



**Shunten International (Holdings) Limited**  
**順騰國際(控股)有限公司**

incorporated in the Cayman Islands with limited liability  
Stock Code : 932

**2019/2020**  
Environmental, Social  
and Governance Report

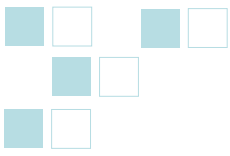


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## ABOUT THE REPORT

The Environmental, Social and Governance (“ESG”) Report (the “ESG Report”) published by Shunten International (Holdings) Limited (the “Company”) presents the efforts and achievements made in sustainability and social responsibility by the Company and its subsidiaries (collectively the “Group” or “we”). The ESG Report details the performance of the Group in carrying out the environmental and social policies and fulfilling the principle of sustainable development.

### SCOPE OF THE ESG REPORT

The ESG Report covers 5 business segments of the Group, including health and beauty supplements and products segment, online advertising agency segment, online payment segment, e-commerce promotion segment and game distribution segment<sup>1</sup>. The performance of the aforementioned business segments as discussed in the ESG Report covers the period between 1 April 2019 and 31 March 2020 (the “Year”). In order to extend the Group’s disclosure to different businesses of the Group in a gradual manner, the Group has included its game distribution business as an addition to the businesses disclosed in the ESG report of the previous reporting period. As for the information of corporate governance, please refer to the Corporate Governance Report of the Company’s 2019/2020 Annual Report.

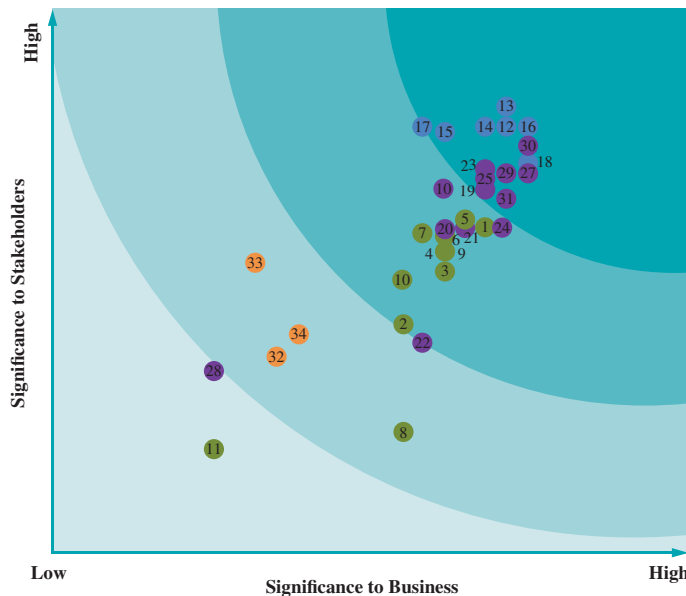
### REPORTING STANDARD

The ESG Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 to the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

### STAKEHOLDER ENGAGEMENT

The Group values the views of its stakeholders, including not only employees, management and directors, but also customers, suppliers and the community. During the preparation of the ESG Report, the Group commissioned an independent third-party consultant to assist the Group in conducting a materiality analysis in a just and unbiased manner.

The materiality assessment includes three main phases, namely (i) identifying potential ESG-related material issues that might affect the Group’s businesses or stakeholders; (ii) conducting a questionnaire survey to understand the views and expectations of stakeholders on the Group’s response to and disclosures of ESG issues; (iii) prioritizing potential material issues based on a total of 46 valid questionnaires retrieved. By reviewing the result of the survey, the Group has identified the material ESG issues which are highlighted in the ESG Report. The following chart shows the materiality matrix derived from the result of the survey.

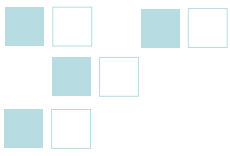


<sup>1</sup> Since the online payment business was disposed of on 27 March 2020, it was excluded when calculating the employment-related KPIs in the ESG Report.



## ABOUT THE REPORT

Environment	Labour Practices	Operation Practices	Community Investment
1. Environmental Compliance	12. Employment Compliance	19. Operational Compliance	32. Charity
2. Fleet Emissions Management	13. Remuneration and Benefits	20. Managing Environmental Risks of Supply Chain	33. Promotion of Community Development
3. Greenhouse Gas Emission	14. Working Hours and Rest Periods	21. Managing Social Risks of Supply Chain	34. Poverty Alleviation
4. Waste Management	15. Diversity and Equal Opportunity	22. Procurement Practices	
5. Energy Consumption	16. Occupational Health and Safety	23. Quality Management	
6. Use of Water Resources	17. Training and Education	24. Customer Health and Safety	
7. Green Office	18. Prevention of Child Labour and Forced Labour	25. Responsible Sales and Marketing	
8. Use of Raw Material and Packaging Materials		26. Customer Service Management	
9. Ecological Protection		27. Intellectual Property Protection	
10. Responding to Climate Change		28. Research and Development	
11. Prevention and Handling of Environmental Incidents		29. Information Security	
		30. Customer Privacy Protection	
		31. Anti-corruption	



## ABOUT THE REPORT

Through the assessment processes, the Group has identified 14 material ESG issues which are fully discussed in the corresponding sections:

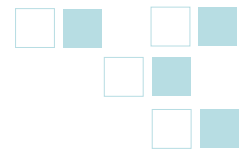
Material Issue	Section
12. Employment Compliance	Employment and Labour Practices
13. Remuneration and Benefits	Staff Welfare
14. Working Hours and Rest Periods	Staff Welfare
15. Diversity and Equal Opportunity	Employment and Labour Practices
16. Occupational Health and Safety	Health and Safety
17. Training and Education	Training and Development
18. Prevention of Child Labour and Forced Labour	Employment and Labour Practices
19. Operational Compliance	Safeguarding Product Quality
23. Quality Management	Safeguarding Product Quality; Provision of Quality Services
25. Customer Health and Safety	Advertising and Labelling
27. Intellectual Property Protection	Protecting Intellectual Property Rights
29. Information Security	Customer Privacy Protection
30. Customer Privacy Protection	Customer Privacy Protection
31. Anti-corruption	Anti-corruption

The data collected is not only a summary of the environmental and social initiatives carried out by the Group during the Year, but also forms the basis for the Group to map out short and long-term strategies for sustainable development. The Group will continue to deepen the breadth and depth of communication with stakeholders in the future.

## INFORMATION AND FEEDBACK

Your opinions on the Group's ESG performance are highly valued. If you have any advice or suggestions, please feel free to contact the Company through:

Address: Unit A, 12/F., Guangdong Investment Tower,  
148 Connaught Road Central,  
Hong Kong  
Tel No.: 3700 7300  
Fax No.: 3700 7301  
E-mail: [ir@shunten.com.hk](mailto:ir@shunten.com.hk)



## ABOUT THE GROUP

Headquartered in Hong Kong, the Group primarily focuses on the health and beauty supplements and products business which has been developed in a professional and attentive way. With strong backup and authentication by experts, we uphold our core value in improving customers' well-being by launching quality-guaranteed and effective health supplements. New elements and ideas, including modern scientific research technology and modified formulations, are infused into the manufacturing processes of traditional Chinese medicine. Apart from that, in recent years, the Group also has online businesses, including the provision of online advertising agency business, e-commerce promotion business and game distribution business.

### ESG GOVERNANCE

The Group believes that well-established ESG principles and practices will increase investment values and provide long-term returns to stakeholders. In order to ensure the establishment of appropriate and effective ESG risk management measures and internal control systems, the Board of Directors (the “**Board**”) is responsible for supervising the Group's ESG strategies and reporting, as well as assessing and determining ESG related risks. To improve the Group's ESG governance, the Board regularly arranges independent assessments and efficiency analysis on the adequacy and effectiveness of the aforementioned system through an internal review function.

### SUSTAINABILITY APPROACH

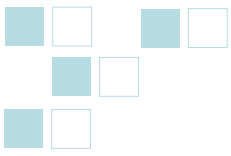
In an attempt to achieve corporate sustainability, the Group always takes our products, customers, community and the environment into consideration during business development.

The Group's operations are comparatively simple and straight forward with offices, warehouses, vehicles and a packaging plant. Although we are not a heavy pollutant producer, we have exerted our commitment towards environmental sustainability by strengthening our employees' awareness of environmental protection and implementing environmental policies in our offices.

It is our conviction that employees are a crucial element to sustain our business. Thus, in order to attract and retain talents, the Group has adopted a responsible operation and human resources strategy, providing our employees with remuneration and benefits, on-the-job training and opportunities for career development. The Group and its passionate employees also organize and participate in charitable activities regularly, showing our dedication to community investment.

In terms of operation, as a health and beauty products provider on one hand, we are devoted to maintaining a high standard of product quality while addressing healthcare challenges, especially in Asia, through the adoption of effective policies and paying efforts in research and development. On the other hand, as a service provider, we have established multiple communication channels with clients to understand their needs and requirements so as to enhance their satisfaction. The newly included role as a game distributor has also opened up new opportunities for the Group to provide quality entertainment to customers.

In summary, the Group will continue to support environmental and social movements, aiming to achieve sustainable development in both our business and the environment.

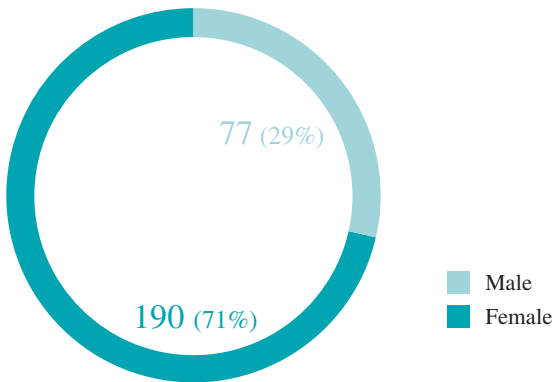


## OUR TALENT

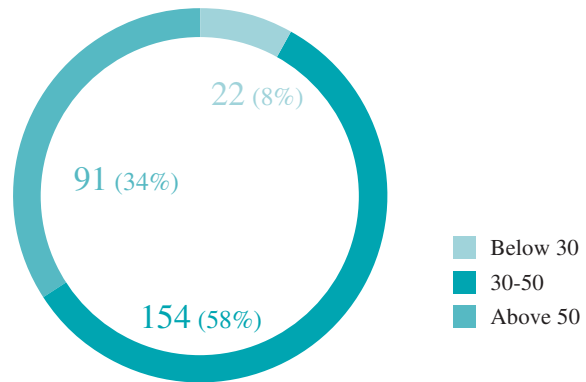
Human resources act as the pillar of the Group, thus we always put the rights and well-being of our employees in first place. The Group stringently abides by relevant laws and regulations such as the *Employment Ordinance* to formulate the policies relating to recruitment, promotion, remuneration and dismissal of employees. As a way to attract and retain talent, in addition to providing a competitive remuneration package, the Group also offers a range of welfare and benefits, a safe and healthy working environment, as well as training, development and promotion opportunities.

As of 31 March 2020, the health and beauty supplements and products segment, online advertising agency segment, e-commerce promotion segment and game distribution segment have employed a total of 267 employees. The total workforce by category is as follows:

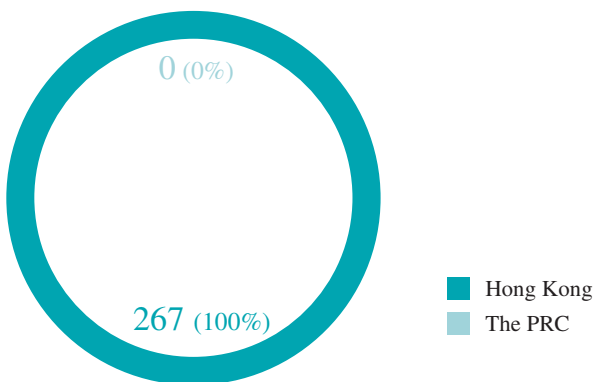
**Total Workforce by Gender**



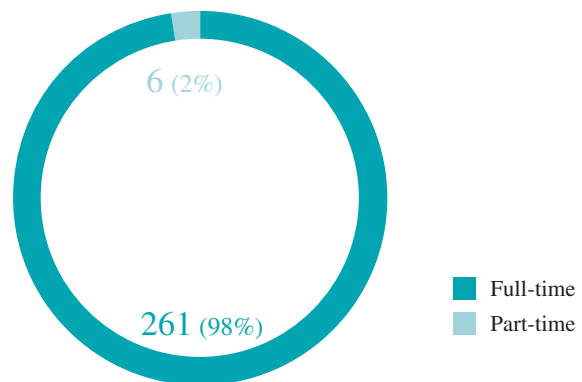
**Total Workforce by Age Group**

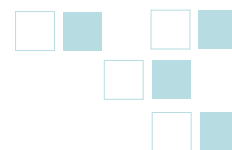


**Total Workforce by Geographical Regions**



**Total Workforce by Employment Type**





## OUR TALENT

Employee turnover rate by gender:

	%
<hr/>	
By gender	
Male	34
Female	19
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By age group	
Below 30	82
30-50	21
Above 50	14
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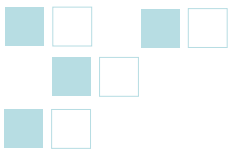
### EMPLOYMENT AND LABOUR PRACTICES

As a fair employer who supports anti-discrimination, the Group advocates equal opportunities during recruitment. We are committed to recruiting people with suitable qualifications, experience, skills, potential and performance, regardless of sex, marital status, family status or disability, by following laws and regulations such as the *Sex Discrimination Ordinance*, the *Disability Discrimination Ordinance*, the *Family Status Discrimination Ordinance* and the *Race Discrimination Ordinance*. The Group's e-commerce promotion segment has been awarded the "Partner Employer Award" issued by The Hong Kong General Chamber of Small and Medium Business, as recognition of its commitment to providing a wide range of internship and employment opportunities to fresh graduates and the minority groups in society including ethnic minorities, retired persons and people with disabilities, so as to build an inclusive and harmonious working environment and society. Besides, fair and competitive remuneration is offered to employees and the terms regarding remuneration are clearly stated in the employment contract.

The Group strictly prohibits the use of child labour in accordance with the Employment of Children Regulations. We ensure that no child labour is employed by verifying the identity of new employees before commencement of work. In order to prevent forced labour, work venues and periods are clearly defined in the employment contract. In general, overtime work is not encouraged by the Group unless under terms of mutual agreement.

Whenever an employee offers to resign or is being laid off, an exit interview questionnaire is required to be completed and management will conduct an exit interview to discuss through and evaluate business problems. This is done so that important opinions could be collected for future improvement of the Group's policies, as well as lessening the turnover rate.





## OUR TALENT

### HEALTH AND SAFETY

Employee's health and safety are of paramount importance to the healthy and sustainable development of the Group. Therefore, we always put priority on employees' health and safety during our business operation and strictly comply with the Occupational Safety and Health Ordinance.

Employees working in the packaging plant are provided with personal protective clothing which not only prevents the products from contamination, but also ensures the health and safety of workers. Guidelines and standard operating procedures specifying the potential hazards of machinery and equipment are provided to employees in order to prevent any potential dangers and hazards during operation. Moreover, we have formulated procedures for handling emergency such as fire and power failure in an effort to minimize the possibility of injuries and casualties in case of accidents. In the meantime, regular safety training, such as fire drills, control of chemicals, personal health and hygiene, and emergency handling are also provided to employees in order to enhance their safety awareness.

With regard to the virus epidemic outbreak in the Year, the Group has further increased its awareness and attention towards employees' health as well as workplace hygiene. The Group has held an information session for employees working in the packaging plant, providing them with the required knowledge on contagious diseases and the preventive and protective measure that can be taken. This aims to safeguard not only the employees' health, but also ensure the quality of our products.

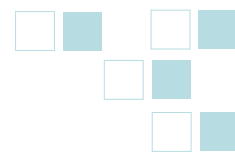
During the Year, there were no work-related fatalities and 1 employee with 315 lost days was recorded due to work injury.

### TRAINING AND DEVELOPMENT

Business success highly hinges on the continuous improvement in employees' performance and productivity, thereby the Group provides employees with both internal and external training opportunities. In general, we provide tailored training programmes to our employees in accordance with the business needs and in an effort to facilitate the personal development of our employees while maximizing the effectiveness of the training programmes. For example, a three-week training, covering new account registration, file archiving, machine setup and customer service, is provided to all newly recruited staff of online payment business to acquaint them with basic operation skills. After familiarizing with daily operations, employees will be assigned to receive more specific and in-depth training, such as risk management, on an on-going basis to develop their professional knowledge and skills. On the other hand, safety training, machine operation and quality control training are provided to staff working in the packaging plant. Also, training on marketing skills and communication skills are provided to promoters and customer service staff. Furthermore, directors, professional and managerial staff were sponsored to participate in various knowledge-based training or management skills training in an attempt to facilitate the improvement of the Group's management performance.

In addition, the Group provides specific training to staff who has training needs outside regular training schedules. The training needs are identified through a number of ways, including initial induction, supervision, reviews or through the Performance Management System. Managers decide in conjunction with the staff member the type of training most appropriate to meet their training needs. The Group also provides study leaves and flexible working hours to staff who are taking courses with examinations, in order to let employees perform at their best.

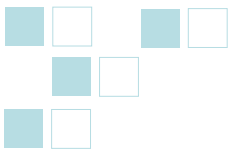
While education and training act as the foundation for improvement of employees, the various opportunities of promotion provide motivation to employees to strive for the Group and enable a long-term development of employees together with the Group. Annual performance appraisal is conducted based on employees' personal quality, work performance and cooperation ability so that employees who have outstanding performance will be taken into consideration for promotion. The Group hopes that every employee will be able to find their position and future by working in the Group.



## OUR TALENT

### STAFF WELFARE

As a way to deliver care to employees, and at the same time stimulate their working initiative, the Group offers all employees a wide range of welfare and benefits. To assure employees of sufficient rest time, the Group adopts five-day work week and our employees are entitled to a number of statutory leaves and special leaves such as birthday leave and study leave. Other fringe benefits also include annual double pay, free medical and dental service, medical insurance and price discounts on of the Group's products. Besides, we also organize employee gatherings such as birthday parties, Halloween costume and makeup contests, barbecue activities, Christmas parties, and voluntary services so as to provide employees with time for relaxation as well as foster better communication between employees.



## BUSINESS OPTIMIZATION

As the Group is principally engaged in the manufacture and sales of health and beauty supplements and products, it is our long-term goal to develop innovative health products that are affordable and improve the accessibility of health supplements for consumers in Asia. To achieve this goal, it is vital to optimize our operation to maintain the high quality of products and services, to properly manage our supply chain and to behave ethically in the market. On the other hand, we also endeavour to achieve a high customer satisfaction in terms of our service-based businesses. Furthermore, the Group has further diversified its business portfolio to include the game distribution division, which focuses on distributing high quality games to consumers.

## SAFEGUARDING PRODUCT QUALITY

Since our health and beauty products are directly related to people's health, we spare no effort in the pursuit of excellence in product quality and the health and safety of all our products. The Group strictly complies with all the requirements of relevant laws, regulations and standards by establishing and implementing a quality management system to monitor and inspect the quality of products, as well as the environment and hygiene of our packaging plant. An experienced quality management team has been set up responsible for overseeing the implementation of a number of quality control measures, including:

1. Formulating a series of quality check procedures for raw materials, intermediates and finished products, which set out the items to be checked, criteria for qualified products, as well as the acceptable quality level and reject level for different sample sizes etc.;
2. Formulating standard operation guidelines for handling raw materials to ensure their proper receipt, storage and delivery and hence the prevention of contamination;
3. Requesting suppliers to provide certificates of analysis and/or lab test reports prepared by independent testing centers in the relevant jurisdiction when delivering raw materials/intermediates to the Group;
4. Cooperating with well-known universities or their authorized organizations to conduct testing and accreditation on products, such as clinical trials, to ensure the safety and effectiveness of products;
5. Appointing third-party independent testing agencies accredited under the Hong Kong Laboratory Accreditation Scheme to perform safety testing on traditional Chinese medicine and health supplement products, on aspects including heavy metals, pesticide residues and microbial counts, etc., before launching into the market;
6. Conducting microbiological tests in the packaging plant to ensure that the production environment meets the relevant safety standards;
7. Applying and outsourcing the latest testing and technologies to enhance quality control, such as High Performance Liquid Chromatography, DNA fingerprinting for herbs and Thin-Layer Chromatography.

In case of large-scale product safety issues, procedures for product recall will be triggered to minimize the impacts brought by the products and to respond to the public and our customers in a timely manner.

The Group's commitment to the highest quality standard has been reflected by the accreditation of ISO 22000 Food Safety Management System and Hazard Analysis and Critical Control Points certification for its packaging plant.



## BUSINESS OPTIMIZATION

### PROVISION OF QUALITY SERVICES

The Group places high priority on customers' satisfaction and hence endeavours to address the needs of customers by providing professional, customized, responsive and caring services. Our customer service departments or sales and editorial teams are responsible for maintaining a constant communication with clients in order to understand their feedback about our products or services. Staff in the department is also responsible to handle complaints from customers so as to address their needs and provide suitable responses timely. A clear set of procedures for handling customer complaints have been set out for various business divisions of the Group, in order to keep clear record of the complaints and its outcome after handling, as well as ensuring that customer complaints are handled professionally and with high quality. In respect of health and beauty supplements business and e-commerce promotion business, customers can also contact our customer service staff via service hotline or email to arrange for product returns and refund.

### ADVERTISING AND LABELLING

Advertising and labelling are particularly important to health and beauty products as impacts can be critical if inaccurate information and messages are conveyed to customers. Therefore, the Group always ensures that the advertisements and labels of our products are in compliance with the requirements of relevant laws and regulations of Hong Kong, including the *Trade Descriptions Ordinance*, the *Undesirable Medical Advertisements Ordinance*, the *Food and Drugs (Composition and Labelling) Regulations*, the *Chinese Medicine Ordinance*, and the equivalent and relevant laws overseas. We undertake to truthfully present all necessary product information, especially ingredients information, to customers in order to achieve transparency and provide customers with sufficient knowledge on our products. Also, we ensure all advertising and labelling materials are checked by the quality assurance team and legal advisers before releasing to the market. In the meantime, we keep abreast of any updates or development of relevant laws and regulations to ensure the compliance with latest legal requirements.

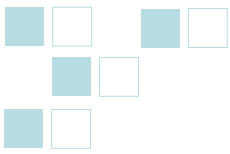
On the other hand, the Group's online advertising agency and e-commerce promotion platform also provide advertising service to customers. All advertising materials designed by us or posted on our online platform are required to comply with the Trade Descriptions Ordinance. In general, our experienced managers in the editorial and design team will examine the advertising materials before publication to ensure there are no false, misleading or incomplete descriptions in respect of goods.

Furthermore, due to the business nature of the online advertising agency of providing online advertising services to clients of different products and services, it has formulated a specific policy on marketing and advertising, which monitors and manages the marketing and advertising material. For example, the policy on marketing and advertising clearly states out which genre and types of goods and services can be advertised on their online platform, which ensures that inappropriate messages regarding products and services will not be launched, maintaining the quality of advertisements.

During the Year, there was no reported case of non-compliance of relevant laws and regulations relating to advertising and labelling.

### CUSTOMER PRIVACY PROTECTION

With regard to customer privacy, the Group is committed to protecting the personal data of all our customers by complying with relevant laws and regulations such as the Personal Data (Privacy) Ordinance. Minimal personal data of customers are collected only for normal business operation, such as goods delivery and conducting customer surveys, and will not be used without the consent of the related persons.



## BUSINESS OPTIMIZATION

To ensure the personal data or other confidential information of our customers are properly stored, we have a management protocol of IT system in place to regulate the storage of information, under which only related staff can have the access to confidential information. Also, employees are required to be at all times alert to the importance of protecting customer confidential data, especially those stored in portable electronic devices. Besides, terms of confidentiality are clearly listed in our employment contract that all employees are prohibited to divulge any restricted information, including the personal data of our customers, to any parties during or after employment. The game distribution division has a separate deed of confidentiality and invention assignment which states out in full detail the restrictions on confidential information, and requires all employees to undertake the deed.

## PROTECTING INTELLECTUAL PROPERTY RIGHTS

The Group has shown continuous support for innovative Chinese medicine by collaborating with several universities to carry out researches on innovative products. One of the launched products is “Bone Enhancement” developed together with the Chinese University of Hong Kong. Although a number of our products are generic, we strive to protect our brand and products’ uniqueness from other similar products while not infringing the rights of others. In order to better protect our product inventions and innovations from potential plagiarism and protect the benefit of the Group, the Group actively applies for trademarks for our newly developed products and product lines.

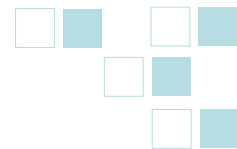
In terms of online advertising agency business, we have a code of conduct in place to regulate news editing in order to avoid the violation of intellectual property rights. For example, all photos posted on our platform must be obtained from legal sources, otherwise the sources of photos must be clearly cited in the photo description. The policy on marketing and advertising also monitors whether the products and advertisements have caused infringements of intellectual property rights, and forbids those in violation to advertise on online platforms. On the other hand, for e-commerce promotion business, terms of confidentiality are clearly stated on the customer contract, under which we undertake to respect the intellectual property rights and under no circumstances do we copy or reproduce the products of our customers.

During the Year, there was no reported case of infringement of relevant laws and regulations relating to intellectual property rights.

## ANTI-BRIBERY AND CORRUPTION

Unethical behaviour is a potential source of risk that not only tarnishes the image of an enterprise, but also weakens its stability. A stable and healthy development of the Group depends on the integrity of our employees, thus we have formulated the “Code of Ethics” and “Code of Conduct” (respective to different business divisions) as internal guidelines for guiding employees’ behaviour regarding various aspects such as personal benefits, conflicts of interest and relations with suppliers and contractors in strict compliance with the Prevention of Bribery Ordinance. We also promote the value of integrity and awareness of unethical behaviour such as bribery and corruption.

In terms of corruption monitoring, the Group engages external auditors in carrying out annual internal audit by which the corporate governance and control systems are assessed and reported to the management. As the Group is also an online payment service provider, we are mindful to prevent illegal transactions via our online payment platform by clients. In view of this, we examine potential clients’ background and conduct risk assessments before entering into business relationships. We also monitor the transaction records to see if there are any large or unusual transactions. As a form of anti-corruption commitment, the Group’s e-commerce division signs anti-corruption agreements with its business partners, acting as a mutual consensus to cooperate ethically.



## BUSINESS OPTIMIZATION

Besides, reporting channels are available under our whistle-blowing policy and employees are encouraged to report any existing or potential breach of the “Code of Ethics” and “Code of Conduct” to the management. The Group will investigate reports of breach and will take appropriate actions including disciplinary actions, termination of employment, report to ICAC or related authorities and preventive actions.

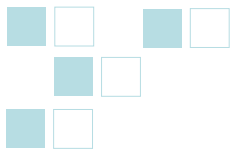
During the Year, the Group was not aware of any breach of laws and regulations on the Group in relation to bribery, corruption, extortion, fraud and money laundering.

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

A proper and responsible management of the supply chain is essential for maintaining the high quality and stability of products as well as the sustainable development of the Group. In the health and beauty supplements business, the Group mainly engages suppliers to provide us with raw materials. In order to ensure product quality, we have established a comprehensive mechanism for selecting suitable suppliers in a fair and reasonable way and we consider suppliers from all over the world, such as New Zealand, Australia, Malaysia, Taiwan, Japan, USA, China and Hong Kong. The e-commerce business and game distribution business also source suppliers from around the world, cooperating with suppliers from countries including China, United Kingdom, USA, Germany, Japan, Singapore, Taiwan, Canada and Hong Kong.

During the selection of suppliers and subcontracting manufacturers, factors in a variety of aspects are taken into account including business scale, financial status, production capacity, production process and environment, quality control system, product safety and delivery performance. Suppliers are required to provide quality check certificates and/or product analysis reports, or provide samples for laboratory testing, before the delivery of raw materials/intermediates. Preference is usually given to suppliers who have obtained certifications such as Hazard Analysis and Critical Control Point, Good Manufacturing Practices and International Organization for Standardization.

Upon engagement, our procurement team will cooperate with the quality assurance team to evaluate the suppliers based on the procurement procedures, after-sales services and product safety. Moreover, site audits on selected suppliers are also conducted regularly in an effort to ensure their committed quality standards are maintained.



## OUR ENVIRONMENT

Along with the rising awareness of and concern over environmental issues triggered by businesses nowadays, the Group has recognized the environmental impacts, which are not seriously detrimental though, resulted from our business operations and has attached great importance to the implementation of environmental protection policies. As a responsible corporation, we have carried out measures covering emission control, waste management and resources conservation by following relevant laws and regulations such as the Air Pollution Control Ordinance and the Waste Disposal Ordinance. During the Year, the Group was not aware of any non-compliance with relevant laws and regulations relating to environmental issues.

### AIR EMISSION CONTROL

As our operation is mainly concentrated in offices, warehouses and the packaging plant, no heavy air and water pollution are associated with our business. The majority of air pollutants, including nitrogen oxides, sulphur oxides and particulate matter, are produced during the use of private cars and light goods vehicles for supporting our daily operation. As a measure to reduce the emission of pollutants, the Group performs maintenance and repairs on the vehicles so that high efficiency can be maintained.

Emission of air pollutants from the use of vehicles during the Year:

Types	2019/20	2018/19
Nitrogen oxides (kg)	4,453	2,071
Sulphur oxides (kg)	7	7
Particulate matter (kg)	221	175

The topic of climate change has sparked heated discussions in recent years across the globe and has drawn the attention of enterprises. The Group is no exception and has increased its awareness towards the causes and impacts of climate change ever since. The sources of our greenhouse gas emission include combustion of fuels in vehicles, use of purchased electricity, electricity used for water and sewage treatment, business trips by employees and disposal of waste paper to landfills. Efforts have been put on the control and reduction of greenhouse gas emission by exerting ourselves in the implementation of a series of measures such as paper recycling, energy saving and resources conservation. (For details, please refer to “Resources Conservation”).

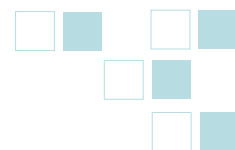
Greenhouse gas emissions during the Year:

Indicators	2019/20	2018/19
Total emissions (tonnes of CO <sub>2</sub> e)	1,508	1,511
Scope 1: Direct emissions <sup>2</sup>	1,266	1,242
Scope 2: Energy indirect emissions <sup>3</sup>	222	242
Scope 3: Other indirect emissions <sup>4</sup>	20	24
Intensity (tonnes of CO <sub>2</sub> e)/million HKD of revenue)	3.83	4.83

<sup>2</sup> The data includes greenhouse gas emissions from the combustion of fuels in vehicles.

<sup>3</sup> The data includes greenhouse gas emissions from the use of purchased electricity.

<sup>4</sup> The data includes greenhouse gas emissions from the electricity used for water and sewage treatment, business trips by employees and disposal of waste paper to landfills.



## OUR ENVIRONMENT

### WASTE MANAGEMENT

Proper handling of waste is another aspect the Group has laid emphasis on, adding to air emission control. Apart from a small quantity of hazardous waste stemming from office supplies such as toner cartridges and batteries, the vast majority of hazardous waste comes from the unsold health and beauty supplements and products which are discarded as chemical waste. To be specific, all the unsold and expired products are collected and handled by a licensed waste collector according to the *Waste Disposal (Chemical Waste) (General) Regulation*. The Group always ensures that all hazardous waste is handled and treated in a legal and appropriate way so as to avoid harmful impacts on the environment.

Apart from hazardous waste, the Group also generates non-hazardous waste which is composed of general office waste produced by staff and a small amount of unwanted paper packaging material. Similarly, non-hazardous waste is also collected by qualified parties arranged by the office building management.

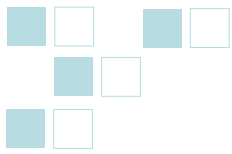
Waste generated during the Year:

Indicators	2019/20	2018/19
Hazardous waste (kg) <sup>5</sup>	5,037	6,504
Intensity of hazardous waste (kg/million HKD of revenue)	12.80	20.80
Non-hazardous waste (kg)	10,734	11,004
Intensity of non-hazardous waste (kg/million HKD of revenue)	27.28	35.19

In order to uphold and underpin the principle of “Reduce, Reuse, Recycle and Replace”, the Group has actively pushed forward various measures to reduce waste generation. In terms of paper consumption, we disseminate information by electronic means whenever possible to reduce the usage of paper. We have also set the printers and computers to default duplex and economical modes and encourage our staff to use both sides of paper before disposal. The use and procurement of disposable items, items with low durability and items with excessive packaging are avoided and replaced with ones that could be reused as far as practicable. Our employees are encouraged to recycle all waste paper, metal and plastic, and purchase products that can be effectively reused, recycled or repaired to reduce waste. We also evaluate the usage of material on a regular basis to avoid overstock and wastage.

<sup>5</sup> The calculation method has been modified in 2019/20 to include general hazardous waste produced in office, e.g. waste toner cartridges and batteries.





## OUR ENVIRONMENT

### RESOURCES CONSERVATION

As the Group is operating a small-scale packaging plant under our health and beauty supplements and products segment, packaging materials, which can be classified into paper products, plastic and aluminum paper, are beyond dispute the major resources used by the Group. To reduce the use of packaging materials, the Group advocates the adoption of simple packaging and encourages consolidated package for bulk purchase of 6 to 24 bottles of our products.

Packaging materials used during the Year:

Indicators	2019/20	2018/19 <sup>6</sup>
Total consumption (tonnes):		
Paper products	115	106
Plastic	8	12
Aluminum paper	1	2
Intensity (g/piece of finished products):		
Paper products	32.84	28.03
Plastic	2.31	3.19
Aluminum paper	0.37	0.45

In addition to packaging materials, water and energy are also resources consumed by the Group. The energy and water consumptions during the Year are as follows:

Indicators	2019/20	2018/19
Total energy consumption (MWh)	5,101	4,944
Fuel combustion for vehicles	4,682	4,489
Purchased electricity	419	455
Energy consumption intensity (MWh/million HKD of revenue)	12.96	15.81
Total water consumption (m <sup>3</sup> ) <sup>7</sup>	77	17
Water consumption intensity (m <sup>3</sup> /million HKD revenue of online advertising agency business)	8.15	1.47

<sup>6</sup> The data for packaging materials is restated

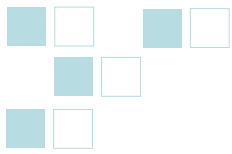
<sup>7</sup> The figure only includes online advertising agency segment as water supply and discharge of other business segments are controlled by the building management of the offices hence data are not available. The data also includes only the water usage during Apr — Aug 2019, since the water usage bill from Sep 2019 — Mar 2020 is unavailable due to government waiver of water and sewage charges.



## OUR ENVIRONMENT

The Group is aware of the possible impacts resulted from the use of energy such as the emission of greenhouse gases and other air pollutants, therefore we shoulder the burden of emission reduction and have dedicated considerable efforts to reducing energy consumption in our office operation. We turn off lighting when not in use and maximize the use of natural light to the greatest extent wherever possible. We have also installed energy-efficient light tubes to conserve energy. Besides, employees are required to turn off electronic appliances completely when not in use in order to avoid energy wastage. For the air-conditioning system, we carry out cleaning regularly so as to maintain its efficiency, and ensure that the air-conditioned room temperature is maintained at 24–26 degrees Celsius. To reinforce our carbon-reduction initiatives, we encourage our employees to use video conferencing to substitute business trips. For unavoidable trips, direct flights and economy class are preferred to minimize carbon emission.

Water is also a type of resources used by the Group although only a small amount of water is consumed by our staff working in the office. To reduce water consumption, we always encourage our employees to save water and avoid wastage wherever possible.



## OUR COMMUNITY

As a caring enterprise, the Group attaches importance to the overall well-being of the community and looks forward to growing our business together with the community. We are dedicated to participating in charitable activities and volunteer services in order to provide support to the needy in society. Furthermore, we have donated to the Hong Kong Science Park as future research funding. Also, in view of the virus epidemic, the Group has donated safety goggles and hand sanitizers to local foundations for different concern groups, like Yan Oi Tong Tuen Mun Elderly Service Centre, Children's Heart Foundation and Pamela Youde Nethersole Eastern Hospital.

Apart from donations, the Group also actively puts great effort into caring for the elderly and the vulnerable groups in society by organizing and participating in different volunteering services. During the Year, our employees participated in multiple community and volunteering services with various target groups, including a flag selling service event to gather donations for Hong Kong Rehabilitation Power, and donation of milk bottles to children charity groups like Hong Kong Society for the Protection of Children and Christian Action.

In appreciation of our efforts put into community involvement and dedication to corporate social responsibility, our subsidiaries have received the following awards and recognition during the Year:

Awarded Subsidiary	Awarding Organization	Award and Recognition
RM Group Holdings Limited	The Hong Kong Council of Social Service	5 Year Plus Caring Company Logo
RM Group Holdings Limited	The Federation of Hong Kong Industries	Caring Certificate (SME Group) under the CSR Recognition Scheme Industry Cares 2019
Royal Medic (Holdings) Limited	GS1 Hong Kong	5 Years Plus under Consumer Caring Scheme
Royal Medic (Holdings) Limited	Hong Kong Brand Development Council	Hong Kong Top Brand Mark (Top Mark) under Hong Kong Top Brand Mark Scheme
CU Legend Company Limited	Hong Kong Brand Development Council	Hong Kong Top Brand Mark (Top Mark) under Hong Kong Top Brand Mark Scheme



順騰國際(控股)有限公司  
Shunten International (Holdings) Limited