



Environmental, Social and Governance Report 2017



PERFECT SHAPE
必瘦站美容科技有限公司

PERFECT SHAPE BEAUTY TECHNOLOGY LIMITED
(Incorporated In The Cayman Islands With Limited Liability)
Stock Code: 1830

Content

Scope and Reporting Period	2
Stakeholder Engagement and Materiality	4
Stakeholders' Feedback	6
Commitment on ESG	8
A. Environmental	10
1. Emissions	10
(i) Hazardous Waste	10
(ii) Non-hazardous Waste	10
2. Use of Resources	11
(i) Electricity Consumption	11
(ii) Water Consumption	11
3. The Environment and Natural Resources	11
B. Social	12
1. Employment	12
(i) Employment	12
(ii) Equal Opportunity	12
(iii) Working Environment	12
(iv) Health and Safety	13
(v) Development and Training	13
(vi) Labour Standard	13
2. Operating Practices	14
(i) Supply Chain Management	14
(ii) Product Responsibility	14
(iii) Anti-corruption	15
3. Community Involvement	16



Scope and Reporting Period





Scope and Reporting Period



This is the first Environmental, Social, and Governance (the “ESG”) Report (the “ESG Report”) for Perfect Shape Beauty Technology Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which has been prepared in accordance with the ESG Reporting Guide contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “ESG Reporting Guide”).

The Group is principally engaged in the operation of slimming and high technology beauty service centres in Hong Kong, Macau and Mainland China. This ESG report mainly covers the environmental and social aspects of the Group’s performance for the period from 1 April 2016 to 31 March 2017. For corporate governance, please refer to the Corporate Governance Report in the Group’s Annual Report 2017.



Stakeholder Engagement and Materiality

Stakeholder Engagement and Materiality

The Group's ESG Report was prepared based on the four reporting principles (materiality, quantitative, balance and consistency) as stipulated in the ESG Reporting Guide. In order to identify the most significant aspects for the Group to report on its ESG performance, the interests and influences the Group placed on different key stakeholders would be considered. The Group's stakeholders cover a diverse group of parties including but not limited to its employees, customers, suppliers, investors, shareholders, industry regulators and other governmental and community groups. Communication with stakeholders would normally be conducted via our day-to-day interaction with them or during the annual general meeting of the Company. Announcements and publications relevant to the Group would also be issued on the Company's or the Stock Exchange's websites.



Stakeholders' Feedback



The Group welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us via email at ir@perfectshape.com.hk.





Commitment on ESG



Mission and Vision on Sustainability Commitment

The Group believes a successful enterprise should not maximize profits at all costs, but should endeavour to balance stakeholder's interests and social responsibility for maintaining an enterprise's sustainable development.

The Group regards sustainability as an integral part of our business objective. We care about climate change, social welfare and development, living standards as well as our future generations. The Group commits to integrating sustainability mindset into its business operation and continuing to make its workplace more environmentally and socially oriented.





Commitment on ESG

A. ENVIRONMENTAL

1. Emissions

(i) Hazardous Waste

During the year ended 31 March 2017, the Group did not produce any hazardous materials.

(ii) Non-Hazardous Waste

Non-hazardous waste from the Group's operation is mainly paper waste from office. With a view to minimize the environmental impact brought by this generation of waste, the Group has adopted the following paper saving practices:

1. Using recycled papers, and 100% recycling rate of ink and toner cartridges;
2. Setting duplex printing as the default mode for most networks printers;
3. Reminding employees to practice photocopying wisely;
4. Encouraging employees to use both sides of paper;
5. Separating the paper waste from other waste for easier recycling; and
6. Placing boxes and trays beside photocopiers as containers to collect single-side paper for reuse purpose.

During the year ended 31 March 2017, the Group was not aware of any material non-compliance with the relevant laws and regulations that has significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

2. Use of Resources

The Group recognizes the importance of efficient use of resources and aims to develop an energy saving culture. By reducing energy consumption in its operations, it can lead to cost saving and carbon footprint reduction. The measures taken by the Group to promote efficient usage are discussed below:

(i) Electricity Consumption

The Group has adopted the following practices:

1. Monitoring and regulating the room temperature in the Group's premises at 25 degree Celsius to maintain a balance between thermal comfort and electricity consumption;
2. Cleaning air-conditioning systems and dust filters regularly;
3. Upgrading the lighting of our service centres from traditional lighting to energy-saving LED lights. As of 31 March 2017, the percentage of service centres using LED lights accounted for over 90% of the total;
4. Turning off facilities, lights, air-conditioning when not in use;
5. Activating "Sleep" mode in some of office equipment during office hours, including photocopiers and printers;
6. Turning off unnecessary equipment completely including computers; and
7. Making conference calls or using other electronic media to reduce travelling for business meetings.

(ii) Water Consumption

Payment for water usage has been included in the management fee to the landlords. Thus, consumption data of water cannot be obtained. Nevertheless, the Group regularly reminds and encourages its employees to use water efficiently. The Group implements water saving policy by posting reminders in premises to reduce waste on water usage.

3. The Environment and Natural Resources

The impact of the Group on the environment and natural resources is not significant. It is mainly attributed to the use of electricity, water and papers in office and service centres. During the year ended 31 March 2017, the Group has set a number of measures to reduce the use of resources and disposal of waste (please refer to the above sections "Emissions" and "Use of Resources" for details).



Commitment on ESG

B. SOCIAL

1. Employment

(i) Employment

The Group has Staff Manual distributed to employees outlining expectations for employee's conduct, employee's right and benefit. The Group also has set up relevant policies and arrangements for employees including but not limited to recruitment and promotion, compensation and dismissal, benefit programs and performance evaluation.

To attract, retain and motivate employees, the Group has devised a competitive compensation and benefits package. In addition to the basic package, for instance, annual leave, sick leave, severance payment, mandatory provident fund and employment compensation insurance, the Group also offers additional compensation and benefits such as paid leaves (birthday leave, personal emergency leave and marriage leave), group life insurance and year-end bonus.

The Group carries out regular performance assessment on a yearly basis, enabling employees to gain an accurate sense of their prospects and of potential future paths. Salaries are reviewed annually for each grade of employees by the management, to ensure that the remuneration packages remain competitive. These measures enable the Group to retain high quality employees and provide them with strong incentives for performing well.

(ii) Equal Opportunity

The Group provides equal opportunities for employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees are not discriminated or deprived of such opportunities on the basis of gender, ethnic background, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws. The Group appreciates the importance of cultural diversity in the development of the Group, and employs employees in a wide range of ages, genders, and ethnicities.

(iii) Working Environment

The Group places a strong emphasis on work-life balance and tries to enhance employees' sense of belonging and morale. As a caring employer, the Group caters to the needs and schedules of its employees, offering flexible workhour arrangements for employees. Complementing these are social activities such as monthly birthday party, Christmas party, and encouraging departmental tea meal, which can help foster a sense of belonging and loyalty.



Commitment on ESG

(iv) Health and Safety

The Group implements internal policies including procedures and guidelines to handling equipment. The Group also arranges regular employees training on operation safety, handling of emergency and accidents to enhance safety awareness.

During the year ended 31 March 2017, the Group was not aware of any material non-compliance with the relevant laws and regulations that has a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

(v) Development and Training

The Group provides its employees with clear and viable opportunities for self-development and career advancement within the Group. It supports its employees to develop and enhance their professional knowledge and skills to cope with the evolving market environment and compliance level. By providing the following in-house training programs, its employee's competency can be developed further:

Trainings on service-related knowledge, such as, training courses in relation to skin, treatment theories, functions, operations, safety precautions of medical equipment (provided by suppliers of devices), client handling skills and complaint management skills are provided from time to time.

All newly-hired employees attend employment orientation to understand the Group operation, working atmosphere, code of conduct and work safety to ensure all newly-hired employees are properly trained.

(vi) Labour Standard

The Group's recruitment process is strictly adhered to the Group's Human Resources Policies and Procedures. Job applicants must complete an "Employment Application Form" with personnel information for internal record keeping and legal compliance. Review and verification of applicant's identity information are required during the recruitment process, and recruitment of child labour is strictly prohibited. Applicants are also required to provide document proofs of academic qualifications and working experience for verification. Applicants who are suspected of providing false academic qualifications and working experience will not be employed. The Group enters employment contract with each of its employee in accordance with relevant laws in Hong Kong, Mainland China and Macau.

During the year ended 31 March 2017, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Group relating to employment and labour practices or occupational health and safety. Nor did the Group identify any incidents relating to employ of any child and forced labour.



Commitment on ESG

2. Operating Practices

(i) Supply Chain Management

To provide top quality services to customers, the Group carefully sourced its beauty products and equipment. A strict tendering process is in place to provide a fair and transparent platform for securing the best supplier for procurement of all equipment, treatment consumables and services. The request for tender is included in the annual budgeting process and prepared by responsible departments.

During the year ended 31 March 2017, the Group did not encounter any material problem in treatment consumables based on the needs of service centres, and did not experience any material delays in receiving supplies from suppliers that would have had material impact on our business, financial condition or results of operations.

(ii) Product Responsibility

a) Complaint Channel

The Group seeks to provide efficient and excellent services across its business activities to improve customer satisfaction. Customers' opinions and feedback help to drive its continuous improvement program and are vital to its pursuit for excellence. The Group has in place a customer service platform for customers to voice their opinions to the Group directly. The Group's customer service department is required to respond to enquiries timely and to take appropriate follow-up actions. All complaints received are carefully addressed, recorded and presented to its management for review.

b) Data Protection and Privacy

The Group has complied with all the provisions of the Personal Data (Privacy) Ordinance. Only its authorised staff with delegated authority are able to access to the customers' privacy information. The Group regularly reviews its internal policies and systems to ensure that consumer data and privacy are protected, and that its existing infrastructures remain robust.

During the year ended 31 March 2017, the Group did not receive any significant reports of unauthorised use or access of customers' privacy information.



Commitment on ESG

(iii) Anti-corruption

The Group is committed to conducting all businesses without undue influence and has regarded honesty, integrity, and fairness as its core values that must be upheld by all directors and employees at all times. To formalise the commitments, a series of policies and handbooks are in place in the Group, and the Group has set out the requirements expected of all directors and employees when dealing with its business. Some of the guiding documents include:

a) Code of Conduct Policy

- Neither directors nor employees shall obtain or provide benefit to customers, contractors, suppliers or people with business relationship with the Group;
- Employees should avoid conflict of interest. When actual or potential conflict of interest arises, the directors or employees shall make a declaration to the management; and
- Accepting voluntary gifts must be declared. All directors and employees are required to strictly follow the Gift and Entertainment Policy and have to undergo the approval process as stipulated in the said policy.

b) Whistleblowing Policy

- Providing the necessary mechanism for employees who report misconduct within the Group.

c) Purchasing and Stock Control Policies

- Preventing and managing possible abuse of power and authority, conflict of interest and bribery.

During the year ended 31 March 2017, the Group was in compliance with the Prevention of Bribery Ordinance (Cap. 201), and no legal actions regarding corrupt practices were brought against the Group or its directors or employees.



Commitment on ESG

3. Community Involvement

The Group is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. In this aspect, the Group would explore the possibility to identify suitable partners and support community and environmental programmes that align with the Group's missions and values.

The Group has been supporting the Community Chest of Hong Kong and made a donation of HK\$218,000 for the year ended 31 March 2017.

Besides, the Group set up a charity foundation to serve as a platform for devoting greater engagement to society in a more systematic and principled manner. As a move to contribute back to society, the Group will spare more efforts in supporting different welfare activities and encouraging its employees to participate in volunteer services to build a harmonious community, to improve the life of the underprivileged, the elderly and children and to create a better future.



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