



PERFECT MEDICAL

2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stock Code:1830

PERFECT MEDICAL HEALTH MANAGEMENT LIMITED

(Incorporated in The Cayman Islands with Limited Liability)

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Approach

Perfect Medical Health Management Limited (formerly known as Perfect Shape Medical Limited) (“Perfect Medical” or the “Company”) and its subsidiaries (collectively, the “Group” or “we”) are principally engaged in the provision of healthcare and medical beauty services in Hong Kong (“HK”), the People’s Republic of China (the “PRC”), Macau and Australia. The Group is committed to promote the integration of science, technology, healthcare, medical beauty services and environmental protection, improving the quality of services in order to become the leading healthcare and medical beauty service provider, while minimizing its adverse impact on the environment.

For the sake of providing high quality healthcare and medical beauty services, especially on tailored medical 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 healthcare and medical beauty services 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 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 our annual Environmental, Social and Governance (“ESG”) Report. The content contained herein focuses on providing an overview of initiative and performance on the environmental and social aspects of our major operations in HK, the PRC and Macau for the year from 1 April 2020 to 31 March 2021 (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. For more information on our corporate governance, please refer to the “Corporate Governance Report” on pages 29 to 41 of the Annual Report of the Group for the year ended 31 March 2021.

Scope of the Report

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (“ESG 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 Group has complied with the disclosure requirements of the “comply or explain” provisions set out in the ESG Reporting Guide. The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in HK, the PRC and Macau for the Reporting Year. For scope of key performance indicators (“KPIs”), we focus on operations in material geographical segment including HK, the PRC and Macau which account for over 96% of our total revenue. The Group will continue to optimise and improve the disclosure of KPIs.

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

- The HK, PRC and Macau’s healthcare and medical beauty service industry;
- The global healthcare and medical 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 2021.

About This Report

Reporting Principles	Interpretation	The Group's Application
Materiality	The report should disclose significant impacts on the environment and society, or aspects that materially affect how the stakeholders assess the company and make decisions.	The Group conducts questionnaires to understand stakeholders' expectations. Based on the results of the questionnaires, the Group identifies and reports the Group's material sustainability issues.
Quantitative	The KPIs disclosed in the report shall be calculable and comparable where applicable.	Under feasible situation, the Group records, calculates and discloses quantitative information and conducts comparisons with past performance.
Balance	The issuer should objectively and truthfully report its current year ESG performance.	The Group follows the principles of accuracy, objectivity, and fairness to report its achievements and challenges in sustainable development.
Consistency	The ESG report should be prepared in a consistent manner, its ESG's KPIs can be compared to understand corporate performance.	The Group ensures consistency in preparing the report and managing its ESG data for future comparisons.

Feedback

For details in relation to our financial performance and corporate governance, please visit our website on <http://www.perfectmedical.com> 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@perfectmedical.com.

About Perfect Medical

Our Business

Established in 2003 and listed on the Main Board of the Stock Exchange in February 2012, the Group has placed tremendous effort in seeking opportunities while at the same time leveraging its core strengths to overcome difficulties. During the Reporting Year, the Group has been able to achieve progress in expanding its scope of medical healthcare related services to fully address the varied needs of customers. In line with our change in service scope and transformation into a healthcare and medical beauty service provider, we have changed the Company's name from "Perfect Shape Medical Limited" to "Perfect Medical Health Management Limited". This new name better reflects the current status of the Group's business development in medical healthcare, enhance its corporate image and support its future advancement.

Vision

To become the leading healthcare and medial beauty services provider in HK, the PRC, Macau and Australia.

Mission

To continue to secure the healthcare and medical beauty services market in HK, the PRC, Macau and Australia and global expand more of our services providing centers.

Goals

Maintain high quality healthcare and medical 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 Medical 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 response
HKEx	Compliance with listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
Government	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule, stable demand.	Site visits.
Shareholders/ Investors	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.
Media & Public	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
Employees	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Trainings, interviews for employees, employee handbooks, internal memos, employee suggestion boxes.
Community	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 healthcare and medical 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. The intensities in this section were calculated per number of facilities or per number of employees. As at 31 March 2021, there were 42 facilities (2020: 42 facilities) including 41 healthcare and medical beauty centers (2020: 41) located in HK, the PRC and Macau, and 1 headquarter (2020: 1) located in HK. Besides, there were 1,285 employees (2020: 1,153) based in HK, the PRC and Macau as at 31 March 2021.

Emissions

Air Pollutant Emissions

As the Group's main business activities focused on the provision of healthcare and medical beauty services, there was no material gaseous fuel consumption involved. The major pollutants of air emission came from the usage of automobiles, which were used for the transportation of our directors, employees and customers. The three main kinds of air pollutants were classified as sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM").

Major air pollutants emissions from automobiles during the Reporting Year as follows:

Type of Air Pollutants	Air Pollutant Emissions	
	Air Pollutant Emission (kg) 2021	Air Pollutant Emission (kg) 2020
SO _x	0.03	0.05
NO _x	2.97	1.98
PM	0.22	0.15

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, the major kind of indirect emission sources from electricity consumption. Compared to last year, the total weight of GHG emissions increased by approximately 115 tonnes, which was approximately a 10% increment.

During the Reporting Year, the GHG emissions from the operation is set out below:

Type of GHG emissions	GHG Emissions	
	Equivalent CO ₂ emission (tonne) 2021	Equivalent CO ₂ emission (tonne) 2020
Scope 1 Direct emissions	5.98	8.89
Scope 2 Indirect emissions	1,271.30	1,153.30
Total	1,277.28	1,162.19
Intensity per employee	1.00	1.02

Note:

The calculation of the greenhouse gas is based on the “A Corporate Accounting and Reporting Standard” from The Greenhouse Gas Protocol.

Scope 1: Direct emissions from vehicles that are owned by the Group

Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group

Scope 3: is not disclosed as it is an optional disclosure and the corresponding emission is not controlled by the Group

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.

Section A: Environmental



Labels posted beside the light switch and the door switch reminding energy conservation



Using natural day lighting to minimize the amount of artificial light and reduce energy use

Section A: Environmental

Waste Management

As the Group's main operations was the provision of healthcare and medical 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 Group has a strict classification system for different types of wastes. Each type of waste has specific storage location and collection procedures. Wastes are separately stored and handled with the ledger for record. To maintain our determination of environmental sustainability, there were several measures implemented to reduce paper wastes. For instance, paper saving memos have been posted in offices to encourage our employees to use paper resources wisely. There were also recycling bins and bags placed in the offices for collecting all kinds of paper wastes for recycling. In respect with our efforts, compared to last year, a reduction in term of intensity per facility on paper waste production had been achieved.



Paper saving memo posted at the office



Recycling bag placed at the office

Section A: Environmental

During the Reporting Year, wastes generated from the operation is set out below:

Wastes		
	2021 (tonne)	2020 (tonne)
Hazardous waste	–	–
Non-hazardous waste	2.73	7.10
Total	2.73	7.10
Intensity per facility	0.07	0.17

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.

Energy consumption by the Group during the Reporting Year is set out below:

Energy Consumption		
Type of energy	Energy consumed (MWh) 2021	Energy consumed (MWh) 2020
Petrol	21.39	–
Purchased electricity	1,892.27	1,635.89
Total	1,913.66	1,635.89
Energy intensity per facility	45.56	38.95

Section A: Environmental

Electricity Consumption

By our successful promotion of energy saving in the office and healthcare and medical beauty centres aforementioned in section Greenhouse Gas Emissions, our electricity consumption increased for approximately 278 MWh, representing a year-on-year increment for approximately 17%. 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 healthcare and medical beauty services, there was no packaging materials involved during the Reporting Year.

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. Compared to last year's performance, the Group's water consumption increased by 839 m³ which represented an increment of approximately 8%. The increase in water usage is the result of resumption of business in the current year after the COVID-19 in the previous year. 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.

During the Reporting Year, water consumption for the operation is set out below:

Water consumption		
	2021 (m ³)	2020 (m ³)
Water consumption	11,638	10,799
Intensity per facility	277	257

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.

For the sake of maintaining the leading position in the industry, the Group had 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 healthcare and medical beauty services to our customers, we believed that our business 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

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 2021, among our 1,285 employees (2020: 1,153*), 64% (2020: 63%) of them were based in Hong Kong, while the remaining 36% (2020: 37%) were located in the PRC and Macau. As the healthcare and medical beauty services were mainly provided to women customers, our employees' male-to-female ratio was approximately 1:12 (2020: 1:13).

Below is a detailed breakdown of our employees by gender and age group as at 31 March 2021 and 2020:

	2021		2020*	
	Number of staff	% of total	Number of staff	% of total
By gender				
Male	100	8	82	7
Female	1,185	92	1,071	93
Total	1,285	100	1,153	100
By age group				
18-25	213	17	203	18
26-35	594	46	513	45
36-45	308	24	282	24
46-55	113	9	106	9
>55	57	4	49	4
Total	1,285	100	1,153	100

* The employee data for 2020 included employees from Hong Kong, PRC and Macau only.

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 is entitled 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.

During the Reporting Year, there were no material non-compliance regarding employment brought against the Group or its employees.

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 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

Practice safe procedure in our service centres

Safety and wellness of our frontline staff and customers matters the most to the Group. To protect them from COVID-19, we have carried out a series of sanitisation measures at our healthcare and medical beauty service centres: (a) a person must wear a mask at any time where practicable within the healthcare and medical beauty service centres; (b) body temperature screening on a person must be conducted before the person is allowed to enter our healthcare and medical beauty service centres; and (c) hand sanitizers must be provided in our healthcare and medical beauty service centres.

During the Reporting Year, there were no material non-compliance cases noted in relation to health and safety laws and regulations.

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.

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 Manager 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.

Thus, we believe there are no significant environmental and social risks for our management decision on supply chain management during the Reporting Year.

Section B: Social

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 healthcare and medical 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. 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 healthiest and safest 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.

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 and the Group is not aware of any material non-compliance against laws and regulations related to products responsibilities.

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 and sponsorship with a total amount of HK\$377,600 (2020: HK\$3,287,000) in which HK\$100,000 were donated to the Hong Kong Charity Foundation Limited and HK\$277,600 to the Community Chest of Hong Kong.



香港公益金
THE COMMUNITY CHEST

ESG Reporting Guide & Reference

Aspect	Guidance description	Reference in this Report	Remark
A. Environmental			
Aspect A1: Emissions			
General disclosure	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	6-10	
KPI A1.1	The types of emissions and respective emissions data	6	
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	7	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	10	
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	10	
KPI A1.5	Description of measures to mitigate emissions and results achieved	7	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	9	
Aspect A2: Use of Resources			
General disclosure	Policies on the effective use of resources, including energy, water and other raw materials	7-8, 10-11	
KPI A2.1	Direct and indirect energy consumption by type in total	10	
KPI A2.2	Water consumption in total and intensity	11	
KPI A2.3	Description of energy use efficiency initiatives and results achieved	7-8, 10	
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 and, if applicable, with reference to per unit produced	10	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	6-11	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	6-11	

ESG Reporting Guide & Reference

Aspect	Guidance description	Reference in this Report	Remark
B. Social			
Aspect B1: Employment			
General Disclosure	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, holidays, equal opportunity, diversity, anti discrimination, and other benefits and welfare	12-14	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	12	Note
KPI B1.2	Employee turnover rate by gender, age group and geographical region	N/A	Note
Aspect B2: Health and safety			
General Disclosure	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	14	
KPI B2.1	Number and rate of work-related fatalities	N/A	Note
KPI B2.2	Lost days due to work injury	N/A	Note
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	14	Note
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	15	
KPI B3.1	The percentage of employee trained and employee category	N/A	Note
KPI B3.2	The average training hours completed per employee by gender and employee category	N/A	Note

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Aspect	Guidance description	Reference in this Report	Remark
B. Social			
Aspect B4: Labour Standards			
General Disclosure	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	15	
KPI B 4.1	Description of measures to review employment practices to avoid child and forced labour	15	Note
KPI B 4.2	Description of steps taken to eliminate such practices when discovered	15	Note
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	16	
KPI B5.1	Number of suppliers by region	N/A	Note
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	16	Note
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a 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	16-17	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	Note
KPI B6.2	Number of products and service related complaints received and how they are dealt with	N/A	Note
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	N/A	Note
KPI B6.4	Description of quality assurance process and recall procedures	16-17	Note
KPI B6.5	Description of customer data protection and privacy policies, how they are implemented and monitored	16	Note

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Aspect	Guidance description	Reference in this Report	Remark
B. Social			
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	17-18	
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 case	18	Note
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	17-18	Note
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	18	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	18	Note
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	18	Note

Note: KPIs of social aspect is under recommended disclosure.