悉集團的健康和安全政策、系統、操作程序、緊急應變和處理程序也是員工的責任。健康及安全標準是我們營運的首要考慮因素，並嚴格維持監管合規情況。各層面僱員均致力及負責執行本公司員工手冊所載的安全措施，目標為維持充滿活力及零受傷的文化。我們依據中國國家食品藥品監督管理局頒發的化妝品衛生規範要求採取適當措施以持續改善工作地點的安全及健康情況。根據中國國家食品藥品監督管理局制定的化妝品衛生條

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

State Food & Drug Administration of China. Employees in any of the following circumstances are not allowed to enter the workplace or should be advised to leave the workplace:

- under influence of alcohol or medication which may affect others;
- carrying dangerous goods or harmful goods;
- workers' own safety and hygiene are considered unfit for work;
- legal prohibition of employment;
- obstruction to work which disrupt discipline and office work;
- persons suffering from confirmed infectious diseases and under treatment;
- persons suffering from mental disorders that may injure themselves or others; or
- persons suffering from worse health conditions due to work.

There was no work-related fatality in the reporting year. During the reporting period, there were no major changes in policies related to providing safe working environment and protecting employees from occupational hazards. The Group did not note any cases of non-compliance in relation to health and safety laws and regulations that have a significant impact on the Group during the reporting period.

例，採取適當措施，不斷改善工作環境。在下列情況下，僱員不得進入工作場所，或應被建議離開工作場所：

- 受酒精或藥物影響，可能影響他人；
- 攜帶危險貨物或有害物品；
- 工人自身的安全和衛生被認為不適合工作；
- 法律上禁止就業；
- 妨礙工作擾亂風紀和辦公室秩序；
- 患有經確認的傳染病和正在接受治療的人；
- 患有精神障礙的人可能會傷害自己或他人；或
- 因工作可能使其患有疾病或病情惡化者。

在報告年度內並沒有與工作有關的死亡。在報告期內，與提供安全工作環境和保護僱員免受職業危害有關的政策沒有發生重大變化。本集團沒有發現任何違反對本集團有重大影響的，與健康和安全的法律法規的情況。

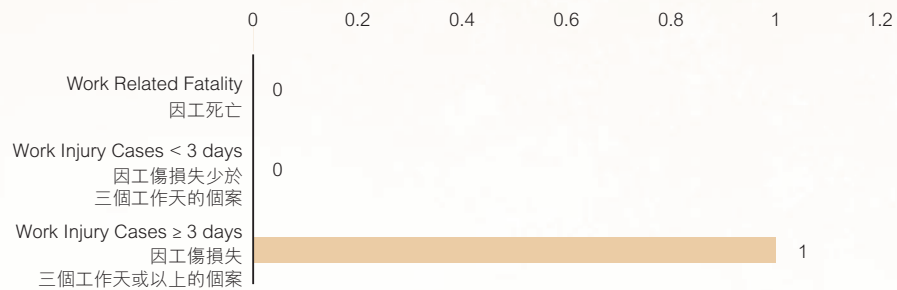


## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### OCCUPATIONAL HEALTH AND SAFETY DATA

##### 職業健康及安全數據



#### (iii) Development and Training

As stated in the Group's policy, all employees must attend induction training which introduces company background, policies and systems, and job responsibilities. Extensive safety training is enforced for all frontline staff and supervisors. In general, the Group supports and encourages all employees to attend various aspects of trainings through sponsoring programmes, seminars, workshops, conferences, regular sharing sessions, peer learning and on-the-job learning, as well as reimbursement for external training courses.

The Group encourages employees to regularly participate in lectures, seminars and other trainings such as manufacturing safety of cosmetics production for employees at management level, SGS cosmetics industry surprise check seminar for employees at quality assurance department, and training related to the Advertising Law and risk avoidance for advertising for employees at media department.

The Group also invited Guangzhou and/or Hong Kong lawyer from time-to-time to train staff on such as information secrecy and employee responsibilities, certain compliance requirements of The Stock Exchange of Hong Kong Limited, conflicts of interest, legal issues related to sales, etc.

#### (iii) 發展及培訓

如集團政策所述，所有員工都必須參加介紹公司背景、政策和制度以及工作職責的入職培訓。所有前線工作人員和主管提供廣泛安全培訓。總體而言，本集團支持並鼓勵所有員工參加各種培訓課程，包括贊助項目、研討會、研討會、會議、定期分享會議、同行學習和在職學習，以及外部培訓課程的報銷。

本集團鼓勵員工定期參與一些講座和研討會及其他培訓，諸如針對車間主管級僱員進行化妝品生產安全的講座，針對品管部僱員進行SGS化妝品行業突擊檢查研討會，針對媒介部員工開展《廣告法》宣講及廣告宣傳風險規避培訓等等。

本集團也會不定期的邀請廣州和香港的律師顧問給予公司員工培訓，諸如：信息的保密工作及員工責任、香港聯合交易所有限公司部分合規要求、利益衝突、與銷售相關的一些法律問題等。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

Training plan by employee category:

- Senior management
  - Focus area: leadership, management, business strategy
  
  - Objective: keep abreast of industrial trends, share and gain management expertise with other national enterprises firm, networking
  
- Middle management
  - Focus area: professional skills, group management, internal procurement
  
  - Objective: encourage managers from different departments (finance, human resources, design, sales & marketing) to attend external training for strengthen their personal and professional skills, share gained knowledge and bring business values to the Group
  
- Frontline staff and other employees
  - Focus area: operational and technical skills and on-the-job knowledge
  
  - Objectives: regular training readily available to equip employees with skills and knowledge for issues and challenges they may face at work

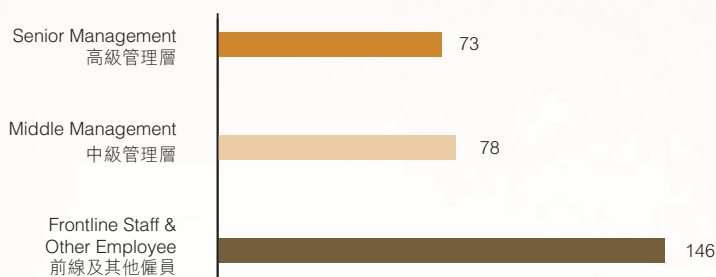
根據員工類別分類的培訓計劃：

- 高級管理層
  - 培訓重點：領導力、管理、業務戰略
  
  - 目標：跟上行業趨勢，與其他國家企業公司分享和獲得管理經驗，建立關係網
  
- 中層管理層
  - 培訓重點：專業技能、小組管理、內部採購
  
  - 目標：鼓勵來自不同部門(財務、人力資源、設計、銷售和市場營銷)的經理參加外部培訓，以增強他們的個人和專業技能，分享知識，並為集團帶來商業價值
  
- 前線員工及其他僱員
  - 培訓重點：業務和技術技能以及在職知識
  
  - 目標：定期培訓，使員工掌握技能和知識，瞭解他們在工作中可能面臨的問題和挑戰

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

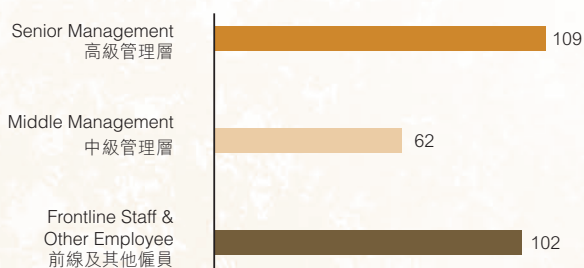
**PERCENTAGE OF EMPLOYEES TRAINED  
BY EMPLOYEE CATEGORY (%)**  
受訓僱員百分比，按僱員類別計 (%)



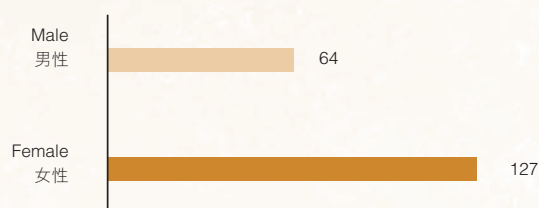
**PERCENTAGE OF EMPLOYEES TRAINED BY GENDER (%)**  
受訓僱員百分比，按性別計 (%)



**AVERAGE TRAINING HOURS COMPLETED  
PER EMPLOYEE BY EMPLOYEE CATEGORY (HOUR)**  
每僱員平均受訓時數，按僱員類別計 (小時)



**AVERAGE TRAINING HOURS COMPLETED  
PER EMPLOYEE BY GENDER (HOUR)**  
每僱員平均受訓時數，按性別計 (小時)



## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### (iv) Labour Standards

The Group has a policy relating to child labour and forced labour prevention, in which it states the standard recruitment process and steps taken in case of violation. To screen job candidates during recruitment, the Group reviews their resume and application forms, conducts interview, tests, background checks and identification card verification. All employment and recruitment strictly abide by Labour Law and Labour Contract Law of the People's Republic of China and the Group did not note any cases of material non-compliance relating to preventing labour laws and regulations that have a significant impact on the Group during the reporting period.

## 2. Operating Practices

#### (i) Supply Chain Management

During the reporting period, the Group has engaged more than 100 suppliers to supply raw materials, packaging materials and logistics services. All of them were from various provinces in mainland China.

The Group has no standardized policy on managing the environment and social risks of the supply chain. Nevertheless, we encourage our suppliers to maintain a high standard on business ethics and conducts, with satisfactory environmental and social performance. During the selection and evaluation processes of our distributors and suppliers of raw materials and services, we adopt a fair basis with defined assessment criteria to ensure that only qualified distributors and suppliers are engaged. For example, we screen out vendors who are known to employ child or forced labour in their operations.

#### (iv) 勞工準則

本集團制定了有關童工和強迫勞動預防的政策，其中規定了標準的招聘程序和和在違規情況下採取的步驟。在招聘過程中篩選應聘者時，本集團會審查他們的簡歷和申請表格，進行面試測試，背景調查和身份證驗證。所有的就業和招聘都嚴格遵守中華人民共和國勞動法和勞動合同法，於報告期內，本集團沒有發現任何違反對本集團有重大影響的，與兒童和強迫勞動有關的法律和規例的情況。

## 2. 運營方式

#### (i) 供應鏈管理

在報告期內，本集團向超過100家供應商採購原材料、包裝材料及運輸服務等，他們都來自中國大陸的各個省份。

本集團並無就管理供應鏈的環境及社會風險制定標準化政策，然而我們鼓勵我們的供應商保持高標準的商業道德，並達到令人滿意的環境和社會表現來進行。在我們的經銷商和原材料和服務供應商的選擇和評估過程中，我們採用了有明確的評估標準的公平基礎，以確保只有符合條件的經銷商和供應商才會參與進來。例如，我們篩掉那些在他們的業務中僱傭童工或強迫勞動的供應商。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### (ii) Product Responsibility

##### *Responsible Investment*

The Company's goal is to maximise shareholders' value in medium to long term. We believe that ESG factors can influence the financial performance of our Group, in both positive and negative ways. Hence, in the process of creating returns, ESG is integrated into not only our operations but also our business expansion for long-term value creation. As a responsible corporate citizen, we aim to incorporate ESG aspects into the analysis of our business expansion plans, and to continuously monitor the ESG performance of our business operations and to make improvement on ESG issues.

Producing safe and quality products is one of our primary considerations. Adhering to a strict quality control approach, we have devised a quality control system where we insist on constantly examining and testing our products, making sure that sub-standard raw materials, in-process materials and final products are strictly prohibited for use or distribution. During these control and testing processes, we insist on using scientific methods to ensure achieving reliable and accurate test results for analysis and evaluation.

At the early stages of our production process, our quality assurance department works closely with our procurement department to ensure product compliance. Clear, accurate and comprehensive specifications regarding the raw materials to be sourced, for instance the relevant quality standards, sample etc. are provided to the procurement department so that the right raw materials that comply with the relevant laws and regulations are procured.

#### (ii) 產品責任

##### *負責任投資*

本公司目標為帶來中至長期的最大股東價值。我們相信環境、社會及管治因素對我們集團的財務表現均有正面及負面的影響。故此，在創造回報的過程中，環境、社會及管治不僅融合於我們的營運中，也融合在創造長期價值的業務擴張。作為負責任的企業公民，我們旨在綜合環境、社會及管治方面去分析我們的業務擴展計劃，及持續監察我們的環境、社會及管治表現，以及改善環境、社會及管治事宜。

生產安全及優質的產品是我們的主要考慮之一。我們遵循嚴格的質量控制方法，設計了一套質量控制制度，堅持不斷檢查並測試我們的產品，確保嚴禁使用或分發不合格的原材料、在製材料及成品。在這些控制及測試過程中，我們堅持遵守科學的方法，確保得到可靠及準確的測試結果，以供分析及評估。

在生產過程的早期階段，我們的質量保證部與採購部緊密合作，以確保生產合規。有關將採購原材料的清晰、準確及全面的規格（例如相關質量標準、樣品等）將提供予採購部，以便採購符合有關法律法規的適當原材料。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

During the reporting period, we sold or shipped more than 70 million pieces of products. Of which, less than one percent of our goods sold was complained because of packaging and/or shipment issues. In response to complaints received our Group offered replacement of goods and took preventive measures.

During the reporting period, our Group did not have any recall of products because of safety and health issues. We also did not have any material non-compliance of the relevant laws and regulations that have a significant impact regarding health and safety, advertising, labelling and privacy matters relating to products provided by us.

The Group was awarded a “caring company” certificate at the charitable project called Champion the Children – China Super New Mothers Program, co-organized by All-China Women’s Federation and the China Women’s Development Foundation for its baby shampoo product line. The Group was recognized for its outstanding contribution on researching and developing anti-allergic shampoo products using botanical formulas and are suitable for sensitive skin for children under the Little King brand.

#### *Quality Assurance*

Below are measures and procedures adopted for product quality and safety control:

- Based on Cosmetics Safety Technical Specification (2015 Edition) and the Chinese Pharmacopoeia, the Group conducts risk assessment of hazardous materials of product ingredients such as lead, arsenic, mercury (heavy metals), methanol, diethylene glycol and dioxane;

在報告期間，超過7,000萬件的產品被出售或裝運，但只影響不到1%銷售或運輸的產品因產品包裝問題、標籤和在運輸過程中放錯地方收到客戶的投訴。而本集團就上述投訴，已採取了退換貨的糾正行動及預防措施。

本集團於報告期內並沒有產品基於安全及健康的理由而須回收，也沒有違反對本集團有重大影響的，與本集團所提供產品的健康與安全、廣告、標籤及私隱有關的法律和規例的情況。

本集團在「守護童年中國辣媽優生計劃書」公益項目中獲得了「愛心企業」的證書，該項目由全國婦聯和中國婦女發展基金會共同主辦，表彰小霸王嬰童洗護品牌在針對中國寶寶體質，對植物配方研發、低敏、零刺激等科學洗護知識和理念的普及做出的突出貢獻。

#### *質量保證*

針對產品質量以及安全控制方面的措施及流程：

- 參照《化妝品安全技術規範(2015年版)》和《中國藥典》，本集團對產品原料的風險物質，如鉛砷汞等重金屬，甲醇，二甘醇，二惡烷等物質進行風險評估；

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

- Finished products are sent to third party testing organisation (government designated) for inspection and completion of product registration of the State Food and Drug Administration; and
- Based on Cosmetics Safety Technical Specification (2015 Edition) and Certificates of Analysis (COA) of raw ingredients, the Group established industrial standards for testing and evaluation for raw materials, semi-finished and finished products.
- 產品成品送往第三方檢測機構(政府指定機構)進行檢驗,並完成國家食品藥品監督管理局平台的產品備案;及
- 參照《化妝品安全技術規範(2015年版)》和原料COA,建立原料檢測的企業標準,產品經過工藝評價和風險物質評估後,建立半成品、成品檢測的企業標準。

#### *Intellectual Property*

As stated in employment contracts, disclosure of operation related to management and technology, market or financial information, confidential information of customers, products, business operations and services, and any other trade secrets that may be obtained by employees due to their job positions are strictly prohibited. All new employee must sign the Non-Disclosure and Confidentiality Agreement together with the labour contract. Intellectual property of the Group also covers all the designs or invention related to production process created by employee during contract period. Staff Manual also details various types of communication channels and whistle-blowing procedures.

#### *知識產權*

在僱傭合同中,嚴禁披露經營相關的管理和技術、市場或財務信息、客戶的保密信息、產品、業務運作和服務,以及僱員的工作崗位可能會接觸到其他。所有新員工必須與勞動合同同時簽訂保密協議。本集團的知識產權亦涵蓋了所有與員工在合同期內創造的生產過程相關的設計或發明。工作人員手冊亦詳細介紹了各種類型的溝通渠道和舉報程序。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### *Data Privacy*

We ensure strict compliance with the statutory requirements to fully meet a high standard of security and confidentiality of personal data privacy protection. We highly respect personal data privacy and are firmly committed to preserving the data protection principles as follows:

- We only collect personal data that we believe to be relevant and required to conduct our business;
- We will use personal data only for the purpose for which data is collected or for a directly related purpose unless consent with a new purpose is obtained;
- We will not transfer or disclose personal data to any entity that is not a member of our Group without consent unless it is required by law or it was previously consented to; and
- We maintain appropriate security systems and measures designed to prevent unauthorized access to personal data.

There were no non-compliance cases noted in relation to our data privacy practices that had a significant impact on the Group during reporting period.

#### *數據保密*

我們確保嚴格遵守法定規定，以完全符合個人資料私隱保障高標準的安全性及保密性。我們高度尊重個人資料私隱，並堅定不移致力維護以下的資料保障原則：

- 我們僅收集我們相信為相關及為進行業務所需的個人資料；
- 除非獲得同意，我們將僅就收集有關資料的用途或直接相關用途使用個人資料；
- 除非法例規定或先前已知悉，我們將不會在未獲同意下向並非本集團成員公司的任何實體轉讓或披露個人資料；及
- 我們維持適當的保安系統及措施以防止未經授權取得相關個人資料。

在報告期內，我們沒有發現不遵守對本集團有重大影響的資料私隱政策的情況。



## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

#### (iii) Anti-corruption

As stated in employment contracts, all employees are required to carry out the Group's business operation with integrity. Potential or actual bribery, extortion, fraud and money laundering are strictly prohibited. Employees violating such prohibition will be subject to warnings and disciplinary action, up to termination of employment.

In addition to the code of conduct on anti-bribery and anti-corruption mentioned in the Staff Manual, we have implemented relevant whistle-blowing procedures in setting up a private communication channel on directly reporting suspicious fraudulent actions to the Company's management. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities.

There were no non-compliance cases noted during the reporting period in relation to bribery, extortion, fraud and money laundering during the reporting period, and we did not have any non-compliance with any bribery, extortion, fraud and money laundering related laws and regulations that had a significant impact on the Group during the reporting period.

### 3. Community Investment

As a corporate citizen, we promote social contributions throughout members of our Group to the local communities in which we operate. We place great emphasis on cultivating social responsibility awareness among our staff and encourages them to better serve our community at work and during their personal time. We will try to maximize our social investments as possible in order to create a more favorable environment for our community and our business.

#### (iii) 反貪腐

如勞動合同規定，所有員工都必須誠實地執行集團的業務運作。嚴禁潛在或實質的賄賂、勒索、詐騙和洗錢。違反這類禁令的員工將受到警告和紀律處分，包括解僱。

除員工手冊所述的反賄賂及反貪污行為守則外，我們已就設立一個向本公司管理層直接報告可疑欺詐行動的私人通訊渠道發出相關舉報程序。我們亦定期持續檢討內部監控系統的有效性，以防止發生貪污活動。

在報告期內，我們並無發現人和與防止賄賂、勒索、詐騙及洗錢的訴訟案件。在報告期內我們亦沒有發現不遵守有關對本集團有重大影響的，與防止賄賂、勒索、詐騙及洗錢有關的法律及規例的情況。

### 3. 社區投資

作為企業公民，我們推動本集團成員公司整體對我們營運所在當地社區的社會貢獻。我們重視培養員工之間的社會責任感，並鼓勵彼等於工作期間及私人時間為我們的社區作出更佳貢獻。我們盡可能增加社會投資以為我們的社區及業務創造更有利環境。

## Environmental, Social and Governance Report (Continued)

### 環境、社會及管治報告(續)

During the reporting period, the Group and the local integrated family service centre co-organized a visit to sanitation workers to show appreciation and recognition to their daily public road cleaning services and to offer them caring gift packages. 3 representatives from the Group's management and 103 sanitation workers participated in the event in January 2017.

Moreover, on International Women's Day, the Group was awarded certificate for being a caring company at the charitable project called Champion the Children – China Super New Mothers Program, co-organized by All-China Women's Federation and the China Women's Development Foundation. The certificate recognized the Group's effort in developing child friendly products, as well as actively supporting the program of its seminars, workshops and sessions dedicated for pregnant and new mothers.

在報告期間，本集團和當地綜合家庭服務中心共同組織了一次對環衛工人的訪問，對他們每天的公共道路清潔服務表示贊賞和認可，並向他們提供愛心禮品包。來自集團管理層的3名代表和103名環衛工人參加了2017年1月的活動。

此外，在國際婦女節當天，本集團還獲得了「守護童年中國辣媽優生計劃書」公益項目的「愛心企業」證書，該項目由中華全國婦女聯合會和中國婦女發展基金會共同主辦。該證書認可了該組織在開發適合嬰童產品方面的努力，並積極支持為孕婦和新媽媽舉辦的研討會、工作坊和會議。

BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司\*

*\* for identification purposes only*  
僅供識別