



PERFECT SHAPE

必瘦站醫學美容有限公司

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT  
*2019*

Stock Code: 1830

PERFECT SHAPE MEDICAL LIMITED  
(Incorporated In The Cayman Islands With Limited Liability)

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# Approach

Perfect Shape Medical Limited (“Perfect Shape” or the “Company”) and its subsidiaries (collectively, the “Group” or “we”) are principally engaged in the operations of slimming and beauty centers in Hong Kong, the People’s Republic of China (the “PRC”) and Macau. The Group is committed to promoting the integration of science, technology, slimming, beauty services and environmental protection, improving the quality of services in order to become the leading slimming and beauty service provider in Hong Kong, while minimizing its adverse impact on the environment.

For the sake of providing high quality body slim and beauty services, especially on tailored slimming, skin beauty, body care and health care treatment for orient women, we have a team of authoritative experts who are rich in beauty technology experiences to support our different kinds of services. We also focus on bringing in new talented employees and advanced technology into our beauty service to achieve sustainable development.

When considering our approach to sustainability, we take a number of short and long-term factors into account, including business related challenges, accountability to stakeholders, work ethics, global trend, laws and regulations and risk management practice. We are constantly seeking opportunities to grow our business that will also be beneficial to our suppliers, consumers and the environment.

We believe that a successful enterprise should not maximize its profits at the costs of the environment or society but should endeavour to balance stakeholder’s interest and social responsibility for maintaining an enterprise’s sustainable development. 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 operations and continuously making its workplace more environmentally and socially oriented.

The Group’s stakeholders cover a diverse group of parties including but not limited to its employees, customers, suppliers, investors, industry regulators and other governmental and community groups. Understanding the needs and expectations of the stakeholders is the key to the Group’s success. As each stakeholder requires a different engagement approach, we have established tailor-made communication methods in order to better meet each stakeholder’s needs and expectations.

To implement sustainability strategies which apply to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To achieve environmental sustainability;
2. To respect human rights and social culture;
3. To engage with stakeholders;
4. To support our employees; and
5. To sustain local community.

# About This Report

The Group is pleased to present its Environmental, Social and Governance (“ESG”) Report. The content contained herein focuses on providing an overview of the environmental, social and governance performance of our major operations in Hong Kong, the PRC and Macau for the year from 1 April 2018 to 31 March 2019 (the “Reporting Year”). It allows us to conduct thorough performance review and evaluation for enhancing the overall performance results in the future. The Reporting Year coincides with its financial year.

## Scope of the Report

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in Hong Kong, the PRC and Macau for the Reporting Year.

For the Reporting Year, the material ESG issues are those which have or may have a significant impact on:

- The Hong Kong, PRC and Macau’s slimming and beauty service industry;
- The global slimming and beauty service market;
- The current or future environment or society in which we operate;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this report are referenced from our archived documents, records, statistics and research. Financial data is extracted from or calculated based on the Group’s audited annual financial statements for the year ended 31 March 2019.

## Feedback

For details in relation to our financial performance and corporate governance, please visit our website on <http://www.psmedical.com.hk> and our Annual Reports. We also treasure your feedback and comments on our sustainability performance, please send your feedback and other sustainability enquiries to our Company Secretary at [ir@perfectshape.com.hk](mailto:ir@perfectshape.com.hk).

# About Perfect Shape

## Our Business

Established in 2003 and listed on the Main Board of the Stock Exchange in February 2012, we are principally engaged in the operations of slimming and beauty centers in Hong Kong, the PRC and Macau under the well-recognized brand name “Perfect Shape”. By devoting ourselves to provide tailor-made quality, effective slimming and beauty services, complemented by slimming and beauty products to deliver better results, we have a strong presence throughout Hong Kong, Macau and the PRC, including major cities such as Shanghai, Guangzhou, Shenzhen and Beijing.

## Vision

To become the leading slimming and beauty services provider in Hong Kong, the PRC and Macau.

## Mission

To continue to secure the slimming and beauty services market in Hong Kong, the PRC and Macau and expand more of our services providing centers.

## Goals

Maintain high quality slimming and beauty services and provide the best tailor-made services to meet our customer’s expectation and create the maximum sustainable value for our shareholders and investors.

## Board of Directors (The “Board”)

As of the date of this report, the Board consists of:

### Executive Directors

Dr. Au-Yeung Kong (*Chairman*)  
Ms. Au-Yeung Wai  
Ms. Au-Yeung Hung

### Independent Non-Executive Directors

Ms. Hsu Wai Man, Helen  
Mr. Chi Chi Hung, Kenneth  
Ms. Cho Yi Ping

# Our Stakeholders

Perfect Shape actively strives to better understand and engage its stakeholders to ensure continuous improvements. We strongly believe that our stakeholders play a crucial role in sustaining the success of our business in the challenging market.

Stakeholders	Point(s) of concern	Communication and responses
<b>HKEx</b>	Compliance with listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
<b>Government</b>	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
<b>Suppliers</b>	Payment schedule, stable demand.	Site visits.
<b>Shareholders/ Investors</b>	Corporate governance system, business strategies and performance, and investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, issuing of financial reports and/or operation reports for investors, media and analysts.
<b>Media &amp; Public</b>	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
<b>Customers</b>	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
<b>Employees</b>	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, employee suggestion boxes.
<b>Community</b>	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

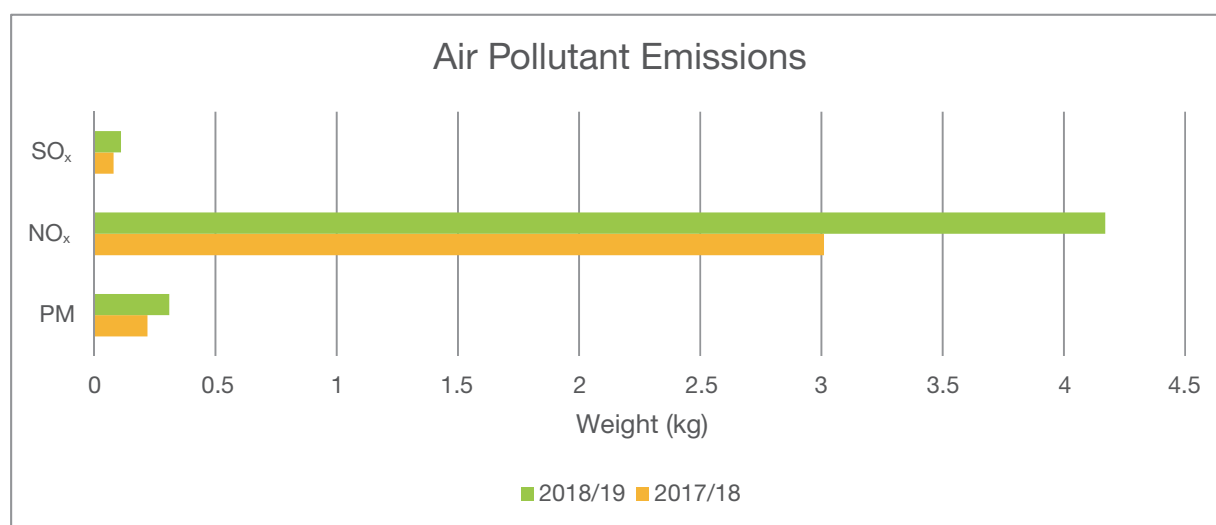
# Section A: Environmental

The Group aimed at building a sustainable green community with our stakeholders. For the sake of maintaining our leading position in the beauty service industry, we strived for influencing the whole society by implementing eco-friendly measures to reduce our carbon footprints in our daily operations. For the Reporting Year, the Group was not aware of any material non-compliance issue with relevant laws and regulations related to the environment. The Group will continue to further reduce any negative impacts on the environment in the future. To present a comprehensive emission overview, we compared the emission figures and relevant intensities in the Reporting Year to last year<sup>1</sup>. The intensities in this section were calculated per number of facilities<sup>2</sup> or per number of employees<sup>3</sup>.

## Emissions

### Air Pollutant Emissions

As the Group's main business activities focused on the provision of slimming and beauty services, there was no material gaseous fuel consumption involved. The major pollutants of air emission came from the usage of automobiles, which used for the transportation of our Directors, employees and customers. The three main kinds of air pollutants were classified as sulphur oxides ("SO<sub>x</sub>"), nitrogen oxides ("NO<sub>x</sub>") and particulate matter ("PM"). During the Reporting Year, the total weight of air emission amounted to 4.58 kg, with an intensity of 0.13 kg per facility. Compared to last year, the total weight of air emissions increased for approximately 1.27 kg, with an increase of approximately 38% due to our more frequent logistics.



<sup>1</sup> Adjustments had been made on the last year data when compared to our last ESG Report due to the updates of related emission factors and estimation methods for a more accurate disclosure.

<sup>2</sup> As at 31 March 2019, there were 34 facilities including 33 beauty centers located in Hong Kong, the PRC and Macau, and 1 headquarter located in Hong Kong.

<sup>3</sup> As at 31 March 2019, there were 1,119 employees based in Hong Kong, the PRC and Macau.

## Section A: Environmental

### Greenhouse Gas Emissions

Greenhouse gas (“GHG”) emissions were the key culprits of the global warming, greatly threatening the current climates as well as the global eco-system. Besides the direct GHG emissions from the usage of automobiles, there were several kinds of indirect emission sources such as the emissions through the electricity consumption<sup>4</sup>, the fresh water<sup>5</sup> and sewage<sup>6</sup> processing and disposal of paper waste. During the Reporting Year, the total amount of GHG emissions including both direct and indirect aspects was approximately 1,352 tons, with an intensity of approximately 1.21 tons per employee. Compared to last year, the total weight of GHG emissions successfully reduced by approximately 85 tons, which was approximately a 6% decline.

GHG Emission Sources	GHG Produced (ton) 2017/18	GHG Produced (ton) 2018/19	% change
Direct emission sources			
– Automobile usage	14.01	19.36	↑ 38.19%
Emission from energy consumption			
– Electricity consumption	1,381.37	1,285.33	↓ 6.95%
Other indirect emission sources			
– Paper waste disposal	31.10	30.70	↓ 1.29%
– Fresh water processing	6.15	5.24	↓ 14.80%
– Sewage processing	3.34	2.85	↓ 14.67%
– Business air travel	0.58	8.47	↑ 1,360.34%
Grand Total	1,436.55	1,351.95	↑ 5.89%

The most significant GHG emissions source of the Group was from the electricity consumption. As such, in the light of reducing GHG emissions, we embraced in advocating green practices in our daily operations. We encouraged our staff to switch off idle electrical appliances before leaving work by posting labels in the office areas. To further reduce the usage of electrical lighting, our office was designed to utilize natural lighting. We also acquired energy-efficient appliances to whittle down unnecessary energy consumption.

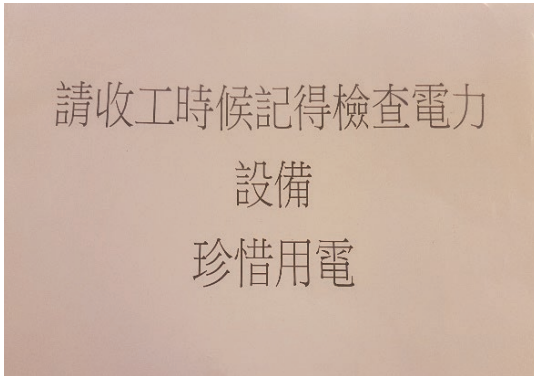
<sup>4</sup> The carbon emission factors of Hong Kong, the PRC and Macau were taken as 0.60 kgCO<sub>2</sub>e/kWh, 0.58 kgCO<sub>2</sub>e/kWh and 0.84 kgCO<sub>2</sub>e/kWh respectively based on the latest announcements from local power supply entities and the proportionate factors of different locations of beauty centers.

<sup>5</sup> The unit electricity consumption factor for fresh water processing in Hong Kong was 0.575 kWh/m<sup>3</sup> and the carbon emission factor per unit water supplied in Macau was 0.251 kgCO<sub>2</sub>e/m<sup>3</sup> based on the latest announcements from local water supply entities. Due to the limitation in obtaining relevant factors, the emissions in the PRC was calculated using Hong Kong's relevant factors for fresh water processing.

<sup>6</sup> The unit electricity consumption factor for sewage processing in Hong Kong was 0.31 kWh/m<sup>3</sup> based on the latest announcement from the Drainage Services Department, HKSAR. Due to the limitation in obtaining relevant factors, the emissions in the PRC and Macau were calculated using Hong Kong's relevant factors for sewage processing.



Section A: Environmental



Labels reminding energy conservation posted in office areas



Natural-lighting design in office areas

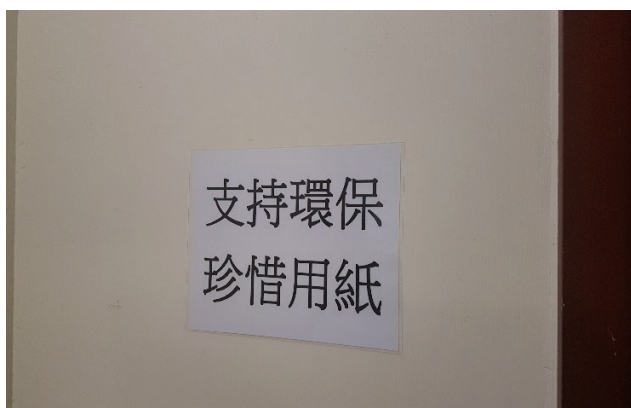


Energy-efficient appliance

## Section A: Environmental

### Waste Management

As the Group's main operations was the provision of slimming and beauty services, there was no hazardous waste to be produced during the Reporting Year. The main non-hazardous waste produced by the Group was paper waste at the office. The total weight of non-hazardous waste produced during the Reporting Year was approximately 6.4 tons, with an intensity of 0.2 tons per facility. To maintain our determination of environmental sustainability, there were several measures implemented to reduce paper wastes. For instance, paper saving memo has been posted at office to encourage our employees to use paper resources wisely. There were also recycling bins and bags placed at the office for collecting all kinds of paper wastes for recycling. In respect with our efforts, compared to last year, a slight reduction of approximately 1% on paper waste production had been achieved.



*Paper saving memo posted at the office*



*Recycling bin placed at the office*



*Recycling bag placed at the office*

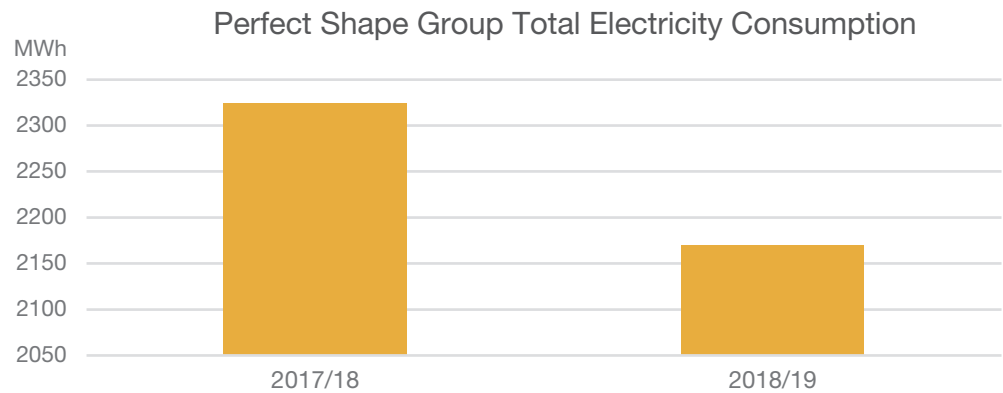
# Section A: Environmental

## Use of Resources

The Group initiates to become an environmental-friendly and -sustainable enterprise, contributing to environmental protection by conservation of energy and the natural resources. To reduce carbon emission and footprint, we have undertaken carbon reduction measures in our daily operations.

### Electricity Consumption

During the Reporting Year, the total electricity consumption amounted to approximately 2,167 MWh, with an intensity of approximately 64 MWh per facility. By our successful promotion of energy saving in the office and beauty centres aforementioned in section Greenhouse Gas Emissions, our electricity consumption dropped for approximately 160 MWh, representing a year-on-year decline for approximately 7%. We will continue to strive for the energy conservation not only to treasure the valuable resources, but also to alleviate the adverse impact brought by the carbon emissions from electricity consumption.



### Packaging material

As the Group’s major business activities were the provision of slimming and beauty services, there was no packaging materials involved during the Reporting Year.

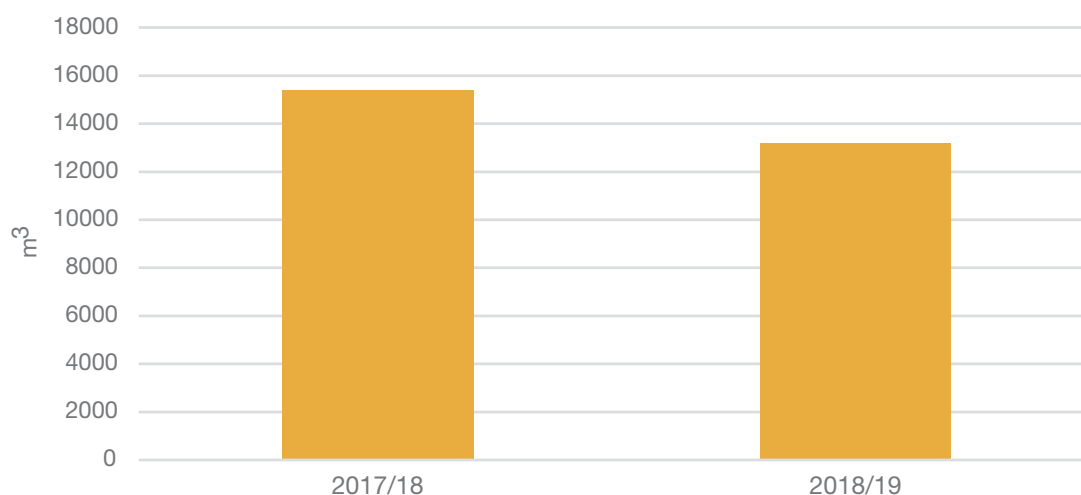
## Section A: Environmental

### Water Consumption

Water resources has always been one of the most invaluable natural resources on the Earth. Hence, saving water resources was one of our most essential promises as an environmental pioneer in the industry.

During the Reporting Year, the water consumption of the Group amounted to 13,152 m<sup>3</sup>, with an intensity of approximately 387 m<sup>3</sup> per facility. Compared to last year's performance, the Group successfully whittled down 2,234 m<sup>3</sup> of water consumption which represented a reduction of approximately 14.5%. The Group had posted water-saving memo at the office to remind its staff to use less water when unnecessary. As our water was sourced from the governmental department, there was no water-sourcing issue during the Reporting Year.

Water Consumption of the Perfect Shape Group



	Water Consumption 2017/18	Water Consumption 2018/19	% Change
Grand Total (m <sup>3</sup> )	15,386	13,152	↓ 14.52%
Intensity (m <sup>3</sup> per facility)	270	387	↑ 43.33%

## Section A: Environmental

### The Environment and Natural Resources

As an environmentally sustainable enterprise, the Group believes that the invaluable and precious environment should not be used to compensate our business activities. Instead, we had established environmental-friendly practices and management procedures to eliminate our negative impacts on the aforementioned aspects.

With the Group's continuous efforts, we have successfully achieved the following results:

Aspects	Results
GHG Emissions	Reduced by 6%
Electricity Consumption	Reduced by 7%
Water Resource Consumption	Reduced by 14.5%
Paper Waste	Reduced by 1%

Not only did the Group focus on the internal control of natural resources usage, but it also participated in global environmental protection programs. The Group had taken part in the tree planting program held by the World Wildlife Fund (WWF).

For the sake of maintaining the leading position in the industry, the Group had already affiliated various environmental friendly practices with the current business operations. In the upcoming future, we will continue to raise the awareness and address the importance of environmental protection, as well as reinforce the positive behavior, at all cost.



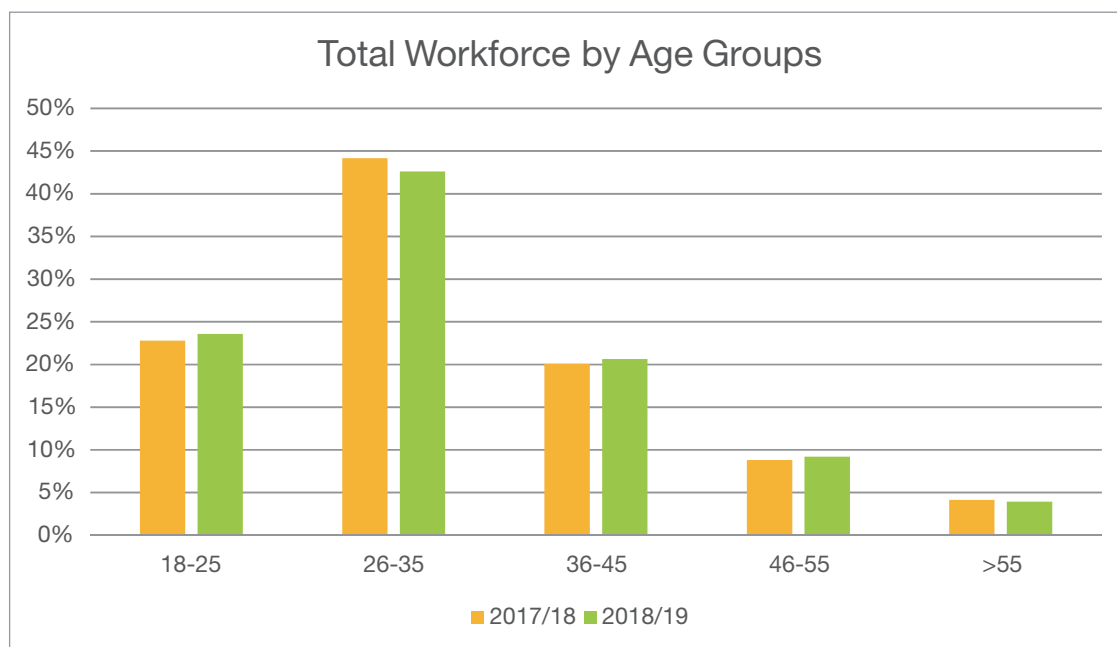
# Section B: Social

## Employment

As we focused on providing slimming and beauty services to our customers, we believed that our business's success lied on our team spirit, enterprise cohesion and most importantly our skilled employees. Therefore, we adopted a people-oriented approach to attract and retain our employees such as offering staff benefits and career training. For the sake of the mutual interests for both, we aim to grow with our employees for the future boom of the Group.

### Our Employees

We have a total number of 987 employees as at 31 March 2018 and 1,119 employees as at 31 March 2019, located in Hong Kong, the PRC and Macau. In order to keep our employees' loyalty and maintain our employees' quality of work and their responsibility, we hired 100% of full-time employees for both financial years. As at 31 March 2019, among our 1,119 employees, 59% of them were based in Hong Kong, while the remaining 41% were located in the PRC and Macau. As the slimming and beauty services were mainly provided to women customers, our employees' male-to-female ratio was approximately 1:12. In addition, our workforce diversely separated among different age groups shown as follows:



## Section B: Social

### Harmonious Workplace

We strive to provide an equal opportunity working environment to our employees and we promise that we only hire our employees based on their skills, education, potentials, experience, working performance and their personal character. The Group respects human rights, providing equal opportunities to its staff, regardless of their age, marital status, pregnancy, family status, disability, race, nationality, religion and/or sexual orientation. The equal opportunities philosophy is applicable towards its recruitment, training and development, recognition and reward, and termination and dismissal.

By setting up a written policy of the Code of Conduct (the “CoC”), we require our employees to comply with the Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487) and Family Status Discrimination Ordinance (Cap. 527). We also encourage our staff to report any forms of discrimination, defamation or sexual harassment activity they faced or discovered. If any of our employees or management are suspected to participate in any forms of discrimination, defamation or sexual harassment activity, disciplinary hearing will be given to the corresponding employee or management and follow-up action will be considered after the hearing.

For recruitment and dismissal process, the Group will go through the procedures according to the internal human resources policies. For recruitment, equal opportunities are provided to all applicants with regards of the considerations of their experience, knowledge and skills only. For dismissal, those employees acting improperly, such as performing prohibited selling procedures, or breaching of contract terms and the CoC will be terminated. Compensations are provided when applicable.

### Benefits and Welfare

After three months of probation period and becoming our permanent employee, he/she can enjoy all our staff benefits. We offered a comprehensive remuneration package, including but not limited to incentive bonus, commission, annual assessment and salary increments, overtime allowance, transportation allowance, full attendance reward, shoes allowance and group medical insurance. Besides, gift coupons and different kinds of subsidies will be granted on monthly basis to the beauty centres which reached the revenue targets. In addition, annual performance assessment will be conducted around April to June for promotion and salary adjustment consideration of the out-performed employees.

We also complied with the laws and regulations issued by the local governments such as making the contributions to the Employees’ Compensation Insurance and Mandatory Provident Fund for our Hong Kong employees, and Social Insurance and Housing Provident Fund for our PRC employees.

## Section B: Social

### Work-life Balance of Employees

Standing in the position of the Group, hardworking is necessary for every employee in order to maximize the profits. However, the Group understands that sufficient rest is necessary for accomplishing the long-term goals as well as staying enthusiastic towards their work. A comprehensive vacation and leave policy had been set up and written in the Staff Handbook. Aside from legal paid holidays, every employee got to enjoy 9 to 21 days of annual leave according to their job positions. Overtime compensation was given to front-line employees based on their overtime working hours and basic salary. Our employees was also entitled to various kinds of special leaves to meet their family and social needs, such as maternity leave, paternity leave, marriage leave, compassionate leave, birthday leave, and jury service leave, etc.

### Health and Safety

Providing a safe, vibrant and comfortable working environment to each and every employee was essential and vital. A favorable working environment could retain and strengthen both our employees' mental and physical health, so that they can perform at their maximized working efficiency. To achieve this, we maintained a high standard of health and safety. The most likely industrial accident or injury happen regarding to the Group's business would be the inappropriate use of the beauty equipment. To mitigate the risk, each of newly joined therapist would be trained on the operations of the beauty equipment by senior staff or team leader. Also, the operation manual of the equipment would be placed in each shop for our employees to study.

Employee could choose to join the Group Medical Inpatient Insurance Plan which covered the medical or hospitalization cost in case of any accidents occur. Our medical insurance plan also included dental benefit, clinical benefit and worldwide assistants which offer medical help overseas.

In order to safeguard our employees in case any incidents or emergencies occur, there are sufficient fire equipment, such as fire extinguishers, fire hose reels and fire sprinklers, and first-aid boxes placed at the office and beauty centers. In addition, a book of "Hints on First Aid" is placed with every first-aid box to guide our staff on how to respond and react to work injury, including bleeding, unconsciousness, fractures, burns or scalds, electric shock and poisoning.

Moreover, we strictly followed the requirements of Employees' Compensation Ordinance (Cap.282) to acquire insurance with sufficient coverage for our employees.

## Section B: Social

### Development and Training

As we were mainly providing services and treatments to our customers, the quality of the services became the key to our success. The Group had set up an Employee Training Manual which included the topics of brand concept, treatment techniques, sales procedure, etc. Every new front-line employee was required to attend induction training before serving the customer. Besides, each department head was responsible to provide on-job training to their team members based on the judgement on their work ability and job function.

Employees were welcomed to voice out their comments and feedbacks directly to their supervisors, team leaders or district directors. We will listen carefully to our employees' feedbacks so that we could develop a better working place for them. In case of any complaints received from employees, the direct supervisor was responsible to investigate and take appropriate follow-up actions if necessary.

The Group had provided regular trainings to its frontline employees every time when there was new equipment involved or updates. Induction trainings would be provided to the new joined Therapist and other frontline employees. In addition, the Group arranged for our employees different types of trainings, including in-house training programs, seminars and on-the-job coaching. The Group believes that not only the above activities will enhance its employees' professional knowledge and improve their efficiency and executive capacity on the technical level, but they will also increase their sense of belongings and thus reduce the turnover rate.

In addition, as mentioned in section *Employment*, continuous assessment will be conducted on our employees' performance to spot their deficiencies and weaknesses so as to provide corresponding and targeted trainings for further improvements. Not only can it help maintain our staff on the required standards, but it can also provide a good chance for them to strengthen their skills and develop their professionalism.

### Labour Standards

Respecting human rights had contributed towards the sustainability of the Group. Our recruitment staff would ensure all the employees were legalized for work, i.e. at least with age of 18, and no child labour by checking their valid identification during recruitment process. We had also monitored the relevant regulations of minimum wage, which was specified by the government, continuously in order to ensure that all employees are legally paid. The Group guaranteed that no forced labor were in place through violent measures, such as deliberately creating difficulties, threatening and physical punishment. Through our established communication channels, our staff are encouraged to voice out any malpractice they faced or discovered to their team leader, department head or even the district director. For any complaint received from our employees, our Management will take serious investigation towards the case and follow-up actions will be taken if applicable. During the Reporting Year, there was no material non-compliance cases in relation to the applicable laws and regulations of labour standards reported.

## Section B: Social

### Supply Chain Management

The Group believed that maintaining good cooperate relation with suppliers would contribute to getting the preferential price and high quality of equipment and supplies and conducive to the development of the Group. Hence, we had a strong Operation Department led by the Group Operation Manger and Chief Operation Officer to manage our daily demands of supplies. Our daily purchase of supplies included common consumables involved in treatments such as cotton swab and facial tissue, different kinds of essential oil and cream for treatment, special needles, etc. In order to make sure we purchased the products with high-quality and favourable price, the Operation Department had established an Approved Supplier List which listed all the existing suppliers with qualified products. Each time we needed to make purchase of consumables, an appropriate supplier would be selected from the Approved Supplier List for the procurement. During the cooperation with the existing suppliers, if the supplier's performance is not up to our expectation or any misfeasance is found, the cooperation would be terminated immediately in order to safeguard our quality of service.

### Product/Service Responsibility

#### Quality Control

The Group strives to provide services and treatments with high standards of quality and reliability. When the Group needed to purchase new consumables from existing or new suppliers, our Operation Department would obtain samples from the suppliers and pass to the Therapist for experimental testing. We would only use the new consumables with positive testing feedback. All of the consumables were properly stored in the warehouse and beauty centers with a proper inventory list to closely monitor and control the expiration. First In First Out policy was in place to avoid any slow moving consumables.

Alongside the consumables, the latest beauty technology and machines were acquired through the selection by our highly experienced Management Team from global technology exhibitions. Only for those machines approved by the U.S. Food and Drug Administration (the "FDA") will be used in our treatments. In addition, all of our Therapists are qualified to perform the treatments. Continuous assessments and examinations are conducted regularly to ensure that our Therapists are equipped with the required and most updated professional knowledge. Moreover, for our operations in the PRC, we have qualified to provide medical services and obtained the Practicing License of Medical Institution. By implementing the above means, we promise to provide the best quality and most healthy and safe services to our customers.

#### Data Privacy

The Group was dedicated to data protection and privacy. The CoC which was set up by the Group states that neither current nor previous employees were allowed to disclose any confidential information to a third party, both directly and indirectly, without proper authorization. Each and every employee shall strictly abide with the Personal Data (Privacy) Ordinance (Cap. 486) and protect the personal information of the customers. Customer's personal data could only be used in appropriate circumstances and in authorized business activities.



## Section B: Social

### Conflict of Interests

The CoC also states that all employees should avoid, as far as possible, any situations that may lead to actual or perceived conflict of interests. Employee should use the Application Form of Conflict of Interest to made declaration to their supervisors or managers in case of any conflict of interests. Apart from employees, our directors shall also report any potential case of conflict of interests to the Board in a timely manner. The Group stipulated that our Treatment Consultants or Managers are not allowed to force the customer to purchase the treatment package.

### Customer Complaint

We understood that customer complaint help us to better improve our quality of services. Therefore, various channels had been set up for customers to express their views and opinions. Our well-trained customer service representatives were required to promptly respond to enquiries, requests and complaints from customers. During the Reporting Year, we did not receive any material complaints.

### Anti-corruption

There is no doubt that corruption and bribery have always brought negative impacts and reputation towards the Group. As a result, the Group has established a written CoC which applies to all employees and directors. Our CoC includes a number of rules and policies which was regarded to anti-corruption:

- **Prevention of Bribery Ordinance:**

Under the clear guidance by the Prevention of Bribery Ordinance (Cap. 201), any bribery and embezzlement behaviour is strictly prohibited.

- **Self Interest:**

Employees are not allowed to claim or receive any form of benefit or gift from any business partner, unless such benefit or gift are symbolic or cashless (e.g. promotional or advertising souvenirs). In case of the value of the benefit or gift are higher than its symbolic value, the employee is required to disclose the details in Application Form of Conflict of Interests and report to his or her supervisor.

- **Relationship with suppliers and contractors:**

The Group advocates fair and open competition and aims to develop long-term relationships with our suppliers and contractors on the principle of fair trade. Procurement procedures for all products and services must be carried out in a manner that meets the highest ethical standards to ensure quality products and to maintain the consistent confidence of customers, suppliers and the public in the Group.

## Section B: Social

### – Whistle-Blowing Procedures:

Employees are able to report any suspicious activities through various channel, i.e. email, hotline or in person. Human Resource Department would take immediate action to investigate on the issue.

### – Guidance on Acceptance of “Lucky Money”:

Employees are not allowed to ask for “Lucky Money” from our business partners in any circumstances. Also, the Group does not encourage our employees to receive any “Lucky Money” from a third party.

During the Reporting Year, there was no concluded legal cases regarding corruption or bribery against the Group or its employees.

## Community Investment

The Group embraced social responsibility by encouraging our employees to volunteer and to contribute to good cause, particularly dedicated to advocating elderly through community services. The Group had always seized for any suitable opportunities to support community and environmental programmes that align with the Group’s missions and values.

During the Reporting Year, the Group had made donations with a total amount of HKD678,000 and sponsorships of treatment with an equivalent amount of HKD46,000, to Tung Cheng Yuen Lam Tong Charitable Foundation Limited and the Community Chest of Hong Kong, for supporting their community services.

# Key Performance Indicator

## Environmental Data

### Emissions Indicators

	Year Ended 31 March 2018	Year ended 31 March 2019
<b>Air Emissions</b>		
Total air emissions	3.31 kg	4.58 kg
Air emission intensity	0.06 kg per facility	0.13 kg per facility
NO <sub>x</sub> emission	3.01 kg	4.17 kg
SO <sub>x</sub> emission	0.08 kg	0.11 kg
PM emission	0.22 kg	0.31 kg
<b>Greenhouse Gas Emissions</b>		
Total greenhouse gas emissions	1,436.55 tons	1,351.95 tons
Greenhouse gas emission intensity	1.46 tons per employee	1.21 tons per employee
Automobile usage	14.01 tons	19.36 tons
Electricity consumption	1,381.37 tons	1,285.33 tons
Electricity used for processing fresh water	6.15 tons	5.24 tons
Electricity used for processing sewage	3.34 tons	2.85 tons
Paper waste disposal at landfills	31.10 tons	30.70 tons
Business air travel	0.58 tons	8.47 tons
<b>Non-hazardous waste produced</b>		
Total non-hazardous waste produced	6.48 tons	6.40 tons
Non-hazardous waste intensity	0.11 tons per facility	0.19 tons per facility

### Use of Resources Indicators

	Year ended 31 March 2018	Year ended 31 March 2019
<b>Electricity consumption</b>		
Total electricity consumption	2,327.28 MWh	2,167.16 MWh
Electricity consumption intensity	40.83 MWh per facility	63.74 MWh per facility
<b>Water Consumption</b>		
Total water consumption	15,386 m <sup>3</sup>	13,152 m <sup>3</sup>
Water consumption intensity	269.93 m <sup>3</sup> per facility	386.82 m <sup>3</sup> per facility

## Key Performance Indicator

### Social Data

#### Employment

	Year ended 31 March 2018	Year ended 31 March 2019
Total number of employees	987	1,119
By Gender		
Male	64	89
Female	923	1,030
By Age Group		
18-25	225	264
26-35	436	477
36-45	198	231
46-55	87	103
> 55	41	44

#### Health and Safety

	Year ended 31 March 2018	Year ended 31 March 2019
Total number of work injury case	–	–
Total number of lost hour	–	–

#### Development and Training

Total training hour	Not disclosed	Not disclosed
Percentage of trained staff	Not disclosed	Not disclosed

#### Product/Service Responsibility

Total number of refund cases	–	–
Contract-promised refund	–	–
Compliant refund	–	–

#### Community Investment

Total charitable donation	HKD218,000	HKD678,000
Total sponsorship	–	HKD46,000

# ESG Reporting Guide & Reference

A. Environmental		Reference in this report
A1. Emissions		Page #
Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		6-7
KPI A1.1 The types of emissions and respective emission data.		6-7
KPI A1.2 Greenhouse gas emission in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		6-7
KPI A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		N/A
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		7-8
KPI A1.5 Description of measures to mitigate emissions and results achieved.		7-8
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.		9
A2. Use of Resources		Page #
Policies on the efficient use of resources, including energy, water and other raw materials.		10-11
KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).		10
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).		11
KPI A2.3 Description of energy use efficiency initiatives and results achieved.		10-11
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		11
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		N/A
A3. The Environment and Natural Resources		Page #
Policies on minimizing the issuer's significant impact on the environment and natural resources.		12
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		12



## ESG Reporting Guide & Reference

<b>B. Social</b>		<b>Reference in this report</b>
<b>B1. Employment</b>		<b>Page #</b>
Policies and compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		13-15
KPI B1.1 Total workforce by gender, employment type, age group and geographical region.		13
KPI B1.2 Employment turnover rate by gender, age group and geographical region.		N/A
<b>B2. Health and Safety</b>		<b>Page #</b>
Policies and compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.		15
KPI B2.1 Fatality number and rate.		15
KPI B2.2 Lost days due to work injury.		N/A
KPI B2.3 Description of occupational health and safety measures adopted how they are implemented and monitored.		15
<b>B3. Development and training</b>		<b>Page #</b>
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		16
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).		16
KPI B3.2 The average training hours completed per employee by gender and employee category.		16
<b>B4. Labour standards</b>		<b>Page #</b>
Policies and compliance with laws and regulations relating to preventing child and forced labour.		16
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.		16
KPI B4.2 Description of steps taken to eliminate such practices when discovered.		16
<b>B5. Supply chain management</b>		<b>Page #</b>
Policies on managing environmental and social risks of the supply chain.		17
KPI B5.1 Number of suppliers by geographical region.		17
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		17

## ESG Reporting Guide & Reference

B6. Product responsibility		Page #
Policies; and compliance with laws and regulations relating to health and safety. Advertising, labelling and privacy matters relating to products and services provided and method of redress.		17-18
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.		N/A
KPI B6.2 Number of products and service related complaints received and how they are dealt with.		18
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.		N/A
KPI B6.4 Description of quality assurance process and recall procedures.		17
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.		17
B7. Anti-corruption		Page #
Policies and compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.		18-19
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		19
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		19
B8. Community investment		Page #
Policies on community engagement to understand the needs of the communities where we operate and to ensure that our activities take into consideration the communities' interests.		19
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		19
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.		19