



# 2023

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

STOCK CODE : 1830





## SCOPE OF THE REPORT

Perfect Medical Health Management Limited (the “**Company**”, together with its subsidiaries, collectively as the “**Group**”, “**we**” or “**us**”) is pleased to present its Environmental, Social and Governance (“**ESG**”) Report. The ESG Report aims to provide an overview of our performance in respect of environmental protection, social involvement, engagement with stakeholders and sustainable development. Relevant figures are recorded and collected from our main operating Medical Beauty Centres and offices in Hong Kong (“**HK**”), the People’s Republic of China (the “**PRC**”), Macau, Singapore, and Australia from 1 April 2022 to 31 March 2023 (the “**Reporting Period**”).

## OUR VISION

We have strong faith in sustainable business development. We hold that a successful business should not be one that maximizes its profits at the cost of environmental and social resources, but one that takes up social corporate responsibility to strike a balance between environmental preservation, stakeholders’ interests, and making profits. In this regard, we take various factors into account when we consider our approach to pursuing sustainability. These include business-related challenges, our accountability to stakeholders, work ethics, global and local environmental concerns, the laws and regulations that are relevant to our operations and our risk management practice.

In time, we seek opportunities to develop our business in a way that is mutually beneficial to the environment, our stakeholders, and us. We are committed to integrating a sustainability mindset into its business operations and continuously making its workplace more environmentally and socially oriented.

By implementing sustainability strategies, we would like to:

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



## PREPARATION BASIS OF THE REPORT

The Report is prepared following the Environmental, Social and Governance Reporting Guide as set out 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**”) and complies with all provisions of “Comply or Explain” as well as the principles of materiality, quantitative, balance, and consistency. In preparing the Report, we have adopted the international standards and emission factors specified in the guidance materials on ESG issued by the Stock Exchange for computing the relevant Key Performance Indicators (“**KPIs**”), and there is no change from previous year in the way the ESG Report has been prepared. The application of materiality is detailed in the subsection headed “Materiality Assessment”. The two ESG subject areas, namely Environmental and Social, are disclosed separately, each highlights the impacts of our operating activities in Hong Kong, the PRC, Macau, Singapore, and Australia for the Reporting Period.

The adoption of the above reporting standard ensures that our disclosure is accurate, consistent, reliable, and timely. As we see this Report as a medium to communicate with our stakeholders, we reflect both the positive and negative aspects of our performances to ensure a meaningful assessment.

## SOURCE OF DATE AND RELIABILITY STATEMENT

The information disclosed in the Report is retrieved from the Group’s internal documents, statistical reports and relevant public materials. The Group undertakes that the Report does not contain any false information, misleading statement or material omission, and takes responsibility for the contents hereof as to the authenticity, accuracy and completeness.

## CONTACT US

For details in relation to our financial performance and corporate governance, please visit our website on <http://www.perfectmedical.com> and refer to our Annual Reports. Also, we treasure your feedback and comments on our ESG performance. Please send your feedback and other sustainability enquiries to us via writing an email to [ir@perfectmedical.com](mailto:ir@perfectmedical.com).

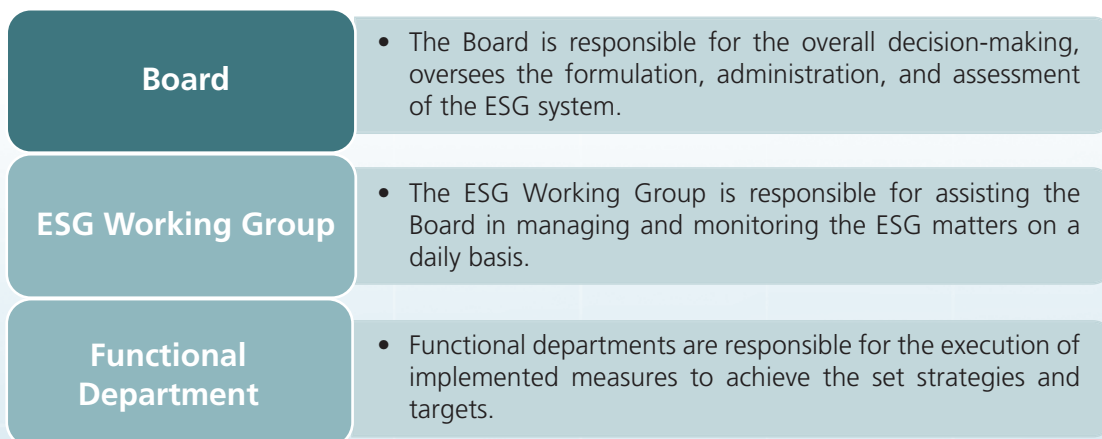
## STATEMENT OF THE BOARD

As a responsible corporate citizen, we acknowledge that prudent environmental and societal management is of great importance to sustainable economic growth. We see the integration of sustainability into our business strategy as well as daily operations as a must to pursue our business model. To deal with the ESG issues effectively, understanding and interaction with our employees, customers and other stakeholders are of the highest priority.

The Group believes that effective management of ESG issues is important to our long-term success in a rapidly changing world. We have established a governance structure to strengthen our management of ESG matters. The Board has an overall responsibility of overseeing the Group's ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group, reviewing the Group's performance annually against the targets, and revising the strategies as appropriate if significant variance from the target is identified.

In order to exert governance over the ESG issues, we have also set up an ESG Working Group that comprises three members: the Chief Financial Officer, the Finance Manager, and the Administration Manager to implement the ESG-related strategies and targets, conduct materiality assessment of ESG issues and prioritise them, report regularly to the Board about the relevant task carried out for sustainable development, identify the relevant issues that have a significant impact on the operation of the Group and/or the interests of other important stakeholders, and promote the implementation of respective measures. Under the authority of the Board, the ESG Working Group assists in collecting ESG data from respective functional department, monitoring the implementation of the measures, and investigating deviation from the targets and liaises with the respective functional department to take prompt rectification actions.

## GOVERNANCE STRUCTURE



## IDENTIFICATION OF AND ENGAGEMENT WITH STAKEHOLDERS

We believe communication with stakeholders is key to a successful business. We seek to understand and communicate with our stakeholders: our suppliers, customers, employees, investors, media, and the government. By such communications, we have understood the general expectations and concerns of our stakeholders. To pursue our sustainability ambitions, we have aimed to establish mutual trust and develop cooperative relationships with our stakeholders, and we would like to align our ESG strategies with their expectations. Our stakeholder's major ESG expectations and concerns are set forth below:

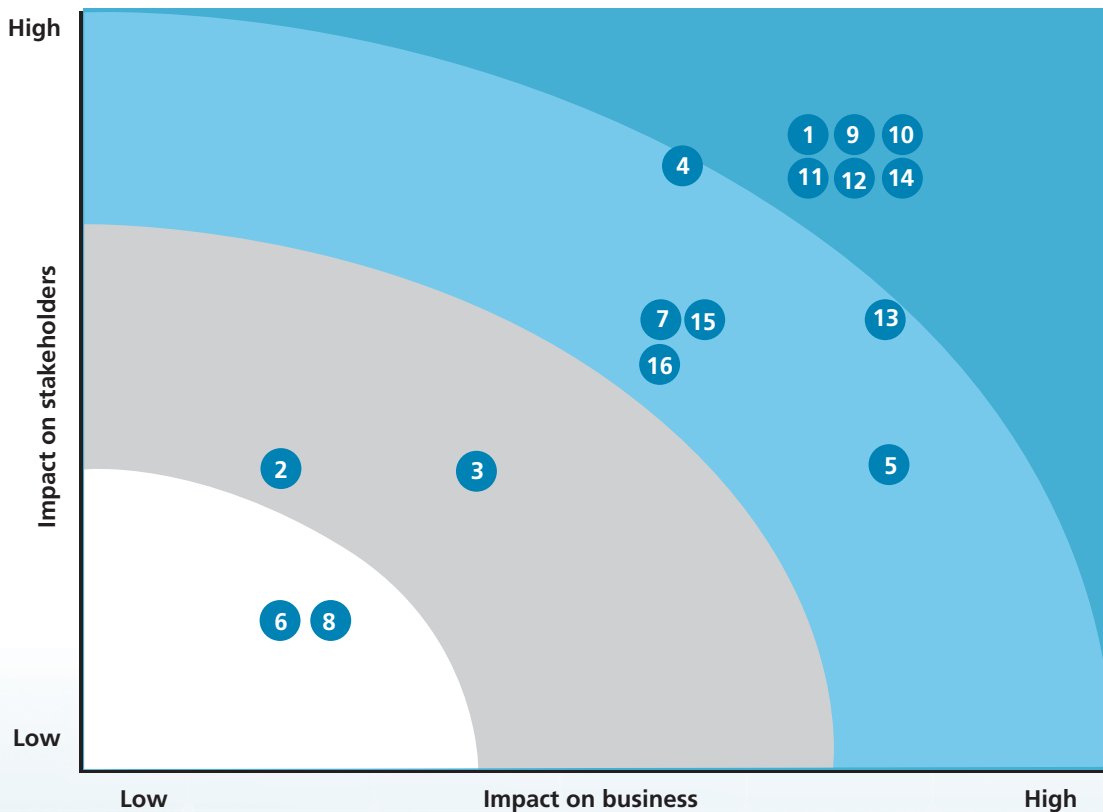
Stakeholders	Areas of ESG Concern	Means of Engagement
Stock Exchange	<ul style="list-style-type: none"> <li>Compliance with the Listing Rules; and</li> <li>Timely and accurate announcement.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings;</li> <li>Training and seminars; and</li> <li>Company's website and announcements.</li> </ul>
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Operational compliance;</li> <li>Tax payment as legally required; and</li> <li>Disclosure of information and submission of materials.</li> </ul>	<ul style="list-style-type: none"> <li>Annual reviewal process; and</li> <li>Company's website and announcements.</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Business strategies and performances;</li> <li>Effective corporate governance;</li> <li>Sustainable profitability; and</li> <li>Investment returns.</li> </ul>	<ul style="list-style-type: none"> <li>General meetings;</li> <li>Financial reports and announcements; and</li> <li>Company's website.</li> </ul>
Media & Public	<ul style="list-style-type: none"> <li>Corporate governance;</li> <li>Environmental protection; and</li> <li>Uphold human rights standards.</li> </ul>	<ul style="list-style-type: none"> <li>Announcements;</li> <li>Company's website; and</li> <li>Press conference.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Payment schedule;</li> <li>Demand stability;</li> <li>Operational compliance; and</li> <li>Quality services and products.</li> </ul>	<ul style="list-style-type: none"> <li>Site visits;</li> <li>Meetings; and</li> <li>Conference calls and interviews.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Quality services and products;</li> <li>Product safety;</li> <li>Commercial credibility;</li> <li>Intellectual property rights and protection; and</li> <li>Operational compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Visits;</li> <li>Meetings; and</li> <li>Customers' enquiries handling mechanism.</li> </ul>



<b>Stakeholders</b>	<b>Areas of ESG Concern</b>	<b>Means of Engagement</b>
Employees	<ul style="list-style-type: none"><li>• Rights and benefits of employees;</li><li>• Training and development;</li><li>• Working environment and occupational safety; and</li><li>• Equal opportunities.</li></ul>	<ul style="list-style-type: none"><li>• Regular meetings;</li><li>• Employee training;</li><li>• Annual appraisal; and</li><li>• Opinion box.</li></ul>
Community	<ul style="list-style-type: none"><li>• Community development;</li><li>• Employment opportunities;</li><li>• Environmental protection; and</li><li>• Social welfare.</li></ul>	<ul style="list-style-type: none"><li>• Community service activities;</li><li>• Media enquiry; and</li><li>• Press releases and announcements.</li></ul>

## MATERIALITY ASSESSMENT

We have identified ESG matters that may have an impact on, or that may pose a risk, its business in short-, medium- or long-term. Issues that are important to our stakeholders, including not limited to, our customers, and employees, are also crucial to us. The Group has identified ESG issues that have potential or actual impact on its sustainable development from various sources, such as our internal policies, industry trends, previous ESG reports, and the Sustainability Accounting Standards Board’s Materiality Map<sup>1</sup>. We have analysed the ESG matters regarding an array of factors, including overall strategies, development, goals, and targets. As such, we have conducted a materiality assessment to rate the identified ESG issues and their impacts that are pertinent to us and our stakeholders. The ESG matters are prioritised as follows:



### Environmental matters

- 1 Emissions
- 2 Hazardous Waste
- 3 Non-hazardous Waste
- 4 Energy Consumption
- 5 Water Consumption
- 6 Packaging Material
- 7 Environment and Natural Resources
- 8 Climate Change

### Social matters

- 9 Employment
- 10 Health and Safety
- 11 Development and Training
- 12 Labour Standards
- 13 Supply Chain Management
- 14 Product Responsibility
- 15 Anti-corruption
- 16 Community Investment

<sup>1</sup> Sustainability Accounting Standards Board’s Materiality Map, <https://materiality.sasb.org/>

## A. ENVIRONMENTAL

### Environmental Compliance

We comply with all relevant laws and regulations that are relevant to the environmental protection in our business locations, including but not limited to the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong) of Hong Kong, the Environmental Protection Law of the PRC, the Energy Conservation Law of the PRC, the Decree Law no. 2/91/M of Macau, the Environmental Protection and Management Act of Singapore, and the Environment Protection and Biodiversity Conservation Act of Australia. During the Reporting Period, we noted that there were no confirmed non-compliance incidents or grievances to environmental issues.

### Types of Emissions

As we are principally engaged in the provision of healthcare and medical beauty services, our operations do not involve any stationery machines that produce gaseous fuel emissions. Our primary air emissions are generated from the fuel combustion of vehicles which were used for the transportation of our directors and customers. To ensure road safety and to keep our air emissions at a minimum, all of our vehicles are under regular maintenance checks. The major air pollutants emitted from the vehicles include Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Particulate Matter (PM). Details of the emission data are as follows:

Types of Emissions	Unit	Year ended	Year ended
		31 March 2023	31 March 2022
Nitrogen Oxides (NOx)	kg	1.20	1.22
Sulphur Oxides (SOx)	kg	0.03	0.03
Particulate Matter (PM)	kg	0.09	0.09

### Greenhouse Gas Emissions

During the Reporting Period, our greenhouse gas emissions mainly come from vehicle fuel combustion under scope 1 and consumption of purchased electricity under scope 2 of the Appendix 2: Reporting Guidance on Environmental KPIs (the “**Guidance**”) of the Stock Exchange. To explain these sources of greenhouse gas emissions, we use automobiles for our directors’ and customers’ transportation. Also, we need electricity to support our office and Medical Beauty Centres’ daily operations, such as the air-conditioning and lighting systems, medical beauty devices, and other electrical equipments.

During the Reporting Period, the Group had produced approximately 1,206 tonnes of Carbon Dioxide (CO<sub>2</sub>), with a total greenhouse gas emission intensity of 0.91 tonnes per employee<sup>2</sup>, showing a slight increase of approximately 2% and keeping on track with the set target. The slight increase in greenhouse gas emission intensity was attributed to the easing situation of the Coronavirus (“**COVID-19**”) pandemic, in which the Group’s business has resumed accordingly.

We are committed to reducing or maintaining the greenhouse gas emission intensity at 90% to 120% of the current level for the next reporting period.

<sup>2</sup> As at 31 March 2023, we have 1,317 employees (2022: 1,414 employees).



To reduce the generation of greenhouse gases, we have been educating our employees and encouraging them to uphold energy efficiency. For details of our energy-efficient practices, please refer to the section headed “Electricity and Energy Efficiency”.

The following shows the statistics of our greenhouse gas emissions during the Reporting Period:

Scope of Greenhouse Gas Emission	Emission Sources	2023 Emission (tonnes of CO <sub>2</sub> )	Intensity (tonnes of CO <sub>2</sub> per employee)	2022 Emission (tonnes of CO <sub>2</sub> )	Intensity (tonnes of CO <sub>2</sub> per employee)
<b>Scope 1</b>					
Direct Emission	Vehicle Fuel Combustion	4.89	0.004	5.63	0.004
<b>Scope 2</b>					
Indirect Emission	Purchased Electricity	1,201.48	0.91	1,253.50	0.89
<b>Total Greenhouse Gas Emission</b>		<b>1,206.37</b>	<b>0.91</b>	<b>1,259.13</b>	<b>0.89</b>

### Hazardous Waste Management

To provide medical beauty services to our customers, our medical beauty centres in Hong Kong generate clinical wastes. As for clinical waste disposal, we comply with all relevant laws and regulations that are relevant to the clinical waste management in Hong Kong, including, but not limited to, the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong). During the Reporting Period, there were no confirmed non-compliance incidents or grievances to environmental issues.

Our hazardous wastes were principally clinical wastes produced during medical operations in our medical centres. The following shows the statistics of clinical waste recorded during the Reporting Period:

	Year ended 31 March 2023	Year ended 31 March 2022
Clinical waste generated (in kg)	326	165
Intensity <sup>3</sup> (kg per floor area in sq.m. <sup>4</sup> )	0.0010	0.0005

<sup>3</sup> Starting from the Reporting Period, the presenting unit for hazardous waste intensity has changed to per floor area in square meters for a better presentation of figures in terms of accuracy.

<sup>4</sup> As at 31 March 2023, the Group’s total floor area totalled 325,303.11 m<sup>2</sup> (2022: 363,689.78 m<sup>2</sup>).

We have established a mechanism for clinical waste management in compliance with the legal requirements of the Waste Disposal Ordinance and the Waste Disposal (Clinical Waste) (General) Regulation to handle clinical waste in a safe and organized way. Regarding the policy, we would like to highlight some major measures that are covered in the mechanism:

- all containers for packaging clinical wastes should be leak-proof, impervious to moisture, and strong enough to prevent tearing or bursting under normal handling. Such packages should not be reused;
- all used or contaminated sharps should be put into standardized sharps boxes with a specified label. The label must be securely affixed or pre-printed on a prominent position of the container which allows the information on the label to be read easily;
- sharp containers should not be filled above the warning line indicating between 70% and 80% of their maximum volumes before sealing;
- packaging and sealing of clinical wastes should be conducted with meticulous care to ensure that no clinical waste adheres to the external surface of the containers;
- clinical waste must be collected and transported by licensed collectors to licensed disposal facilities for proper disposal.

Although the disposal of clinical materials is inevitable as they are necessary for us to provide medical beauty services to patients, we strive to reduce our production of clinical wastes. To lower the generation of clinical wastes, we also safely and legally reuse reusable medical equipment and instruments after thorough disinfection and sterilization. During the Reporting Period, in pursuit of a higher hygiene level in our medical centres, the amount of clinical wastes have significantly increased, and not keeping on track with the set target. We target to reduce or maintain the intensity of hazardous wastes produced at 90% to 120% of the current level for the next reporting period, given that there is no addition of other types of clinical wastes. To achieve so, we aim to further set up recycling guidelines for our employees and encourage a minimal use of single-use clinical materials. We also aim to provide trainings to our employees on proper hazardous waste disposal, to effectively control the risk of pollution caused by these wastes.

### Non-hazardous Waste Management

Our major source of non-hazardous waste was paper consumption for administrative work. During the Reporting Period, the Group had produced 28.56 tonnes of non-hazardous wastes, with an intensity of 0.00009 tonnes per floor area in square meters.

The statistics of our non-hazardous waste production during the Reporting Period are set forth below:

	Year ended 31 March 2023	Year ended 31 March 2022
Non-hazardous wastes (in tonne)	<b>28.56</b>	7.17
Intensity <sup>5</sup> (tonne per floor area in sq.m.)	<b>0.00009</b>	0.00002

<sup>5</sup> Starting from the Reporting Period, the presenting unit for non-hazardous waste intensity has changed to per floor area in square meters for a better presentation of figures in terms of accuracy.

During the Reporting Period, there was a significant increase in the non-hazardous wastes generated, which was attributed to the increased need of leaflet printing for the purpose of business promotion. The Group is aware of the trend of increasing amount of non-hazardous wastes generated and the respective intensity, which was not keeping on track with the set target. To reduce the use of paper, we are committed to creating a paperless working environment for our administrative operations. We strongly encourage our employees to opt for electronic copies instead of paper copies if such an option is open for us. We have also set our printers' default setting to double-sided printing in case printing is necessary, and we reuse paper that was printed with one side when it does not contain confidential information. We would also consider switching leaflet printing to electronic means for promotional purpose to further reduce the consumption of paper. By implementing these measures, we target to reduce or maintain the intensity of non-hazardous wastes produced at 90% to 120% of the current level for the next reporting period, given that there is no addition of other types of non-hazardous wastes.

### Use of Resources

We are aware of the importance of environmental protection and energy conservation. We strive to raise our employees' environmental awareness, and we implement energy-efficient measures to use resources, including electricity, water, and other natural resources wisely and prudently.

### Electricity and Energy Efficiency

Below are the statistics of energy consumption recorded during the Reporting Period:

	<b>Year ended 31 March 2023</b>	Year ended 31 March 2022
Petrol (in mWh)	<b>17.83</b>	20.5
Electricity consumption (in mWh)	<b>2,320.01</b>	2,347.99
<b>Total</b>	<b>2,337.84</b>	2,368.49
<b>Intensity<sup>6</sup> (mWh per floor area in sq.m.)</b>	<b>0.0072</b>	0.0065

With reference to the last reporting period, the total energy consumption had slightly decreased which was attributed to the decreased size of total floor area during the Reporting Period. The respective intensity per facility floor area has increased which was not keeping on track with the set target. As we are well aware of the significance of energy conservation, we have established and implemented a series of energy-efficient measures to use electricity wisely and prudently, we:

- switch off lighting facilities, equipment, and other electrical devices when they are idle and before leaving the premises;

<sup>6</sup> Starting from the Reporting Period, the presenting unit for energy consumption intensity has changed to per floor area in square meters for a better presentation of figures in terms of accuracy.

- carry out regular review or maintenance of office and medical beauty equipment to avoid instances of energy inefficiency;
- opt for energy-efficient electrical devices;
- monitor and review the electricity usage monthly. If we discover any unusual increase in electricity usage, we carry out follow-up actions;
- set and keep air-conditioners to a default temperature at around 24 degrees; and
- make use of natural lighting by incorporating special office designs

By implementing these measures, we target to reduce or maintain the intensity of energy consumption at 90% to 120% of the current level for the next reporting period.

### Packaging Material

As our business nature mainly lies on providing healthcare and medical beauty services, we did not consume packaging material during the Reporting Period.

### Use of Water

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 decreased by approximately 1,073 m<sup>3</sup> which represented a drop of approximately 10% due to the Group's continuous effort in water resources saving. While for the consumption intensity, the intensity per floor area remains unchanged compared to previous year, which is on track with the set target.

To further lower our water consumption, we have posted water-saving memo at the office to remind our staff to use water prudently. As our water was sourced from the governmental department, there was no water-sourcing issue during the Reporting Period.

The statistics of our water consumption for the Reporting Period is set out below:

	Year ended 31 March 2023	Year ended 31 March 2022
Water consumption <sup>7</sup> (in m <sup>3</sup> )	<b>9,880</b>	10,953
Intensity <sup>8</sup> (m <sup>3</sup> per floor area in sq.m.)	<b>0.03</b>	0.03

We target to reduce or maintain intensity of water consumption at 90% to 120% of the current level for the next reporting period.

<sup>7</sup> As some facilities' water charges are covered by building management, we are unable to retrieve relevant water usage data of these facilities.

<sup>8</sup> Starting from the Reporting Period, the presenting unit for water consumption intensity has changed to per floor area in square meters for a better presentation of figures in terms of accuracy.


## Environmental and Natural Resources

As disclosed in this section, we do not pose significant impacts on environmental or natural resources, and we uphold environmental sustainability in our daily operations. We comply with the environmental, social and governance policies and procedures, apply energy-efficient practices in our operation, and avoid causing significant impacts on the environment and overexploiting natural resources.

## Climate Change

We review and identify climate-related risks annually when we conduct the risk assessment. We have considered the potential climate-related risks in respect of the recommendations of the Task Force on Climate-related Financial Disclosure, which are the physical risks and transition risks. Physical risks comprise both the acute risks, such as extreme weather conditions, and the chronic risks, such as sustained high temperature. Transition risks, such as regulatory change on environmental matters, are also in the scope of our assessment. The potential climate-related risks are summarised below:

Risk Type	Risks	Potential Financial Impact	Short (current reporting period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Physical Risks	<ul style="list-style-type: none"> <li>• Extreme weather conditions such as flooding and typhoon</li> <li>• Sustained elevated temperature</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced revenue from business and supply chain disruptions</li> </ul>	✓	✓		<ul style="list-style-type: none"> <li>• Established adverse weather condition policy</li> <li>• Implemented energy conservation measures such as installing more energy-efficient electrical devices</li> </ul>
Transition Risks	<ul style="list-style-type: none"> <li>• Changes in environmental-related regulations</li> <li>• Emerging technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Higher operating costs to comply with new requirements, adopt new practices or technologies</li> <li>• Decreased competitiveness and impact on revenues</li> </ul>		✓	✓	<ul style="list-style-type: none"> <li>• Continue to monitor the regulatory environment to ensure that we meet the expectations of regulatory authority and comply with relevant environmental-related laws and regulations</li> <li>• Encourage our employees to attend conferences and training sessions to keep them abreast with the latest developments in medical beauty technologies</li> </ul>



It is expected that both the physical and transition risks do not have a material impact on our business operation. However, we will continue to monitor the climate-related risks and implement relevant measures to minimize any climate-related risks identified.

## **B. SOCIAL**

### **Employment and Labour Standards**

We comply with all laws and regulations that are relevant to employment in Hong Kong, the PRC, Macau, Singapore, and Australia. Some of which are the Employment Ordinance, Minimum Wage Ordinance, and the Employees' Compensation Ordinance of Hong Kong. Regarding the PRC, we adhere to the Labour Contract Law of the PRC, the Labour Law of the PRC, the Social Insurance Law, and the Provisions of the State Council on Working hours of Workers and Staff. Our business operations in Macau, Singapore, and Australia strictly follow the Labour Relations Law of Macau, the Employment Act of Singapore, and the Fair Work Legislation of Australia, respectively.

We are aware that our employees are the core of business development. We strive to construct a diversified, inclusive, and harmonious working environment with them. To uphold equal opportunity and protect our employee's rights and benefits, we have established a set of rules in our Employee Handbook following the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination, and the Race Discrimination Ordinance in Hong Kong, the Regulations on Women's Rights and Interests and the Law on the Protection of Disabled Persons in the PRC, the Labour Relations Law in Macau, and the Australian anti-discrimination law. To the best of our abilities, we would like to ensure that no employee is mistreated, harassed, discriminated against, or deprived of any opportunities including but not limited to recruitment, promotion, training, and company welfare because of their gender, ethnicity, religious belief, race, sexual orientation, age, marital and family status.

We offer competitive remuneration packages and benefits to our employees and to attract high-calibre employees. Besides basic employee benefits such as overtime compensation, annual leave, maternity leave, medical insurance, Employment Compensation Insurance, retirement benefits, induction and on-the-job training, we offer attractive discounts to our employees and their family members for our services, and we subsidize our employees to pursue professional qualifications and continuing education.

We oppose any form of child and forced labour. We comply with all relevant laws and regulations that have significant impacts on us relating to forced and child labour, including but not limited to the Employment Ordinance in Hong Kong. To avoid child and forced labour, our Human Resources Department performs meticulous interview screening procedures on every candidate. We also conduct a thorough background check on our candidates. We would verify the authenticity of personal data stated on the application forms by examining the candidate's original identity card, and we make in-depth inquiries about the candidate to ensure that we do not employ child and forced labour. If we discover any instance of child and forced labour, we will terminate the contract immediately and conduct a comprehensive investigation of the incident. Disciplinary actions may be taken against members who are responsible for causing the incident.

As at 31 March 2023, the Group has a total of 1,317 employees. The breakdowns of our workforce by gender, age group, and region are as follows:

	<b>As at 31 March 2023</b>
<b>Total workforce</b>	<b>1,317</b>
<b>Breakdowns by gender</b>	
Female	<b>1,205</b>
Male	<b>112</b>
<b>Breakdowns by age</b>	
18–35	<b>787</b>
36–55	<b>467</b>
Above 55	<b>63</b>
<b>Breakdowns by employment type</b>	
Full time	<b>1,317</b>
Part time	<b>0</b>
<b>Breakdowns by geographical location</b>	
Hong Kong	<b>849</b>
Regions outside Hong Kong	<b>468</b>

Details of the average monthly employee turnover rate over the total workforce as at 31 March 2023 are as follows:

	During the Reporting Period
<b>By gender</b>	
Female	5.0%
Male	5.6%
<b>By age</b>	
18–35	6.0%
36–55	3.5%
above 55	4.9%
<b>By geographical location</b>	
Hong Kong	5.0%
Regions outside Hong Kong	5.2%


### Health and Safety

We comply with all relevant laws and regulations in relation to occupational health and safety that have a significant impact on us, including but not limited to, the Employee’s Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Law of the People’s Republic of China on Work Safety, the Convention concerning Occupational Safety and Health and the Working Environment of Macau, the Workplace Safety and Health Act of Singapore, and the Worker’s Compensation Laws of Australia. During the Reporting Period, there are 4 cases of work-related injuries and resulted in a total of 411 working days lost due to work injuries. We have recorded no work-related fatalities and relevant lost days in the past three years, including the Reporting Period.

Since we have identified the inappropriate use of medical beauty equipment as the major source of work injury regarding our business operation, to mitigate the risk, every newly-joined therapist is required to attend training sessions explicating the proper operation of the beauty equipment. Also, we have placed the operation manual of the equipment in every medical beauty centre for our employees’ reference.

In order to safeguard our employees in case any incidents or emergencies occur, we have installed sufficient fire equipment, such as fire extinguishers, fire hose reels and fire sprinklers, and first-aid boxes placed at the office and beauty centres. In addition, the book “Hints on First Aid” is placed inside every first-aid box to guide our staff on how to respond and react to work injuries, including bleeding, unconsciousness, fractures, burns or scalds, electric shock and poisoning.





In response to the outbreak and impact of the COVID-19 pandemic in the first half of Reporting Period, we have established hygiene and precautionary mechanism across our offices and medical beauty centres to ensure the safety of all our medical practitioners, staff and patients. We:

- perform compulsory temperature checks and fill in health declarations upon arrival at our medical beauty centres daily;
- wear surgical masks at all times except when eating;
- install hand sanitisers in the office premise and medical beauty centres;
- disinfect office and medical beauty centres frequently; and
- purchase pandemic prevention supplies such as surgical masks and disinfectants.

We will continue to monitor and assess the development of the COVID-19 pandemic and any other health and safety-related issues that may affect our employees, and set up corresponding solutions and measures in compliance with relevant laws and regulations to protect our employees.

### **Development and Training**

We place great emphasis on the development and training of our employees, as we believe they are key to providing optimal services to our clients. To nurture a high-calibre workforce, we offer training sessions to keep our frontline employees abreast of the latest techniques and knowledge about new medical beauty equipment and service treatment procedures. When we plan our training schedules, we also included topics such as our brand concepts and business protocol to ensure all employees maintain service ethics and standards. Besides the aforementioned, we offer induction and on-the-job training to our employees, and we carry out probationary evaluations and annual assessments to decide their availability to us. For better corporate management, we also provide training for the directors. These training sessions include their duties and responsibilities, corporate governance, business updates, legal and regulatory updates.

Details of trainings held during the Reporting Period are as follow:

	<b>As at 31 March 2023</b>
<b>Total trained employees (%)</b>	<b>58.9</b>
<b>Breakdowns by gender (%)</b>	
Female	<b>98.8</b>
Male	<b>1.2</b>
<b>Breakdowns by employment category (%)</b>	
Junior staff	<b>12.2</b>
Senior staff or above	<b>87.8</b>
	<b>As at 31 March 2023</b>
<b>Total average training hour (hours)</b>	<b>27.02</b>
<b>Average training hour by gender (hours)</b>	
Female	<b>29.44</b>
Male	<b>0.95</b>
<b>Average training hour by employment category (hours)</b>	
Junior staff	<b>18.64</b>
Senior staff or above	<b>28.75</b>

To improve service quality, we listen to customers and employees as we believe their feedbacks are of great use in tailoring our services to customers. We welcome our employees to voice their opinions and comments to supervisors, team leaders, and management members. Such opinions and comments help us to mould a more comfortable and vibrant working environment for our employees, and in turn raise employee morale to provide better services to customers.



## Supply Chain Management

We have a stringent system for selecting reliable and quality suppliers. We select and appraise our suppliers based on various factors, including pricing, quality, reliability, timeliness of delivery, general market reputation, maintenance and service support, and standard of consultancy services provided. Before considering a supplier as our approved supplier, we would conduct detailed background checks and obtain copies of relevant certifications and licenses from potential suppliers to make sure they have complied with all relevant environmental and labour rules and regulations, and have practiced responsible sourcing. We may also entrust third parties such as lawyers to conduct thorough business registration and background checks on our potential suppliers.


Besides the above standards, we prefer products and suppliers that are more environmentally and socially conscious. Our Procurement Team has established an approved supplier list which listed all the existing suppliers with qualified products. An appropriate supplier would be selected from the Approved Supplier List for the procurement. Our management members and specialists would conduct regular evaluations to ensure our suppliers are always living up to our business ethics, environment, labour protection, and health and safety standards.

As at 31 March 2023, we have connected with approximately 52 approved suppliers from around the world. Our suppliers are mainly located in Hong Kong, the PRC, Japan, Korean, Spain and the US.

## Product and Service Responsibility

As we are principally engaged in the provision of medical beauty services in our business locations, which include Hong Kong, the PRC, Macau, Singapore, and Australia, during the Reporting Period, we have not been involved in instigating and/or carrying out any product recall.

We are dedicated to providing high-quality medical beauty services. We have a team of highly experienced specialists for purchasing medical beauty equipment. Our team attends exhibitions from around the world to select the most optimal technology and medical beauty equipment for our customers. Regarding consumable products we use when we provide medical beauty services, to guarantee service quality, we have set up a purchasing and monitoring mechanism. Before purchasing a new product from suppliers, our Operation Department would obtain samples from suppliers for our Therapist's quality tests. We only use the products that receive positive results from our Therapists. To ensure the efficacy of the products, we have prepared a register recording the condition, number, and expiry date of the products for monitoring purposes, and we avoid purchasing and using any slow-moving consumables. All of the products are stored properly in our warehouse and medical beauty centres.



To provide quality services to customers, we ensure that all of our Therapists have obtained relevant qualifications or licenses to perform treatments. In addition to the qualification of our Therapists, we also put emphasis on their ability to meet customer expectations and our service standard when performing treatments. As such, we carry out continuous assessments to review our Therapists' performances, and we encourage them to attend additional training sessions, seminars, and workshops we provide to overcome their shortcomings. Also, to make sure our Therapists are staying abreast of the latest treatments and medical beauty equipment, we offer several training and information sessions educating them on the optimal operation of these new technologies and equipment.

### **Advertising and Labelling**

We comply with all relevant laws and regulations that have significant impacts on us relating to advertising, including but not limited to the Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong), the Advertisement Law of the PRC, the Advertising Act of Macau, the Singapore Code of Advertising Practice, and the Australian Consumer Law.

### **Complaint Handling**

We see customer complaints as an important source of improvement. Therefore, we have set up various channels, such as via email and hotline for customers to express their views and opinions. Our customer service representatives are required to promptly respond to enquiries, requests and complaints from customers. Regarding internal complaints handling, we formulated whistleblowing channels including hotline and email address, which encourage internal and external stakeholders to raise concerns and report any complaints. All reports will be directed to our Management for further handling and investigation.

During the Reporting Period, we have received no material complaints and to the best of our knowledge, we are not aware of any material non-compliance against laws and regulations related to product responsibilities.

### **Data Protection and Privacy**

We are dedicated to protecting our customers' privacy. Our Employee Handbook clearly states that neither current nor previous employees are allowed to disclose any confidential information to a third party, both directly and indirectly, without proper authorization from the respective customer. It also requires employees to strictly adhere to relevant laws and regulations depending on which business location they work in. Such laws and regulations include, but are not limited to the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong, the Personal Information Protection Law of the PRC, the Macau Personal Data Protection Law no. 8/2005, the Personal Data Protection Act of Singapore, and the Privacy Act of Australia.

Upon our clients' first visit, our receptionist will explain to them our service terms, including our use of personal information statement and the terms of disclosure of their details to certain of our suppliers, and ensure they have consented to the above terms. Their personal information is stored in locked cabinets and in our computer system to which no access is granted besides responsible doctors, therapists, and nursing staff. We strive to ensure that our customer's personal data could only be used for the purpose it has been collected, or for a directly related purpose.

## Intellectual Property Rights

We have registered trademarks that are material to our business. To manage these registered trademarks, we have established a set of regulating procedures. As at 31 March 2023, we have 41 registered trademarks in Hong Kong. We closely monitor our trademarks' expiry status and renew whenever necessary. As part of our regulating procedures, we also carry out regular monitoring to see whether our trademarks are infringed. If we discover any infringement of our trademarks, we will engage professional parties such as lawyers and take legal action against such infringements in order to protect the Group and our stakeholders' rights and benefits.

## Conflict of Interests

Our Employee Handbook also states that all employees should avoid any situations that may lead to an actual or perceived conflict of interests. When a potential or actual case of conflict of interest is identified, the employee should use the Application Form of Conflict of Interest as a declaration to their supervisors or managers. Apart from employees, our directors are required to report any potential case of conflict of interests to the Board timely. To protect the rights and benefits of our customers, we have regulated that our Treatment Consultants or Managers are not allowed to force the customer to purchase the treatment package.

## Anti-corruption

We do not tolerate any corruption and fraudulent behaviours violating work ethics or in breach of relevant laws and regulations against corruption and money laundering in our business locations. We value and uphold integrity, honesty, and fairness. With reference to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Criminal Law and the Anti-Money Laundering Law of the PRC, the Law no. 19/2009 on the Prevention and Suppression of Bribery in the Private Sector and the Penal Code of Macau, the Prevention of Corruption Act 1960 of Singapore, and the Australian Criminal Code (the Criminal Code Act 1995), our Employee Handbook lays the basic standard of conduct expected of all Directors and employees and the policy on acceptance of advantage and handling of conflict of interests when dealing with our business. Also, we encourage employees to report any suspicious activities through various channels, i.e. email, hotline or in person. Once we receive any complaints or reports regarding potential corruption and fraudulent behaviours, our management members will carry out thorough investigation into the matter. As stated in our Employee Handbook, disciplinary and legal actions may be taken against the persons who perform such fraudulent acts against our stakeholders and the Group's benefits.

- Self Interest:

Our employees are not allowed to claim or receive any form of benefit or gift from any business partner unless such benefit or gift is symbolic or cashless (e.g. promotional or advertising souvenirs). In case of the value of the benefit or gift is higher than HKD100, the employee is required to report to his or her supervisor.

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- Relationship with suppliers and contractors:

We advocate fair and open competition and aim 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.

Within the Reporting Period, the Group had conducted an 1.5-hour session of training for our directors and employees with relation to anti-corruption. During the Reporting Period, we have not been involved in any legal cases regarding corruption, and we noted that no cases of bribery, extortion, fraud, money laundering, or other violations.

### **Community Investment**

We implement social responsibility by encouraging our employees to volunteer and contribute to a good cause, for example, by dedicating themselves to healthcare programmes through community services. We always seek opportunities to support community and social well-being that align with our mission and value. During the Reporting Period, we donated and sponsored HK\$288,800 (2022: HK\$3,634,000) to a range of non-government organisations. In light of the rapid growth of green and sustainability development these days, the Group had also contributed a total of HK\$214,005,000 for green deposit scheme in various banks for the support of green projects. Through the deposit, the Group wished to enhance green production and sustainable development in Hong Kong, as well as the road to a low-carbon and greener city.

The Group had also participated in a two-month urban planting project organized by the office property management team, in which four employees contributed a total of 24 hours in planting. The project included but not limited to soil preparation, seed transplantation, soil fertilization and harvesting. By investing in our community, we wish to make it a better place.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspect	Description	Chapter
<b>A. Environmental</b>		
<b>A1 Emissions</b>		
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.	Environmental Compliance
KPI A1.1	The types of emissions and respective emissions data.	Types of Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Non-hazardous Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Greenhouse Gas Emission Electricity and Energy Efficiency
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous Waste Management Non-hazardous Waste Management

Aspect	Description	Chapter
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
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).	Electricity and Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Water
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Electricity and Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental and Natural Resources
<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change



Aspect	Description	Chapter
<b>B. Social</b>		
<b>B1 Employment</b>		
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, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Standards
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Standards
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Standards
<b>B2 Health and Safety</b>		
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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Aspect	Description	Chapter
<b>B4 Labour Standards</b>		
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.	Employment and Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Standards
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
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.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Aspect	Description	Chapter
<b>B6 Product and Service Responsibility</b>		
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.	Product and Service Responsibility Data Protection and Privacy Complaint Handling
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product and Service Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Complaint Handling
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product and Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection and Privacy
<b>B7 Anti-corruption</b>		
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.	Conflict of Interests Anti-corruption
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.	Conflict of Interests Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Conflict of Interests Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Conflict of Interests Anti-corruption

Aspect	Description	Chapter
<b>B8 Community Investment</b>		
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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment