



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
環境、社會及管治報告
2018

Stock code 股份代號 : 2341



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EcoGreen,
Eco-Friendly

愛地球、愛眾生



Chairman's Statement 主席的話

On behalf of EcoGreen International Group Limited, I would like to deliver the Environmental, Social and Governance Report (“ESG Report”) of the Company and its subsidiaries (which are collectively referred to as “EcoGreen International Group” or the “Group”) for the year ended December 31, 2018 (the “Year” or the “Reporting Period”) to all shareholders, and present our undertakings on sustainable development.

In 2015, an agreement reached by 193 member states had been passed at the “United Nations Summit for Sustainable Development”, pursuant to which, member states committed to reducing carbon dioxide emissions and limiting the annual rise in the Earth’s temperature at below 2°C. 2018 was the deadline for confirming the approval for the implementation of the work programme by the signing parties of the agreement. Member states had to negotiate about the details of how to implement the agreement in such a way that a balance can be struck between environmental protection and economic development. The 24th meeting of all the signatories to the United Nations Framework Convention on Climate Change (UNFCCC) was also held in early December 2018. As a member of what can be deemed as a one big family as the Earth and a leading fine chemical enterprise in China, we understand the crucial role played by the Group in environmental protection and sustainable development. Therefore, we have always made our best effort to ensure our stable business growth while also fulfilling our social responsibility and pursuing sustainable development. Despite the ever-changing market condition, we have always been working towards our business vision of “EcoGreen, Eco-friendly” and to fulfil our mission to “ensure health and well-being of both society and the Earth”.

本人謹代表中怡國際集團有限公司，向各股東欣然呈報本公司及其附屬公司(統稱「中怡國際集團」或「集團」)截至二零一八年十二月三十一日止年度(「本年度」或「報告期」)之環境、社會及管治報告(「ESG報告」)並展現本集團對可持續發展的承擔。

二零一五年，「聯合國可持續發展峰會」通過了一份由193個成員國共同達成的協定，成員國承諾減低碳排放，把全球平均氣溫按年升幅控制在2°C以下。二零一八年是該協定之簽署方確定通過履行工作方案的最後期限，成員國需就協定執行細節進行談判，平衡保護氣候以及經濟發展，而《聯合國氣候變化框架公約》(UNFCCC)第24次締約方會議亦於二零一八年十二月初舉行。本集團身為地球大家庭的一員，同時也作為中國領先的精細化工集團公司，我們知道集團所扮演的角色至關重要，所以我們過去一直竭盡所能確保業務穩定增長外，亦履行相關社會責任並落實可持續性的發展。即使市場環境日新月異，我們一直恪守「愛地球、愛眾生(EcoGreen, Eco-friendly)」的經營理念，將「成就眾生與地球健康平安之美」作為集團的崇高使命，更將其視為一項長遠且具有深遠意義的承諾。



Chairman's Statement 主席的話

When executing its business strategy, the Group has always emphasized “Quality and Trust” and “Put Customers First”. It has been relentlessly improving its operation, product quality and customer service, thus gaining customers’ recognition and trust. As environmental awareness has been increasing in the community, we have also been stepping up the Group’s efforts in environmental protection and sustainability. For instance, it has been trying to minimize the emissions of hazardous gases and wastes in its production process. “Green Chemistry” has long been the philosophy for our operation. The core values of “Green Chemistry” consist of twelve key principles, including waste prevention, full use of resources, low toxicity, security, reducing the use of auxiliary substances, energy saving, regeneration, simplicity, catalysis, producing biodegradable products, monitoring the operations and preparing for crisis. They are what the Group has long been advocating. We strictly comply with all applicable environmental laws and regulations, including those on the permission for discharging wastewater and emitting gas. We also do our best to comply with relevant local and international standards that apply to the operation of the Group. In addition, we always attach great importance to technological innovation and try to improve all aspects of our products. We are maintaining the standards of our products’ quality while trying to minimize the damage that can be done by our manufacturing processes to the environment. The Group has always been at the forefront of environmental protection.

In addition to its persistent effort to protect the environment, the Group also pays attention to employees’ personal growth as part of its responsibilities towards society. Employees are an important driving force of the Group’s development. Protecting employees’ interests is also conducive to the harmonious relationships between a company and its employees and even society at large, and as such, it is also the key to sustainability and vitality of a company. To this end, we have established a comprehensive system for training the staff that can serve as a platform for equal opportunity. We also strictly comply with relevant local laws and regulations while taking a people-oriented approach to the Group’s development. As an enterprise that places equal emphasis on social interests and corporate interests, we are actively involved in community investment and charitable causes. We are fully aware that the development of corporate social responsibility in China has already progressed from the formulation of regulations to implementation. Fulfilling corporate social responsibility is already an inseparable part of business development and this, in turn, can lead to the fostering of a good corporate culture. This paves the way for a company’s sustainable development.

在經營策略上，本集團一直強調「品質與信心」以及「以客戶為先」，努力通過改善運營，提升產品品質及客戶服務，獲得客戶的認同和信任。當社會各界的環保意識逐漸抬頭，我們也強化了集團在環保上的作為及可持續性，在生產的過程中盡量將有害氣體及廢棄物的排放量降至最少。「綠色化學」是我們多年的運營理念，「綠色化學」的核心價值為防廢、物盡、低毒、保安、降輔、節能、再生、簡潔、催化、可解、監測及思危等十二個關鍵原則，這也是集團長期以來一直倡導的產業理念。我們已嚴格遵守所有適用的相關環保法律法規，包括廢水排放許可、氣體排放許可規定及其他規定，並竭力符合與本集團營運有關的相關地方及國際標準。除此之外，我們亦繼續專注於技術創新，並在產品的每一個層面做進一步優化，持續保持產品高品質的同時，降低其製造過程對環境的傷害，以維持本集團在市場環境保護的領先地位。

除了環保方面的可持續性，關注員工成長是我們集團另一個履行社會責任的重點，我們意識到員工是企業發展的支撐力量，保障員工利益就是在為企業的和諧發展創造條件，也是永保企業生命和活力的關鍵所在。為此，我們設立了完整的員工培訓制度，打造平等的發展平台，同時嚴格遵守相關地區法律法規，將「以人為本」的發展策略落到實處。作為一家將社會利益與企業利益相重視的企業，我們積極投身於社區福利投資和社會慈善事業。我們深知中國企業社會責任已從制度框架走向實質化的具體推進，履行企業社會責任已經是經營發展中密不可分的一部分，而這樣的密不可分也勢必會推動優秀企業文化的建設，為企業的長遠可持續發展贏得良好的外部環境。

In 2017, the Chinese government revised relevant environmental regulations. It also stepped up enforcement of such regulations to bring into line those companies that had failed to comply. In response to the changes in China's environmental regulations, we have established a team responsible for sustainable development in 2018 for the purpose of enabling the Group to fully develop its business while complying with the country's laws and regulations. The team is composed of the stakeholders in the Group's sustainable development. Thereafter, we take into account the views of the team which is in charge of sustainable development when we formulate new strategies for business or overhaul the operations of the Group's departments and divisions. All the measures taken have been filed for reference to ensure effective implementation. This year, EcoGreen International Group will forge ahead by continuing to operate in accordance with its strategy for sustainable development.


On behalf of the Board of Directors, I would like to express our gratitude to all the shareholders and investors, the government and regulatory authorities, employees, clients, suppliers and the community. Your trust in and unswerving support to the Group motivate it to pursue sustainable development. I also would like to thank all the directors of the Group (the "Directors") and consultants for their strong supports and valuable suggestions.

Mr. Yang Yirong
Chairman of the Group
July 23, 2019

在二零一七年，中國政府修定了相關的環保法規，並強力打擊部分未遵守法規的企業，為了因應中國環境相關法規的變革，我們於二零一八年內，已經籌建了可持續發展小組，小組是由本集團可持續發展相關人士組成，目的旨在能使集團能夠有效的在國家的法令之下積極拓展業務。至此之後，在制定新的戰略方針時或是檢視有關部門的運行狀況時，我們將會把可持續發展小組的意見納入考量之中以進行下一步的討論，該等措施將存檔作參考以確保有效實施。面對新的一年，中怡國際集團也將會依照著可持續發展戰略的方針持續經營業務，並期許在二零一九年，我們能夠繼續邁步向前。

本人謹代表董事會，對廣大股東及投資者、政府及監管機構、員工、客戶、供應商及社區繼續致以衷心謝意。大家對集團一如以往的信任與支持是本集團持續穩健發展的主要動力。同時，也感謝集團各位董事（「董事」）以及顧問所給予的大力支持和寶貴建議。

集團主席
楊毅融先生
二零一九年七月二十三日



About this Report 關於本報告

This ESG Report is the third ESG Report of EcoGreen International Group Limited. The Group hopes to continue to disclose its management, policies, performance, objectives and feedback relating to sustainable development in a transparent and open manner. The Group takes this opportunity to provide an account of our performance on environmental, social and governance issues to investors and all stakeholders of the Group, and make our commitment and contribution regarding social responsibilities.

The Group highly values your suggestions on sustainable development for the Group. This report aims at giving play to communication and discuss the opportunities and challenges faced during the process of sustainable development together with stakeholders and seek for solutions accordingly. If you have any opinion or advice on this report and the Group's performance in terms of the economy, environment and society, please send such opinion or advice to ir-contact@ecogreen.com.

REPORT COMPILATION BASIS

This report has been prepared according to the core option of the Global Reporting Initiative (GRI) G4 Guidelines, and the requirements as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") ("ESG Reporting Guide"). The Group has complied with the "comply or explain" provisions set out in the ESG Reporting Guide. During the Reporting Period, the Board of Directors supervised the Group's strategies, policies and reports on environmental, social and governance issues, monitored continuous compliance, and sought to improve the operation of the Group through more efficient business operation and resource utilization, and environmental protection measures for the purpose of sustainable development, so as to minimize our carbon footprint in the environment.

This ESG Report includes forward-looking statements, based on a number of assumptions and expectations as of the issuing date of this report. Such assumptions and expectations shall not be deemed to be reliable unless they are approved by internal review procedures. Relevant statements include known and unknown risks and uncertainties, which means that the actual results may be different from the expectations, predictions and conclusions in this report. The Group does not provide any guarantee on the accuracy of such statements, and explicitly disclaim any liability for the amendment or update of forward-looking statements if any of such statements do not come true or are confirmed as incorrect.

本ESG報告為中怡國際集團有限公司第三份ESG報告，集團希望繼續以透明、公開的方式披露集團有關可持續發展的管理、政策、表現、目標及反饋。集團謹藉此機會向本集團的投資者及各持份者匯報本集團在環境、社會及管治方面的表現，並就社會責任作出承諾及貢獻。

集團非常重視您對本集團於可持續發展方面的寶貴意見。此報告亦旨在發揮對話作用，與持份者共同探討在可持續發展的過程中面臨的機遇與挑戰，進而尋求解決之道。如您就本報告及本集團在經濟、環境和社會的表現上有任何意見及建議，敬請將閣下的意見或建議發送至ir-contact@ecogreen.com。

報告編制依據

本報告乃按照全球報告倡議組織(GRI) G4指引的核心選項及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄27所載規定(「環境、社會及管治報告指引」)而編製，集團遵守環境、社會及管治報告指引所載「不遵守就解釋」條文。報告期內，董事會負責監督本集團在環境、社會及管治方面的策略、政策和報告，並監察持續遵例情況及尋求透過提高業務營運及資源運用的效率及為實現可持續發展採取環保措施，以改善本集團的營運，從而盡量減少在環境中留下的碳足跡。

本ESG報告包含前瞻性陳述，有關陳述乃基於本報告發佈之時的若干假設及預期。該等假設及預期須於進行內部審閱程序後，方會被視為可靠。有關陳述包括已知及未知風險及不確定性因素，意味著實際結果可能與本報告所作預期、預測及結論有所不同。集團對陳述之準確性概不作出任何保證，及集團明確表示，倘任何陳述並未成為事實或被證實為不正確，集團概不對該等前瞻性陳述之修正或更新承擔任何責任。

REPORTING PERIOD

This ESG Report covers all data of major operation regions of EcoGreen International Group in China during the reporting period of its 2018 Annual Report, i.e. from January 1, 2018 to December 31, 2018 (the “Reporting Period”).

FORMATS OF REPORT

This ESG Report is published in form of online edition and print edition.

The online edition is available on the designated website of the Stock Exchange (www.hkexnews.hk), and the Group’s website (www.ecogreen.com).

報告期間

本ESG報告涵蓋與二零一八年報內所報告之相同報告期間(自二零一八年一月一日至二零一八年十二月三十一日)(「報告期」)中怡國際集團於中國業務主要營運地區的資料。

發佈方式

本ESG報告以網絡版和印刷版形式發佈。

網絡版可於聯交所指定網站(www.hkexnews.hk)及本集團網站(www.ecogreen.com)查閱。



About Us 關於我們

EcoGreen International Group was established in 1994 and listed on the main board of the Hong Kong Stock Exchange (Stock Code: HK2341) in 2004. EcoGreen International Group is a leading green fine chemical group in China and is also one of the few fine chemical enterprises in the world that use natural, renewable and petroleum-based resources as key raw materials. The Group uses environmentally-friendly synthesis and biotransformation technology as it adheres to the internationally recognized principle of “Green Chemistry” in its production process. The Group produces three major categories of products, namely “Scent & Taste”, “Naturals” and “Specialty Chemicals”, with its industry-leading expertise in production of fine organic chemicals and separation techniques. These products are the key raw materials of flavors and fragrances that we use daily, and are widely used in the production of personal care and household products, cleaning agents and disinfectants, foods, pharmaceuticals, agrochemicals and industrial solvents. The Group sells its products in many countries and regions, including China, Europe, America and Asia.

EcoGreen International Group has always considered technical innovation and improvement in products and services as drivers of its development. The management team and other staff of the Group sharpen its competitive edges through practice. The Group’s culture encourages both technological and management innovations with an emphasis on highly efficient operation. The Group has an elite team and enthusiastic talents who always do their best to improve the operation, product quality and customer services.

Adhering to the principles of “Green Chemistry”, the Group pursues sustainable development, and as such, it provides a one-stop solution for the green chemical industry. Aspiring to become a leading provider of solutions in the global fine chemical industry, the Group leverages its balanced business mix, advanced technology and economies of scale to produce fine chemicals whose quality meets the international standards. Such products are widely used in daily life and vital to the improvement of health and living standards.

中怡國際集團成立於一九九四年，並於二零零四年在香港股票交易市場主板上市（股票代碼：HK2341）。中怡國際集團是中國領先的綠色精細化工集團，是世界上少數以天然可再生資源及石油基作原材料之精細化工企業，運用環保型的合成及生物轉化技術，生產過程符合國際「綠色化工」標準。利用享譽業內的專業精細有機化工及分離技術，集團生產三大類主要產品，包括「芳香及味道」、「天然產物」及「特殊化學品」。作為適用於日常使用香精香料的關鍵原材料，本集團的產品廣泛適用於個人護理與家居、清潔與消毒、食品、制藥、農用化學品、工業溶劑等行業。本集團的主要產品市場除中國本土外，還包含歐洲、美洲、亞洲等眾多地方。

中怡國際集團一直把技術創新和產品與服務的完善作為集團發展的驅動力。集團的管理層團隊及其他員工通過具體的實踐提升其競爭優勢，集團的文化鼓勵技術和管理創新，強調高效的運營。集團擁有最頂尖的人才和充滿熱情的團隊，集團的努力使企業的運營得到改善，產品品質和客戶服務得到提升。

本集團秉承「綠色化學」的產業理念，堅持可持續發展，提供一站式綠色化工行業解決方案，目標是發展成為全球精細化工業中領先的解決方案供應商之一，集團憑藉平衡的產業結構和領先的技術和規模優勢，生產達到國際品質標準的精細化工產品。應用於各種各樣的日常生活品中，對人們提升健康水準、提高生活品質至關重要。



GROUP STRUCTURE

集團架構

| Subsidiary 子公司 | Location 地點 |
|--|--------------------------------------|
| EcoGreen International Group Limited 中怡國際集團有限公司 | Hong Kong, China 中國香港 |
| EcoGreen Fine Chemicals B.V. EcoGreen Fine Chemicals B.V. | Rotterdam, Netherlands 荷蘭鹿特丹 |
| Xiamen Doingcom Chemical Company Limited 廈門中坤化學有限公司 | Xiamen, Fujian, China 中國福建省廈門市 |
| Xiamen Doingcom Biotechnology Company Limited 廈門中坤生物科技有限公司 | Xiamen, Fujian, China 中國福建省廈門市 |
| Xiamen Doingcom Food Company Limited 廈門中坤食品有限公司 | Xiamen, Fujian, China 中國福建省廈門市 |
| Zhangzhou EcoGreen Fine Chemicals Company Limited 漳州中怡精細化工有限公司 | Zhangzhou, Fujian, China 中國福建省漳州市 |
| EcoGreen Chemicals (Zhangzhou) Company Limited 中怡化工(漳州)有限公司 | Zhangzhou, Fujian, China 中國福建省漳州市 |
| Shanghai Fine Chemical Company Limited 上海萬凱化學有限公司 | Shanghai, China 中國上海市 |
| Chuxiong Ecogreen Forestry Trading Company Limited 楚雄中怡林產貿易有限公司 | Chuxiong, Yunnan, China 中國雲南省楚雄市 |

THE GROUP'S SUSTAINABLE DEVELOPMENT CONCEPT

Sustainable development is a worldwide trend, and is also the development policy of EcoGreen International Group. The United Nations' "2030 Agenda for Sustainable Development", which laid out 17 sustainable development goals and contained 169 framework documents with specific objectives, will foster the global realization of three long-term targets which are beneficial to human beings, namely eradicating extreme poverty, fighting against inequality and injustice and tackling climate change, by 2030.

集團的可持續發展觀



可持續發展是一個世界性的大趨勢，也是中怡國際集團的發展方針。聯合國《二零三零年可持續發展議程》，其中包括17項可持續發展目標和169項具體目標的綱領性文件，將推動世界在二零三零年前實現三個有利於眾生的長遠目標：消除極端貧窮、戰勝不平等和不公正，以及遏制氣候變化。



Source: The United Nations
來源：聯合國

The Group recognizes the importance of the 17 goals set out in the United Nations' "2030 Agenda for Sustainable Development". In terms of sustainable development, the Group insists on fully promoting Quality, Safe, Environment, and Health. The Group firmly believes that bearing social responsibilities and achieving sustainable development are our inevitable policies and the upmost principles that we must uphold when making business decisions. While striving to improve operation results, the Group endeavors to maintain sustainable economic, social and environmental development and to strike a balance of interests between all stakeholders, in order to do its utmost to generate value to the society and take part in the framework of the United Nations to realize the long-term goals.

集團認同聯合國《二零三零年可持續發展議程》所列出17項目標的重要性。在可持續發展上，集團堅持做到：品質(Quality)、安全(Safe)、環境(Environment)、健康(Health)全面推進。集團堅信擔負社會責任與執行可持續發展，是集團義不容辭的方針及業務決策應秉持的最高原則。在努力提升經營業績的同時，集團致力於在經濟、社會和環境等各範疇均以可持續發展之方式進行，並權衡各持份者利益，盡最大努力為社會提供價值，在聯合國長遠目標的框架之下盡一分綿力。

| Relevant Sustainable Development Goals of the United Nations 相關的聯合國可持續發展目標 | | Relevant part of this ESG report 此ESG報告的相關部分 |
|---|--|---|
|  | 1 No Poverty End poverty in all its forms everywhere 1 消除貧困 在全世界消除一切形式的貧困 | B8 Community Investment B8 社區投資 |
|  | 5 Gender Equality Achieve gender equality and empower all women and girls 5 性別平等 實現兩性平等，增強所有婦女應有的權能 | B1 Employment B1 僱傭 |

STAKEHOLDER'S ENGAGEMENT

Stakeholder's engagement is crucial to the long-term development and business sustainability of EcoGreen International Group as well as the Group's preparation of this ESG Report. As such, the Group values every connection with its stakeholders and pays full attention to the invaluable opinions and suggestions from stakeholders, as well as understands its shortcomings and formulates improvement plans actively through a sound management system and two-way communication channel, so as to seize opportunities and strive for long-term improvement. The Group has consolidated and identified various kinds of stakeholders involved in the main businesses of the Group into six corresponding categories, including shareholders and investors, the government and regulatory authorities, employees, clients, suppliers and the community.

持份者參與

持份者的參與對於中怡國際集團的長期發展、業務的可持續性以及集團撰寫這份ESG報告均至為重要。因此，集團珍惜與持份者的每一次接觸，充分重視來自持份者的寶貴意見和建議，透過健全的管理系統和雙向的溝通參與渠道，積極認識集團的不足並制定方案加以改善，以此把握機遇，力求長遠進步。集團綜合及識別涉及本集團主要業務的六個不同持份者分組，分別包括股東及投資者、政府及監管機構、員工、客戶、供應商及社區。

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Under the regulatory framework, the qualification of stakeholders is vital for those who are responsible for relevant plans and activities. Apart from complying with laws and regulations, the Group considers stakeholders' opinions as the key to long-term success and sustainable development. The Group accepts opinions in all aspects from stakeholders, which help the Group identify and understand the key concerns of stakeholders and assess and enhance the engagement of stakeholders. The Group classifies relevant issues and submits them to relevant departments for handling via the communication channels as stated in the following table.

在法例框架下，符合持份者參與要求對該等負責相應計劃及活動的人士而言為一個重要事宜。除履行法律制約外，集團認為持份者的意見乃本集團長期成功及可持續發展的關鍵。集團接受持份者各方面的意見，有助本集團界定及理解持份者的關鍵問題，評估及加強持份者的參與、介入及參加。透過下表所載各種通訊渠道，將相關問題進行分類並送交有關部門進行處理。

| Stakeholders 持份者 | Expectations and Aspirations 期望及訴求 | Relevant Response 相關回應 | Communication Channels 溝通渠道 |
|---|---|--|---|
| Shareholders and investors 股東及投資者 | Financial results 財務業績 Protection of interests 權益保護 Corporate transparency 企業透明度 Risk control 風險控制 | Increase profitability 提高盈利能力 Disclose day-to-day information 日常信息披露 Optimize internal control and risk management 優化內控與風險管理 | General meetings 股東大會 Annual and interim reports 年度及中期報告 Circulars/Announcements/Notices/Publications 通函／公告／通告／公佈 Investor relations inquiry 投資者關係查詢 |
| The government and regulatory authorities 政府及監管機構 | Compliance with laws and regulations 遵紀守法 Payment of taxes according to law 依法納稅 Support of local development 支持地方發展 | Operate in compliance with laws and regulations 依法合規經營 Pay taxes in full and on time 按時足額納稅 Actively implement relevant policies 積極落實相關政策 Take the initiative to assume social responsibilities 主動承擔社會責任 | Annual and interim reports 年度及中期報告 Circulars/Announcements/Notices/Publications 通函／公告／通告／公佈 Continuous direct participation 持續直接參與 |
| Employees 員工 | Career development platform 職業發展平台 Remuneration and benefits 薪酬與福利 Healthy and safe working environment 健康安全的工作環境 | Improve career promotion mechanism 完善職業晉升機制 Provide competitive salary and benefits protection 有競爭力的薪資與福利保障 Implement a health and safety management system 落實健康安全管理體系 Implement an equal communication and complaint mechanism 平等溝通與申訴機制 | Intranet 內聯網 Annual assessment 年度評核 Teamwork activities 團隊合作活動 |

| Stakeholders 持份者 | Expectations and Aspirations 期望及訴求 | Relevant Response 相關回應 | Communication Channels 溝通渠道 |
|----------------------------|---|--|--|
| Clients 客戶 | Product quality and cost performance 產品質量與性價比 Customer service quality 客戶服務品質 Protection of customer rights and interests 客戶權益保障 | Provide full services 全方位服務 Achieve compliant marketing 合規營銷 | The Group's website 集團網站 Daily communication with frontline employees 前線員工的日常溝通 Customer service hotline 客戶服務熱線 |
| Suppliers 供應商 | Cooperation with integrity 誠信合作 Win-win cooperation 合作共贏 Business ethics and credibility 商業道德與信譽 | Create a responsible supply chain 打造責任供應鏈 Promote daily communication 促進日常溝通 Carry out project cooperation 開展項目合作 Perform contracts according to law 依法履行合同 | Continuous direct participation 持續直接參與 |
| The community 社區 | Caring for the poor 關愛貧困群體 Support of social welfare 支持社會公益 Protection of the natural environment 保護自然環境 | Participate in precise poverty alleviation 參與精準扶貧 Committed to charity 投身慈善事業 Adhere to green operations 堅持綠色運營 | Continuous direct participation 持續直接參與 |

MATERIALITY ASSESSMENT OF SUSTAINABLE DEVELOPMENT ISSUES

In 2018, the Group commissioned an independent third-party consultancy to conduct a materiality assessment of sustainable development issues, so as to fully assess the sustainable development issues that are most important to the Group's business development and stakeholders' interests, thereby assisting the Group in determining next year's sustainable development goals, as well as the disclosure focus of this report, in order to actively respond to the expectations and aspirations of all parties.

可持續發展議題重要性評估

集團於二零一八年委託獨立第三方顧問機構開展可持續發展議題重要性評估工作，以全面評估對於集團業務發展最為重要的、以及持份者最為關心的可持續發展議題，從而協助集團確定下一年度的可持續發展目標、以及本報告的披露重點，以積極回應各方的期望與訴求。

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| | | |
|--|--|---|
| <p>A1 Emissions A1 排放物</p> | <p>A2 Use of Resources A2 資源使用</p> | <p>A3 The Environment and Natural Resources A3 環境及天然資源</p> |
| <p>Continuously applies various monitoring methods and measures to minimize the Group's pollution to the environment 持續採取各種監控方法及措施去使集團對環境的污染減至最低</p> | <p>Promote "energy saving, consumption reduction, pollution reduction and efficiency increase" 提倡「節能、降耗、減污、增效」</p> | <p>Embeds the concept of environmental and natural resource protection into the Group's internal management and daily operational activities 將環境及天然資源保護的概念融入內部管理及日常運營活動中</p> |
| <p>B1 Employment B1 僱傭</p> | <p>B2 Health and Safety B2 健康與安全</p> | <p>B3 Development and Training B3 發展及培訓</p> |
| <p>Provides a sound employment environment and establishes a high-quality and comprehensive employment system 提供良好就業環境和建立優質且完善的僱傭制度</p> | <p>Formulates internal guidance and system centered around chemical industry under law in order to prevent occupational diseases, protect labor's health and ensure the safety of working environment 制定專門針對化工行業的內部指導方針及制度，以預防職業病、保護勞動者健康及確保工作環境安全</p> | <p>Plans training resources, and formulates and implements training schemes so that individual career development of each employee is well connected with the development of enterprise 規劃培訓資源，並制定及實施培訓計劃，使每位員工個人的職業發展與企業發展良性結合</p> |
| <p>B4 Labor Standards B4 勞工準則</p> | <p>B5 Supply Chain Management B5 供應鏈管理</p> | <p>B6 Product Responsibility B6 產品責任</p> |
| <p>Regularly monitors information related to employment to avoid violation of labor laws and regulations 定期監察僱傭相關資訊，避免不符合勞動法律法規事宜</p> | <p>Actively implements the strategy of "Smart Production and Supply Chain Services" and "360 degree aroma chemicals business strategy" 積極實施「精進製造+供應鏈服務」的策略和「360度全景香原料產業戰略」</p> | <p>Adopts the highest standard to monitor production techniques, inspection procedures and the quality of final products 採用最高的標準去檢視生產的方法、檢驗的程序和最終產品的質量</p> |
| <p>B7 Anti-corruption B7 反貪污</p> | <p>B8 Community Investment B8 社區投資</p> | |
| <p>Upholds the objective of integrity, responsibility, justice and equality 堅守著重誠信廉潔、負責任及公正公平的宗旨</p> | <p>Builds a harmonious, safe and prosperous relationship between the Group and the community 積極構建推動和諧、安全及繁榮的企業與社區關係</p> | |

BUSINESS DEVELOPMENT

In 2018, similar to the previous years, the Group adhered to and implemented the “New EcoGreen” strategy, so as to deal with the changes in global industry competition. Despite the volatile business environment, severe supply chain and increasing pressure for raw materials, the Group was still able resolve such challenges steadily by virtue of its safe production, stable supply, excellent quality, fair pricing and reliable operation. Meanwhile, the Group also seized the market changes opportunities to promote the global resource procurement and coordinate operations flexibly, speeded up the coordinated development of functional chemicals and functional materials industries as new business groups. In addition, in the face of rapidly increasing products demand, under the limited production capacity, the Group achieved more product integration operations through the extended cooperative production platform.

“Scent & Taste” Business

“Scent & Taste” continued to be the Group’s core product segment, and constituted a stable and major source of income for the Group. As key functional ingredients used in many daily consumer goods, the Group’s Scent and Taste products witnessed rising market demand with a combined positive effect of its diversified applications and the development in the emerging markets. During the Reporting Period, the Group launched more than 100 kinds of “Scent” products to customers worldwide, with a significant year-on-year increase of 59% in its revenue. Meanwhile, the Group continued to expand its market share in the fragrance segment, so that important customers in the industry would rely more on the Company’s integrated supply chain.

During the Reporting Period, the turnover of the “Scent & Taste” product category increased significantly by 57% to RMB1,471 million (2017: RMB938 million), representing 67% of the Group’s turnover (2017: 60%).

業務發展

二零一八年，集團仍然與前幾年一樣堅定地貫徹和實行「新中怡」戰略，以面對全球行業競合格局的變化，即便面對波動的經營環境、嚴峻的供應鏈、上升的原料壓力，本集團仍可以處變不驚的化解這些考驗，就是憑藉安全的生產、穩定的供應、優良的品質、厚道的定價以及扎實的經營。同時，集團也把握住市場變化出現的機會，靈活推動全球性採購和協同運營的資源策略，加速功能化學品與功能材料產業協同發展，致力於培育新的事業群另外，面對急增的產品需求，在有限產能的支援下，通過外延的合作生產平台進行了更多的產品集成營運。

「芳香和味道」業務

「芳香和味道」類別仍是本集團之核心產品類別，為集團提供了穩定的主要收入。作為多種日常必需消費品的關鍵功能成份，本集團的芳香及味道產品因為應用廣泛及新興市場的發展而導致的市場需求仍然增加。報告期內，集團已經推出超過100種「芳香」產品銷往全球客戶，收入比去年大幅上升59%；同時，集團繼續擴大在香料領域的市場份額，使行業的重要客戶更多仰賴本公司整合供應鏈集成供應。

報告期內，「芳香和味道」產品類別的營業額大幅增長57%至人民幣14.71億元（二零一七年：人民幣9.38億元），佔本集團營業額的67%（二零一七年：60%）。



2018 Highlights 二零一八年摘要

“Naturals” Business

In respect of the “Naturals” products, apart from the existing natural pharmaceutical raw materials, the Group has been actively engaged in the development of food additives business for the production of food ingredients, fast food, frozen food and pet nutrition food, which is produced with purification and bio-conversion technologies from natural produces. Naturals mainly include seafood, meat and mushroom extracts.

During the Reporting Period, the total turnover of the “Naturals” product category increased by 2% year-on-year to RMB445 million (2017: RMB436 million), representing 20% of the Group’s turnover (2017: 28%).

“Specialty Chemicals and Others” Business

In respect of the “Specialty Chemicals” products, besides the chiral pharmaceuticals and medical specialty chemicals, the Group also applies similar advanced technologies of synthesis to produce agrochemical specialty chemicals for production of eco-pesticide. In terms of functional chemicals included in “Others”, disinfectant chemicals maintained a steady stream of business in progress. In addition, an expansion of electronic chemicals is also in the works. Following the Group’s further effort in the development of the supply chain of petroleum-based products, it is believed that the functional chemicals business will usher in a period of growth.

For the year ended December 31, 2018, the total turnover of the “Specialty Chemicals and Others” product category significantly increased by 43% year-on-year to RMB283 million (2017: RMB197 million), representing 13% of the Group’s turnover (2017: 12%).

「天然產物」業務

「天然產物」除包涵了原有的天然藥物原料外，本集團已在積極地開發以天然物提純及轉化技術為基礎、應用於生產調味品、快速食品、冷凍調理食品及寵物營養食品的食品配料業務，主要是海鮮、肉類及食用菌等天然產物。

報告期內，「天然產物」的總營業額為人民幣4.45億元（二零一七年：人民幣4.36億元），較去年增長2%，業務佔集團營業額的20%（二零一七年：28%）。

「特殊化學品及其他」業務

「特殊化學品」類別包含了手性藥物原料、醫藥特殊化學品以及運用同類先進的合成技術生產並用於製造生態農藥之農用化學品特殊化學品。在「其他」類別的功能化學品方面，集團針對洗滌消毒產業的產品已經形成穩定業務，此外，也向電子化學品拓展。隨著集團未來加大在石油基產業鏈的發展，功能化學品業務將步入增長軌道。

截至二零一八年十二月三十一日止年度，「特殊化學品及其他」的總營業額為人民幣2.83億元（二零一七年：人民幣1.97億元），較去年顯著增加43%，佔集團營業額的13%（二零一七年：12%）。

Gulei Chemical Industrial Park

With the commencement of large-scale construction with new layout of the Gulei Chemical Industrial Park at the end of 2017, Phase I of the construction has progressed steadily under the requirements on high and sophisticated standards of technologies and in compliance with safety and environmental regulations. The construction of several plants and storage tanks was completed at the end of 2018. Currently, Phase I construction and installation is expected to be completed in the second half of 2019, and production is expected to start and to generate revenue in the fourth quarter of 2019.

The Group's strategic layout in Gulei Chemical Industrial Park corresponds to the upcoming changes in global economic trends and the new environmental protection policy of China. Fully capitalizing on the integrated supply chain for oil refinery and petrochemical business of the large-scale petrochemical industrial park and in response to the technological advancement and the changes in industry demand, the Group has optimized the product mix of international and domestic markets, and highlighted its "aroma chemicals and functional materials industry co-development strategy" based on the balanced supply chain of its natural-based and petroleum-based resources. Production lines for "functional materials" have been newly established. Multi-functional plants were built to produce functional chemical products, mainly including "aroma" chemicals. As the multi-industry integration development plan for resource synergy gradually realized in Gulei Chemical Industrial Park, Gulei Chemical Industrial Park will be established as a core industrial base for the Group's future business.

古雷化工園區

古雷化工園區自二零一七年底以全新的規劃和佈局正式動工並進入大規模建設以來，第一期的建設已按高標準先進技術、符合安全環保法規的要求穩步地推進，部份廠房及罐區在二零一八年底完成。目前計劃在二零一九年下半年完成第一期的建設和安裝，在第四季度逐步投產，並產生營業貢獻。

集團在古雷化工園區的佈局，因應了全球未來經濟形勢的變化，以及中國大陸環保新政的要求，充分利用了大型石化園區煉化一體化的供應鏈優勢，結合技術的進步和行業需求的變化，優化國際與內銷市場產品結構組合，突出了集團在天然基資源與石油基資源供應鏈協同下的「香原料產業與功能材料產業的發展戰略」重點是增加了新的「功能材料」，多功能廠房的建設則包括了以「香原料」為主要的功能化學品的產品組合，由於資源協同的多產業整合發展計劃終於在古雷化工園區逐步實現，古雷化工園區將建設成為集團未來業務倍增的核心產業基地。

2018 Highlights

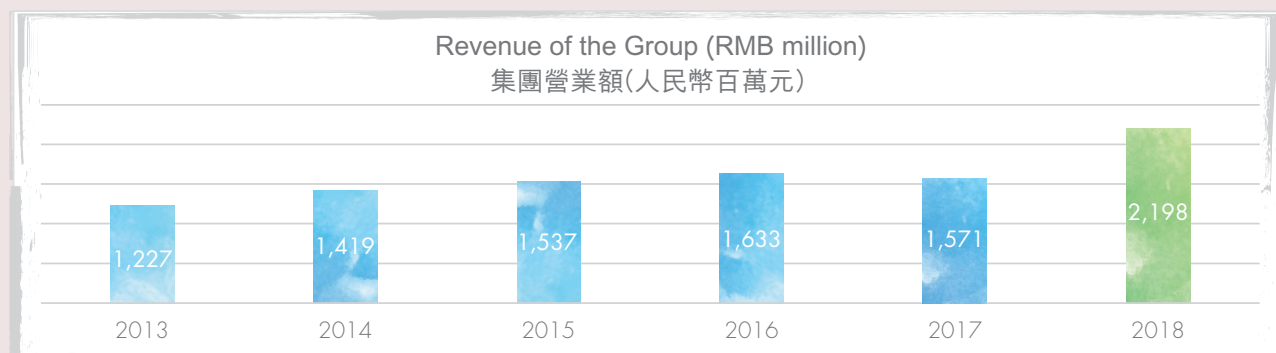
二零一八年摘要

Financial Performance for the Year

For the year ended December 31, 2018, the Group's turnover increased by 40% to approximately RMB2,198 million. The increase in sales revenue was mainly driven by the soaring sales price of the Group's products as well as the moderate increase in sales volume.

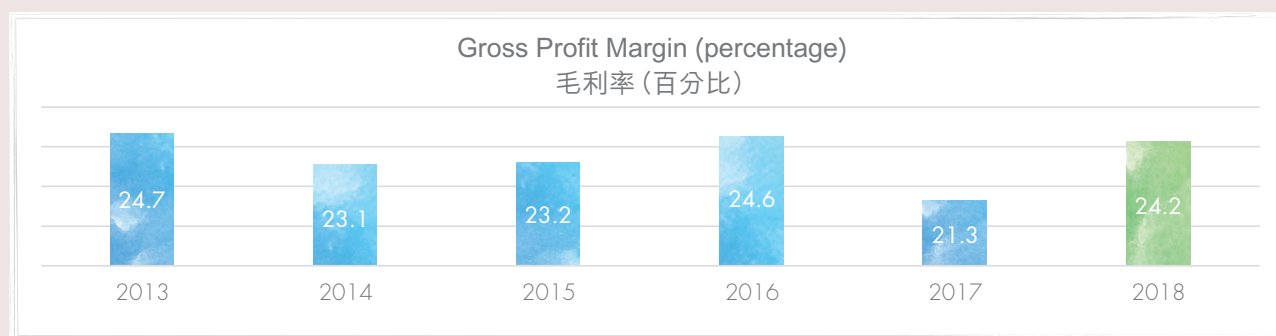
年度財務表現

截至二零一八年十二月三十一日止年度，本集團營業額增加40%至約人民幣21.98億元。銷售收入的增長主要是由於本集團產品售價飆升所帶動，並且銷售量也有溫和的上升。



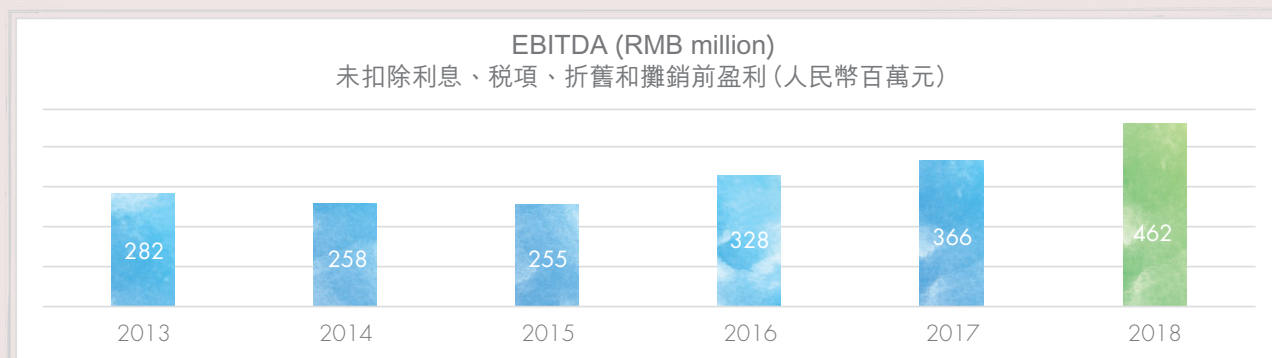
During the Reporting Period, the Group's gross profit increased by 59% to RMB532 million. The Group's gross profit margin increased from 21% in 2017 to 24% in 2018. In terms of the Group's product categories, the gross profit margin of "Scent & Taste" business increased from 23% in 2017 to 27% in 2018; the gross profit margin of "Naturals" business increased from 17% in 2017 to 18% in 2018; and the gross profit margin of "Specialty Chemicals and Others" business decreased from 23% in 2017 to 20% in 2018.

報告期內，本集團的毛利增加59%至人民幣5.32億元。本集團的毛利率由二零一七年的21%上升至二零一八年的24%。按本集團產品類別分析，「芳香和味道」業務的毛利率由二零一七年的23%上調至二零一八年的27%，而「天然產物」業務的毛利由二零一七年的17%上調至本年度的18%。「特殊化學品及其他」業務之毛利率由二零一七年的23%下調至二零一八年的20%。



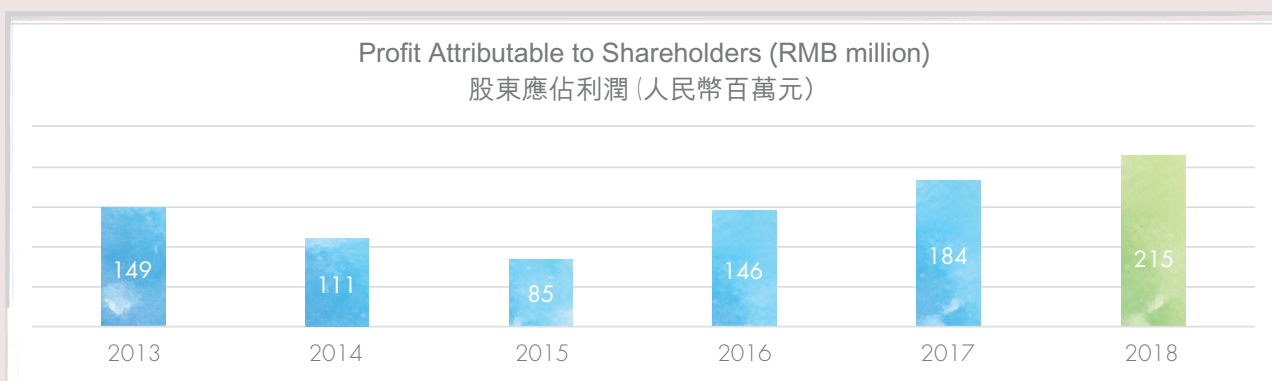
Earnings before interest, taxes, depreciation and amortization (EBITDA) for the Year amounted to RMB462 million, representing an increase of 26% from RMB366 million in 2017.

本年度的未扣除利息、稅項、折舊和攤銷前盈利為人民幣4.62億元，較二零一七年的人民幣3.66億元上升26%。



Reported profit attributable to shareholders for 2018 amounted to RMB215 million, representing a 17% increase from RMB184 million in 2017. Basic earnings per share was approximately RMB27.78 cents (2017: RMB26.81 cents).

二零一八年度股東應佔賬面利潤為人民幣2.15億元，較二零一七年的人民幣1.84億元增長17%，每股基本收益約為人民幣27.78分(二零一七年：人民幣26.81分)。





Sustainability of Corporate Governance 企業管治的可持續性

The Board of Directors understands the importance and advantages of sound corporate governance, and promises to improve the corporate governance code of practice, so as to increase the transparency and ensure the Group's business activities and decision-making process being regulated to safeguard shareholders' interests. The corporate governance of the Group is based on and determined by the principles ("Principles") and code provisions ("Code Provisions") set out in Appendix 14 Corporate Governance Code ("Corporate Governance Code"). During the Reporting Period, the Group complied with the Code Provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, except for the deviations from Code Provisions A.2.1 and A.6.7. For further information about the Group's corporate governance and other information of the Board of Directors, please visit the designated website of the Stock Exchange (www.hkexnews.hk) and the Group's website (www.ecogreen.com) for the Group's relevant contents in the 2018 Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is entrusted with the overall responsibility of: (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board of Directors; (ii) reviewing and monitoring the training and continuous professional development of the Company's Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring codes of conduct and compliance manuals (if any) applicable to the Company's employees and Directors; and (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report. During the Reporting Period, the Board of Directors reviewed and monitored the training and continuous professional development of the Directors and company secretary of the Company in compliance with the Corporate Governance Code and the Listing Rules. Furthermore, the Board of Directors reviewed and monitored the Group's policies and practices and noted that the Group had complied with the relevant legal and regulatory requirements in all material respects during the Reporting Period. The Board of Directors also reviewed the employees' manual applicable to the employees of the Company. Lastly, the Board of Directors reviewed the Company's compliance with the Corporate Governance Code and the disclosure of the Corporate Governance Report.

董事會深明良好企業管治常規的重要性及好處，並承諾改善企業管治常規，以增加透明度及確保本集團的業務活動及決策過程受到適當之規管以保障股東利益。本集團之企業管治常規乃建基於附錄14所載企業管治守則（「企業管治守則」）內所列之原則（「原則」）及守則條文（「守則條文」）而釐定。報告期內，本集團一直遵守上市規則附錄14所載之《企業管治守則》之守則條文，惟偏離有關守則條文第A.2.1條及A.6.7條者除外。如欲進一步瞭解本集團的企業管治及董事會的其他資料，可透過聯交所指定網站(www.hkexnews.hk)及本集團網站(www.ecogreen.com)瀏覽集團二零一八年報中的相關內容。

風險管理及內部監控

董事會獲委統籌負責以下事項：(i)建立及檢討本公司企業管治政策及常規並向董事會作出建議；(ii)檢討及監督本公司董事及高級管理人員的培訓及持續專業發展；(iii)檢討及監督本公司符合法律及規管規定的政策及常規；(iv)建立、檢討及監督適用於本公司僱員及董事的行為守則及法規手冊（如有）；及(v)檢討本公司遵守企業管治守則的情況，及企業管治報告內的披露資料。報告期內，董事會已檢討及監督董事及本公司公司秘書的培訓及持續專業發展，以符合企業管治常規及上市規則。此外，董事會已檢討及監督本集團的政策及常規，並發現本集團於報告期內在各重大方面均已符合相關法律法規的規定。董事會亦已檢討適用於本公司僱員的員工手冊。最後，董事會已檢討本公司遵守企業管治守則的情況，以及本企業管治報告內的披露資料。

The Board of Directors shall be fully responsible for maintaining a sound and effective risk management and internal control system, so as to ensure the Group's assets and stakeholders' rights and interests and review the effectiveness of such system by internal review and through the support of the Audit Committee.

Every year, the management prepares a risk assessment report in accordance with the procedures to list the risks identified and the likely impact on the Group in the future. The Board of Directors will discuss and formulate corresponding measures based on the results in the risk assessment report. Currently, the Group does not have an internal audit function, and cost-effectiveness is the main consideration. At the current stage, the Board of Directors is mainly responsible for ensuring that the Group's internal control can be effectively enforced and the function of regular review can be implemented, so as to ensure that the Group's operations can be effectively regulated. The review includes all major controls, including financial, operational and regulatory monitoring and risk management functions. The Board of Directors also considers the resource adequacy of the Group's accounting and financial reporting functions and the qualifications and experience of its employees, as well as its training courses and budget. The Group will continue to consider the need for an internal audit function every year.

Risk in Environmental Policy Change

Due to the nature of business of the Group, it is inevitable to emit environmentally harmful pollutants during the manufacturing process of its products. Take turpentine, the core raw material of the Group's business, as an example. Although it is a green resource characterized by its environment-friendly and renewable nature, chemical reaction is required during processing, thus would generate pollutants such as sewage, exhaust gases and solid wastes. Hence, the business activities of the Group are subject to the regulation of various laws and regulations on environmental protection in China and other countries where the Group's production facilities are located. In the past, the Group has spared no effort to comply with national laws and regulations for its production. However, with the development of China's economic growth model, the rise of environmental protection awareness and the full implementation of the sustainable development strategy, the national environmental protection policy will only become more stringent. In order to comply with the new environmental protection regulations in the future, the Group may incur additional expenses and expenditures for its main business, thus resulting in an increase in product costs, which may eventually result in a decline in the Group's gross profit margin.

董事會須全面負責維持健全及有效的風險管理及內部監控系統，以保障本集團的資產及持份者權益，以及透過內部審核及審核委員會的支持檢討該系統的有效性。

每年，管理層會依照程序編製風險評估報告，列出所確定的風險，以及在未來可能對集團所造成的影響。董事會將會依據該風險評估報告中的結果做討論並制定出相對應之辦法。目前本集團並無設立內部審計職能，成本效益為主要的考量原因，現階段主要由董事會負責確保集團的內部監控能夠有效地執行並落實定期檢討之職能，以確保集團內的運營行為能夠被有效的監管。該檢討包含全部重大監控，包括財務、營運及法規監控及風險管理功能。董事會亦考慮本集團會計及財務匯報職能的資源充裕程度及員工的資質及經驗，以及其培訓課程及預算，同時集團也會每年繼續探討是否需要設立內部審計職能之必要。

環保政策變化的風險

由於本集團的業務性質，在產品的製造過程中不可避免的會排放對環境有害的污染，以集團業務的核心原材料—松節油為例，雖然這是一種具有環保、可再生的特點的綠色資源，但是在對其的加工過程中需要進行化學反應，並會產生污水、廢氣和固體廢物等等污染。因此集團的業務活動受中國及本集團生產設施所在地的其他國家的各種環保法例及法規的規範，集團在過去也一直不留餘力配合國家的法規從事生產行為。但隨著我國經濟增長模式的發展、環保意識的抬頭和可持續發展戰略的全面實施，國家的環保政策只會越來越嚴格。為了能符合在未來新增的環保規範，本集團在主營業務的進行上可能會產生額外費用及開支，從而導致產品成本上升，最終可能使得本集團的毛利率水平下降。



Sustainability of Corporate Governance 企業管治的可持續性

Risk in Safe Production

For the raw materials used for production, semi-products and finished products, the Group maintains the most rigorous attitude and adheres to the most stringent internal regulations to prevent potential risks and avoid unnecessary economic losses and casualties caused by the negligence of safety management or safety accidents as a result of improper staff operations. EcoGreen International Group has obtained all safe production licenses and operating licenses for hazardous chemicals related to its current production and operation, and has strengthened internal management in daily operation and enhanced employees' safety awareness to implement safety management to every aspects of its business.

During the Reporting Period, the Group did not have any significant safety accidents.

安全生產風險

在生產所需的原材料、半成品及產成品的過程中，本集團秉持著最嚴謹的態度和最嚴格的內部規範去防範潛在的危險，以避免因為安全管理的疏忽，或員工操作不當所造成的安全事故，防止本集團日常業務造成不必要的經濟損失及人命傷亡。中怡國際集團已取得所有與目前生產經營相關的安全生產許可證及危險化學品經營許可證，並在日常經營中通過加強內部管理，提高員工安全意識，將安全管理落實到每一個細節。

報告期內，本集團並無重大安全事故發生。



A1 EMISSIONS

The Group does not generate material wastes or emit significant quantities of pollutants during its operation, but this does not hinder the Group's belief in environmental protection and its commitment to sustainable development. The Group does not only ensure its compliance with relevant national environmental regulations, but also continuously applies various monitoring methods or measures to minimize the Group's pollution to the environment.

During the Reporting Period, the Group adopted various measures, including waste water and gas management, noise control and reduction of greenhouse gas emissions, so as to achieve efficient and non-wasted use of resources, energy conservation and carbon reduction. In addition, the Group complied with relevant applicable environmental protection laws and regulations in all material aspects, including the acquisition of waste water discharge permit and gas emission permit and compliance with other regulations. In addition to rigid regulations, the Group also educated employees on their daily behaviors, and advocated the commitment to striking a balance between quality, price and environmental impact while consuming resources and materials, so as to improve employees' environmental awareness, hoping to implement the concept of sustainable development at all aspects of daily operations.

For the disposal of waste water, exhaust gases and solid wastes generated from production activities, the Group has built up a set of professional sewage treatment system and two sets of regenerative thermal oxidizer as a new organic exhaust gas treatment equipment to dispose wastes in an effective and environmental friendly manner. The Group also separates hazardous wastes from ordinary household garbage and stores and disposes them appropriately. During the Reporting Period, the concentration and the total quantity of waste water and exhaust gases emitted by the Group met the national or stricter local standards, and the storage for hazardous wastes satisfied control requirements. Such wastes are regularly cleared and handled by entrusted qualified third parties under centralized treatment.

A1 排放物

本集團在運營的過程中並不會製造重大廢料，亦無排放重大數量的污染物，但這並不會阻礙集團對環境保護的信念和落實可持續發展的承諾，集團不只確保集團遵從國家的相關環境法規，更持續的採取各種監控方法或措施去使集團對環境的污染降至到最低。

報告期內，集團已採納各種措施，包括廢水及氣體管理、噪音控制、降低溫室氣體排放等方式以達到有效率且不浪費的利用資源、節能減碳之目的。此外，本集團在所有重大方面均已遵守適用的相關環保法律法規，包括廢水排放許可、氣體排放許可規定及其他規定。除了硬性的規定之外，集團也從員工的日常行為著手進行教育，倡導消耗資源及材料的同時，致力於維持質量、價格及環境影響的平衡，提高員工們的環保意識，希望可持續發展的理念貫徹於日常營運的各個層面。

關於生產活動產生的廢水、廢氣以及固體廢棄物的處置，集團在廠區內部已設有專業的污水處理站，以及兩套覆蓋全廠的有機廢氣收集及處理裝置（蓄熱式燃燒爐），分別能夠高效並處理廢水及廢氣。集團也會將危險廢物和一般生活垃圾做好分類收集貯存，及時清運。報告期內，集團排放的廢水和廢氣中的污染物濃度和總量均符合國家級或者更嚴格的地方標準，危險廢物的貯存也符合控制標準，定期清運並委託第三方具資質的相關單位進行集中處理。

A Sustainability of the Environment

A 環境的可持續性

In order to enhance product responsibility, the Group has carried out a stringent environmental assessment, adhered to the principle of scientific and rational use of natural resources and focused on the development of products that are harmless to the environment and human health. In the process of product design, material procurement and finished product delivery, the Group has strictly implemented national standards and unswervingly followed the path of sustainable development.

During the Reporting Period, the environmental pollutants generated by the Group mainly included organic waste gases and greenhouse gases, industrial waste water and domestic waste water, hazardous and harmless industrial wastes and household garbage.

A1.1 Exhaust Gas Emissions

The Group has strictly complied with the "Emission Standard of Air Pollutants for Boiler" (GB13271-2014) and "Emission Standard of Air Pollutants for Xiamen" (DB35 323-2011). According to the environmental monitoring data, all indexes regarding the concentration of all pollutants emitted by the Group reached the above standards. Emissions of exhaust gases from thermal oil furnaces and in the production workshops are shown as follows:

為提升產品責任，集團進行了嚴格的環境評估，堅持科學合理利用自然資源的原則，專注研發無害於環境以及人體健康的產品，在產品設計、材料選購、成品出廠等所有的活動於過程中，集團均嚴格執行國家標準，堅定不移地走可持續發展道路。

報告期內，本集團所產生的環境污染物主要包括：有機廢氣及溫室氣體、生產廢水及生活廢水、有害及無害的工業廢棄物和生活垃圾等。

A1.1 廢氣排放

本集團嚴格遵循《鍋爐大氣污染物排放標準》(GB13271-2014)及《廈門市大氣污染物排放標準》(DB35 323-2011)。由環保監測資料可知，企業排放的廢氣各項污染物濃度指標均達到上述標準。導熱油爐以及生產工場廢氣排放情況如下：

| Test Item 檢測項目 | Comments 評價 |
|--|----------------------------------|
| Sulfur dioxide 二氧化硫 | Conform to the standards 符合標準 |
| Nitrogen oxide 氮氧化物 | Conform to the standards 符合標準 |
| Smoke and dust 煙塵 | Conform to the standards 符合標準 |
| Non-methane hydrocarbon 非甲烷總烴 | Conform to the standards 符合標準 |
| Organic waste gases in the storage tank area 儲存罐區有機廢氣 | Conform to the standards 符合標準 |

A Sustainability of the Environment A 環境的可持續性

According to the annual maximum discharge of pollutants allowed (2.1 tons of sulfur dioxide and 0.8 tons of nitrogen oxide) under the waste discharge permit of the Group, the Group's actual discharge has completely satisfied the local standards during the Reporting Period.

In response to the Group's exhaust gas emissions, the Group has formulated the following measures to reduce the impact on the environment:

The Group has built up a solvent recycle device to reheat the solvent in the distillation column, and fully cool down and recycle the distillates. The recycled solvents, such as methylbenzene, will be reused to reduce the production cost and the discharge of methylbenzene to the air and water. Besides, the Group oxidizes the volatile organic compounds (VOCs) in the waste gases under high temperature into carbon dioxide and water through a set of new regenerative thermal oxidizer (RTO), so as to purify the waste gases and improve the waste gas treatment effect. With low operating cost, such equipment can treat the low-concentrated waste gases in a large amount of air. In case of higher concentration, the heat waste can be reused, which will reduce the production and operating cost substantially. Upon collection of waste gases, it will be put into the RTO waste gas purification device. The removal rate of non-methane hydrocarbon in the exhaust gas emissions reached above 80%.

Natural gas is cleaner and more environmental-friendly than light diesel oil, as it generates less pollutants. Along with the constant construction of natural gas pipeline in Haicang Xinyang Industrial Park, the Group has the conditions to use the natural gas. Besides, due to an increasingly stringent environmental protection requirement, the use of cleaner energy will further strengthen the Group's environmental protection. Through constructing in-plant natural gas pipelines and control valves, the natural gas is used as the raw materials of thermal oil furnace so as to boost the thermal efficiency of boilers. Such measure has achieved the goals of energy conservation, consumption reduction, pollution reduction and efficiency increase, with obvious environmental and economic benefits. After the implementation, it has further reduced the discharge of waste gas pollutants, increased the thermal efficiency of boiler to 90% and trimmed production cost.

根據本集團的排污許可證可知污染物年允許最大排放量(二氧化硫2.1噸；氮氧化物0.8噸)，報告期內本集團的實際排放量完全符合地方標準。

針對集團的廢氣排放，集團制定以下措施，以降低對環境所造成的影響：

集團建立溶劑回收裝置，其採用蒸餾塔將溶劑進行加熱，將蒸餾物充分冷卻並回收。甲苯等溶劑通過循環回流裝置回收使用，一方面降低生產成本，另一方面也減少了甲苯於大氣和水中的排放量。另外，集團通過新建一套蓄熱式燃燒爐設備(RTO)，在高溫下將廢氣中的有機物(VOCs)氧化成二氧化碳和水，從而淨化廢氣，提高廢氣處理效果。該設備運行成本低，能處理大風量中低濃度廢氣，濃度稍高時，還可進行餘熱回收，大大降低生產運營成本。廢氣收集後引入RTO廢氣淨化裝置，對排放尾氣中的非甲烷總烴去除率達80%以上。

天然氣比輕柴油更清潔、更環保，產生的污染物更少。隨著海滄新陽工業區天然氣管網的不斷建設，企業具備使用天然氣的條件，且在環保形勢日益嚴峻的今天，使用更清潔的能源，提升集團的環保實力。通過建設廠內天然氣管道和控制閥組，將天然氣作為導熱油爐原料，提高鍋爐熱效率。該措施達到了節能、降耗、減污和增效的目的，具有顯著的环境效益和經濟效益，實施後進一步降低廢氣污染物排放量，並將鍋爐熱效率提高至90%，節約生產成本。

A Sustainability of the Environment

A 環境的可持續性

A1.2 Greenhouse Gas Emissions

During the production and processing procedures, the Group indirectly discharges the carbon dioxide to the air through energy consumption, rather than directly discharging. In addition, during waste water treatment and sludge storage, a small amount of methane and nitrogen oxide is also discharged.

During the Reporting Period, the total mileages of vehicles of the Group amounted to approximately 221,500 kilometers, with a total of 27,300 liters of gasoline and a total of 700 liters of diesel consumed.

A1.2 溫室氣體排放

本集團在生產及加工過程中，並不會直接向大氣排放溫室氣體，而是通過耗能間接地向大氣中排放二氧化碳。此外，在廢水處理、污泥貯存過程中也會有少量甲烷和氧化亞氮排放。

報告期內，本集團汽車里程數總計約221,500公里，累積汽油耗量約27,300公升，累積柴油耗量約700公升。

| Greenhouse gases equivalent generated by vehicles 汽車產生的溫室氣體排放當量 | Unit 單位 | Emission 排放量 |
|--|-----------------|--------------------------------------|
| Nitric oxide (NOx) 氮氧化物(NOx) | Gram ("g") 克 | Approximately 243,300 約243,300 |
| Sulfur dioxide (SOx) 二氧化硫(SOx) | g 克 | Approximately 400 約400 |
| Particulate 顆粒物 | g 克 | Approximately 23,500 約23,500 |

During the Reporting Period, the annual electricity consumption of the Group was approximately 13,270,000 kWh and the annual water consumption was approximately 162,500 cubic meters. The greenhouse gases emitted indirectly from electricity and water consumption are as follows:

於報告期間，本集團全年用電量約1,327萬千瓦時、全年用水量約162,500立方米，由用電及用水所間接排放的溫室氣體如下：

| Greenhouse gases equivalent generated by electricity consumption 用電產生的溫室氣體排放當量 | Unit 單位 | Emission 排放量 |
|---|------------|----------------------------|
| Carbon dioxide (CO ₂) 二氧化碳(CO ₂) | Tons 噸 | Approximately 20 約20 |

| Greenhouse gases equivalent generated by water consumption 用水產生的溫室氣體排放當量 | Unit 單位 | Emission 排放量 |
|---|------------|----------------------------|
| Carbon dioxide (CO ₂) 二氧化碳(CO ₂) | Tons 噸 | Approximately 70 約70 |

| Greenhouse gases equivalent generated by mobile combustion sources 移動燃燒源的溫室氣體排放當量 | Unit 單位 | Emission 排放量 |
|--|------------|------------------------------|
| Carbon dioxide (CO ₂) 二氧化碳(CO ₂) | Tons 噸 | Approximately 160 約160 |
| Methane (CH ₄) 甲烷(CH ₄) | kg 千克 | Approximately 1 約1 |
| Nitrous oxide (N ₂ O) 氧化亞氮(N ₂ O) | kg 千克 | Approximately 11 約11 |

A1.3 Discharge of Hazardous Wastes

The hazardous wastes generated by the Group in the course of production include waste water, oil residue, waste engine oil, waste ion-exchange resins, exhaust gas filter medium and etc.

A1.3 有害廢棄物排放

本集團生產過程中產生的有害廢棄物包括廢水、油渣、廢機油、廢離子交換樹脂及廢尾氣過濾介質等。

| Item 項目 | Unit 單位 | Emission 排放量 |
|--------------------------------------|------------|--------------------------------------|
| Waste water 廢水 | Tons 噸 | Approximately 191,000 約191,000 |
| Oil residue 油渣 | kg 千克 | Approximately 6,600 約6,600 |
| Waste engine oil 廢機油 | kg 千克 | Approximately 500 約500 |
| Waste ion-exchange resins 廢離子交換樹脂 | kg 千克 | Approximately 70 約70 |
| Exhaust gas filter medium 廢尾氣過濾介質 | kg 千克 | Approximately 20 約20 |

A Sustainability of the Environment

A 環境的可持續性

These wastes are mainly generated from equipment overhaul and are all hazardous wastes, and are properly handled and monitored by the Group regularly to minimize their impacts to the environment.

The Group has established hazardous waste storage rooms to prevent secondary pollution inside its plants, so as to conveniently and safely transport, store and dispose the hazardous wastes. Warning signs are posted in the hazardous waste storage rooms, which satisfies the requirements of the "Standard for Pollution Control on Hazardous Waste Storage" (GB18597-2001).

The waste water generated by the Group mainly refers to industrial waste water and domestic waste water. Industrial waste water includes process waste water generated by washing process and hydration process in the manufacturing workshops and lactone workshops, drainage from vacuum pump rooms, steam condensate, ground cleaning water, equipment cleaning water, waste water from washing cooling towers, spray water in tank area and initial rainwater inside the plant. Domestic waste water refers to the waste water generated in the office building and canteen. The process waste water is discharged to the sewage treatment station after the pre-treatment in the oil separator of the workshop, and other production waste water is directly discharged to the sewage treatment station. The waste water from canteen is discharged into the sewage treatment station with other domestic waste water through the treatment in the digestion tank after the oil separation and sludge treatment, and the initial rainwater in the plant is pumped into the sewage treatment station after being collected through the initial rainwater collection pool.

Strictly in compliance with the State's requirements on solid waste disposal, the Group has well classified and disposed wastes. Special and standardized temporary storage facilities and premises for hazardous waste classification are established in the plant to prevent secondary pollution from residual liquid volatilization, getting wet and leakage, while hazardous waste of residual oil and residuum are reused properly and harmlessly treated. The hazardous wastes are removed in accordance with the strict hazardous waste transfer methods and disposed by a third-party environmental protection company in Xiamen with hazardous waste disposal qualification.

這些廢棄物主要來源於設備檢修時產生，均屬於有害廢棄物，本集團定時妥善處理及監督其對環境所產生的影響。

本集團在廠區內建有防止二次污染的危險廢物貯存間，以方便安全運輸、貯存及處置危險廢物。危險廢物貯存間設置有警示標誌，符合《危險廢物貯存污染控制標準》(GB18597-2001)要求。

本集團產生的廢水主要為生產廢水和生活廢水。生產廢水包括製造工場、內酯工廠洗滌工序和水合工序產生的工藝廢水，真空泵房排水、蒸汽冷凝水、地面清洗水、設備清洗水、冷卻塔清洗廢水、罐區噴淋水和廠內初期雨水等。而生活廢水則為辦公樓以及食堂所產生的廢水。其中工藝廢水經過工場隔油池預處理後排入污水處理站，其它生產廢水直接排入污水處理站；食堂廢水經隔油沉渣處理後與其他生活廢水經化糞池處理進入污水處理站；廠區初期雨水經初期雨水收集池收集後抽入污水處理站。

本集團嚴格按照國家關於固體廢物處理要求，做好廢物的分類和處理。廠區設置專用、規範的危險廢物分類暫存設施和貯存場所，防止殘液揮發、淋濕、滲漏等產生二次污染，做好含油廢渣、殘渣的綜合利用和無害化處置工作。危險廢物按照嚴格的危險廢物轉移方式外運並委託廈門具有危險廢物處理資質的第三方環保公司處理。



A1.4 Discharge of Non-hazardous Wastes

Non-hazardous wastes generated by the Group are mainly household garbage and industrial sludge. The annual volume generated is as follows:

A1.4 無害廢棄物排放

本集團產生的無害廢棄物主要是生活垃圾和工業污泥，其全年產生量如下：

| Greenhouse gases equivalent generated by mobile combustion sources 移動燃燒源的溫室氣體排放當量 | Unit 單位 | Emission 排放量 |
|--|------------|---------------------------|
| Household garbage 生活垃圾 | Tons 噸 | Approximately 40 約40 |
| Industrial sludge 工業污泥 | Tons 噸 | Approximately 120 約120 |

The Group has engaged Xiamen Haicang Municipal Construction Management Center to clean, remove and dispose the household garbage in time. The Group has cleaned and removed the household garbage in time for not generating smell, stink and avoiding fly-breeding to the surrounding environment. In addition, the Group strictly carried out the classification, allocation, minimization and detoxification of solid wastes during the Reporting Period.

集團委託廈門海滄市政建設管理中心定時清運處置生活垃圾。集團定時清運生活垃圾，不對周圍環境產生異味、惡臭、蚊蠅污染。另外，集團於期內嚴格落實固體廢棄物的分類、資源化、減量化和無害化處理工作。

A Sustainability of the Environment

A 環境的可持續性

A2 USE OF RESOURCES

Green use of resources has always been the Group's continuous pursuit of sustainable development and production philosophy. To this end, the Group has made efforts in various aspects. First of all, the Group has attached great importance to the cultivation of clean production awareness of "energy saving, consumption reduction, pollution reduction and efficiency increase", and encouraged all employees, raise their awareness, change their concepts and consciously devote in green production through various advocacy and education. The Group also formulated a series of related systems and measures in addition to the introduction of the clean production assessment and review mechanism. Specific functional departments have been set up to perform the functions of green management, so as to take a new road to sustainable industrialization. In the actual business process, the Group has formed a green supply chain integrating procurement, production and marketing to ensure the coordinated development of industrial production and environmental protection. With the increase in comprehensive utilization rate of resources and the reduction of environmental pollution emissions, the Group has not only achieved sound economic benefits, but also benefited society in a remarkable way.

A2 資源使用

資源的綠色使用一直是集團不斷追求的可持續發展與生產觀念，為此，集團做了多方面的努力。首先，集團十分注重「節能、降耗、減污、增效」清潔生產意識的培養，並通過多種宣傳和教育手段激勵全體員工提高意識，轉變觀念，自覺投入到綠色生產的事業之中。集團還制定了一系列相關制度和措施，除引入清潔生產評估與審核機制外，亦設置了具體的職能部門來履行綠色管理的職能，走可持續發展的新型工業化道路。在實際的經營過程中，集團形成了一條集採購、生產和營銷於一體的綠色供應鏈條，確保了工業生產和環境保護的協調發展。隨著資源綜合利用率的提高和環境污染排放量的減少，企業不僅獲得了良好的經濟效益，同時也取得了良好的社會效益。

Internal Guidance, Notifications and Proposals Regarding Environment

有關環境方面的內部指引、通知及倡議書

| | |
|----|--|
| 1. | Notice Regarding the Usage of Disposable Paper Cup 關於一次性紙杯使用規定的通知 |
| 2. | Notice for Discretionary Reduction of Food Waste 關於酌情減少菜量避免浪費的通知 |
| 3. | Reminder for Air-conditioner Usage 空調使用溫馨提示 |
| 4. | Proposal for Water and Electricity Saving 節約用水用電倡議書 |
| 5. | Proposal for Energy Saving 節約能源倡議書 |
| 6. | Proposal for Food Saving 節約糧食倡議書 |
| 7. | Proposal for Food Cherishing 珍惜糧食倡議書 |

The Group strictly complies with the Water Law of the People's Republic of China, the Electricity Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other relevant laws and regulations. During the Reporting Period, the Group was not aware of any material matters that materially violated the above laws and regulations.

本集團嚴格遵守《中華人民共和國水法》、《中華人民共和國電力法》、《中華人民共和國節約能源法》以及其他相關法律及法規。報告期內，本集團並不知悉任何重大違反上述法律及法規的重大事宜。

A2.1 Energy Consumption

During the Reporting Period, the Group's annual electricity consumption was approximately 13,267,600 kWh, in which approximately 87% was consumed by Xiamen factory area, which was supplied by the power supply system of Xinyang Industrial Park.

A2.1 能源消耗

報告期內，本集團全年用電量約13,267,600千瓦時，其中廈門廠區佔集團用電量約87%，廠區用電由新陽工業區供電系統提供。

| Item 項目 | Unit 單位 | Consumption 消耗量 |
|--------------------------------|------------|--|
| Electricity consumption 用電量 | kWh 千瓦時 | Approximately 13,267,600 約13,267,600 |

In order to effectively achieve the goal of energy saving and emission reduction, the Group implemented the following schemes for the daily operation of the Group:

本集團為有效達成節能減排的目標，針對集團日常營運，實施了以下方案：

| Scheme, Measures and Regulations 方案、措施及規章 | Description 說明 |
|---|---|
| Improvement of cooling methods 冷卻方式的改進 | According to the Group's measures and schemes for D-100 and D-200 water tanks, after the implementation of the scheme, about 80,000 kWh electricity can be saved 針對集團D-100及D-200水箱的措施及方案，方案實施後可節約用電約8萬kWh |
| Optimization of hydration boiler reaction time 水合釜反應時間優化 | According to the production status, the time for hydration boiler stirring is optimized, and after the implementation of the scheme, about 230,000 kWh electricity can be saved 根據生產狀況，優化水合釜攪拌時間，該方案實施後可節約用電約23萬kWh |
| Power saving of vacuum system 真空系統節電 | The waste of electricity possibly generated before will be improved 改善以往可能產生的用電浪費 |
| Reduction of heat loss 減少熱損失 | During the equipment outage, the valves of all inlets and outlets of various cooling systems are closed to save the heat loss, to reduce the load of cooling tower and refrigeration station and save the electric energy 在設備停用期間將各冷卻系統的所有進出口閥門關閉，節約散熱損失，降低冷卻塔和冷凍站的負荷，節約電能 |
| Maintenance management 維修保養管理 | The in-plant devices are regularly repaired and maintained to reduce the potential waste of electricity 定期維修及保養廠區設備，減少潛在用電浪費 |

A Sustainability of the Environment

A 環境的可持續性

A2.2 Water Consumption

The water consumption of the Group includes production water and domestic water, and all water is supplied by the municipal pipeline networks of tap water. During the Reporting Period, the Group consumed water of approximately 162,500 tons annually, in which most were used for production while the remaining volume was used for domestic use. Domestic water was mainly used for office (including R&D), office in production workshops, canteen, plants watering, road cleaning, etc. The Group complies with the Urban Domestic Water Quota in Xiamen (65 to 100 liters per person each day for the authorities and commercial buildings); and the daily water consumption per capita for canteen is approximately 26 liters (on the basis of 2 seats per day per person), which conforms to the requirement of the Urban Domestic Water Quota in Xiamen (non-operating catering of 13 per seat).

A2.2 水源消耗


企業用水包括生產用水和生活用水，所有用水由市政自來水管網供給。報告期內，本集團全年耗水量約162,500噸，其中生產用水佔絕大部分，其餘少量的排放則屬於生活用水。生活用水主要分為辦公(含研發)用水、生產工場辦公用水、食堂用水、綠化及道路灑掃用水等，本集團符合《廈門市城市生活用水定額》的要求(機關及商貿辦公樓每日65至100公升/人)；食堂人均用水量每日約26公升，每人每天2座次，符合《廈門市城市生活用水定額》的要求(非營業性餐飲13/座次)。

| Item 項目 | Unit 單位 | Emission 排放量 |
|--------------------------|------------|--------------------------------------|
| Water consumption 用水量 | Tons 噸 | Approximately 162,500 約162,500 |

The Group is constantly proposing and implementing a series of water-saving measures. In particular, technology continuously advanced and various types of water-saving devices continuously evolved, while the level of production automation technology continuously improved and the coverage of utilization of the Group also gradually increased. Such factors will indirectly reduce the amount of water consumed in production, and the consumption of domestic water will continue to reduce under the combined effect of the Group's policies and employees' awareness of water-saving.

集團在不斷的提出並落實一系列的節水措施，尤其是隨著科技不斷進步，各類省水裝置不斷推陳出新，生產自動化技術水平也在持續進步，集團使用的覆蓋率也在慢慢提高，這些因素將會間接的使得生產上的用水量下降，生活用水量也在集團的政策和員工們節水意識的相互配合之下持續的降低。

| Scheme, Measures and Regulations 方案、措施及規章 | Description 說明 |
|--|---|
| Improvement of cooling methods 冷卻方式的改進 | According to the Group's measures and schemes for D-100 and D-200 water tanks, after the implementation of the scheme, 660 ton cooling water consumption is saved 針對集團D-100及D-200水箱的措施及方案，方案實施後節約冷卻用水量660噸 |
| Reduction of engine cooling water consumption 減少電機冷卻水用量 | Part of equipment is connected in series to reduce the running water flow of engines, and after the scheme implementation, about RMB16,000 has been saved for the water cost 將某部分設備串聯，減少電機長流水量，方案實施後節約用水成本約1.6萬元 |
| Adjustment of production parameters 生產參數調整 | Turn off unnecessary equipment, when producing products having lower requirements on the vacuum 生產某部分對真空要求不高的產品時，關閉不需要或可避免的相關設備 |
| Improvement of water circulating rate 提高循環用水率 | The steam condensate in the plant is reused as the circulating cooling water to the greatest extent 廠區蒸汽冷凝水儘量作為循環冷卻水補充水循環再用 |
| Other measures 其他措施 | We have applied water-saving instruments, performed the water leakage control for the water supply system regularly, and formulated the specific management system of water conservation 採用節水型器具，定期對供水系統進行漏水控制，並制定節約用水具體管理制度 |



A Sustainability of the Environment

A 環境的可持續性

A3 The Environment and Natural Resources

The Group attaches importance on the impact of the Group's business on the environment and natural resources and pursues the best practices for environmental protection. In addition to complying with relevant environmental regulations and international standards, and in order to protect the natural environment, the Group also embeds the concept of environmental and natural resource protection into its internal management and daily operational activities, aiming to achieve the goal of sustainable environment.

The major source of noise generated by the Group arises from the operation of equipment in the production lines. In order to minimize noise pollution to the surrounding environment, the Group has purchased equipment with lower noise levels, coupled with reasonable allocation of those equipment. In the meantime, the Group has implemented measures aiming at vibration reduction, sound proofing and noise reduction for high noise equipment such as water pumps, fan machines and air compressors.

A3 環境及天然資源

本集團著重集團業務對環境及天然資源的影響，追求保護環境的最佳實務。除了遵循環境相關法規及國際準則，適切地保護自然環境外，為致力達成環境永續之目標，本集團亦將環境及天然資源保護的概念融入內部管理及日常運營活動當中。

本集團主要的噪音污染源來自於生產線的各類設備的運行噪音。為確保對附近環境的噪音污染減至最低，集團選購低雜訊設備，配合合理佈局，並落實水泵、風機、空壓機等高噪音源的減振、消聲、降噪等防噪音污染的措施。

B1 EMPLOYMENT

The Group regards talents as precious assets of the Group, and attaches great importance to the selection, cultivation, employment and retention of talents. Aligned with the Group's business vision of "best use of talents and full use of things", talent issues or policies have always been the Group's top priority. In addition to the contribution of existing employees, the Group also needs outstanding talents from all sectors to help the Group become more outstanding. Therefore, based on the Group's development plan and strategic objectives, we have recruited ambitious talents to work and grow together with the Group. In terms of recruitment, the Group has continuously attracted outstanding talents with its advanced and sophisticated management concept and a positive corporate culture, and is committed to providing talents with a stage to fully develop their talents and realize value to enhance their willingness to join the Group. The Group has established human resources management policies in terms of employment, remuneration, training, benefits, promotion, etc., so as to provide a sound employment environment and establish a high-quality and comprehensive employment system. For new employees, we provide activities on induction training, continuing education courses, staff and departmental work meetings, internal journals, bulletin boards and the Intranet, to enable employees to fully understand the Group's culture, vision, mission and values. We also provide an interactive channel for the Group to form a mutual-aid community.

In order to standardize corporate welfare management, the Group has established a sound welfare system to enhance the stability and cohesiveness of the workforce and promote the Group's sustainable and stable development. The Group's remuneration package to its employees is determined according to their job duties and is in line with local market standards at the time. The Group also provides bonuses and rewards in its remuneration system. In addition, employee benefits also include medical insurance and pensions. The Group has also established an effective performance appraisal system to optimize human resource allocation, internal promotion and development of potential employees. The Group regularly conducts performance surveys and ratings of employees. Such ratings will be used by the Group for reference for awards. The Group also provides a fair and reasonable promotion channel for employees who have excellent performance and work experience, as for employees' motivation.

B1 僱傭

本集團視人才為集團的珍貴資產，重視人才的選育用留。正如集團的事業願景「人盡其才，物盡其用」所言，關於人才方面的議題或是政策一直是集團最優先的考量，除了需要原有員工的貢獻之外，集團也需要各界優秀的人才來幫助集團更加卓越，所以也搭配集團的發展計劃及戰略性目標徵召有志之士們與集團共同奮鬥及成長。在招聘上，集團以先進精細的管理理念和積極向上的企業文化不斷吸引優秀人才加盟，並且致力於人才提供一個充分發揮才幹、實現價值的舞台以提升人才的加盟意願。集團已制訂僱傭、薪酬、培訓、福利、晉升等人力資源管理政策，目的就是為了能提供良好就業環境和建立優質且完善的僱傭系統。當新員工加入時，本集團會為新員工提供入職培訓、持續教育課程、員工及部門工作例會、內部期刊、宣傳欄及內聯網等活動，幫助員工充分理解本集團文化、願景、使命和價值觀，同時提供互動渠道以使本集團上下形成一個相互幫助的社區。

本集團為規範公司福利管理，建立完善的福利體系，提升員工隊伍的穩定性和凝聚力，促進集團持續穩定的發展，集團向員工發放之酬金待遇乃根據其職責而釐訂，且符合當時當地的市場水準於，並在其薪酬制度中加入花紅及獎勵，除此之外，員工福利還包括醫療保險及退休金。本集團亦設立一套有效表現評估制度，以優化人力資源的分配、內部晉升和培育具潛力的員工，集團會定期對員工做績效的考察及評分，這些評分將會為集團參考，並依此發放適當的獎勵，集團也會讓員工瞭解本集團會提供一個公正且合理的升遷管道，只要表現優異或是工作年期達到一定的標準，就有機會進行升遷考核，以發揮激勵作用和調節作用。

B Sustainability of the Society B 社會的可持續性

In addition to the remuneration and promotion systems, the Group has also made great efforts in the working environment. We hope to provide a sound working environment and a healthy and safe workplace, so that employees can concentrate on their work and fully develop their strengths. In the Group's training program, the Group is able to provide internal employee training and lectures on a regular basis, so that they can learn relevant knowledge and make continuous progress besides working. Overall, the Group hopes to enable employees to share business platforms and development results with the Group, and help employees realize their personal value while achieving corporate value. The following is a summary of the Group's human resources, covering all of its subsidiaries in China and Hong Kong.

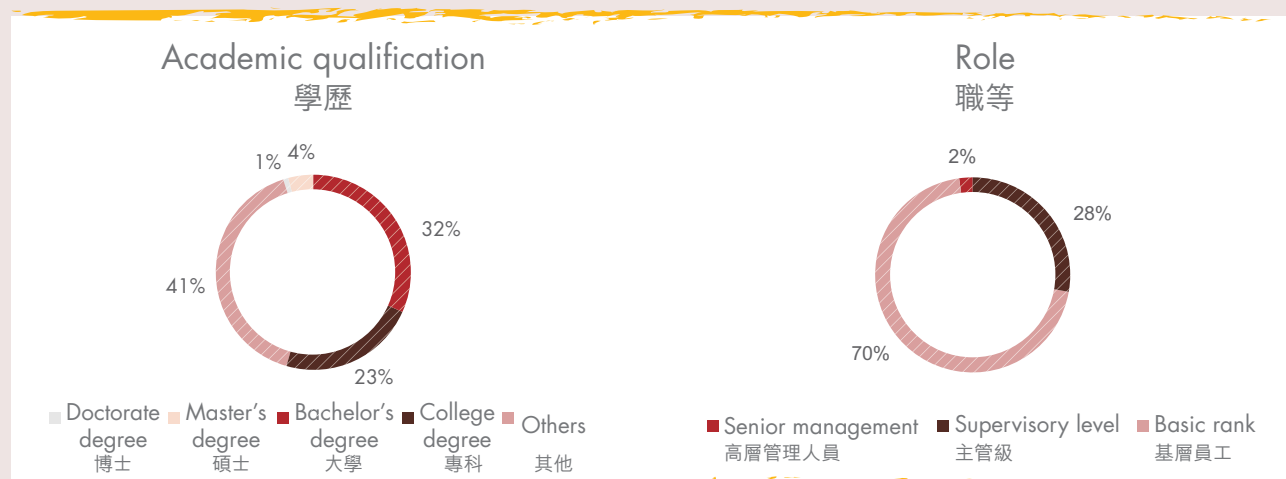
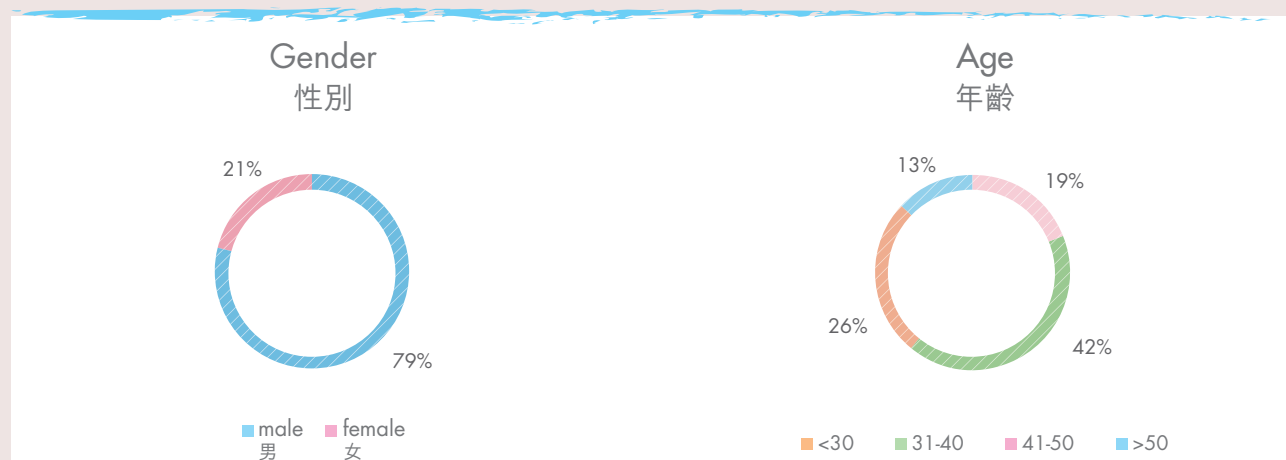
B1.1 Overview of Human Resources

The Group uses different recruitment channels to recruit talents of different nationalities, genders, ages and religions fairly and justly. In the diversified production business portfolio, as at December 31, 2018, the Group employed 484 employees (2017: 414) with the following composition:

除了薪酬和升遷制度之外，集團在工作環境上也下足了功夫，就是希望能提供良好的工作環境及健康安全的工作場所，讓員工全心全意的投入工作，盡展所長。在本集團的培訓計劃中，集團能夠定期的提供內部員工培訓及講座，使他們在工作之餘還能夠學習到相關的知識、持續進步。整體而言，集團希望能讓員工與集團共用事業平台、共享發展成果，在實現企業價值的同時，幫助員工實現個人價值。以下為本集團的人力資源概況，資料涵蓋所有其於中國及香港的子公司。

B1.1 人力資源概況

集團利用不同招聘渠道公平公正地招募不同國籍、性別、年齡及宗教的人才。在多元化的生產業務組合中，於二零一八年十二月三十一日，本集團僱用484名員工(二零一七年：414名)，員工組成如下：



By gender of employees, the Group's male employees and female employees accounted for approximately 79% and 21%, respectively. By age of employees, the Group's employees aged under 30, between 31 to 40, between 41 to 50 and above 50 accounted for approximately 19%, 42%, 26% and 13%, respectively. By employee's academic qualifications, employees with doctorate degree, master's degree, bachelor's degree, college degree and below college degree qualifications accounted for approximately 1%, 4%, 32%, 23% and 41%, respectively, where employees with bachelor's degree accounted for the majority. By employee's roles, the Group's senior management, supervisory level employees and basic rank employees accounted for approximately 2%, 28% and 70%, respectively.

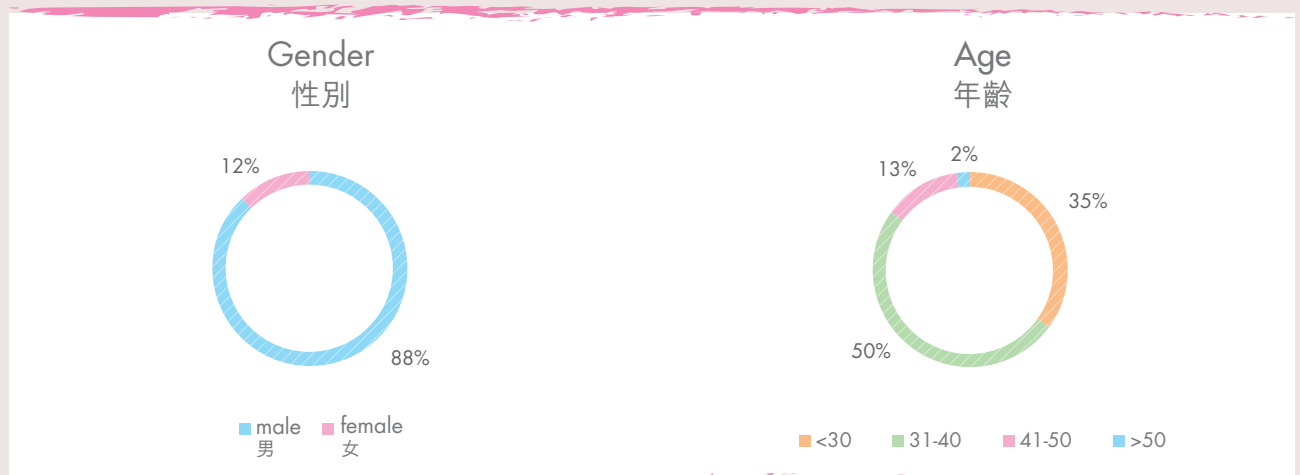
The Group considers that equal opportunities and compensation between male and female employees are fair and equitable and are able to promote sound business development and better performance. The Group recognizes the equal guidance in the work between male and female employees: (i) in the course of recruitment, there is no discrimination with hiring the best candidates as per suitable vacancies; and (ii) we provide equal opportunities for candidates according to their capabilities and intentions but not by genders in task assignment or job rotation. Based on the business nature, the Group's male employees are slightly more than female employees.

During the Reporting Period, the Group had a total of 40 departed employees, among which, male employees accounted for approximately 88% with a turnover rate of approximately 8%, and female employees accounted for approximately 12% with a turnover rate of approximately 5%. By age of the departed employees, the Group's employees aged under 30, between 31 to 40, between 41 to 50 and above 50 accounted for approximately 35%, 50%, 13% and 2%, respectively.

按員工性別分類，本集團男性員工佔約79%，而女性員工佔餘下約21%。按員工年齡分類，本集團30歲以下員工佔約19%，31至40歲佔約42%，41至50歲佔約26%，50歲以上員工佔約13%。按照員工學歷分類，本集團博士人數約佔1%，碩士人數約佔4%，大學畢業人數佔大部分，約為32%，專科畢業約佔23%，專科學歷以下佔41%。按照員工的職等分類，本集團高層管理人員約佔2%，主管級員工約佔28%，基層員工數約佔70%。

集團認為男女員工之間的機會及待遇平等，屬公平公正並促進良好業務發展及更佳表現。集團認可男女員工間工作中的平等指引：(i)招聘過程中不存在歧視，以就適當的空缺錄取最佳候選人；及(ii)分派任務或調配崗位時根據候選人的才能及意願而非按管理層的性別先入為主的觀念為候選人提供平等的機會。基於業務性質，本集團男性員工稍多於女性員工。

報告期內集團離職員工共40名，其中男性員工佔約88%，離職率約8%，而女性員工佔餘下約12%，離職率約5%。按離職員工年齡分類，本集團30歲以下員工佔約35%，31至40歲佔約50%，41至50歲佔約13%，50歲以上員工佔約2%。



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During the Reporting Period, the Group has fully complied with rules and regulations of the PRC, including the Company Law of the PRC, Contract Law of the PRC, Labor Contract Law of the PRC and Regulation on Labor Security Supervision, as well as laws and regulations of Hong Kong, including the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 57 of the Laws of Hong Kong), Minimum Wage Ordinance, Personal Data (Privacy) Ordinance and other relevant rules. During the Reporting Period, the Group did not identify any material non-compliance with relevant employment and labor laws and regulations.

B1.2 Recruitment and Departure Management

The Group has continuously established and enhanced its talent recruitment and selection system. For the recruitment process, we have standardized the employment process and recruitment principle. We adhere to the employment principle of suitable merit, knowledge, capability, experience and physique, as well as the principle of fairness, justice, equality and openness, so as to attract and recruit outstanding talents. The Group has clear basis and process for promotion, transfer and demotion management of personnel, and has a standardized departure process to protect the interests of employees and the Group.

The Group has implemented a fair and open assessment system to provide employees with opportunities for promotion and development in accordance with their work performance and internal assessment results, so as to explore their potential on work. In order to achieve optimal allocation of human resources within the Group and provide more opportunities and platforms for the career development of employees to meet the sustainable development needs of the Group, the Group has established a reserve talent pool to provide targeted training and leadership training for key training targets. Employees who have made more contributions to the Group are given priority when they compete for their posts.

報告期內，本集團已全面遵守中國的規則及法規，包括《中國公司法》、《中國合同法》、《中國勞動合同法》、《勞動保障監察條例》，以及香港的法例規定，包括《公司條例》(香港法例第622章)、《強制性公積金計劃條例》(香港法例第57章)、《最低工資條例》、《個人資料私隱條例》及有關其他相關規則。報告期內，本集團並沒有發現任何重大不遵守有關僱傭及勞工法律及規例的情況。

B1.2 招聘錄用及離職管理

本集團不斷建立和完善人才招聘選拔制度。在招聘過程中規範錄用流程和招聘原則，堅持品德優秀、學識、能力、經驗和體格適合於所任崗位的聘任原則，堅持公正、公平、平等及公開原則，從而不斷吸引和招攬優秀人才。本集團明確人員晉升、調動和降級管理的依據及流程，規範離職流程，以保障員工和集團雙方的利益。

本集團已經落實了一套公平公開的考核制度，按照員工的工作表現及內部考核結果，為員工提供晉升及發展的機會，以發掘其工作潛能。為實現集團內部人力資源的優化配置，為員工的職業發展提供更多的機會和平台，滿足集團可持續發展需求，本集團建立了後備人才庫，對重點培養對象安排有針對性的培訓和領導崗位鍛煉。對集團有更多貢獻的員工，在競聘上崗時均獲本集團優先任用。

B2 HEALTH AND SAFETY

The Group understands the importance of a safe workplace for both the Group and our employees, and therefore, the Group stringently complies with the national laws and regulations in employee's occupational health and has formulated an internal guidance and system centered around chemical industry under the law in order to prevent occupational diseases, protect labor's health, enhance the consciousness of safe production among employees, ensure the safety of working environment, meet the needs of our employees and lower the enterprise's risk. In addition, the Group has established a self-risk evaluation process, which is composed of three parts, namely identification, assessment and control. In the course of assessment, the management can identify the potential risks in the daily operation, formulate related actions and plans to minimize such risks, and provide the best workplace for our technicians.

The Group's production and operation is in strict compliance with relevant national safety regulations. Such laws and regulations are shown as follows:

B2 健康與安全

集團瞭解提供一個安全的工作場所對於集團與員工雙方的重要性，所以集團在員工職業健康工作上嚴格按照國家法律法規，並在法規之下制定專門針對化工行業的內部指導方針及制度，以預防職業病，保護勞動者健康，增強員工安全生產意識，確保工作環境安全，滿足員工的需求也降低企業風險。另外，本集團設有自身的風險評估過程，其由三大部分組成：識別，評估及控制。評估過程中管理層能夠辨別日常營運的潛在風險，並制定相關行動及計劃以盡量降低該等風險，並為集團的技術人員提供最佳工作場所。

本集團的生產運營嚴格遵照國家相關安全規定執行，相關法律法規如下：

| Laws and regulations 法律法規 | Region 地區 |
|---|--------------------------|
| Production Safety Law of the People's Republic of China 中華人民共和國安全生產法 | China 中國 |
| Regulation on Work-related Injury Insurances 工傷保險條例 | China 中國 |
| Measures for the Work-related Injuries 工傷認定辦法 | China 中國 |
| Law of the People's Republic of China on the Prevention and Control of Occupational Diseases 中華人民共和國職業病防治法 | China 中國 |
| Regulation on the Safety Management of Hazardous Chemicals 危險化學品安全管理條例 | China 中國 |
| Occupational Safety and Health Regulation (Chapter 509 of the Laws of Hong Kong) 職業安全及健康條例(香港法例第509章) | Hong Kong, China 中國香港 |

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The Group has formulated relevant occupational safety codes for employees, including detailed occupational health and safety procedures, stipulating that employees must comply with the above national laws and regulations during the production process. The Group has also set up the safety supervision team to supervise employees to see whether they strictly comply with the regulations during the production process, so as to ensure that no work injury accidents would occur. Through weekly safety inspection, the supervision team can ensure production safety and avoid potential risks. The Group also regularly reviews and enhances the codes and performs internal safety training for employees timely. The codes have specified the aftermath measures for emergencies or accidents.

During the Reporting Period, the Group had a total of 11 common work-related injuries, and the total number of working days lost due to work-related injuries was 4 days. All employees of work-related injuries received immediate and appropriate arrangement. During the Reporting Period, there were no fatalities as a result of work-related accidents.

B3 STAFF DEVELOPMENT AND TRAINING

The Group has always valued the training and development of employees, providing rooms of promotion on both professional and management level to our employees. The goal of the Group is to create a talent team with professional knowledge and strong business acumen, full of passion and entrepreneurial spirit. The Group believes that knowing how to use talents is the best approach to continuously push the enterprise forward. In order to encourage and assist our employees to develop their potentials, the Group has planned its training resources, and formulated and implemented training schemes, anticipating that the knowledge, skills and attitude of employees can be enhanced through such trainings. This is to ensure that employees receive relevant trainings and guidance on professional development that enhance their skills and increase work efficiency. Through interactive career planning with employees, individual career development of each employee is well connected with the development of the enterprise and talent cultivation and team establishment can be well achieved.

本集團為員工制定了相關的工作安全守則，當中包含了詳盡的職業健康與安全規程，要求生產過程中必須遵守上述國家法律法規。本集團亦設立了安全監察小組，以監督員工在生產過程是否嚴格按照規程執行，以確保不會有工傷憾事的發生。監察小組會通過每週的安全檢查，來判斷生產過程安全，規避潛在風險；集團也會定期的檢討及完善守則，並及時對員工進行內部安全培訓。守則亦規定了發生緊急情況或事故的善後對策。

報告期內，本集團共發生11宗普通工傷事件，工傷損失工作日數總數為4天，所有工傷員工已經接受即時及妥善安排。報告期內，集團沒有因工作關係而導致死亡的事件發生。

B3 員工發展和培訓

集團一直重視員工的培訓和成長，給予員工專業方向和管理方向兩個層面的晉升空間，集團的目標是打造一支具備專業知識，懂管理、善經營，富有激情，充滿進取精神的人才隊伍，集團相信唯有知人善任才是能使企業不斷前行的不二法則。為鼓勵及幫助員工發展潛能，本集團規劃培訓資源，並制定及實施培訓計劃，也期望透過這些培訓，使員工的知識、技能、態度等諸方面得到改進，確保員工接受相關培訓及專業發展，藉以提升員工技能，增加工作效率，再通過與員工進行互動式的職業生涯規劃，使每位員工個人的職業發展與企業發展良性結合，使人才培養與梯隊建設得以順利的實現。

During the Reporting Period, the Group continued to provide on-the-job trainings such as skill trainings, career planning and promotion trainings for employees to guide them to advance their career and continuously improve working skills. Supervisors of each department formulate annual training targets, contents and plans for employees of the respective department according to their needs and requirements, and the human resources department provide staff trainings according to the assessment and recommendations of department heads. After the trainings, employees have to undergo all kinds of assessments, examinations and surveys for evaluating the performance and results of the trainings. Trainings provided by the Group during the Reporting Period are as follows:

報告期內，本集團持續為員工提供在職培訓，如技能培訓、職業規劃指引及晉升培訓等，引導員工進行職業發展，不斷提高工作技能。各部門主管根據需要及要求，為本部門員工製定年度培訓標準、內容及計劃，人力資源部根據部門主管的評估及建議執行員工培訓。培訓結束後，員工須接受各類評估、考試及問卷調查，以評估培訓的績效與成果。報告期內，集團提供的培訓如下：

| Training course 項目 | Number of participants 參與人數 | Content 內容 |
|--|--------------------------------|--|
| Production techniques, equipment, safety and inspection knowledge 生產工藝、設備、安全、檢驗知識 | 175 175 | Teaching of basic knowledge such as production techniques, equipment, safety and inspection 教授生產工藝、設備、安全、檢驗等基本知識 |
| Staff orientation training 員工入職培訓 | 140 140 | Introducing the history of the company, organizational structure, objectives and culture, etc., so as to assist employees in understanding their job duties and benefits 為員工介紹公司歷史、組織架構、目標文化等內容，幫助員工瞭解工作職責與員工福利 |
| Green manufacturing system policies 綠色製造體系政策等 | 15 15 | Green manufacturing system policies 綠色製造體系政策等 |
| Green factories related knowledge 綠色工廠相關知識等 | 18 18 | Green factories related knowledge 綠色工廠相關知識等 |
| Standardized use of OA and mailboxes OA及郵箱的規範化使用 | 60 60 | Standardized use of OA and mailboxes OA及郵箱的規範化使用 |
| Management system training 管理體系培訓 | 120 120 | Quality, environmental management system related knowledge 品質、環境管理體系相關知識 |
| Project management 專案管理 | 47 47 | Upgrading the efficiency and quality of project management 提升專案管理的效率與質量 |

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Through a comprehensive, diverse and systematic development mechanism, the Group has widened the perspective of international talents, enhanced their professional knowledge, strengthened corporate mission and put forward creative thinking for the changing environment.

In order to gather the cohesiveness of our employees and spark their team spirit, the Group held various events and competitions during the Reporting Period, hoping that our employees could understand the importance of a team through such competitions and expecting that they could fully utilize the power of team work during operations. Such activities also help to facilitate the relationships between employees and strengthen communications for a more harmonious environment.

透過全面、多元化及系統化的發展機制，集團拓闊國際人才視角、深化其專業知識、強化企業願景及針對瞬息萬變的環境提出創見。

為了凝聚集團員工的向心力和激發團隊士氣，本集團在報告期內舉辦了多項活動及比賽，希望藉由這些比賽讓員工們能瞭解團隊的重要性，並期許他們能在工作上充分的運用團隊合作的力量，也透過活動增進員工間的情感，促進相互交流，使得工作環境能更加的融洽。

| Name of event 活動名 | Major staff participated 主要參與的員工 | Number of participants 參與人數 | Content of the event 活動內容 |
|--|-------------------------------------|--------------------------------|---|
| The year-end dinner of 2017 二零一七年度尾牙 | All staff 全體員工 | 460 460 | Annual recognition and orientation evening party 年度表彰暨迎新晚會 |
| 8th March Women's Day 三八婦女節 | Female staff 女性員工 | 89 89 | Hiking and walkathon 爬山健走 |
| Mooncake Game in Mid-Autumn Festival 中秋節博餅 | All staff 全體員工 | 460 460 | Traditional custom of Minnan – Mooncake Game 閩南傳統習俗－博餅 |
| Restaurant volunteering services 餐廳義工服務 | Volunteers 義工 | 120 120 | Cherish Food Action 餐廳光碟行動引導服務 |
| Weekly badminton activities 每週羽毛球活動 | Badminton teammates 羽毛球隊員 | 20 20 | Badminton activities on Wednesday evenings 每週三晚上羽毛球運動 |
| Monthly basketball social activities 每月籃球聯誼活動 | Basketball teammates 籃球隊員 | 30 30 | Forming a team with other companies to take part in social match every month 每月組織隊員與其他公司進行聯誼比賽 |



B4 LABOR STANDARDS

The Group regularly monitors information related to employment to avoid violation of labor laws and regulations. The Group strictly forbids any child labor and forced labor and prohibits the arrangement of underage workers for restricted work. All employees must conform to the legal working age. The human resources department requires job applicants to present valid identity documents in the recruitment and performs background check according to the materials provided as appropriate. Meanwhile, the Group enters into the labor contracts with all employees under mutual agreement.

Cultivating a healthy, safe and fair working environment for our employees has always been a goal that the Group strives for. In order to protect the rights and interests of our employees, the Group has complied with the Labor Law of the PRC and applicable employment laws in the jurisdictions where we operate. Meanwhile, we have formulated a set of human resources policies and procedures which could cover different aspects and needs. Employee benefits provided by the Group include medical insurance and retirement pension. A set of effective performance evaluation system has been set up, in which appropriate incentives and bonus are distributed according to employees' performance in a reasonable and fair manner.

During the Reporting Period, the Group has complied with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Abolition of Forced Labor Convention in relation to labor employment, the Labor Law of the PRC in relation to the employment of teenagers under 16 and their legitimate rights and interests, and the Provisions on the Prohibition of Child Labor of the PRC. During the Reporting Period, the Group did not identify any matters of material non-compliance of laws and regulations in relation to employee and labor standards.

B4 勞工準則

集團定期監察僱傭相關資訊，避免不符合勞動法律法規事宜。集團嚴禁任何童工及強制勞工並且禁止安排未成年工從事限制性勞動，所有員工必需符合法定工作年齡，人力資源部會於招聘時要求求職者出示有效的身份證明文件，並根據其提供的資料適切地進行背景調查，同時集團與所有員工均在自願原則基礎上簽訂勞動合同。

為員工打造一個健康、安全又平等的工作環境一直是集團努力的目標，為保障員工的權利及利益，集團恪守中國勞動法及營運所在地司法權區的適用僱傭法律，並同時制定能夠覆蓋各個面向及需求的一套人力資源政策及程序。集團提供的員工福利包括醫療保險及退休金，也設立一套有效表現評估制度，會依照合理且公正的評判員工的績效，發放適當的激勵獎金及花紅。

報告期內，本集團已遵守《僱傭條例》(香港法例第57章)項下《僱用兒童規例》(香港法例第57B章)、有關僱用勞工《廢止強迫勞動公約》、有關僱用16歲以下青少年及其法律權益的《中國勞動法》，以及《中國禁止使用童工規定》。報告期內，本集團並沒有發現嚴重不遵守有關員工及勞工準則之法律及規例的情況。

B5 SUPPLY CHAIN MANAGEMENT

The Group continues to actively implement the strategy of “Smart Production and Supply Chain Services” and “360 degree aroma chemicals business strategy”, with astounding success in the past few years. The Group has succeeded in providing more cohesive services and products to the world’s sizable midstream and downstream manufacturers, which encompass one-stop supply chain comprehensive service solutions for our customers ranging from R&D, procurement, production, warehousing to logistics.

In order to enhance environmental protection, the Group has not only applied the Green Procurement Guideline of ISO14001:2004 Environmental Management System, but also established a supply chain management system in the procurement department. The Group has in place a set of comprehensive criteria, procedures and guidelines for selection of suppliers and contractors to perform green management functions. During the selection of raw materials, apart from the consideration of its quality and prices, the Group also takes the potential environmental impacts into consideration. When performing comprehensive evaluation on suppliers, apart from considering the stability of their quality, ethical standards and services, chemical contents and ingredients of the raw materials are also an important consideration. Taking turpentine, a key raw material of the Group, as an example, the Group will further select qualified suppliers after sample inspections and onsite investigations. The supplier management procedures and procurement management procedures are used as guidelines during the selection. In which, a balanced and complementary mechanism has been established between the natural-based resources mainly comprised of turpentine and the domestic supply chain, which can guarantee the Group’s natural resource supply and price stability. Petroleum-based resources mainly comprised of C5 have provided a brand new and powerful raw material basis for the Group’s fine chemicals business.

The Group’s procurement is classified into three categories, namely direct procurement, indirect procurement and tender procurement, by nature of transactions. During supplier selection, the Group has always adhered to the principle of “honesty and trustworthiness, mutual benefit, win-win cooperation and joint development”, so as to establish a long-term strategic cooperative relationship with suppliers, ensuring the best economic interests and legitimate rights and interests of both parties. The Group regularly evaluates on-site safety environment management of suppliers, and gives priority to suppliers with excellent track record while ceases to cooperate with those that underperform.

During the Reporting Period, the Group’s largest supplier and top five suppliers accounted for 6% and 23% of total purchase, respectively.

B5 供應鏈管理

集團繼續積極實施「精進製造+供應鏈服務」的策略和「360度全景香原料產業戰略」，這已在過去幾年間取得豐厚成果。使得本集團成功為全球大型中下游生產商提供更緊密服務產品，包括為客戶提供由研發、採購、生產到倉儲至物流等一站式的供應鏈整體服務方案。

為了加強對環境的保護，本集團不只應用 ISO14001:2004 環境管理體系內的綠色採購指引，同時也於採購部建立供應鏈管理體系，並擁有一套完善的供應商及承包商的選擇準則、程序及指引以履行綠色管理的職能，在選取原材料時，除了考慮其質量及價格外，集團也將其潛在環境影響的因素一併納入考量中，而在對供應商進行全面的評估時，除了考慮其品質的穩定性、道德標準及服務外，原材料化學含量及成份也是一大考量因素。以集團的重要原物料—松節油為例，集團會通過樣品認證及現場實地考察後確定為合格供應商後，再進行進一步遴選。而遴選過程將按照供應商管理程序及採購管理流程作指引。其中，以松節油為主的天然基與國內供應鏈築成一個均衡互補的機制，保障了集團的天然資源供應和價格的穩定性；以五碳分子(C5)為主的石油基資源則為集團的精細化工事業群提供全新的、強大的原料基礎。

本集團的採購按交易主體的方式分為三個類型，分別為直接採購、間接採購和招標採購。在選擇供應商的過程中，集團一直本著「誠實守信、互惠互利、合作共贏、共同發展」的原則，與供應商建立長期的戰略合作關係，最大限度保證供需雙方的經濟利益和合法權益，並會定期評審供應商的現場安全環境管理響應。集團會優先考慮與過往表現優異的供應商合作，同時與表現較差的供應商中止合作。

報告期內，本集團之最大供應商及五大供應商應佔採購總額分別為6%及23%。



B6 PRODUCT RESPONSIBILITY

As one of the leading raw material manufacturers of flavors and fragrances, the Group has been growing steadily based on the strategic policy of sustainable development while inheriting the industrial spirit of “green chemistry, naturals and bioscience”, obtaining excellent results in the market. Since our establishment, the Group has passed the Kosher certification, ISO9001:2008 standard of quality management systems and ISO14001:2004 standard of environmental management systems, and also obtained the license for national food industry products (flavors and fragrances), hygiene license for production and sales of flavors and fragrances and production license for pharmaceuticals adjuvant.

The Group has always adopted the highest standard to monitor production techniques, inspection procedures and the quality of final products. The Group attaches great importance to product experience and after-sales services. We hope that the Group can provide the best services and products to all customers and business partners while building their trust and loyalty to our Group. In order to enhance the Group’s products, services and management level, we have strengthened product quality and satisfied service requirements to ensure the complaints made by our customers can be settled in a timely, accurate and reasonable manner. The Group has established and implemented an all-rounded customer communication management, returns processing and customer complaint handling procedures, and maintained the relevant customer records, so as to facilitate timely following-up for customers’ needs and expectations, ensuring that customers have a good product experience. All customer complaints are recorded by the operation team and investigated in accordance with the internal complaint management procedures.

The Group has complied with applicable laws and regulations relating to quality of products and services that have a significant impact on the Group in all material aspects. During the Reporting Period, the Group did not receive any major complaints on product quality.

B6 產品責任

身為領先的香原料製造商之一，本集團遵循著可持續發展戰略方針在逐步的成長，並秉持一貫的「綠色化學、天然產物、生命科學」之產業精神，在市場上取得佳績。自創建至今，本集團通過了Kosher潔食認證，ISO9001:2008國際品質體系認證和ISO14001:2004國際環境體系認證，同時獲得了全國食品工業產品(香精香料)許可、生產、銷售香精香料衛生許可和藥用輔料生產許可證。

本集團一直採用最高的標準去檢視生產的方法、檢驗的程序和最終產品的質量，而產品體驗及售後服務也是本集團所關注的重點，為的就是希望集團能夠提供所有客戶、商業夥伴最好的服務與產品，並建立他們對本集團的信任度及忠誠度。為提高企業產品、服務和管理水平，加強產品質量和滿足服務需求，確保客戶的投訴能及時、準確、合理地解決。集團編製及落實完善的客戶溝通管理、退貨處理及客戶投訴處理程序，並保留每次與客戶溝通的相關記錄，以方便各相關人員瞭解客戶的需求與期望，適時跟進，保證客戶有良好的產品體驗，所收到的任何客戶投訴將由營運團隊記錄及將依循內部投訴管理程序進行調查。

本集團一直遵守與產品及服務質量有關之適用法律法規，該等法律法規在所有重大方面對本集團有重大影響。報告期內，本集團沒有接獲關於產品質量的重大投訴。

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The Group respects intellectual property and is committed to be in strict compliance with the “Patent Management System” and “Intellectual Property Operative Management Regulations” to ensure patents, proprietary technology and confidential business information of the Group and its stakeholders are properly managed and protected. Furthermore, the Group is also vigilant for the security of stakeholders’ privacy. Prior to engaging suppliers, customers or cooperative business partners in negotiations, involved parties are required to sign a confidentiality agreement to protect the interests and privacy of customers.

During the Reporting Period, the Group’s operations were carried out in compliance with all relevant laws and regulations in relation to product responsibility, including health and safety of customers and the public, advertising, labelling and privacy matters.

B7 ANTI-CORRUPTION

The Group has zero tolerance towards improper behavior that affects our operations. The Group has made considerable effort in upholding the objective of integrity, responsibility, justice and equality while also taking this as the core value of the Group. The Group requires all employees to receive relevant guidance and education. The senior management must regularly study industry laws and regulations that must be observed and incorporate them into daily operation management, while also setting an example for the internal staff of the Group and managing the subordinate staff, strictly requiring the employees of the Group to comply with the moral codes, laws and regulations in their daily duties. Through meetings and communication with employees, the rules and regulations of the Group and external laws and regulations can be continuously conveyed to all employees. The employees are constantly required to abide by the relevant laws and regulations, uphold their integrity and reject beneficial temptations to prevent corruption and money laundering.

The Group has formulated the code of conduct and anti-corruption regulations to restrict our employees and ensure their honesty, loyalty behavior and moral integrity, so as to monitor the performance and behavior of employees in all aspects of daily operation. The Group carries out annual self-assessment to review the implementation of the code of ethics and relevant regulations, aiming to ensure the consistent fulfilment of the Group’s rules in actual operation and management practice, so as to balance and secure the interests of stakeholders of the Group and establish a long-term partnership.

集團尊重知識產權，承諾嚴謹按照《專利管理制度》及《知識產權工作管理規定》，確保妥善處理及保護本集團及相關方在專利權、專有技術和商業機密。另外，集團對持份者私隱的安全性也十分關注，每次與供應商、客戶或合作夥伴協商皆需簽訂保密協議，保障客戶利益與私隱。

報告期內，本集團的營運符合有關產品責任如顧客及公眾的健康與安全、廣告、標籤及私隱事宜的相關法律法規。

B7 反貪污

本集團對任何不正當之行為影響經營活動抱持著零容忍的態度，集團一直努力不懈的堅守著重誠信廉潔、負責任及公正公平的宗旨，並以此當作集團的核心價值。本集團要求全體上下員工皆須接受相關的指導和教育，高階管理層必須定期學習行業必須遵循的法律法規，並將此納入日常運營管理中，並同時作為集團內部員工的榜樣且需對下屬員工進行管理，嚴格要求本集團員工在日常實踐活動中，務必遵守道德規範、法律法規，恪盡職守，並通過會議宣講、員工溝通等活動，不斷地把集團的規章制度和外部法律法規傳達給每一位員工，時刻強調人人遵守有關法律法規、堅守道德底線、拒絕利益誘惑，防止貪污舞弊和涉及洗黑錢的行為發生。

本集團已制定的操守守則及反貪污條例，並用期規範員工，以確保員工的誠實、忠誠行為及道德操守，使員工的執行及行為於整個日常營運中均受到監察。集團每年會進行一次自我評估以檢查操守守則及相關條例的落實情況，其目的旨在確保本集團在實際營運及管理慣例得到完全一致的履行，從而平衡及保障集團持份者的利益及建立長期夥伴關係。

The Group has engaged independent auditors for external audit, so as to prevent corruption within the Group through internal supervision and external audits.

本集團聘用獨立核數師進行外部審核，藉以透過內部監督及外部審核，防止本集團內出現貪污行為。

The relevant laws, regulations and codes of ethics strictly abided by the Group and its employees are as follows:

本集團及員工嚴格遵循的相關法例、規例及操守守則如下：

| Laws, regulations and guidelines 法律法規及相關指引 | Region 地區 |
|---|--------------------------|
| Company Law of the People's Republic of China 中華人民共和國公司法 | China 中國 |
| Criminal Law of the People's Republic of China 中華人民共和國刑法 | China 中國 |
| Anti-Unfair Competition Law of the People's Republic of China 中華人民共和國反不正當競爭法 | China 中國 |
| Prevention of Bribery Ordinance (Chapter 201, Laws of Hong Kong) 防止賄賂條例(香港法例第201章) | Hong Kong, China 中國香港 |
| Theft Ordinance (Chapter 210, Laws of Hong Kong) 盜竊罪條例(香港法例第210章) | Hong Kong, China 中國香港 |
| Anti-Corruption Programme – A Guide for Listed Companies 上市公司防貪系統實務指南 | Hong Kong, China 中國香港 |

During the Reporting Period, the Directors, their associates or, to the knowledge of the Directors, any shareholders of the Company who owned more than 5% of the issued share capital of the controlling company of the Group did not have any interest in the Group's top five customers and top five suppliers. During the Reporting Period, the Group was not aware of any significant non-compliance with any of the relevant standards, rules, codes and regulations. During the Reporting Period, the Group was not informed of any complaints against corruption committed by the Group or any of its employees.

報告期內，董事、彼等之聯繫人士或據董事所知任何擁有本集團控股公司已發行股本5%以上之股東，概無擁有本集團五大客戶及五大供應商之任何權益。報告期內，本集團並不知悉有任何重大未遵守任何有關標準、規則、守則及規例的情況。報告期內，集團並無獲悉有任何針對本集團或任何員工有關貪污的投訴。

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B8 COMMUNITY INVESTMENT

The Group has put immense effort in the participation and investment in the community. We are dedicated to building a harmonious, safe and prosperous relationship between the Group and the community. The Group has maintained close communications and interactions with the community and made contribution to community development, actively fulfilling the responsibility of being a corporate citizen in the community. Activities that the Group participated in include charity events, providing donations to victims and providing assistance to out-of-school children and employees with critical illness. Among our initiatives, the Group organizes events such as consolation visits during the Spring Festival and provides assistance to students every year, so as to help the underprivileged in the community.

The management of the Group has led all employees to actively participate in organizing and strengthening a good community environment to build up a harmonious society and community.

During the Reporting Period, the donations and charity activities participated by the Group are as follows:

B8 社區投資

本集團對於社區的參與和投資一向不留餘力，積極構建推動和諧、安全及繁榮的企業與社區關係，集團與社區一直保持密切溝通及互動，為社區發展作出貢獻，積極履行作為一家企業公民於現實社區的責任。集團參與的活動包括參與慈善活動，為災民提供捐款，為失學兒童提供援助以及為有危疾的員工提供補助。其中，集團每年均會舉辦年度春節慰問及陽光助學等活動，以幫助社區上的弱勢社群。

集團管理層一直秉承建立和諧社會、和諧小區的理念，帶領全體員工積極參與組織和強化良好的小區環境。

報告期內，集團的捐款和所參與的公益活動如下：

| Name of event 活動名稱 | Amount invested by the Company (RMB) 公司投入金額 (人民幣) | Targets/content of activities 對象/活動內容 |
|---|--|--|
| Pinghe 2018 charity campaign of "Sending warmth to homes" in Spring Festival 平和慈善二零一八年活動「情暖萬家」春節慰問活動 | 30,000 3萬元 | The Group sent its employees to participate in the "Sending warmth to homes" Spring Festival Visiting Campaign (「情暖萬家」春節慰問活動) organized by the Pinghe County Charity Federation in Zhangzhou (漳州市平和縣慈善總會), making visits to 15 villages and towns including Changle Village, Luxi Village and Xiaoxi Town, and made one-off donation amounted to a total of RMB30,000 of food such as rice and cooking oil to people in need, which helped people under difficulties in Pinghe to spend a civilized, peaceful and happy new year. 本集團派出員工參加漳州市平和縣慈善總會開展的「情暖萬家」春節慰問活動，慰問了長樂鄉、蘆溪鄉、小溪鎮等15個鄉鎮，將大米、食用油等過節食品一次性捐贈予有需要人士，總值約3萬元人民幣，幫助平和縣困難群眾度過一個文明、祥和、快樂的新年。 |

| Name of event 活動名稱 | Amount invested by the Company (RMB) 公司投入金額 (人民幣) | Targets/content of activities 對象／活動內容 |
|---|---|--|
| Charity donations 慈善捐款 | 30,000 3萬元 | Charity donations to Lantai Xingfu Cultural Charity Foundation in Guangdong Province (廣東省藍態幸福文化公益基金會) 慈善捐款予廣東省藍態幸福文化公益基金會 |
| Charity donations 慈善捐款 | 100,000 10萬元 | Charity donations to China Glory Society in Xiamen (廈門市光彩事業促進會) 慈善捐款予廈門市光彩事業促進會 |
| Pinghe county charity federation's Poverty Assistance and Education Sponsorship campaign 平和縣慈善總會扶貧助學活動 | 20,000 2萬元 | The Group participated in the poverty assistance and education sponsorship campaign of Pinghe County Charity Federation (平和縣慈善總會扶貧助學活動). Under the lead of the charity federation, 82 college students under severe financial difficulties and 8 orphans in Pinghe County received aids from entrepreneurs and kind-hearted people with a total amount of education sponsorship of RMB391,200, of which the Group donated RMB20,000 in total, which helped college students under severe financial difficulties finish their studies. 集團參與平和縣慈善總會扶貧助學活動，在慈善總會的牽頭下，當天平和縣共有82位特困大學生和8位孤兒獲得企業家和愛心人士的幫助，累計助學金39.12萬元。其中，本集團捐款共2萬元人民幣，幫助特困大學生完成學業。 |
| Charity donations 慈善捐款 | 10,000 1萬元 | Charity donations to Shanghai Soong Ching Ling Foundation 慈善捐款予上海宋慶齡基金會 |
| "Dedication to charity and bringing good to everyone" Lantai Charity Sixth Anniversary celebration 「聚力心慈善，幸福你我他」 藍態公益六周年慶典 | 50,000 5萬元 | The Group donated RMB50,000 in the "Dedication to Charity and Bringing Good to Everyone" Lantai Charity Sixth Anniversary Celebration and charity auction event (「聚力心慈善，幸福你我他」藍態公益六周年慶典暨慈善拍賣活動) 集團在「聚力心慈善，幸福你我他」藍態公益六周年慶典暨慈善拍賣活動中，認捐愛心善款共5萬元人民幣 |

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| Aspects 層面 | Summary 內容 | Details 詳情 |
|---|---|--|
| Aspect A1: Emission 層面A1： 排放物 | General Disclosure Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露 有關廢氣及溫室氣體排放、向水及土地排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規的資料。 | For more details, please refer to Page 23 to 29 有關更多詳情，請參閱第23至29頁 |
| Aspect A2: Use of Resources 層面A2： 資源使用 | General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. 一般披露 有效使用資源(包括能源、水及其他原材料)的政策。 | For more details, please refer to Page 30 to 34 有關更多詳情，請參閱第30至34頁 |
| Aspect A3: The Environment and Natural Resources 層面A3： 環境及天然資源 | General disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources. 一般披露 減低發行人對環境及天然資源造成重大影響的政策。 | For more details, please refer to Page 30 to 34 有關更多詳情，請參閱第30至34頁 |
| Aspect B1: Employment 層面B1： 僱傭 | General Disclosure Following information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露 有關以下各項的資料： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規。 | For more details, please refer to Page 35 to 38 有關更多詳情，請參閱第35至38頁 |
| Aspect B2: Health and Safety 層面B2： 健康與安全 | General Disclosure Following information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露 有關以下各項的資料： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規。 | For more details, please refer to Page 39 to 40 有關更多詳情，請參閱第39至40頁 |

| Aspects 層面 | Summary 內容 | Details 詳情 |
|---|--|--|
| Aspect B3: Development and Training 層面B3： 發展及培訓 | General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 一般披露 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 | For more details, please refer to Page 40 to 42 有關更多詳情，請參閱第40至42頁 |
| Aspect B4: Labor Standards 層面B4： 勞工準則 | General Disclosure Relating to preventing child and forced labor: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規的資料。 | For more details, please refer to Page 43 有關更多詳情，請參閱第43頁 |
| Aspect B5: Supply Chain Management 層面B5： 供應鏈管理 | General Disclosure Policies on managing environmental and social risks of the supply chain. 一般披露 管理供應鏈的環境及社會風險政策。 | For more details, please refer to Page 44 有關更多詳情，請參閱第44頁 |
| Aspect B6: Product Responsibility 層面B6： 產品責任 | General Disclosure Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露 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) 遵守對發行人有重大影響的相關法律及法規的資料。 | For more details, please refer to Page 45 to 46 有關更多詳情，請參閱第45至46頁 |
| Aspect B7: Anti-corruption 層面B7： 反貪污 | General Disclosure Relating to bribery, extortion, fraud and money laundering: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規的資料。 | For more details, please refer to Page 46 to 47 有關更多詳情，請參閱第46至47頁 |

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| Aspects 層面 | Summary 內容 | Details 詳情 |
|---|--|--|
| Aspect B8: Community Investment 層面B8： 社區投資 | General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 一般披露 有關以社區參與來了解發行人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。 | For more details, please refer to Page 48 to 49 有關更多詳情，請參閱第48至49頁 |

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| | Good 好 | Average 一般 | Poor 不好 |
|-----------------------------|-----------|---------------|------------|
| Readability 可讀性 | | | |
| Cogency 中肯性 | | | |
| Typesetting design 排版設計 | | | |
| Overall impressions 整體印象 | | | |

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