

# Environmental, Social and Governance Report

## 環境、社會及管治報告

To comply with the requirements set forth in Appendix 27 Environmental, Social and Governance (“**ESG**”) Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**ESG Guide**”), Bawang International Holding (Group) Limited (the “**Company**”, and together with its subsidiaries, “**We**”, “**our**” and “**our Group**”) hereby presents this Environmental, Social and Governance report (“**ESG report**”) for the year ended 31 December 2016, which covers our core business namely, household and personal care products and discloses our policies towards the management approach, strategy, priorities and objectives.

The board of directors of the Company (the “**Board**”) is responsible for our ESG strategy and reporting including evaluating and determining our ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. We have engaged our business functions to identify relevant ESG issues and to assess their materiality to our business as well as our stakeholders, through reviewing our Group’s operations and holding internal discussions. Our management has provided a confirmation to the Board on the effectiveness of our ESG risk management and internal control systems. Pursuant to the general disclosure requirements of the ESG Guide, disclosures relating to the material ESG issues identified have been included in this ESG Report which aims to provide a balanced representation of our Group’s ESG performance in the environmental and social areas, and covers our Group’s operations.

為符合香港聯合交易所有限公司證券上市規則附錄二十七環境、社會及管治(「**環境、社會及管治**」)報告指引(「**環境、社會及管治指引**」)所載的規定，霸王國際(集團)控股有限公司(「**本公司**」，連同其附屬公司統稱「**我們**」及「**本集團**」)謹此呈報本截至二零一六年十二月三十一日止年度的環境、社會及管治報告(「**環境、社會及管治報告**」)，該份報告涵蓋了我們的核心業務如家庭和個人護理產品，並披露了我們在管理方法，戰略，優先事項以及目標的政策。

本公司董事局(「**董事局**」)負責我們的環境、社會及管治策略及報告，包括評估及確定環境、社會及管治相關風險，並確保已設有適當及有效的環境、社會及管治風險管理及內部監控系統。我們已委任我們的業務職能透過檢討本集團的營運及舉行內部討論，以識別相關環境、社會及管治事宜及評估有關事宜對我們的業務及持份者的重要性。管理層已對環境、社會及管治風險管理及內部監控系統的有效性向董事局作出確認。根據環境、社會及管治指引的一般披露規定，有關已識別的重大環境、社會及管治事宜已載入本環境、社會及管治報告，旨在以平衡原則披露本集團營運中的環境、社會及管治之表現。

## A. Environmental

### A1. Emissions

Our Group upholds the principles of environmental protection management and is committed to the proper handling and disposal of all emissions and wastes from our business activities. All of our environmental protection management practices comply with relevant law and regulations.

We strive to reduce, reuse and recycle throughout our operations to mitigate the disposal of hazardous and non-hazardous wastes to the landfill. We retain professional contractors to assist the Company in the mitigation of emissions and wastes during our production processes.

There were no non-compliance cases noted in relation to environmental laws and regulations that had a significant impact on the Group for the year ended 31 December 2016.

### A2. Use of Resources

Our Group conserves resources for environmental and operating efficiency purposes. To pursue 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 footprints.

### A3. The Environment and Natural Resources

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 the responsibility in minimizing the negative environmental impact of our business operations, in order to achieve a sustainable development for generating 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.

## A. 環境

### A1. 排放物

本集團堅守環境保護管理原則，致力適當處理及處置我們的業務活動產生的所有排放物及廢物。我們的所有環境保護管理慣例符合相關法律及規例。

我們力求於整個營運過程中達致減廢、再用及再造，以將向堆填區處置的有害及無害廢物減至最低。我們聘用專業承包商協助減低在生產過程中產生的排放物及廢物。

截至二零一六年十二月三十一日止年度，我們沒有發現不遵守有關對本集團有重大影響的環保法律及規例的情況。

### A2. 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。

### A3. 環境及天然資源

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。

## B. Social

### B1. Employment

Employees are our valuable assets. We strive to attract and retain talent and reconcile economical imperatives with well-beings, aiming at reinforcing satisfaction, loyalty and commitment of human capital. We have developed a written human resources policy and staff manual to govern the recruitment, promotion, discipline, working hours, leaves and other benefits of our employees, in accordance with the relevant laws and regulations.

The level of compensation of our employees is reviewed annually on a performance basis with reference to the market standard. A wide range of benefits including comprehensive staff accommodation, medical and life insurance, and retirement schemes are also provided to employees. Social, recreational activities are arranged for the employees in achieving work-life balance.

The Company respects cultural and individual diversity. We believe that no one should be treated less favourably on his/her personal characteristics (i.e. gender, pregnancy, marital status, disability, family status, and race, etc.). Opportunities for employment, training and career development are equally opened to all qualified employees.

There were no non-compliance cases noted in relation to employment laws and regulations that had a significant impact on the Group for the year ended 31 December 2016.

## B. 社會

### B1. 僱傭

僱員是我們的寶貴資產。我們務求吸引及保留人才，並同時兼顧經濟需求及僱員福祉，旨在提升人力資本的滿意程度、忠誠及承諾。我們已根據相關法律及規例制定一套書面人力資源政策及員工手冊，以規管僱員招聘、晉升、紀律、工作時數、假期及其他福利。

我們的僱員薪酬水平按績效基準經參考市場標準每年檢討。我們亦向僱員提供範圍廣泛的福利，包括員工宿舍，全面醫療及人壽保險，及退休計劃。我們亦為僱員安排休閒活動，以達致工作及生活平衡。

本公司尊重文化及個人多元性。我們相信任何人士均不應因其個人特質（即性別、懷孕、婚姻狀況、殘疾、家庭狀況及種族等）而受到不利對待。所有合資格僱員均獲提供平等的僱傭、培訓及事業發展機會。

截至二零一六年十二月三十一日止年度，我們沒有發現不遵守有關對本集團有重大影響的僱傭法律及規例的情況。

## **B2. Health and Occupational 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.

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.

There were no non-compliance cases noted in relation to health and safety laws and regulations that had a significant impact on the Group during the year ended 31 December 2016.

## **B3. Development and Training**

We acknowledge the importance of training for the development of our employees as well as our Group. We encourage and support our employees in personal and professional training, through sponsoring training programmes, seminars, workshops and conferences, regular sharing sessions, peer learning and on-the-job coaching, as well as reimbursement for external training courses to enhance their competencies in performing their jobs effectively and efficiently. We believe this is a mutually beneficial practice for achieving both personal and corporate goals as a whole.

## **B2. 健康與職業安全**

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。

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。

截至二零一六年十二月三十一日止年度，我們沒有發現不遵守有關對本集團有重大影響的健康及安全法律及規例的情況。

## **B3. 發展及培訓**

我們認同提供培訓對僱員及本集團發展的重要性。我們透過贊助培訓計劃、研討會、工作坊及會議、定期分享會、同業學習及在職培訓，在個人及專業培訓方面鼓勵及支持僱員，並償付外部培訓課程以提升僱員競爭力，使彼等有效及迅速履行職責。我們相信此慣例對個人及企業雙方目標均有利。

#### **B4. Labour Standards**

We prohibit any child and forced labour in any of our operations and services. Labour who is forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. Child who is below the age as set by the local Labour Law should not be employed. We also avoid engaging vendors of administrative supplies and services and contractors that are known to employ child or forced labour in their operations.

There were no non-compliance cases noted in relation to labour standards laws and regulations that had a significant impact on the Group during the year ended 31 December 2016.

#### **B5. Supply Chain Management**

We encourage our distributors in various channels and 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 with no conflict of interest are engaged.

#### **B6. Product Responsibility**

##### **Responsible Investment**

The Company's goal is to maximise shareholders' value in medium to long term. We believe that ESG factors have the influence to financial performance of our company, 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 in 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.

#### **B4. 勞工準則**

我們禁止我們的任何營運及服務有任何童工及強制勞工。我們嚴格禁止透過體罰、虐待、非自願奴工、勞務償債或販運等方式被強迫工作的勞工。年齡低於當地勞工法例設定年齡的兒童不應獲僱用。我們亦避免委聘已知悉於彼等的營運中僱用童工或強制勞工的行政物資及服務供應商及承包商。

截至二零一六年十二月三十一日止年度，我們沒有發現不遵守有關對本集團有重大影響的勞工準則法律及規例的情況。

#### **B5. 供應鏈管理**

我們鼓勵各渠道的分銷商及供應商維持高標準的商業道德及行為，同時有令人滿意的環境及社會表現。於甄選及評價分銷商及原材料和服務供應商的過程中，我們採納具已界定評估準則的公平基準，以確保僅使用並無利益衝突的客戶及供應商。

#### **B6. 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公司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。

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 in constantly examining and testing our products, making sure that substandard raw materials, in-process materials, final products are strictly prohibited for use or distribution. During these control and testing process, we insist in complying to 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 the 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. is provided to the procurement department so that the right raw materials complying to the relevant laws and regulations are procured.

#### **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 notified; and

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。

#### **資料私隱**

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；
- 除非獲得新用途的同意，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

- 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 investment practices and data privacy that had a significant impact on the Group during the year ended 31 December 2016.

### **B7. Anti-corruption**

We aim to maintain the highest standards of openness, uprightness and accountability and all our staff are expected to observe the highest standards of ethical, personal and professional conduct. We do not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of our business operations.

In addition to the code of conduct on anti-bribery and anti-corruption mentioned in the Staff Manual, we have issued relevant whistle-blowing procedures in setting up a private communication channel on reporting suspicious fraudulent actions to the Company's management directly. 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 in relation to corruption related laws and regulations that had a significant impact on the Group during the year ended 31 December 2016.

### **B8. Community Investments**

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 maximise our social investments as possible in order to create a more favourable environment for our community and our business.

- 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；

截至二零一六年十二月三十一日止年度，我們沒有發現不遵守對本集團有重大影響的有關我們投資慣例及資料私穩的情況。

### **B7. 反貪污**

我們旨在維持高標準的公開性、正直性及問責制度，且預期我們的全體員工遵守高標準的道德、個人及專業行為。我們絕不容忍與我們的任何業務營運有關的貪污、賄賂、勒索、洗黑錢及其他欺詐活動。

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。

截至二零一六年十二月三十一日止年度，我們沒有發現不遵守有關對本集團有重大影響的貪污法律及規例的情況。

### **B8. 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。

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<b>A1 排放物</b>		
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**環境、社會及管治報告**

Aspects 主要範疇	Description 內容	Page Index 頁碼索引
<b>B5 Supply Chain Management</b>		
<b>B5 供應鏈管理</b>		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	P.5 P.5
<b>B6 Product Responsibility</b>		
<b>B6 產品責任</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對公司有重大影響的相關法律及規例的資料。	P.5 P.5
<b>B7 Anti-corruption</b>		
<b>B7 反貪污</b>		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對公司有重大影響的相關法律及規例的資料。	P.7 P.7
<b>B8 Community Investment</b>		
<b>B8 社區投資</b>		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the Company operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解公司營運所在社區需要和確保其業務活動會考慮社區利益的政策。	P.7 P.7