



Union Medical Healthcare Limited  
香港醫思醫療集團有限公司

Incorporated in the Cayman Islands with limited liability  
於開曼群島註冊成立之有限公司  
(Stock Code 股份代號: 2138)

# Environmental, Social and Governance Report

2019 / 20 For the year ended 31 March 2020

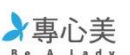


# NO.1

Medical Service Provider  
(Non-hospital) in Hong Kong<sup>1</sup>



1. According to research by Frost & Sullivan, UMH is the largest non-hospital medical service provider in terms of revenue in 2019. 根據弗若斯特沙利文調研，就2019收入計，香港醫思醫療集團為香港最大的非醫院醫療服務提供者。



## CONTENTS

ABOUT THIS REPORT .....	2
OUR VISION – THE CHAIRMAN’S STATEMENT .....	3
STAKEHOLDERS ENGAGEMENT .....	4
IMPORTANCE ASSESSMENT .....	5
ENVIRONMENTAL ASPECTS .....	6
EMISSIONS.....	6
THE ENVIRONMENT AND NATURAL RESOURCES .....	7
SOCIAL PERFORMANCE .....	9
<i>EMPLOYMENT AND LABOUR PRACTICES</i> .....	9
EMPLOYMENT .....	9
HEALTH AND SAFETY .....	10
DEVELOPMENT AND TRAINING .....	10
LABOUR STANDARDS .....	11
<i>OPERATION PRACTICES</i> .....	12
SUPPLY CHAIN MANAGEMENT.....	12
PRODUCT RESPONSIBILITY .....	12
ANTI-CORRUPTION .....	13
<i>COMMUNITY</i> .....	14
COMMUNITY INVESTMENT .....	14
CONTENT INDEX OF ESG GUIDE .....	16

## ABOUT THIS REPORT

Union Medical Healthcare Limited (“UMH” or the “Company” or, together with its subsidiaries, the “Group”) is pleased to present our annual Environmental, Social and Governance report for the year ended 31 March 2020 (the “Report”).

### Basis of Preparation

The Report is prepared based on the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with related topics and data reported according to their importance with the principals of quantification, balance and consistency. We also complied with the “comply or explain” provisions set out in the ESG Guide in disclosing our administration, strategies, focus issues and data in relation to the Environment Subject Area and the Society Subject Area as set out in the ESG Guide.

### Scope and Reporting Period

The Report covers the Group’s major operations in Hong Kong including medical services, aesthetic medical services, beauty and wellness services as well as the sale of skincare, healthcare and beauty products. Policies and measures of the Group in respect of the sustainable development of the environment and the society are also revealed in the Report. Please refer to the annual report of the Group dated 29 June 2020 for its corporate governance practices.

Information, data and content extracted in the Report have taken into account the documentation, questionnaires and statistics as well as studies of the Group. The reporting period of the Report is from 1 April 2019 to 31 March 2020 (the “Reporting Period”), for which our progress and performance regarding the environment, the society and our corporate governance are presented, and have aligned with the financial period mentioned in the Group’s 2019/20 annual report.

The Report was reviewed and approved by the board of directors of the Company on 21 September 2020.

### Contact Information

Should you have any questions or enquiries about the Report or its content, you are welcome to contact us via the following channels:

Address: Level 50, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong

Telephone: +852 8203 0058

Email: [info@umhgp.com](mailto:info@umhgp.com)

Website: [www.umhgp.com](http://www.umhgp.com)

## OUR VISION – THE CHAIRMAN’S STATEMENT

As the leading provider of medical healthcare service in the industry, the service motto of UMH is derived from five core values, “Safety”, “Professional”, “Commitment”, “Care” and “Excellence”. We strive to gather excellent medical equipment and technologies from all over the world, provide professional training, and offer supreme medical healthcare service. We genuinely believe that there should be a balance between economic development, the society and the environment. Therefore, we have incorporated our concept of corporate social responsibility into the Group’s operations, attempting to realize the perpetual development of community.

During the Reporting Period, varieties of internal and external stakeholders were invited, including employees, customers and suppliers in order to understand the important environmental and social issues of concern to them through the questionnaire, while resources were injected appropriately into our sustainability policies and measures. Besides, we appreciate the importance of environmental protection and spare our best effort in promoting the protection of the environment. We have actively encouraged our staff to participate in environmental protection activities, such as the recycling of waste batteries and solid wastes. We also care for the community and are willing to take up corporate social responsibilities to create a more inclusive society. Volunteer activities have been organized regularly, as a return to the society. We have been commended as a “Caring Company” by The Hong Kong Council of Social Service, to recognize the Company’s outstanding performance on its corporate social responsibility.

During our ordinary course of operation, we shall continue our regular exchanges and communication with different stakeholders, spare no effort in seeking possible methods to ramp up our business sustainability and generate cohesion for our stakeholders with an aim to contribute to the society. Last but not least, we also recognise our staff as an important asset. I hereby appreciate the contribution from our staff in the past year for their efforts in working for the Group as well as protecting our environment, and also the long-term support from our business partners, suppliers and customers, since they have enabled us to formulate a better plan for the sustainable development. With these regarded as our bases, we shall proceed to further enhance the industry sustainability and innovation in return for the trust and support which UMH has received from the parties.

**Tang Chi Fai**

*Chairman and Chief Executive Officer*

21 September 2020

## STAKEHOLDERS ENGAGEMENT

In order to understand the aspiration and concerns of stakeholders in connection with the environmental and social activities of UMH, stakeholders are invited to provide strategic comments on our measures and policies in terms of the environment, society and governance. We have kept interacting with them through various effective communication channels, with a view to perfecting our sustainability strategies in the interest of stakeholders and our ability to grow progressively. The Group's identified stakeholders and our main communication channels are listed in the following table:

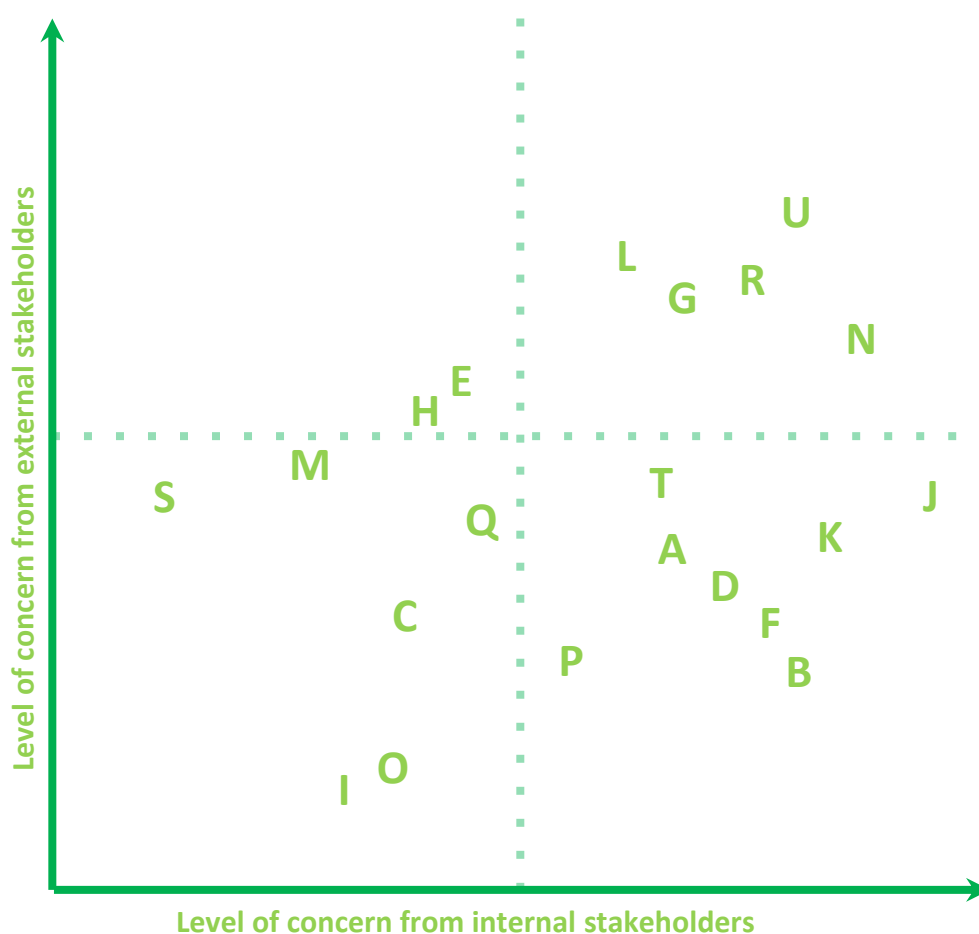
	Types of stakeholders	Topics of concerns	Main communication channels
Internal stakeholders	Directors	<ul style="list-style-type: none"> <li>- Risk management</li> <li>- Enterprise reputation</li> <li>- Operation</li> </ul>	<ul style="list-style-type: none"> <li>- Telephone or email</li> <li>- Meetings</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>- Vocational training and development</li> <li>- Remuneration and benefits</li> <li>- Health and safety</li> <li>- Working environment</li> </ul>	<ul style="list-style-type: none"> <li>- Intranet or email</li> <li>- Meetings</li> <li>- Annual appraisal</li> <li>- Training</li> </ul>
External stakeholders	Shareholders/ Investors	<ul style="list-style-type: none"> <li>- Steady investment return</li> <li>- Transparency of Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Announcements and circulars</li> <li>- Shareholders' meetings</li> <li>- Company website</li> <li>- Investor relations enquiries</li> <li>- Performance roadshow</li> <li>- Investors meetings or conferences</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>- Product safety and quality control</li> <li>- Aftersales service</li> <li>- Refined complaint system</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Company website</li> <li>- Telephone or email</li> <li>- Customer satisfaction survey</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>- Contract fulfillment morality</li> <li>- Supply chain management system and procurement process under regulation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Telephone or email</li> <li>- Meetings</li> </ul>
	Government and regulatory authorities	<ul style="list-style-type: none"> <li>- Operational and corporate compliance</li> <li>- Commitment to social responsibility</li> <li>- Taxation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Meetings</li> <li>- Tax returns filing</li> </ul>
	Educational Institutes	<ul style="list-style-type: none"> <li>- Employment opportunities</li> <li>- Pre-employment training</li> </ul>	<ul style="list-style-type: none"> <li>- Campus seminars</li> <li>- Management trainee programme</li> </ul>
	Community	<ul style="list-style-type: none"> <li>- Community development and contribution</li> </ul>	<ul style="list-style-type: none"> <li>- Volunteer activities</li> <li>- Cooperation with communities</li> </ul>
	Banks	<ul style="list-style-type: none"> <li>- Good credit</li> <li>- Solid financial position</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Meetings</li> </ul>



## IMPORTANCE ASSESSMENT

Based upon our business and daily operation, the Group has compiled a list of sustainability-related topics, which are potentially important, and has invited stakeholders to participate in this assessment. The assessment was founded upon the level of concern from both the internal and the external stakeholders with respect to the related topics, resulting in the importance matrix with the topics listed in the chart below.

By virtue of it, we have confirmed that there are five topics which have attracted most of our stakeholders' attention, namely (i) customer satisfaction survey, (ii) right of privacy and data protection, (iii) employee education and training, (iv) occupational safety and (v) hygiene and product safety as well as quality check and management. Closely keeping in touch with all stakeholders, the Group continues to respond to and improve on the focus topics, based on which Group manage its environmental, social and governance issues.



A	Environmental management policies and measures	I	Information on greenhouse gas emission	Q	Resource management
B	Emission management and regulation compliance	J	Total amount and disposal of hazardous wastes	R	Employee education and training
C	Waste management and recycling methods	K	Energy efficiency and management	S	Forbidding child labour or forced labour policies
D	Water resource consumption and sewage measures	L	Occupational safety and hygiene	T	Supply chain management policies
E	Staff interests and turnover	M	Staff benefits and remuneration	U	Customer satisfaction survey
F	Donation and participation in community interests	N	Right of privacy and data protection		
G	Product safety and quality check and management	O	Emission reduction measures and effects		
H	Anti-corruption policies	P	Total amount and disposal of non-hazardous wastes		

## ENVIRONMENTAL ASPECTS

### EMISSIONS

The operation of the Group is in compliance with the relevant local environmental protection laws, including the “Air Pollution Control Ordinance” (Chapter 311 of the Laws of Hong Kong), the “Waste Disposal Ordinance” (Chapter 354 of the Laws of Hong Kong), the “Water Pollution Control Ordinance” (Chapter 358 of the Laws of Hong Kong), the “Noise Control Ordinance” (Chapter 400 of the Laws of Hong Kong) and the “Product Eco-responsibility Ordinance” (Chapter 603 of the Laws of Hong Kong). In order to ensure that the relevant business complies with the above-mentioned environmental laws and regulations, we have implemented different measures in the following areas:

#### Air Emission

Due to the nature of the Group’s business, the Group has no significant direct exhaust or direct greenhouse gas emissions. However, electricity consumption in offices and service centres/clinics can cause indirect greenhouse gas emission. We also encourage employees to use public transports to reduce the use of non-renewable energy resources, such as gasoline and diesel. The Group has already been using electric vehicles to reduce the burden on the surrounding environment.

#### Sewage

The sewage generated by the Group mainly comprises the water consumption in offices and service centres/clinics, which can be discharged and treated through sewage pipes.

#### Waste Management

As the Group’s principal business is the provision of medical, health and wellness services, we will produce chemical waste and medical waste and treat relevant wastes in accordance with the “Waste Disposal Ordinance” (Chapter 354 of the Laws of Hong Kong) and “Waste Disposal (Clinical Waste) (General) Regulation” (Chapter 354O of the Laws of Hong Kong). For example, we use yellow packaging to label containers collecting medical waste and red packaging for hazardous medical wastes, and have engaged a qualified waste recycling company licensed by the Environmental Protection Department to dispose of medical wastes. During the Reporting Period, medical wastes weighed approximately 1.67 tonnes (2019: 1.81 tonnes). The Group generates general non-hazardous wastes, which include paper, face masks, plastic gloves and plastic bottles. These non-hazardous wastes are collected and handled by the relevant property management. During the Reporting Period, these non-hazardous wastes weighed approximately 80.61 tonnes (2019: 69.49 tonnes). The Group’s internal policies also ensure the safety of the disposal process of hazardous and non-hazardous wastes.

The main air pollutant emissions generated by the Group’s vehicles are as follows:

Vehicle exhaust emissions	Unit	Emissions during the year ended 31 March	
		2020	2019
Carbon dioxide (CO <sub>2</sub> ) emissions	tonnes	7.47	6.92
Methane (CH <sub>4</sub> ) emissions	tonnes	0.0019	0.0018
Nitrous oxide (N <sub>2</sub> O) emissions	tonnes	0.0083	0.0076
Nitrogen oxide (NO <sub>x</sub> ) emissions	tonnes	0.0092	0.0090
Sulfur oxide (SO <sub>x</sub> ) emissions	tonnes	0.000047	0.000043
Particulate matter (PM) emissions	tonnes	0.00068	0.00066

The greenhouse gas emissions generated by the Group's operations are as follows:

		Emissions during the year ended 31 March	
		2020	2019
<b>Total greenhouse gas emissions</b>	<b>Unit</b>		
Greenhouse gas emissions of vehicles	tonnes CO2-e	7.47	6.92
Greenhouse gas emissions generated by electricity consumption	tonnes CO2-e	1465.51	1,152.16
<b>Other indirect greenhouse gas emissions</b>	<b>Unit</b>		
Carbon dioxide emissions generated by air travel	tonnes	13.43	14.03
<b>Greenhouse gas emission intensity per capita</b>	<b>Unit</b>		
Greenhouse gas emissions of vehicles	tonnes CO2-e	0.0045	0.0038
Greenhouse gas emissions generated by electricity consumption	tonnes CO2-e	0.88	0.75
Carbon dioxide emissions generated by air travel	tonnes	0.0081	0.0077

## THE ENVIRONMENT AND NATURAL RESOURCES

The Group has always attached importance to energy conservation, and therefore we have maintained an efficient resource management strategy to reduce energy consumption and create a more environmentally friendly business atmosphere. We are honoured to be awarded the "Green Office" Label by the World Green Organization, the "Better World Company" Label of the United Nations Sustainable Development Goals and become the core support organization of the Junior Chamber International Hong Kong. The Group will continue to actively promote the e-operation and e-commerce and has incorporated 150 feasible green criteria from the World Green Organization into our business philosophy, including but not limited to energy savings, water savings, waste reduction, paper or printing reduction, green procurement, IT use and disposal, transportation, education and awareness, and green innovation. We regularly promote relevant recycling programs to our staff to enhance their environmental awareness and encourage them to save paper, water and electricity.

In order to reduce the use of paper by staff, we encourage them to process daily documents electronically and when necessary, set the default printing as double-sided black-and-white printing. We also set waste paper and used toner cartridge recycling bins in offices to manage paper resources properly and to reduce the burden on the environment.

We also recommend staff to adopt telephone or video conference to reduce the number of business trips, thereby reducing the Group's overall carbon emissions and sulfur dioxide emissions.

Regarding energy equipment, the Group has installed LED lights in offices and warehouses to save electricity. We also regularly clean the filters in air-conditioners to ensure their normal operation and set recycling bins to collect rechargeable batteries in the office building.



In terms of water resources, in order to encourage staff to save water, we have put up signs in offices and medical service centres to remind employees to reduce water consumption. During the Reporting Period, as the Group utilized the local water supply system, we did not find any problems in obtaining suitable water sources.

Due to the nature of the Group's business, there is no significant concern about the packaging materials required for finished products.

The resources consumption of the Group is as follows:

		Consumption during the year ended 31 March	
		2020	2019
Categories of resources consumed	Unit		
Total electricity consumption	kWh	2,196,379	1,761,083
Total water consumption	m <sup>3</sup>	10,657	8,916
Greenhouse gas emission intensity per capita	Unit		
Total electricity consumption	kWh	1320.73	962.87
Total water consumption	m <sup>3</sup>	6.41	4.87

The Group is committed to reducing the environmental burden caused by our business and implementing various environmental protection procedures to save energy, water and other raw materials. We believe that the implementation of these policies and measures will at the same time reduce our operational costs, bringing about a win-win situation for both the environment and the Group's business, and fulfill the philosophy of sustainable development.

Unless otherwise stated, we did not have a significant impact on the environment and natural resources in our daily operation during the Reporting Period.

## SOCIAL PERFORMANCE

The Group has always attached importance to corporate social responsibility and sought to provide different kinds of funding for staff, product management and community welfare projects. The Group believes this management policy will bring positive returns to the Group in the long run.

### EMPLOYMENT AND LABOUR PRACTICES

#### EMPLOYMENT

The effective use of human resources is one of the Group's most important projects. Therefore, the Group strictly abides by the relevant laws and regulations, including the "Employment Ordinance", the "Sex Discrimination Ordinance", the "Disability Discrimination Ordinance", the "Family Status Discrimination Ordinance" and the "Race Discrimination Ordinance". In addition, the Group also makes and regularly updates relevant internal policies and regulations to ensure that each employee is treated equally and free from discrimination. During the Reporting Period, the Group did not notice any significant violations of the relevant laws and regulations listed above.

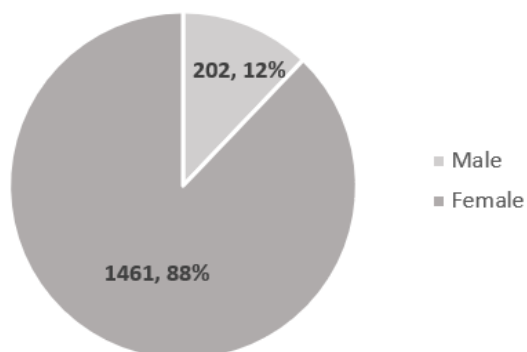
During the recruitment process, the Group ensures that candidates will not be treated unfairly because of their family status, sexual orientation, religion and ethnicity. We will also employ ethnic minorities to give them an equal opportunity to serve the community. In addition, the Group will also provide clear career guidance to employees, and communicate regularly with them to listen to their opinions on their positions.

The Group prepares internal staff manual for all employees in relation to matters such as salary, promotion, working hours, benefits and codes. All employees will also enjoy the leave entitlements set out in the "Employment Ordinance", including annual leave, sick leave, volunteer work leave, maternity leave and paternity leave. We also fulfill our responsibilities as an employer in terms of the MPF, including creating MPF accounts for staff and making contributions.

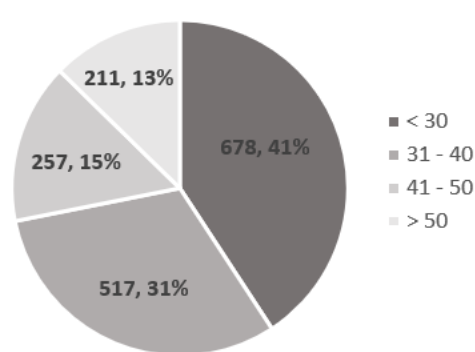
The Group provides different employee benefits, such as medical allowance, corporate discounts for employees and their immediate relatives. These benefits help to develop employees' sense of belonging. In addition, the Company has established a share option scheme and a share award scheme to provide incentives and rewards to eligible employees who have made outstanding contributions to the Group's operation.

As at 31 March 2020, the total number of employees of the Group was 1,663 (2019: 1,829), the majority of which were female and under 40 years old.

Composition by gender



Composition by age group



### HEALTH AND SAFETY

The Group is committed to provide a safe and healthy working environment for employees and visitors. Our offices and medical service centres have implemented safety procedures and good housekeeping practices in accordance with applicable regulations.

All employees shall have received a 150-hour training before they officially commence work to ensure that all medicines and apparatuses will be used safely. In order to address such situations and provide a safe and healthy working environment, the "Healthy Work Guidelines", "Working Instruction Manual", "Medical Contingency Plan" and "Infectious Disease Management and Customer Health Ordinance" were formulated. Unless professionally accredited, the guidelines clearly state that all employees must not use the equipment for any treatment on his/her own to reduce any work-related risks. The Group also strictly abides by the "Medical Clinics Ordinance" and the "Occupational Safety and Health Ordinance" along with other relevant laws to ensure that our employees are working under a safe environment. We have clearly stated several measures for our employees so as to prevent infection, including ensuring hand hygiene, requiring the staff not to wear accessories such as artificial nails or rings and providing each employee with personal protective equipment. We also provide clear guidelines to our staff, including the procedures for handling any injection-related treatments and disposal of the waste.

The Group is committed to fully complying with the relevant occupational health and safety laws in Hong Kong, Mainland China and Macau. The Group has also purchased suitable insurance plans for employees covering medical care and accidents.

### DEVELOPMENT AND TRAINING

Development and training have always been an important part of the Group's business development. We attach great importance to ensuring the safety of employees and providing our customers with safe and superb medical services. Therefore, the Group has been providing different training courses and resources to employees and promoting employee development.

Our internal training department will arrange new employee training with respect to the Group's profile, applicable laws including but not limited to the "Trade Descriptions Ordinance", the "Undesirable Medical Advertisements Ordinance" and the "Personal Data (Privacy) Ordinance", daily operation of the Group, all operational procedures and practice of treatments. After 150 hours of training, all new employees are required to take and pass an examination before officially performing relevant duties.

In addition, we arrange our employees to receive different types of trainings, including sponsored training programs, seminars, workshops and conferences, peer study programs, on-the-job coaching, and tuition fee subsidy scheme for external training courses regularly. During the Reporting Period, the Group conducted medical conference and invited our registered practitioners and our management to explore the Group's development and future direction on the one hand and on the other hand, to promote the experience sharing and communication among doctors, and encourage cooperation among teams. We also conducted monthly staff meetings, in which employees of the sales department, including consultants and sales managers, were invited to conduct sales data analysis and to analyze and review the performance of each month. Celebrities were also invited to share their success stories. The Group believes the above activities will not only enhance employees' professional knowledge and improve their efficiency and executive capacity on the technical level, but also increase their sense of belonging and reduce employee turnover rate.

The Group regularly informs the Company's directors of the latest updates in the Listing Rules and other applicable legal and regulatory requirements and rules in relation to matters required when performing their duties.

*Regular Medical Conference*



*Monthly Staff Meeting*



### LABOUR STANDARDS

The Group strictly complies with the "Employment Ordinance" (Chapter 57 of the Laws of Hong Kong), the "Mandatory Provident Fund Schemes Ordinance" (Chapter 485 of the Laws of Hong Kong), the "Occupational Safety and Health Ordinance" (Chapter 509 of the Laws of Hong Kong) and the "Minimum Wage Ordinance" (Chapter 608 of the Laws of Hong Kong) and their respective subsidiary legislations. Furthermore, recognizing the requirements under the "Employment of Children Regulation", the Group has never hired any child labour or forced labour in compliance with the related Hong Kong laws and regulations. During our recruitment process, relevant staff from the human resources department would screen out candidates who fail to meet the age requirement for employment. The Group was not aware of any violation of relevant child and forced labour laws and rules during the Reporting Period.

## **OPERATION PRACTICES**

### **SUPPLY CHAIN MANAGEMENT**

Reliable and quality suppliers are equally important in facilitating our provision of services with high standard of safety and professionalism. The Group has established procurement management and regularly review policies to enable the procurement department to conduct research and appraisal for suppliers' performance. We review our policies annually in order to meet the latest industry standards and improve ourselves.

The Group has stringent policies on the selection of suppliers. We consider, inter alia, suppliers' reputation, safety records, past performance records, supply quality, price competitiveness, delivery punctuality, relationship with the Group, completeness of certificates and evidence provided, service quality and types of products supplied. We shall review and assess suppliers' performance and qualifications regularly to ensure their quality by ensuring that relevant suppliers have obtained applicable permits (if any), apart from updating the approved supplier list accordingly.

By virtue of the business expansion of the Group, the numbers of suppliers and partners in co-operation are increasing. This has raised the Group's awareness of strengthening our supplier management relative to their performance on corporate social responsibility such as whether they have applied any environment-friendly technology or implemented any environment management system. We will also rate our business partners according to the "Supplier Assessment Chart" that we have designed and will conduct follow-up. It coincides with our future management direction which emphasises more on the suppliers' performance in this aspect.

### **PRODUCT RESPONSIBILITY**

As a leading provider of medical healthcare service in the industry, we make great efforts to minimize the potential risks for all our products and services, bearing in mind the commitment of UMH to provide services to our customers with integrity. No false information is allowed for any promotional uses.

- All the content, including wordings and pictures, of the Group's advertisements is required to be reviewed in a stringent manner in accordance with the "Trade Descriptions Ordinance" and the "Undesirable Medical Advertisements Ordinance" before being published;
- Registered medical practitioners hired by the Group are required to follow the "Code of Professional Conduct", and are not allowed to do advertisement for their services;
- All medical projects are carried out in compliance with professional medical procedures, including: customers have to sign a consent before treatments to ensure their understanding of the risks involved in our medical services;
- Disposable medical supplies are utilized;
- Medical equipment in compliance with medical regulations is chosen; and
- Websites of the brands under the Group must set out the terms and conditions for customers to understand the Privacy Policy Statement of such brands alongside service hotline and email for customers' enquiry.

The Group is also committed to abide by the "Personal Data (Privacy) Ordinance", to ensure that personal information should be highly safeguarded. Our employees have committed not to disclose any confidential information related to our suppliers and customers orally or in writing or through other non-public media.

### **Protection of Intellectual Property Rights**

Aiming at protecting our intellectual property rights, the Group has enacted a variety of ancillary measures to escort the Group's businesses strictly complying with the "Copyright Ordinance" (Chapter 528 of Laws of Hong Kong). During new employee training, new staff will also be provided with explanation and clear illustration that every staff must protect the confidential information of the Group and should take up specific responsibility related to intellectual property rights. If violations are found, the Group will take legal action or intervene by means of conciliation.



Besides, the Group has implemented the following measures:

- Electronic sales ancillary measures are promoted, whereby all the booklets regarding matters such as introduction of products and services are displayed with specific tablets only, to prevent such information from being stolen;
- Trademarks for the brands under the Group are registered at the Trade Marks Registry; and
- Websites of the brands under the Group are registered according to the applicable domains.

### Product Quality Assurance Process

After our suppliers' products have arrived at the Group's warehouses, warehouse supervisors will manage the goods-receiving procedures, inventory transfer, inventory safety rules, dangerous drug disposal, written-off of expired or damaged inventory and impairment measures with reference to the "Inventory Management System". The management document explicitly states the working procedures in relation to our inventory officers and system updates for internal management. To ensure product quality, registered medical practitioners are responsible for handling dangerous drugs in compliance with the requirements of the "Pharmacy and Poisons Ordinance". Based on the "Stocktaking Methods and Guidelines" proposed by the Group, our staff has to conduct monthly stocktaking and fill in a "Monthly Consumption Log".

### ANTI-CORRUPTION

The Group advocates honesty, integrity and a sense of responsibility as our corporate culture and "Code of Conduct". We would never allow any form of corruption, including bribery, extortion, fraud and money laundering. Regulations on anti-bribery, fraud and money laundering are explicitly stipulated in the Group's "Code of Conduct". For instance, staff and agents are prohibited from:

- offering or accepting monetary, gifts, loans or other benefits which may affect business decisions or interfere with independent judgment;
- offering or receiving kickbacks, remuneration or secret commissions for UMH;
- bribing government officers to obtain favorable terms or conditions; and
- engaging in any actual or potential insider dealings.

The Group has implemented a whistle-blowing policy with effect from June 2015. Our staff have been invited by email to express themselves and provide opinions of their positions or the Company anonymously. Our staff can also provide their contact information to our senior management, who will follow up with the matters on a confidential basis. Only the chief executives of the Company are authorized to assess such emails.

The Group encourages our staff to submit inquiries or report suspicious behaviour, with two reporting channels in place for illegal or suspicious behaviour:

- i. For commercial bribery and fraud, directly submit reports to the chief operating officer or the chief financial officer by email.
- ii. For other behaviour violating the "Code of Conduct", directly submit reports to the senior operations manager or the human resources manager by email.

If any violation of the "Code of Conduct" is discovered, the Group will take immediate actions to investigate and report to government authorities. Once confirmed, the violation may render the employees involved to be penalized depending on the severity of the breaches or, in a worse case, to have their employment contract terminated.

During the Reporting Period, the Group was not aware of any breach of laws and regulations relating to bribery, extortion, fraud and money laundering, and it is confirmed that the "Prevention of Bribery Ordinance" (Chapter 201 of the Laws of Hong Kong) and "Anti-Money Laundering and Counter-Terrorist Financing Ordinance" (Chapter 615 of the Laws of Hong Kong) has been strictly followed.



## COMMUNITY

### COMMUNITY INVESTMENT

The Group cares for the community and is willing to take up corporate social responsibilities to create a more inclusive society. In addition to encouraging volunteer works and giving, the Group also recognises our staff as an important asset and is concerned about employee-related matters such as staff benefits and support. Besides, the Group appreciates the importance of environmental protection and spares no effort in promoting the protection of the environment. The Group has been commended and given the public recognition that demonstrates good corporate citizenship as “Caring Company” from The Hong Kong Council of Social Service.

#### “Good Employer Charter”

The Group attaches great importance to talents and recognizes that human resources are one of the important assets of the Company. Participating in the “Good Employer Charter”, the Group aims to promote a staff-oriented culture, in order to motivate staff morale, enhancing their sense of belonging towards the Group, recognizing their contribution to the Group, and laying a solid foundation for the Company’s development.



#### “Green Office Awards Labelling Scheme”

The Group has actively promoted the electronic operation and sales activities recently. Awarded with World Green Organisation’s (“WGO”) “Green Office” Label, the United Nations Sustainable Development Goals’ “Better World Company” Label, and the core supporting organisation to Junior Chamber International (JCI) Hong Kong, the Group has successfully fulfilled the 150 feasible green criteria of the WGO which are grouped into the following 9 categories: Energy savings, Water savings, Waste reduction, Paper/Printing reduction, Green Procurement, IT use and disposal, Transportation, Education and awareness, and Green Innovation.

During the Reporting Period, the Group organized the following activities.

The Lutheran Church Hong Kong Synod (a member agency of the Community Chest) aims to serve the community for charity with God’s teaching of “Love your neighbour”. The Group had invited elderlies of The Lutheran Church Hong Kong Synod for health check and haircare.



The Hong Kong Red Cross (a member agency of the Community Chest) strives for building a world in which people respect and protect human life and dignity, and where people are ready to offer impartial and voluntary aid to help improve the lives of vulnerable people. There were over 100 UMH talents were qualified for blood donation in 2019.



The Group has also donated to established and reputable organisations, including but not limited to:



## CONTENT INDEX OF ESG GUIDE

“Environmental, Social and Governance Reporting Guide” Aspect and General Disclosure		Description	Page(s)
<b>A. Environmental</b>			
<i>Aspect A1: Emissions</i>			
General Disclosure	A1	Information on (a) the policies; and (b) 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
KPI	A1.1	The types of emissions and respective emissions data	6 – 7
	A1.2	Greenhouse gas emissions in total and intensity	6 – 7
	A1.3	Total hazardous waste produced and intensity	6
	A1.4	Total non-hazardous waste produced and intensity	6
	A1.5	Description of measures to mitigate emissions and results achieved	6 – 7
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives, and results achieved	6 – 7
<i>Aspect A2: Use of Resources</i>			
General Disclosure	A2	Policies on the efficient use of resources, including energy, water and other raw materials	7 – 8
KPI	A2.1	Direct and/or indirect energy consumption by type in total and intensity	7 – 8
	A2.2	Water consumption in total and intensity	7 – 8
	A2.3	Description of energy use efficiency initiatives and results achieved	7 – 8
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	8
	A2.5	Total packaging material used for finished products	8
<i>Aspect A3: The Environment and Natural Resources</i>			
General Disclosure	A3	Policies on minimizing the issuer’s significant impact on the environment and natural resources	8
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	8



“Environmental, Social and Governance Reporting Guide” Aspect and General Disclosure		Description	Page(s)
<b>B. Social</b>			
Employment and Labour Practices			
<i>Aspect B1: Employment</i>			
General Disclosure	B1	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	9
<i>Aspect B2: Health and Safety</i>			
General Disclosure	B2	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	10
KPI	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	10
<i>Aspect B3: Development and Training</i>			
General Disclosure	B3	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	10 – 11
<i>Aspect B4: Labour Standards</i>			
General Disclosure	B4	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	11
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour	11

“Environmental, Social and Governance Reporting Guide” Aspect and General Disclosure		Description	Page(s)
Operation Practices			
<i>Aspect B5: Supply Chain Management</i>			
General Disclosure	B5	Policies on managing environmental and social risks of the supply chain	12
<i>Aspect B6: Product Responsibility</i>			
General Disclosure	B6	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	12
KPI	B6.3	Description of management related to maintenance and protection of intellectual property rights	12
	B6.4	Description of quality-checking process procedures	12
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	12
<i>Aspect B7: Anti-corruption</i>			
General Disclosure	B7	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to preventing bribery, extortion, fraud and money laundering	13
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	13
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	13
<i>Aspect B8: Community Investment</i>			
General Disclosure	B8	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	14 - 15

