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## REPORTING PRINCIPLES 報告原則及報告範圍

Kwung' s Holdings Limited (the "Company" ) and its subsidiaries (collectively referred to as the "Group" ) persistently strives to operate its business in an economic, social and environmentally sustainable manner.

The Group is an original design manufacturer and supplier of home decoration products including candles, home fragrance and home accessories. The Group' s Ningbo Enterprise Engineering Technical Center has a professional design team and a technical research team. The Group obtained the status of "High and New Technology Enterprise" and the "National Cultural Export Key Enterprise" , in recognition of its research and development strengths and the quality and cultural element of their products.

The Group values cultural creativity, product innovation and technology research and development. The Group also adheres to the core values of creating benefits for shareholders, seeking benefits for employees and taking responsibility for society. The Group is pleased to present the Environmental, Social and Governance Report, which aims to demonstrate its efforts on sustainability developments to both internal and external stakeholders.

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide" ) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

曠世控股有限公司 (「本公司」) 及其附屬公司 (統稱「本集團」) 致力在經濟、社會及環境方面以可持續發展方式經營業務。

本集團為中國專業家居裝飾品設計公司、生產商及供應商，主要產品包括蠟燭、家居香薰和家居飾品。本集團於寧波生產基地設有工程技術中心，擁有一支專業設計師團隊及一支技術研究團隊，為表彰其研發實力及產品的質量和 Cultural 元素，本集團獲認可為「高新技術企業」及「國家文化出口重點企業」。

本集團重視文化創意、產品創新及技術研發，堅持為股東創效益、為員工謀福利、為社會擔責任的核心價值觀。本集團欣然發佈其《環境、社會及管治報告》，旨在向內部及外部的持份者闡述本集團推動可持續發展的成效。

本報告按照香港聯合交易所有限公司主板證券上市規則附錄二十七所載的《環境、社會及管治報告指引》(「環境、社會及管治報告指引」) 編製。

## REPORTING PRINCIPLES (CONTINUED)

### 報告原則及報告範圍 (續)

The report sets out the Group's policies and practices as well as certain major subsidiaries' policies and practices in respect of three environmental aspects and eight social aspects in accordance with ESG Reporting Guide for the year ended 31 December 2020 (the "Year 2020").

The Group is committed to the long-term sustainability of its business, as well as providing support to environmental protection and the communities in which it operates. Quality products and services are delivered to customers, and their business is managed prudently under sound decision-making processes by the Group. Dialogue is maintained with stakeholders such as shareholders, customers, employees, suppliers, creditors, regulators and the general public. The Group seeks to balance the views and interests of these stakeholders through constructive conversation with a view to setting the course for long-term prosperity. The board of directors of the Company (the "Board") is responsible for evaluating and determining the environmental, social and governance risks of the Group, and ensuring that relevant risk management and internal control systems are in place and operate effectively.

For both environmental and social aspects, this report will focus on the material operating segments of the Group in mainland China and the Group's administrative office located in Hong Kong (the "HK Office").

本報告載有本集團於截至二零二零年十二月三十一日止年度(「二零二零年度」)·根據環境、社會及管治報告指引就三個環境方面及八個社會方面的政策及慣例以及若干主要附屬公司的政策及慣例。

本集團致力維持其業務的長遠可持續發展以及為環境保護及營運所在地的社區提供支援。本集團審慎管理業務·並根據合理的決策程序·為客戶提供優質的產品和服務。本集團與持份者包括股東、客戶、員工、供應商、債權人、監管機構及公眾保持緊密聯繫·並透過具建設性的溝通·努力平衡該等持份者的意見和利益·從而釐定長遠的發展方向。董事會(「董事會」)負責評估及釐定本集團的環境、社會及管治風險·並確保相關風險管理及內部監控系統適當及有效地運作。

就環境及社會方面而言·本報告將主要涉及本集團於中國內地的重要經營分部及本集團位於香港的總部(「香港辦事處」)。

## STAKEHOLDER ENGAGEMENT 持份者參與

Stakeholder engagement plays a core role in the sustainability of the Group. The Group fully appreciates the needs to build both online and offline communication channels and to provide stakeholders with timely reports on strategic planning and performance of the Group in order to establish a continuing communication mechanism with the stakeholders. In addition, the Group consults the stakeholders on their recommendations and propositions to ensure its business practices can meet the expectations of the stakeholders.

The stakeholders include the shareholders, governments and regulatory bodies, employees, customers, suppliers and society and the public. The Group discusses with the stakeholders through various channels for their expectations and relevant feedback of the Group as below:

持份者參與在本集團的可持續發展中擔當核心角色。本集團深明搭建線上及線下溝通渠道的需要，並及時向持份者提供有關本集團戰略規劃及表現的報告，藉此建立與持份者的持續溝通機制。此外，本集團向持份者徵求建議及提議，以確保其業務常規符合持份者的期望。

持份者包括股東、政府及監管機構、僱員、客戶、供應商以及社會與公眾。本集團透過多種渠道與持份者討論彼等的期望，而本集團的相關反饋如下：

Stakeholders 持份者	Expectations 期望	Communication and feedback 溝通及反饋
Shareholders 股東	<ul style="list-style-type: none"> <li>Financial results</li> <li>Corporate transparency</li> <li>Sound risk control</li> </ul>	<ul style="list-style-type: none"> <li>Improving profitability</li> <li>Regular information disclosure</li> <li>Optimizing risk management and internal control</li> </ul>
Governments and Regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Tax payment in accordance with applicable laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>提高盈利能力</li> <li>定期披露資料</li> <li>提升風險管理及內部監控</li> <li>Compliance operation</li> <li>Tax payment in full and on time</li> </ul>
	<ul style="list-style-type: none"> <li>遵守法例及規例</li> <li>依法繳稅</li> </ul>	<ul style="list-style-type: none"> <li>合規經營</li> <li>按時繳足稅項</li> </ul>

## STAKEHOLDER ENGAGEMENT (CONTINUED)

### 持份者參與 (續)

Stakeholders 持份者	Expectations 期望	Communication and feedback 溝通及反饋
Employees 僱員	<ul style="list-style-type: none"> <li>• Career development platform</li> <li>• Salary and benefits</li> <li>• Safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion mechanism</li> <li>• Competitive salary and employee benefits</li> <li>• Provide trainings for employees and strengthen their safety awareness</li> </ul>
Customers 客戶	<ul style="list-style-type: none"> <li>• Logistics and delivery service standards</li> <li>• Customer information security</li> <li>• Customer rights and interest protection</li> </ul>	<ul style="list-style-type: none"> <li>• Getting delivery status through product tracking system</li> <li>• Customer privacy protection</li> <li>• Compliance marketing</li> </ul>
Suppliers 供應商	<ul style="list-style-type: none"> <li>• Integrity cooperation</li> <li>• Business ethics and credibility</li> </ul>	<ul style="list-style-type: none"> <li>• Building a responsible supply chain</li> <li>• Performing the contract according to law</li> </ul>
Society and the public 社會及公眾	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Putting into use of environmental protection and energy saving equipment</li> <li>• Providing employment opportunities</li> </ul>

## MATERIALITY ASSESSMENT 重要性評估

In Year 2020, the Company conducted a comprehensive materiality assessment. This involved conducting interviews and/or surveys with internal and external stakeholders to identify areas having the most significant operating, environmental and social impacts towards their business.

With reference to the scopes as required under the ESG Reporting Guide and taking into consideration of the corporate business characteristics, the Company has identified and confirmed 22 issues, which cover environment, training and development, occupational health and safety, labour standards in supply chain, corporate governance, customer privacy, anti-corruption and community investments.

於二零二零年度，本公司已進行全面重要性評估，以識別在經營、環境及社會方面對彼等的業務最具影響之處。

經參考環境、社會及管治報告指引所規定的範圍，以及經考慮公司業務特點後，本公司已識別及確認 22 個事項，涵蓋環境、培訓及發展、職業健康與安全、供應鏈勞工標準、企業管治、客戶私隱、反貪污及社區投資。

## MATERIALITY ASSESSMENT (CONTINUED)

### 重要性評估 (續)

#### Environmental issues

1. Greenhouse gases emissions
2. Energy consumption
3. Water consumption
4. Waste
5. Saving energy measures
6. Use of raw materials and packaging materials
7. Compliance with laws and regulations relating to environmental protection
8. Use of chemicals

#### Social issues

9. Local community engagement
10. Community investment
11. Occupational health and safety
12. Labour standards in supply chain
13. Training and development
14. Employee welfare
15. Inclusion and equal opportunities
16. Talent attraction and retention

#### Operating issues

17. Economic value generated
18. Corporate governance
19. Anti-corruption
20. Supply chain management
21. Customer satisfaction
22. Customer privacy

#### 環境事項

1. 溫室氣體排放
2. 能源消耗
3. 耗水
4. 廢棄物
5. 節能措施
6. 使用原材料及包裝料
7. 遵守有關環保的法例及包裝物料
8. 使用化學品

#### 社會事項

9. 當地社區參與
10. 社區投資
11. 職業健康與安全
12. 供應鏈勞工標準
13. 培訓及發展
14. 僱員福利
15. 共融及平等機會
16. 吸引及挽留人才

#### 經營事項

17. 所產生的經濟價值
18. 企業管治
19. 反貪污
20. 供應鏈管理
21. 客戶滿意度
22. 客戶私隱

### A1. EMISSION

Environmental protection is one of the core values of the Group. The Group has proactively looked for and implemented new technology at various stages of production in order to minimize its impact on the environment. Over the years, the Group has introduced energy-efficient equipment and streamlined operation processes to reduce consumption of resources, enhanced the efficiency of utilizing resources and strive to minimize the environmental impact on the communities around the production base.

The Group's production bases are located in Ningbo and Shaoxing industrial regions in Zhejiang province, People's Republic of China ( "PRC" ). During Year 2020, the Group has complied with all relevant local environmental laws in the nations where it operates. Gaseous emissions during Year 2020 were as follows:

### A1. 排放

環境保護乃本集團的核心價值之一。本集團積極物色及採用適合生產過程各階段的先進技術，儘量減少對環境造成影響。本集團先後引進高效能的設備及精簡操作流程，藉以減少消耗，提升資源使用效益，力求對生產基地周邊社區環境影響減至最低。

本集團生產基地設於浙江省寧波市及紹興市工業園區。報告期間，本集團已遵守營運所在國家所載之所有相關地方環境法律，氣體排放情況如下：

#### Gaseous Emissions from the Use of Motor Vehicles

##### 使用汽車產生的氣體排放量

Indicator 指標	Unit 單位	Discharge 排放量
NOx	Kg 千克	89
SOx	Kg 千克	0.3
PM	Kg 千克	8



## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A1. EMISSION (CONTINUED)

#### A1. 排放 (續)

##### Greenhouse gas ( "GHG" ) Emissions from Operations

##### 經營活動的溫室氣體 (「溫室氣體」)

Indicator 指標	Unit 單位	Discharge 排放量
GHG Emission (Scope 1) 溫室氣體(範圍 1)	Tonne of carbon dioxide equivalent ("Tonne of CO <sub>2</sub> e") 每噸二氧化碳(「CO <sub>2</sub> e」)等量	75
GHG Emission (Scope 2) 溫室氣體(範圍 2)	Tonne of CO <sub>2</sub> e 每噸 CO <sub>2</sub> e	7,312
GHG Emission (Scope 3) 溫室氣體(範圍 3)	Tonne of CO <sub>2</sub> e 每噸 CO <sub>2</sub> e	556
Total 總計	Tonne of CO <sub>2</sub> e 每噸 CO <sub>2</sub> e	7,943
Production Unit 生產總量	Tonne 噸	20,060
GHG Intensity 溫室氣體排密度	Tonne of CO <sub>2</sub> e/Tonne 每噸 CO <sub>2</sub> e/噸	0.4

Scope 1: Direct emissions from operations that are owned or controlled by the Group;

範圍 1: 涵蓋由公司擁有或控制的業務直接產生的溫室氣體排放;

Scope 2: Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group; and

範圍 2: 指來自公司內部消耗(購回來的或取得的)電力、熱能、冷凍及蒸汽所引致的能源間接溫室氣體排放;

Scope 3: All other indirect emissions that occur outside the Group, including both upstream and downstream emissions.

範圍 3: 指其他間接溫室氣體排放。

## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A1. EMISSION (CONTINUED)

In order to minimize the gas emissions arisen from energy consumption, the Group has adopted certain sustainable measures to bear environmental responsibility in daily operation process, including but not limited to:

- (i) Use energy-saving technology and equipment in the plants;
- (ii) Encourage employees to turn off electronic equipment, lighting and air conditioners after using the room or leaving the office for a period of time;
- (iii) Strictly control the air-conditioning temperature of the plant in summer and winter;
- (iv) Strengthen energy-saving publicity, education and training.

As a result of adopting the above energy-saving and emission-reducing measures, fuel energy consumption, exhaust gas and GHG emissions are reduced and employees' energy-saving awareness is also enhanced. During Year 2020, the Group had no major non-compliance issues relating to environmental issues.

Hazardous waste produced by the Group are mainly paraffin and active carbon, which are from the process of manufacturing the candles and fragrance products. Non-hazardous waste of the Group are mainly domestic waste and packaging materials.

#### A1. 排放 (續)

為盡量減少能源消耗而引起的氣體排放，本集團已採取若干可持續發展措施，在日常經營過程中承擔環境責任，包括但不限於：

- (i) 於廠房內盡可能採用節能技術和設備；
- (ii) 鼓勵員工在使用房間後或離開辦公室一段時間時關閉電子設備、燈源及空調；
- (iii) 嚴格控制廠房夏季及冬季的空調溫度；
- (iv) 加強以節能為主的宣傳及教育培訓。

由於採用以上節能減排技術措施，從而降低了燃料能耗，減少了廢氣及溫室氣體排放量，也提高了員工節能意識。於二零二零年度，本集團並無有關環境問題的重大不合規事宜。

本集團產生的有害廢棄物主要是由製造蠟燭及香薰產品時產生的石蠟及活性碳。無害廢棄物主要為生活垃圾及包裝物料。

## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A1. EMISSION (CONTINUED)

In Year 2020, the production of hazardous and non-hazardous wastes by the Group were as follows:

#### A1. 排放 (續)

2020 年度有害及無害廢物排放量如下：

#### Environmental Performance from Operations:

##### 經營活動的環境表現:

Indicator 指標	Unit 單位	Emissions 排放量
Hazardous waste produced 所產生的有害廢物		
Paraffin 石蠟	Tonne 噸	53
Active carbon 活性碳	Tonne 噸	9.4
Non-hazardous waste produced 所產生的無害廢物		
Domestic wastes 生活垃圾	Tonne 噸	464
Packaging materials 包裝物料	Tonne 噸	6,521

The Group attaches great importance to environmental protection in its business operations. The Group has adopted an internal policy to manage waste emissions and produce a small amount of waste during the manufacturing process. The Group has also adopted a set of waste disposal procedures in production facilities to prevent or reduce pollution and has taken measures to control the discharge of gases and wastewater during the production process to comply with applicable environmental standards. The Group spent approximately RMB 3.8 million to purchase environmental protection equipment in production facilities and has engaged external industrial waste collectors to collect such waste for further processing or recycling.

本集團於業務營運中極為重視環境保護。本集團已採納一項內部政策管理廢物排放，於製造過程中產生少量廢物，本集團亦於生產設施中採納一套廢物處理程序，以防止或減少污染，並已採取措施控制生產過程中排放的氣體及廢水，以符合適用環保標準。本集團耗用人民幣 3.8 百萬元購買生產設施中的環保設備，並已委聘外部工業廢物收集商收集該等廢物作進一步處理或回收。

## ENVIRONMENT (CONTINUED)

### 環境(續)

#### A1. EMISSION (CONTINUED)

The Group has taken measures to ensure compliance with all applicable environmental laws and regulations, including but not limited to:

- (i) the Environmental Protection Law of the PRC ;
- (ii) the Law of the People' s Republic of China on the Prevention and Control of Environmental Pollution caused by Solid Wastes (Revised in 2016);
- (iii) the Administrative Measures for Pollutant Discharge Licensing ( for Trial Implementation);
- (iv) the Law on the Prevention and Control of Water Pollution of the PRC;
- (v) the Law on the Prevention and Control of Air Pollution of the PRC;

The Group is not aware of any material non-compliance with applicable laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste during Year 2020.

#### A1. 排放(續)

本集團已採取措施確保遵守所有適用環保法律法規，包括但不限於：

- (i) 《中華人民共和國環境保護法》
- (ii) 《中華人民共和國固體廢物污染環境防治法（2016修正）》；
- (iii) 《排污許可管理辦法（試行）》；
- (iv) 《中華人民共和國水污染防治法》
- (v) 《中華人民共和國大氣污染防治法》

於二零二零年度，本集團並無發現有任何嚴重違反有關廢氣及溫室氣體排放、向水及土地的排污和有害和無害廢物的產生的相關法律及規例，並對本集團造成重大影響。

## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A2. USE OF RESOURCES

The Group's operation and production mainly employs resources such as electricity, diesel, petrol, natural gas, coal and water. The Group is committed to improving energy efficiency and promoting comprehensive utilization, while gradually reducing energy consumption.

The Group's energy and packaging material consumption in Year 2020 are as follows:

#### A2. 資源使用

本集團經營生產主要使用電、柴油、汽油、天然氣、原煤及水等資源。本集團致力提高能源使用效益及綜合利用，同時逐步減低能源消耗量。

以下為本集團二零二零年度資源及包裝材料耗量：

#### Relevant Consumptions from Operation 經營活動的相關消耗

Resources	Unit	Consumption	Density (based on production in tonnes)
資源	單位	使用量	密度(按產量噸計算)
Diesel Oil 柴油	Litre 升	360	0.0179
Petrol 汽油	Litre 升	21,607	1.0771
Natural Gas 天然氣	M <sup>3</sup> 立方米	7,580	0.3779
Electricity 電	kWh 千瓦時	9,230,896	460.16
Water 水	M <sup>3</sup> 立方米	112,282	5.60
Packaging Materials	Unit	Consumption	Density (based on production in tonnes)
包裝物料	單位	使用量	密度(按產量噸計算)
Paper Boxes 紙箱	Tonne 噸	6,247	0.311
Plastic Bags 包裝塑料袋	Tonne 噸	275	0.014

## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A2. USE OF RESOURCES (CONTINUED)

Regarding measures to mitigate emissions, the Group closely monitors the level of energy consumption, GHG emissions and wastes disposed of its factory. Every year, the factory is required to set its respective energy and carbon reduction targets and come up with feasible measures to achieve them.

The details and results achieved are listed as follows:

#### A2. 資源使用(續)

就減排措施而言，本集團密切監察能源消耗、溫室氣體排放量及廠房廢棄物處置量的水平。每年，廠房須制定各自的能源及減碳目標，並提出實現有關目標的可行措施。

達標詳情及結果列舉如下：

Project 項目	Details and results achieved 達標詳情及結果
Light conservation  節約照明	Turn off the lighting fixtures during non-office hours and arrange patrol security to supervise. These measures effectively reduce power consumption.  於非辦公時間關閉照明燈具，並安排巡邏保安進行監管。此措施有效減少耗電量。
Water conservation  節約用水	Carry out water-saving and pollution-reducing activities, fully utilize water for multiple uses and recycle water to improve the comprehensive utilization rate of water.  開展節水減污活動，採取一水多用，迴圈使用，提高水的綜合利用率。另外，近海工廠儘量進行海水淡化和海水直接利用，綠化用水儘量採用積蓄雨水以節約水資源。此措施有效減少耗水量。
Air-conditioners conservation  節約空調	The temperature of office air conditioners in summer is controlled at not less than 26 degrees Celsius, and the temperature of office air conditioners in winter is controlled at not higher than 22 degrees Celsius to reduce the related power consumption. Do not use air conditioners during non-working hours. These measures effectively reduce power consumption.  辦公室夏季空調溫度控制在不低於 26 攝氏度，冬季空調溫度則控制在不高於 22 攝氏度以減少相關電力消耗，非工作時間亦儘量不使用空調。此措施有效減少耗電量。

## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A2. USE OF RESOURCES (CONTINUED)

##### Project

##### 項目

Use energy-saving electrical equipment

採用節能電氣設備

Packaging materials conservation

節約包裝物料

#### A2. 資源使用 (續)

##### Details and results achieved

##### 達標詳情及結果

Eliminate high-power-consuming equipment and actively adopt new power-saving technologies and equipment. When purchasing critical electrical equipment or components, try to purchase electrical equipment or components with energy-saving labels. These measures effectively reduce power consumption.

淘汰高耗電設備，積極採用節電新技術和設備。在採購關鍵性電氣設備或元器件時，儘量採購具有節能標識的電氣設備或元器件。此措施有效減少耗電量。

Product packaging standards should be designed to avoid waste of resources and environmental pollution caused by excessive packaging. The Group strictly implements the national packaging standards, relevant laws and regulations and does not design or produce excessive packaging products, nor does it purchase or sell excessive packaging products. For the packaging materials that can be recycled, try to recycle them as much as possible to improve the recycling rate of the packaging materials.

設計產品包裝物應當執行產品包裝標準，防止過度包裝造成資源浪費和環境污染。公司嚴格執行國家包裝標準和相關法律、法規的規定，做到不設計、不生產過度包裝產品，不採購和不銷售過度包裝產品。對於可利用回收的包裝物，儘量回收再用，提高包裝物的回收利用率。

## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A2. USE OF RESOURCES (CONTINUED)

##### Project

##### 項目

#### A2. 資源使用 (續)

##### Details and results achieved

##### 達標詳情及結果

Recycle of raw materials

During production, the plant uses recyclable raw materials or supplementary materials. The plant also adopts advanced or applicable recycling technology, processes and equipment to recycle and comprehensively use the waste residue, wastewater, waste gas, waste heat and residual pressure, etc. to minimize the impact on the environment. Strengthen the publicity and education of the staffs ' waste utilization. Raise the staffs' awareness of environmental protection and conservation to reduce waste discharge.

原材料回收再用

於生產過程中，廠房已使用可回收原材料或補充材料公司應採用先進或適用的回收技術、工藝和設備，對生產過程中產生的廢渣、廢水、廢氣、餘熱、餘壓等進行回收和綜合利用，盡量減少對環境的影響。加強員工廢物利用的宣傳及教育，提高其環保與節約意識以減少排廢。

During Year 2020, the Group did not have any material non-compliance issues relating to the use of resources.

於二零二零年度，本集團於報告期間並無發生重大不合規的資源使用事宜。



## ENVIRONMENT (CONTINUED)

### 環境 (續)

#### A3. THE ENVIRONMENT AND NATURAL RESOURCES

The manufacturing of candle products is closely related to environmental protection and the usage of natural resources. In addition to complying with relevant environmental laws and regulations and properly protecting the natural environment, the Group also incorporates the concept of environmental protection into its internal management and implementation process.

The Group has established a series of policies, mechanisms and measures on environmental protection and natural resources conservation to ensure the sustainable development and operation of the Group. Actions taken by the Group on environment and natural resources conservation includes:

#### A3. 環境及天然資源

蠟燭產品製造業務與環境保護及天然資源的利用密切相關。除了遵循環境相關法規及準則，適當地保護自然環境外，本集團亦將環境保護的理念融入內部管理及執行過程中。

本集團已就環境保護及天然資源保護制定一系列政策、機制及措施，以確保本集團的可持續發展及業務營運。本集團就環境及天然資源上所採取的行動：

## ENVIRONMENT (CONTINUED)

### 環境 (續)

### A3. THE ENVIRONMENT AND NATURAL RESOURCES (CONTINUED)

1. The Group is committed to improving energy efficiency, saving electricity and supervising GHG emission.
2. The Group adopts measures to increase utilization and reduce discharge of natural resources, so as to reduce waste of resources.
3. For solid wastes, the Group endeavors to reuse them and make them to become reusable resources, so as to reduce the impact of emissions on the environment.

During Year 2020, the Group's energy use is strictly in accordance with national laws and regulations and is implemented in accordance with the Group's internal system without violations. There is no significant impact on the environment and natural resources from the operations of the Group.

### A3. 環境及天然資源 (續)

- 一、對於能源使用方面，致力於提高能源效益及節約電能使用，對溫室氣體排放進行監督。
- 二、對於天然資源，通過採取提高利用率及減少排放的措施，減少浪費。
- 三、對於固廢等資源，盡量通過回收使其成為可再用資源，減少排放對環境造成的影響。

於二零二零年度內，本集團在能源使用嚴格按照國家法律法規執行，並按照公司制度貫徹無違規，於報告期內本集團的營運概無對環境及天然資源產生重大影響。

## SOCIAL 社會

### B1. EMPLOYMENT

In line with the rapid development of the Group's business, human resource management and the introduction of talents are particularly important to the Group. The Group regularly analyzes the existing remuneration system and incentive mechanism to optimize the remuneration structure and ensure that the remuneration of employees is at a reasonable level in the market and is competitive. The promotion and rewards of employees are determined based on their performance, experience and current market condition. In addition to striving to attract and retain outstanding employees, the Group also explores recruitment channels to recruit talents to ensure the sustainability of the business development of the Group.

According to the provisions of applicable laws and regulations in the PRC, the Group contributes to social insurance and housing provident fund accounts of employees in the PRC. The Group has contributed to the retirement funds of Australian employees in accordance with applicable laws and regulations in Australia. The Group has complied with relevant laws and regulations in China and Australia on social insurance and housing provident fund and retirement fund contributions in major respects.

### B1. 就業

配合本集團業務迅速發展，人力資源管理及引進人才對本集團尤其重要。本集團定期分析現有薪酬體系和激勵機制，以優化薪酬結構，確保員工薪酬處於市場合理水平並具有競爭力，而員工的晉升和獎勵乃根據其表現及經驗以及現行市況而釐定。本集團除致力吸納及挽留優秀員工，亦開拓招聘渠道以廣納人才以保證本集團業務發展的可持续性。

根據中國適用法律法規所規定，本集團為中國僱員的社會保險及住房公積金賬戶供款。本集團根據澳洲適用法律法規，已為澳洲僱員的退休基金供款。本集團在重大方面分別遵守中國及澳洲相關法律法規就社會保險及住房公積金與退休基金供款的規定。

### **B1. EMPLOYMENT (CONTINUED)**

The Group values equal employment opportunities that employees should enjoy. Employee recruitment adheres to equality between men and women and ethnic equality. The Group has set up a trade union and promised to maintain the independence of the trade union. During Year 2020, it did not encounter any major labor disputes or other labor waves.

#### **B1.1 Compliance with relevant laws and regulations**

During Year 2020, the Group did not find any serious violations of the “Labor Law of the PRC”, the “Social Insurance Law of the PRC”, the “Hong Kong Employment Ordinance” and the “Hong Kong Employee Compensation Ordinance” and related remuneration and dismissal, recruitment and promotion matters concerning working hours, vacations, equal opportunities, diversification, anti-discrimination and other applicable laws and regulations of other benefits and benefits that have a significant impact on the Group.

### **B1.就業 (續)**

本集團重視員工應享有之就業平等機會，員工招聘堅持男女平等、民族平等。本集團已設立工會組織並承諾保持工會的獨立性，報告期內並無遇到任何重大勞工糾紛或其他工潮。

#### **B1.1 遵守相關法例及規例的情況**

本集團於報告期間並無發現有任何嚴重違反《中華人民共和國勞動法》、《中華人民共和國社會保險法》、《香港僱傭條例》及《香港僱員補償條例》以及有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的其他適用法例及規例且對本集團有重大影響的事宜。

## SOCIAL (CONTINUED)

### 社會 (續)

#### B2. HEALTH AND SAFETY

The Group is committed to providing employees with a healthy and safe working environment. It has implemented safety guidelines applicable to all employees. It aims to further promote occupational health and workplace safety and ensure compliance with applicable laws and regulations. The Group provides employees with adequate training on occupational safety and organizes annual health examinations for qualified employees in accordance with applicable laws and regulations.

To ensure that employees strictly abide by internal regulations, the Group has issued and registered internal labor regulations that require workplace order, occupational safety, asset protection, crisis management, and fire safety, and strictly abide by the “Fire Protection Law of the PRC” and “The Law of the PRC on Prevention of Occupational Disease” and “The PRC Production Safety Law.

#### B2. 健康及安全

本集團致力為員工提供健康及安全的工作環境，已實施適用於所有員工的安全指引，旨在進一步促進職業健康及工作場所安全及確保遵守適用法律法規。本集團向員工提供有關職業安全的充足培訓，並根據適用法律法規要求為合資格員工組織年度健康檢查。

為確保員工嚴格遵守內部規定，本集團已發佈及註冊內部勞動規例，規定工作場所秩序、職業安全、保護資產、危機管理以及防火安全，嚴格遵守《中華人民共和國消防法》、《中華人民共和國職業病防治法》及《中華人民共和國安全生產法》。

## **B2. HEALTH AND SAFETY (CONTINUED)**

### **B2.1 Compliance with relevant laws and regulations**

During Year 2020, the Group did not find any serious violations of occupational health and safety laws and regulations in the PRC, the “Hong Kong Occupational Safety and Health Ordinance” and other applicable laws and regulations that provide a safe working environment and protect employees from occupational hazards or any regulations and matters that have a significant impact on the Group.

## **B3. DEVELOPMENT AND TRAINING**

The Group believes that nurturing quality staff is particularly important for the long-term development of the enterprise, so it has a policy to provide employees with sufficient training to ensure that they can carry out their work safely and with due diligence. Employees in different positions and functions are provided with various training and development programs related to their necessary skills and knowledge.

## **B2. 健康及安全(續)**

### **B2.1 遵守相關法例及規例的情況**

本集團於二零二零年度並無發現有任何嚴重違反《中華人民共和國勞動法》、《中華人民共和國社會保險法》、《香港僱傭條例》及《香港僱員補償條例》以及有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的其他適用法例及規例且對本集團有重大影響的事宜。

## **B3. 發展及培訓**

本集團深信培訓人才對企業長遠發展尤其重要，故訂有政策向僱員提供足夠培訓以確保其可安全及盡職地開展工作。不同崗位及職務的僱員獲提供與其必需技能及知識相關之多種培訓及發展計劃。

## **SOCIAL (CONTINUED)**

### **社會 (續)**

#### **B3. DEVELOPMENT AND TRAINING (CONTINUED)**

Each production base of the Group provides necessary training for relevant operation positions every year. The training content includes pre-employment training for new employees, post functions, technical operations, safety knowledge and regulations training and counselling. Through effective employee training programs, the professional skills of employees can be enhanced.

The Group values work-life balance and encourages employees to participate in leisure activities to enhance team spirit, sense of belonging and morale, and to create a harmonious working environment.

#### **B4. LABOUR STANDARDS**

The Group strictly follows the requirements of relevant labor laws, and the ages of all job applicants must be over the local legal requirements. The Group strictly prohibits the use of child labor and adopts a comprehensive selection and recruitment process in this regard.

#### **B3. 發展及培訓 (續)**

本集團各生產基地每年均為相關操作崗位提供必要的培訓，培訓內容包括新入職員工上崗前培訓、崗位職能、技術操作、安全知識和規章制度等培訓和輔導。透過有效的員工培訓計劃，能提升員工的專業技能。

本集團重視工作與生活平衡，鼓勵僱員參加休閒活動，以提高團隊精神、僱員歸屬感及士氣，營造和諧的工作環境。

#### **B4. 勞工準則**

本集團嚴格按照有關的勞動法要求，所有應聘人員年齡必須年滿當地的法定要求。本集團嚴格禁止使用童工，就此採用一套綜合的篩選及招聘程式。

#### **B4. LABOUR STANDARDS (CONTINUED)**

When recruiting new employees, the Group conducts recruitment openly according to the qualifications of different positions and so qualified personnel can be hired. At the same time, the Group has appropriate internal policies to ensure that underage or coerced persons are never employed.

The Group attaches great importance to the development of human capital and provides employees with competitive remuneration and benefits. Employees can also enjoy various other benefits in accordance with local regulations. The Group provides support to employees in all aspects, strives to retain talents and care for the development of employees.

##### **B4.1 Compliance with relevant laws and regulations**

During Year 2020, the Group did not find any serious violations of the “Special Protection Regulations of Juvenile Workers of the PRC” , “Prohibition of the Use of Child Labor in the PRC” and other laws and regulations of Australia and Hong Kong relating to the prevention of child labor or forced labor, or any relevant matters that have a significant impact on the Group.

#### **B4. 勞工準則 (續)**

在新員工招聘時，本集團根據不同的崗位之任職條件進行公開招聘，符合條件的人員均可錄用。同時，本集團設有適當的內部政策，以確保絕不會僱用未成年或受脅迫人士。

本集團非常重視人力資本的發展，為員工提供具競爭力的薪酬及福利待遇，員工亦可根據當地規例享有其他多種福利。本集團在各方面為員工提供支援，力求留住人才及關顧員工的發展。

##### **B4.1 遵守相關法律及規例**

本集團於二零二零年度內並無發現有任何嚴重違反《中華人民共和國未成年工特殊保護規定》、《中華人民共和國禁止使用童工規定》以及澳洲和香港有關防止童工或強制勞工的其他適用法例及規例且對本集團有重大影響的事宜。



## SOCIAL (CONTINUED)

### 社會 (續)

#### B5. SUPPLY CHAIN MANAGEMENT

The raw materials used in the Group's production bases are mainly purchased externally, and there are corresponding inspection and selection procedures for raw material suppliers. In terms of supply chain management, the Group has taken several sustainable development measures, including but not limited to:

- (i) Formulate supplier evaluation policies applicable to raw material suppliers and contract manufacturers. Select, evaluate and follow up standardization of actions of suppliers. Adopt a supplier evaluation system for selecting new suppliers and evaluating the performance of existing suppliers;
- (ii) The professional and experienced procurement team is responsible for selecting and evaluating suppliers, the quality control team is responsible for testing raw materials, and the technical team is responsible for technical and compliance requirements;

#### B5. 供應鏈管理

本集團生產基地之原材料主要向外採購，故對原材料供應商，有相應之考察和評選程序。本集團在供應鏈管理方面，已採取若干可持續發展措施，包括但不限於：

- (i) 制定適用於原材料供應商及合約製造商的供應商評核政策，將供應商遴選、評核及跟進行動標準化。採用具有供應商評估系統，以供挑選新供應商與評估現有供應商的表現；
- (ii) 由專業及具經驗的採購團隊負責挑選及評審供應商，質控團隊負責測試原材料，而技術團隊則負責對技術及合規要求；

**B5. SUPPLY CHAIN MANAGEMENT  
(CONTINUED)**

- (iii) Implement policies to monitor the quality of incoming raw materials provided by suppliers. The procurement team evaluates the raw material suppliers with reference to the quality, price and efficiency of the raw materials supplied;
  
- (iv) "Supplier management and quality assurance system" is set up to record all supplier information, such as product quality, production capacity, delivery time and other important indicators.

The Group is aware of the importance of safety, quality and environmental control, so it has formulated and implemented a comprehensive management system for safety, environment and quality management. The Group has obtained a certificate of registration certifying that the Group currently meets the standards of ISO 9001: 2015 (Quality Management System) and ISO 14001: 2015 (Environmental Management System).

**B5. 供應鏈管理 (續)**

- (iii) 實施監控供應商提供的原材料來貨質量的政策。採購團隊參考所供應原材料的質量、價格和效率評估原材料供應商；
  
- (iv) 設有「供應商管理及質量保證系統」，記錄所有供應商資料，例如產品質量、產能、送貨時間及其他重要指標。

本集團意識到安全、質量及環境控制的重要性，故已制定及落實有關安全、環境及質量管理的綜合管理系統。本集團已獲得註冊證明書，證明本集團現時符合 ISO 9001:2015 (質量管理系統) 及 ISO 14001:2015 (環境管理系統) 標準。

## SOCIAL (CONTINUED)

### 社會 (續)

#### B6. PRODUCT RESPONSIBILITY

The Group actively explores, introduces and applies new design concepts, ingredients and materials for products. The marketing team, design team and technical team maintain close coordination and communication to integrate the latest market trends, consumer preferences, brand-new designs and concepts of each department into product development work.

To respond to changes in market demand in a timely manner, the Group researches and improves the ingredients of core products, optimizes the mixing ingredients and aroma formulations required to produce core products to attract different consumer groups. According to the Frost & Sullivan Report, since the Group's natural plant candles and other environmentally friendly materials are manufactured, it is in line with the concept of healthy living and consumers' growing environmental awareness and has strong market potential.

#### B6. 產品責任

本集團積極為產品發掘、引入及應用新理念設計、成分及物料。營銷團隊、設計團隊與技術團隊保持緊密協調及溝通，以便將各部門對最新市場趨勢、消費者喜好、嶄新設計和概念可併入產品發展工作。

為適時回應市場需求的轉變。本集團研究和改良核心產品的成分，並優化生產核心產品所需混合成分及香薰的配方，以吸引不同消費群。根據弗若斯特沙利文報告所示，由於本集團的天然植物蠟燭等以環保物料製造，符合健康生活的概念以及消費者日益增長的環保意識，具有強大的市場潛力。

**B6. PRODUCT RESPONSIBILITY (CONTINUED)**

The Group understands the importance of product safety and quality. The Group's production system has obtained ISO 9001: 2015 (quality management) certification and ISO 14001: 2015 (environmental management) certification. It also conducts quality control on product performance in accordance with industrial standards. In addition, since most of the Group's products are exported, the Group has adopted relevant international standards, such as BS EN 15493–2007: candle-fire protection specifications, BS EN 15426–2007: candle-blackening behavior specifications and REACH regulations EC1907/2006: Chemical registration, evaluation, authorization and restrictions.

In terms of raw materials, the Group only purchases raw materials from suppliers that meet requirements regarding quality, capability, production capacity and delivery schedule. The Group has also stipulated internal quality standards and policies, such as "Inspection Specifications for Outsourcing Services", "Quality Inspection Standards", "Sample Inspection Standards for Finished Products" and "Inspection Requirements" to better control and ensure product quality.

**B6. 產品責任 (續)**

本集團深明產品安全和質量的重要。本集團的生產系統獲得 ISO 9001:2015 (質量管理) 認證及 ISO 14001:2015 (環境管理) 認證，亦就產品表現按照工業標準進行品質監控。此外，由於本集團的產品大部分出口至海外，故本集團已採用相關國際標準，如 BS EN 15493–2007：蠟燭 - 防火規格、BS EN 15426– 2007：蠟燭 - 燻黑行為的規格以及 REACH 法規 EC1907/2006：化學品註冊、評估、授權及限制。

就原材料而言，本集團僅向符合我們有關品質、能力、產能，以及交付時間表的要求的供應商採購原材料。本集團亦已訂明內部質量標準及政策，例如「外包服務的檢驗規格」、「質量檢驗標準」、「製成品的抽樣檢驗標準」及「檢驗規定」，以更好控制及保證產品質量。

## SOCIAL (CONTINUED)

### 社會 (續)

#### B6. PRODUCT RESPONSIBILITY (CONTINUED)

##### B6.1 Compliance with relevant laws and regulations

During Year 2020, the Group did not find any serious violations of the “Product Quality Law of the PRC”, “Advertising Law of the PRC”, “Protection of Consumer Rights and Interests Law of the PRC”, and “Product Quality Law of the PRC”, “Trademark Law of the PRC”, “Patent Law of the PRC”, “Copyright Law of the PRC”, “Australian Consumer Rights Law”, “British Consumer Protection Law”, “Dutch Packaging Act”, “German Packaging Law”, “German Product Liability Law”, “EU Council Directive 85/374/EEC”, “Article 1245 of the French Civil Code” and other applicable laws and regulations relating to health and safety, advertising, labeling and privacy or remedies of the products and services provided which have a significant impact on the Group.

#### B7. ANTI-CORRUPTION

In order to promote business activities in a down-to-earth manner, the Group attaches great importance to anti-corruption work. The Group’s anti-corruption and anti-bribery management regulations lists the standards of conduct that all employees must abide by in details, hoping to strengthen the Group’s internal control mechanism, so as to establish a business philosophy with law-abiding integrity and quality service as the core and so build up a good image for the Group.

#### B6. 產品責任 (續)

##### B6.1 遵守相關法例及說明

本集團於二零二零年度內並無發現有任何嚴重違反《中華人民共和國產品質量法》、《中華人民共和國廣告法》、《中華人民共和國消費者權益保護法》、《人民共和國產品品質法》、《中華人民共和國商標法》、《中華人民共和國專利法》、《中華人民共和國著作權法》、《澳洲消費者權益法》、《英國消費者保障法》、《荷蘭包裝法令》、《德國包裝法》、《德國產品責任法》、《歐盟理事會指令第 85/374/EEC》、《法國民法典第 1245 條》及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措施的其他適用法例及規例且對本集團有重大影響的事宜。

#### B7. 反貪污

為扎實推進商業活動，本集團十分重視反貪污工作。本集團的防止貪污防止賄賂管理規定詳細列明瞭所有員工均須遵守的行為標準，希望藉此加強企業內控機制，樹立以守法誠信、優質服務為核心的經營理念，樹立企業良好形象。

**B7. ANTI-CORRUPTION (CONTINUED)**

The Group has also developed an internal control and monitoring system. If any violation is found, the Group will immediately take action and severely punish employees who violate the regulations.

**B7.1 Compliance with relevant laws and regulations**

During Year 2020, the Group did not find any serious violations of the “Company Law of the PRC”, the “Tendering and Bidding Law of the People’s Republic of China”, the “Hong Kong Bribery Prevention Ordinance” and other applicable laws and regulations relating to bribery, extortion, fraud and money laundering which also have significant influence to the Group.

The Group did not have any legal proceedings related to corruption and was not aware of any such legal proceedings of its employees in Year 2020.

**B7. 反貪污 (續)**

本集團亦制定了內部監控及監察系統。如發現任何違規行為，本集團會立即採取行動，並對違反規定的員工進行嚴懲。

**B7.1 遵守相關法例及說明**

本集團於二零二零年度內並無發現有任何嚴重違反《中華人民共和國公司法》、《中華人民共和國招標投標法》、《香港防止賄賂條例》以及有關賄賂、勒索、欺詐及洗錢且對本集團有重大影響的其他適用法例及規例。

於二零二零年度，並無發現本集團及其僱員涉及與貪污有關的法律訴訟。

## SOCIAL (CONTINUED)

### 社會 (續)

#### B8. COMMUNITY INVESTMENT

The Group believes that building good relationships with the local communities is the key factor for the enterprise to succeed in business. The Group is keen to provide necessary support for the community around the production base, which mainly includes assisting vulnerable groups, participating in voluntary work and actively supporting the charity business of the surrounding communities. The Group has made charitable donations of RMB 1,000,000 for the community in Year 2020.

The Group respects the basic value and dignity of individuals, encourages employees to actively participate in work-life balance activities and community services to establish a good relationship with the community. Related activities include various cultural activities, employee outdoor activities, community voluntary work and activities organized by charitable organizations.

#### B8. 社區投資

本集團相信與所在地的社區建立良好的關係，是企業賴以成功經營的關鍵因素。集團熱衷於為生產基地所在地提供必要的支援，主要包括扶助弱勢社群及參與義務工作，積極支援周邊社區的公益事業。本集團於二零二零年度內為社區作出了人民幣 100 萬元的慈善捐獻。

除此，本集團亦尊重個人的基本價值和尊嚴，鼓勵員工積極參與平衡工作與生活的活動和社區服務，相關活動包括各種文化活動、員工戶外活動、社區義務工作及慈善團體所舉辦的活動，希望能與社區建立良好關係。