



Jinxin Fertility Group Limited
錦欣生殖醫療集團有限公司*

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code: 01951



2020

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



* For identification purposes only

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About this Report

This report is the second Environmental, Social and Governance (ESG) Report issued by Jinxin Fertility Group Limited (the “Company”), which discloses to all stakeholders the actions and achievements of Jinxin Fertility Group Limited and its subsidiaries in terms of economic, environmental and social sustainable development.

REPORT BASIS

This report is prepared with reference to the Environmental, Social and Governance Reporting Guide (“ESG Guide”) (effective for financial years commencing on or after July 1, 2020) set out in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”).

REPORT SCOPE

Scope of Organization: Unless otherwise specified, the scope of this report covers Jinxin Fertility Group Limited and its subsidiaries (the “Group”) in the consolidated financial statement of the annual report. Compared with the previous years, the data scope of this report includes the newly established Wuhan Jinxin Integrated Gynecology and Obstetrics Hospital Co., Ltd., and Jinrui Medical Center in Laos.

Full name of company

Abbreviations in this report

Jinxin Fertility Group Limited	The Company
Shenzhen Zhongshan Urological Hospital	Shenzhen Zhongshan Hospital
Chengdu Xinan Gynecological Hospital Co., Ltd.	Chengdu Xinan Hospital
Wuhan Jinxin Integrated Gynecology and Obstetrics Hospital Co., Ltd.	Wuhan Jinxin Hospital
HRC Fertility Management, LLC and Huntington Reproductive Center Medical Group	HRC Fertility
Jinrui Medical Center in Laos	Jinrui Laos

Time Range: from January 1, 2020 to December 31, 2020. In order to ensure the clarity and comparability of information, some chapters disclosed the data for 2018 and 2019.

About this Report

REPORTING PRINCIPLES

This report follows the reporting principles of Environmental, Social and Governance Reporting Guide issued by the SEHK, including:

- **The Principle of Materiality**

According to this principle, this report determines the key issues to be responded to through stakeholder research and materiality analysis, and focuses on the matters related to environmental, social and governance issues that may have a significant impact on investors and other stakeholders.

- **The Principle of Quantification**

According to this principle, this report discloses the key quantitative performance indicators, explains the meaning of these indicators, as well as the calculation basis and assume condition.

- **The Principle of Balance**

According to this principle, the content of this report reflects objective facts and discloses indicators involving both positive and negative information.

- **The Principle of Consistency**

According to this principle, this report explains the meaning of the disclosed key quantitative performance indicators of ESG, as well as the calculation basis and assume condition; at the same time, the indicators used in different reporting periods consistent should be kept consistent as far as possible to reflect the trend of performance level.

DATA DESCRIPTION

The data in the report comes from the original records or financial reports of the actual operation of the Group.

RELIABILITY ASSURANCE

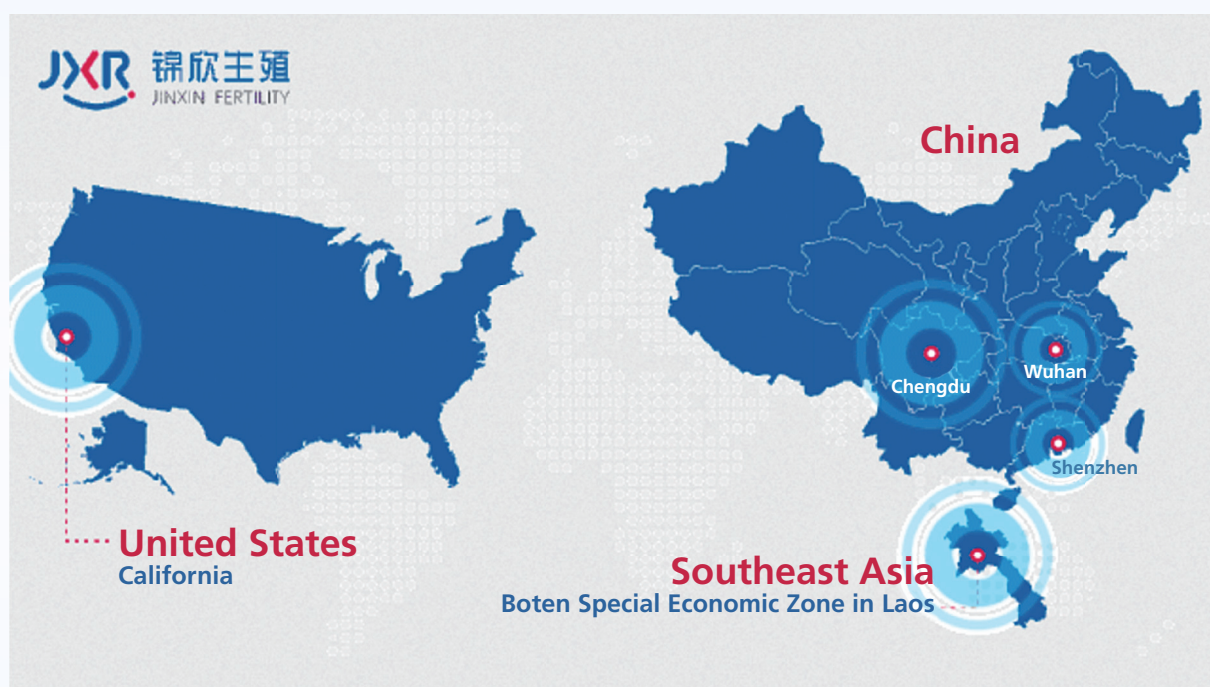
The board of directors of the Company guarantees that there are no false records, misleading statements or major omissions in the report.

1. Corporate Profile

The Group is a leading provider of ARS in China and the United States. Adhering to its vision of “Building a global assisted reproductive service platform with comprehensive capabilities”, the Group is committed to providing personalized solutions for patients and realizing their dreams of becoming parents. With decades of development, the Group has become a leading provider of assisted reproductive services in China and the United States.

The Group adheres to the strategy of building a global advanced ARS platform with comprehensive capabilities, continuously deepening its capabilities in service ability, patient experience, scientific research innovation, etc., and actively expands products and services supporting the whole cycle of reproduction.

We are expanding our operating network to provide more and more high-end services with higher value. The Group mainly includes three ART centers: Chengdu Xinan Hospital, Shenzhen Zhongshan Hospital and HRC Fertility. In 2020, the Group expanded its operation network to Wuhan (Wuhan Jinxin Hospital) and Southeast Asia (Jinrui Laos).



2. ESG Management

The Group is committed to building a comprehensive ARS system to provide personalized solutions for patients seeking to have children. While focusing on our own business, we also assume corporate citizenship responsibility, address social issues through our own operation, and strive to maximize the comprehensive benefits of economy, environment and society.

2.1 ESG VISION AND STRATEGY

As the capital market pays more attention to ESG, the Group carried out ESG themed training at the board meeting in 2020, so that we can understand the latest ESG trends and review our ESG strategy. The Group's vision is "Building a global leading assisted reproductive service platform with comprehensive capabilities", and it is committed to meeting the growing unmet needs of Chinese patients. On this basis, the Group puts forward the ESG management strategy covering four aspects: responsible operation, high-quality medical service, people-oriented, beautiful environment and community.

ESG Management Strategy

	Short-to-medium term (3-5 years)	Long term (5-10 years)
Responsible Operation	<p>Strengthen compliance and anti-corruption management, conduct compliance and anti-corruption training for board members, senior management and all employees;</p> <p>Consciously abide by the medical ethics, strictly protect the customer information.</p>	<p>Build a responsible supply chain, strengthen the management of suppliers in environmental protection, labor, ethics and other aspects, reduce our environmental and social impact in the supply chain.</p>
High Quality Medical Service	<p>Improve the quality management system and customer service system, improve our own medical service ability.</p>	<p>Provide diversified and high-quality services to meet the needs of customers and the market, bring hope to more families and promote the progress of the industry.</p>

2. ESG Management

	Short-to-medium term (3-5 years)	Long term (5-10 years)
People-oriented	<p>Respect and safeguard the legitimate rights and benefits of employees, and build a harmonious employee relationship with multi-level employee communication mechanisms and employee care initiatives;</p> <p>Provide diversified staff training resources and career development channels to enable staff's career development;</p> <p>Provide a safe and healthy working environment for employees.</p>	<p>Build an excellent employer brand in the industry, train and reserve high-level talents for the field of assisted reproduction in China.</p>
Beautiful Environment and Community	<p>Promote green office and resource recycling, improve resource use efficiency, reduce greenhouse gas and waste emission in the operation process;</p> <p>Monitor and manage harmful substances to reduce the adverse effects on people and the environment;</p> <p>Actively carry out voluntary service and social public welfare activities, and strengthen the deep integration with the community.</p>	<p>Continue to reduce the impact of our operation on the environment and exert its influence on suppliers, contributing to the building of a low-carbon supply chain and helping China achieve the goal of carbon neutrality by 2060;</p> <p>Continue to carry out and expand community engagement and social welfare activities to improve the Group's social influence.</p>

2. ESG Management

2.2 ESG MANAGEMENT FRAMEWORK

The Group has established a top-down ESG management structure, in which the board of directors takes overall responsibility for ESG, oversees and evaluates the effectiveness of ESG management, ensuring sound and good ESG management. At the same time, the Group sets up an ESG working group, chaired by the managing director of the Group, and is responsible for the overall planning of ESG work, ensuring that relevant tasks formulated by the ESG working group are effectively implemented to all implementation departments. The working group regularly reports the progress to senior management.

ESG Management Structure and Work Responsibilities

The Board Of Directors

ESG Work Responsibilities of Board of Directors

The board of directors is the highest decision-making body of ESG management, responsible for supervising and evaluating the effectiveness, and ensuring sound and good ESG management. Responsibilities include:

- a) Assess and determine the environmental, social and corporate governance related risks and opportunities of the Group;
- b) Ensure that there is an appropriate and effective environmental, social and corporate governance risk management and internal monitoring system;
- c) Monitor and approve the formulation of the Group's environmental, social and corporate governance policies, strategies, priorities and objectives;
- d) Regularly review the performance of the Group with regard to environmental, social and corporate governance related objectives; and
- e) Examine and approve the information disclosed in the environmental, social and corporate governance reports of the Group.

2. ESG Management

ESG Working Group

ESG Working Group's Responsibilities

ESG working group is the manager and coordinator of ESG. It is responsible for implementing the strategies and policies of the board of directors, coordinating the development of ESG work, and implementing ESG-related tasks to all relevant departments, including ESG material issues analysis and preparation of the ESG Report. Responsibilities include:

- a) Formulate guidelines and review the formulation of ESG management policies and strategies;
- b) Formulate and monitor the formulation and implementation of ESG objectives, and review the progress of achieving the objectives;
- c) Guide and review the identification and prioritization of material ESG issues;
- d) Assist in the preparation of annual ESG report and other ESG related disclosure information, and submit it to the board of directors for deliberation and approval for disclosure;
- e) Identify ESG risks related to the Group annually, assess the impact of such risks on the Group, and provide suggestions to the board of directors on risk response; and
- f) Other responsibilities delegated by the board of directors.

2.3 ESG ISSUE MANAGEMENT AND OBJECTIVE REVIEW

To ensure the effectiveness of the Group's ESG strategy, the board of directors reviews the identification results of the Group's important ESG issues every year to ensure that our ESG strategy covers important ESG issues. The process of determining importance will follow the following principles:

- Include key stakeholder concerns and identify material ESG issues concerning key stakeholders;
- Include the opinions of the management to identify ESG issues that have a significant impact on the business of the Group; and
- The board of directors will review the issues that are of high concern to stakeholders and have a significant impact on the business of the Group as important ESG issues.

2. ESG Management

Stakeholder Communication

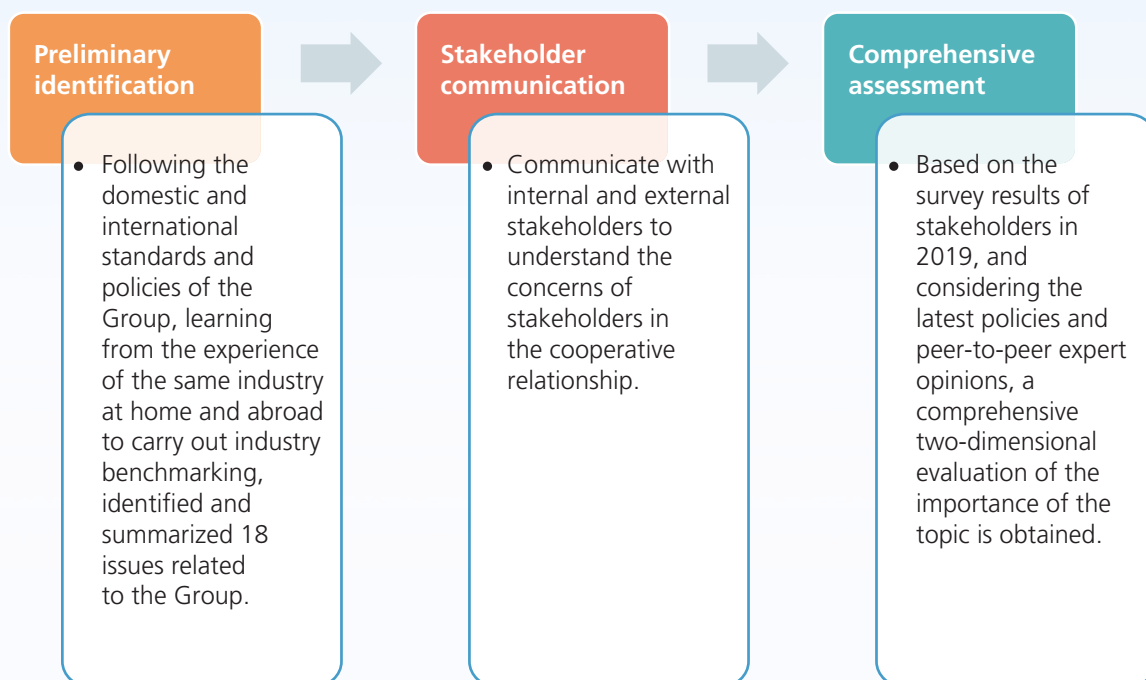
Through active communication with stakeholders, the Group understands the requirements, opinions and suggestions of shareholders, employees, patients, suppliers, government and regulatory authorities, community and public and other stakeholders, actively builds a stakeholder communication platform, understands and responds to the requirements of all parties, and integrates the issues concerned by stakeholders into the Group's operation and decision-making process, so as to improve the Group's management ability and sustainable development competitiveness.

Key Stakeholders	Issues of Concern	Communication and Response
Shareholders	Economic performance, innovative management, product and service quality, compliance management, risk management and control	Information disclosure of listed companies, shareholders' meeting, investors' meeting, anti-corruption management
Patients	Responsible for marketing, customer information and privacy protection, customer satisfaction and communication	Carry out annual customer satisfaction survey, improve information security system construction and customer privacy protection measures
Government and Regulatory Authorities	Compliance management, industrial development, product and service quality, innovative management	Compliance system construction and management, scientific research and innovation, intellectual property protection
Suppliers	Supply chain sustainable development management, compliance management	Standardize supplier management system, transparent and fair procurement
Employees	Employee rights and benefits, employee health and safety, employee development and training	Carry out staff communication, regular training, assessment and promotion through trade union and workers congress
Community and Public	Emission management, energy use, community and public welfare, anti-corruption	Develop public welfare projects and strengthen environmental management

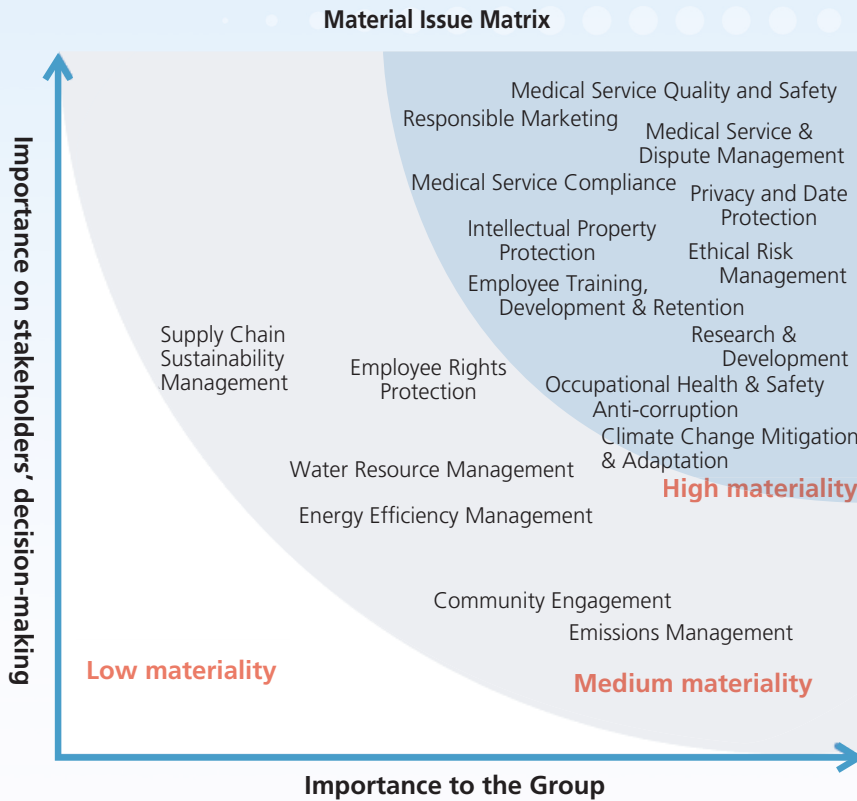
2. ESG Management

Analysis of Material Issues

Following the “The principle of materiality” in *The Environmental, Social and Governance Reporting Guide* issued by SEHK, the Group carries out analysis of material issues according to its own business and operational characteristics. In 2019, the Group carried out stakeholder communication in the form of questionnaire survey to identify the important ESG issues concerned by the Group’s stakeholders. In 2020, the Group adjusted “anti-corruption” and “climate change mitigation and adaptation” to high material issues based on its own business and operation characteristics, as well as the latest policies and industry practices at home and abroad.



2. ESG Management



The Group also plans to put forward quantitative performance targets on greenhouse gas emission and comprehensive energy consumption in 2021. In the first quarter of each year, the board of directors reviews ESG performance of the Group in the previous year and the achievement of ESG performance objectives, to ensure that ESG performance of the Group is disclosed in the ESG report, thus promoting the achievement of ESG performance objectives.

3. Adhering to Responsible Operation

The Group adheres to responsible operation, integrates business ethics and code of conduct into daily operation, consciously abides by various medical ethics and high standard business ethics, and strictly protects customer information. In addition, the Group integrates social responsibility into purchasing management and is committed to building a responsible supply chain.

3.1 BUSINESS ETHICS

Anti-corruption Management System

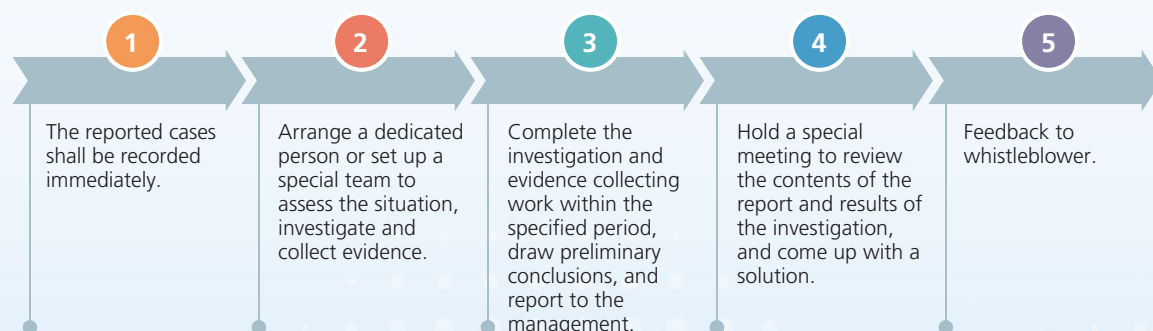
Ethics is the cornerstone of integrity and honesty. With reference to *the Company Law of the People's Republic of China, the Anti-money Laundering Law of the People's Republic of China, the Foreign Corrupt Practices Act of the United States* and other relevant laws and regulations, the Group is committed to continuously improving its business ethics and business operation transparency, so as to obtain long-term support from stakeholders.

The Group attaches great importance to abiding by business ethics in its daily business activities, including integrating into the *Employee Handbook* management of commercial intercourse, gifts and entertainment, conflicts of interest, etc., and is committed to creating a business ethics compliance culture embedded internally. In terms of anti-fraud and anti-commercial bribery, the Group has formulated corresponding management policies, involving the prevention, reporting, investigation and training of fraud and commercial bribery.

Under the authorization of the board of directors, the Group has established an anti-money laundering leading group as the highest decision-making organization for anti-money laundering risk control. The anti-money laundering leading group formulates and continuously improves the anti-money laundering related management system and measures, regularly holds the anti-money laundering leading group meetings, plans and summarizes the daily work of anti-money laundering for the whole year, organizes and carries out anti-money laundering training for employees, so as to improve their anti-money laundering awareness and skills.

Complaint and Whistle-blowing Management

In order to standardize the management of complaints and whistle blowing reporting, the Group's employees can anonymously report any illegal matters to the heads of relevant departments by email, telephone, letter, interview, etc. In addition, regarding the protection of whistleblowers, besides obtaining the consent of whistleblowers, the Group strictly keeps confidential the personal information and reporting of the whistleblowers.



Anti-corruption Supervision and Reporting Procedures

3. Adhering to Responsible Operation

3.2 ETHICAL RISK MANAGEMENT

As a new technology to help infertile people solve fertility difficulties, ART has made rapid progress in the development of recent decades, and has continuously enhanced the ability to intervene in the fertility process. However, there are also some new ethical issues and challenges occurred in clinical application.



3. Adhering to Responsible Operation

The business of the Group may face ethical issues such as abandoning gametes and embryo management. The Group continues to improve the management of ethical risks from four aspects: legal regulation, internal system standardization, implementation of ethical supervision and strengthening industry self-discipline.

In China, the Group has established a medical ethics committee and a reproductive medical ethics committee to guide and supervise the ethical principles that ART should abide by. The ethics committee is responsible for the review of ethical norms in conducting research projects on ART and medicine.

In 2020, Shenzhen Zhongshan Hospital actively participated in external training on the newly issued *Guide for the Construction of the Ethical Review Committee for Clinical Research Involving People (2020 Edition)*. Members of the ethics committee actively participated in national, provincial and municipal training courses, including *Online Training Course on The Construction Guide of the Ethics Review Committee for Clinical Research Involving People* sponsored by the Chinese Medical Doctor Association, *The Remote Training on Biomedical Research Ethics of Guangdong Province in 2020* organized by Guangdong Provincial Health Committee, *the Online Training Course for Capacity Building of the Municipal Medical Ethics Committee* in 2020 organized by Shenzhen Municipal Health Commission etc., continuously strengthening the members' ability of ethical review, which is conducive to standardizing the work of medical ethics review.

Shenzhen Zhongshan Hospital Hosted Seminar on the Controversy of Frozen Embryo Disposal

In July 2020, Shenzhen Zhongshan Hospital, together with the ethics group of reproductive medicine branch of Guangdong Medical Association, held an online seminar on the controversy of frozen embryo disposal through live webcast. After the online seminar, the Reproductive Center of Shenzhen Zhongshan Hospital reorganized the institutional document *Operating Procedures for Embryo Transfer* that standardizes the process of embryo transfer.

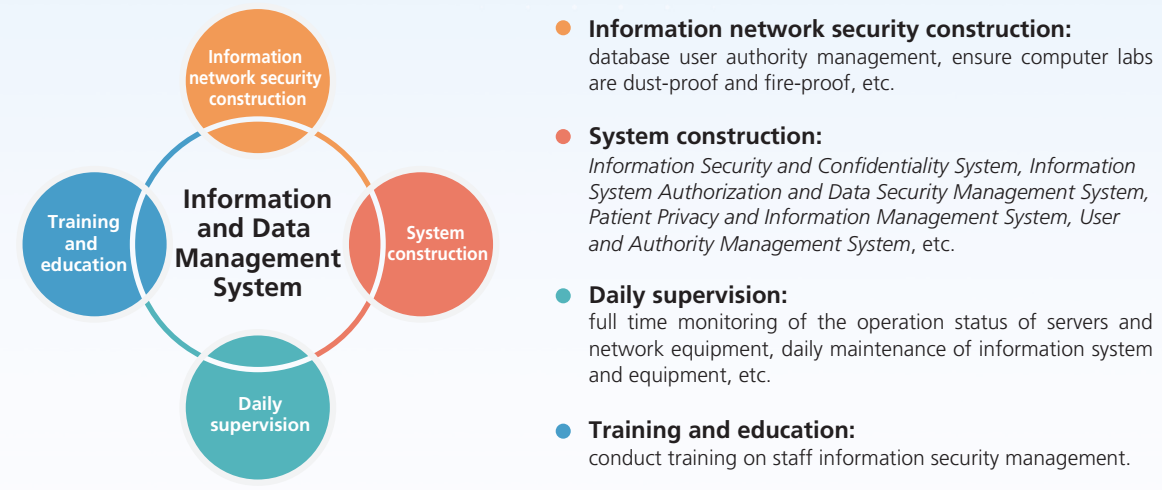
In this seminar, external lawyers were specially invited to explain the relevant content of the current law for the relevant practitioners of the Reproductive Department of Shenzhen Zhongshan Hospital and the reproductive centers in Guangdong Province, taking the cases of various reproductive centers and cases of open network as examples, combined with the analysis of typical embryo disposal controversy cases, and explored how reproductive medicine practitioners deal with ethical issues that patients want to dispose of embryos on their own. A total of 217 people watched and studied online, and provided online Q&A. The seminar was well received by all seminar participants.

3. Adhering to Responsible Operation

3.3 INFORMATION AND DATA SECURITY

The Group strictly abides by the *Cyber Security Law of the People's Republic of China*, the *Health Insurance Portability and Accountability Act (HIPAA)* and other relevant laws and regulations, and has established a perfect information and data security management system.

Information and Data Management System



Major Progress of Information and Data Security in 2020

Chengdu Xinan Hospital	<input type="checkbox"/>	Carry out the digital construction of the hospital, including completion of face recognition and verification function of ART patients. It can improve the security and efficiency of verification through face + ID card verification.
Shenzhen Zhongshan Hospital	<input type="checkbox"/> <input type="checkbox"/>	Carry out the third-party network security assessment. Carry out the training activities of the <i>Network Security Law</i> for all employees.
HRC Fertility	<input type="checkbox"/>	Organize online anti-phishing training regularly, and ensure employees understand the threat of phishing and social engineering fraud through scene-based simulation test, thus reducing the risk of phishing and other cyber attacks.

3. Adhering to Responsible Operation

3.4 RESPONSIBLE PURCHASING

The selection of suppliers will affect the quality of services provided by the Group and the sustainability of the Group's business operations. The suppliers of the Group refer to legal persons, other organizations or natural persons who have the ability to provide materials, engineering and services to hospitals once assessed and approved by the hospitals. According to the types of products provided, suppliers are divided into three categories, namely engineering suppliers, material suppliers and service suppliers.

In China, the Group has formulated *The Supplier Management System*, which involves the management of supplier information, supervision and performance evaluation. The Group conducts audit on the qualification of suppliers when first doing business with them. In daily management, quality of products or services of existing suppliers is assessed irregularly. For those suppliers who fail the assessment, the Group will terminate its business cooperation with them.

In order to ensure the quality of purchased drugs and ensure the medication safety of patients, the Group has formulated the *Drug Procurement System*, which clearly requires qualification audit and annual evaluation of drug suppliers, and implementation of relevant reward and punishment system.

In the United States, doctors at HRC Fertility are responsible for purchasing decisions for drugs and medical consumables. HRC Fertility has a drug supply management program to regulate the procurement of patients' medication by physicians. HRC Fertility implements a drug management project, through which patients can purchase drugs from HRC Fertility at a more favorable price than pharmacies.

Responsible Purchasing Management

The responsible practice of suppliers has an important impact on the sustainable development of the Group. In China, the Group includes environmental and social management requirements in the annual supplier evaluation form to ensure that suppliers comply with the Group's ESG management requirements.

3. Adhering to Responsible Operation

Supplier Environmental and Social Assessment Project



Environmental Responsibility

- ISO14001 environmental management system certification
- Energy use
- Emission management, etc.



Laborers

- Child and underage workers
- Forced labor
- Anti-discrimination, etc.



Business Ethics

- Anti-commercial bribery
- Presents and gifts, etc.

In addition, the Group is committed to green purchasing in China, including integrating green environmental considerations such as power saving, energy saving, less radiation and durability into the procurement of daily office supplies such as refrigerators, computers and photocopiers.

4. Providing High Quality Medical Services

The Group is committed to building a comprehensive ARS system to meet the growing unmet needs of Chinese patients. We provide patients with ARS, as well as support services and products spanning the entire life-cycle, including nutrition guidance, traditional Chinese medicine treatment and psychological counseling and other related services.

The Group takes medical quality and patient safety as the core of the Group’s work, constantly improves the quality management system and customer service system, and practices responsible marketing. At the same time, scientific research innovation leading clinical development is one of the important strategies of the Group’s development. The Group takes scientific research innovation as an important engine for future development, and continues to increase scientific research investment to achieve long-term and sustainable development.

4.1 MEDICAL QUALITY MANAGEMENT

Medical Quality Management and Control System



In accordance with the laws and regulations at home and abroad, the Group has established a sound medical quality management and control system, including establishment of quality management organization structure, compliance with the requirements of quality management system, improvement of internal quality control system, daily supervision and continuous improvement, and construction of quality culture for all employees.

4. Providing High Quality Medical Services

Quality Management Organization Structure



- The Group has set up Medical Quality Management Committees in Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital respectively, with the presidents as the chairmen of these two Committees; the hospitals have set up medical quality management teams in various departments to build and improve both hospital level and department level quality management structure; and
- The Group has established a Quality Management Committee in many medical institutions in the United States, which is composed of medical directors, nursing directors, head nurses, office managers, anesthesiologists and other members. It is responsible for monitoring the quality of all patient services and ancillary services. The committee's goal is to improve and monitor patient care and reduce the risk of injury that may cause to patients.

Quality Management System



- Shenzhen Zhongshan Hospital has passed ISO9001:2015 quality management system certification;
- The quality management work of Chengdu Xinan Hospital is carried out according to ISO9001:2015 quality management system and JCI hospital evaluation standard; and
- HRC Fertility has obtained a series of certifications including AAAHC, CLIA and CAP.

- ▶ In 2020, Shenzhen Zhongshan Hospital has passed the annual audit of ISO9001:2015 quality management system.

Quality Control System



In China, for quality and safety, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital have respectively formulated a series of systems, such as *Risk Management System*, *Medical Core System Manual* and *Medical Quality and Safety Management System*, which are strictly followed by all departments.

- ▶ In 2020, Shenzhen Zhongshan Hospital revised 4 medical quality management forms and 8 systems throughout the year.

4. Providing High Quality Medical Services

Daily Supervision and Continuous Improvement

The Group has established a mechanism of medical quality supervision and performance appraisal, which carries out monthly department self-examination and hospital-level supervision on medical quality according to the *Medical Quality Appraisal Methods*, and continuously improves the quality of medical service through quality supervision and regular feedback.



In the United States, the Quality Management Committee meets regularly, discusses issues on patient privacy, medical service quality, process improvement and others. In view of problems found, the Quality Management Committee shall evaluate and propose appropriate solutions.

- ▶ In 2020, all hospitals carried out comprehensive medical quality inspection, hospital-wide feedback and performance appraisal every month; the medical department has guided and urged departments to carry out medical quality self-inspection, so as to improve the quality management level of departments.

Quality Culture Construction of All Employees

The Group carries out annual training on medical core system and medical health and safety for all medical staff, involving medical core system, legal practice, medical record writing, cardiopulmonary resuscitation, etc.



- ▶ In 2020, Shenzhen Zhongshan Hospital carried out 11 hospital level and department level quality management trainings throughout the year.
- ▶ More than 100 people participated in HRC Fertility's activities such as reviewing FDA laws and regulations and so on.

4. Providing High Quality Medical Services

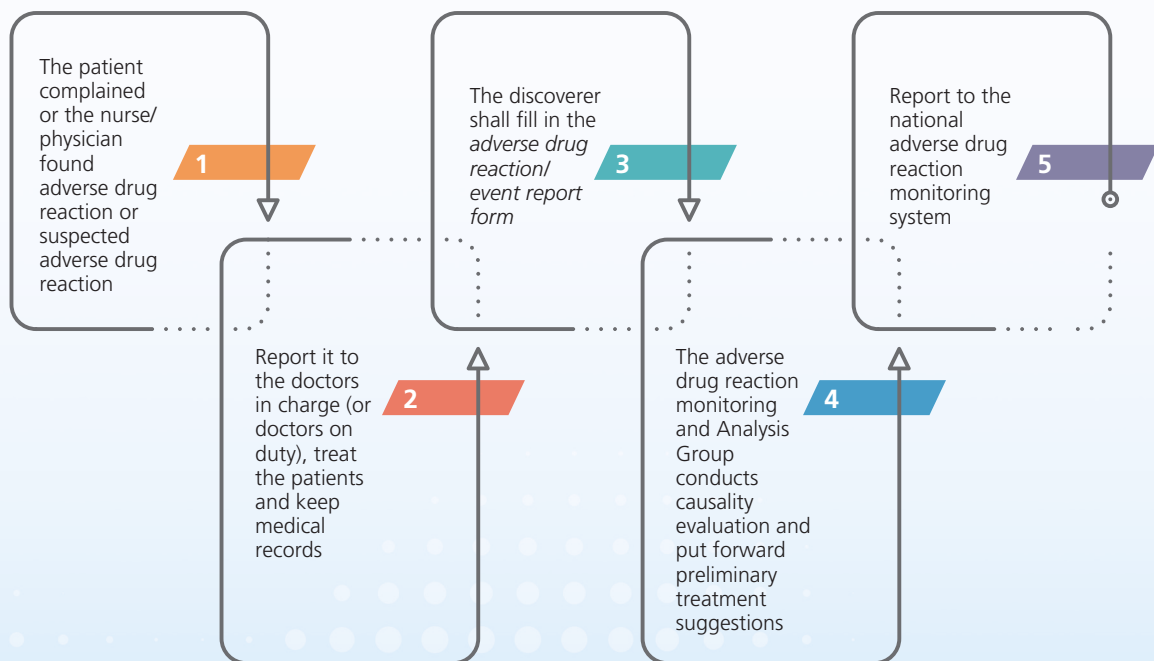
Conduct Training on The *Basic Medical Care Act*

In order to implement the *Basic Medical and Health Promotion Law of the People's Republic of China* (hereinafter referred to as the *Basic Medical Care Act*) passed by the Standing Committee of the National People's Congress in December 2019, Shenzhen Zhongshan Hospital organized hospital-wide training in May 2020, so that all employees could learn and understand various basic systems and principles in the field of health in China, and understand the new changes and requirements of the *Basic Medical Care Act* for the management of medical institutions, including "medical information", "medical ethics" and other related aspects, in order to better regulate the Group's medical staff industry behavior.

Medication Safety

Medication safety is the focus of the Group's medical quality management. In China, the Group has developed a complete and standardized system from drug procurement, storage, label management, drug use to drug monitoring, so as to ensure the safety of patients. Before giving medication to patients, medical staff will verify the drug name, dosage form, specification, dosage, administration method, patient identity and other information, and review the suitability of prescription medication.

The Group has established a dynamic monitoring and abnormal early warning management mechanism for clinical drug use to carry out dynamic monitoring of drugs and ensure rational drug use. For possible adverse drug reactions, the Group adheres to the monitoring and reporting principle of "report when suspicious", reports and handles adverse drug reactions. In addition, the Group shall, in accordance with the *Drug Recall System*, timely recover the hidden problems of drug quality and safety found by the product supervision and administration departments, drug manufacturers or the Group itself according to the prescribed procedures.



Adverse Drug Reaction Reporting Procedure

4. Providing High Quality Medical Services

In the United States, HRC Fertility conducts regular inspections of drug quality management. In case of serious adverse drug reactions or accidents due to drug quality defects, HRC Fertility will stop using and recall the defective drugs. HRC Fertility will also carry out relevant research on the side effects of products, analyze the causes of side effects or events and substantive quality problems.

Adverse Event Management

For possible adverse events, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital have formulated *Adverse Event Reporting and Root Cause Analysis System* and *Medical Safety Adverse Event Reporting System*, respectively, which stipulate the classification, reporting principles, reporting forms and reporting procedures of different types of adverse events. Medical departments are responsible for the targeted analysis and follow-up rectification of adverse events to reduce the possibility of recurrence of similar events.

4.2 IMPROVING CUSTOMER SERVICE

Heartfelt Service for Patients

In order to improve patient experience, the Group has established a customer service mechanism to identify, study and respond to patients' opinions and suggestions. In China, the Group has established a patient satisfaction survey mechanism. The ways of satisfaction survey include weekly supervision by internal quality service specialists, feedback from patients' suggestion box, offline survey feedback from patients after treatment, regular online patient satisfaction questionnaire, etc. For the satisfaction survey results, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital carried out special analysis, identified key areas for improvement and continued to make improvements.

Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital regularly analyze the needs of patients, carry out a variety of patient activities, better respond to the needs of patients, and further improve patient satisfaction. On this basis, Chengdu Xinan Hospital has established a patient experience management committee, a patient survey and data analysis group, a patient experience training group, a patient experience activity and planning group, and a patient experience team to better serve patients.

In the United States, HRC Fertility carries out a "Mental Health Project" for patients, including counseling on decompression knowledge and skills, to help patients with psychological pressure during pregnancy preparation.

4. Providing High Quality Medical Services

Shenzhen Zhongshan Hospital Launched the Project of “Over-expected Patient Experience”

In order to further improve the service level of patients, in 2020, all departments of Shenzhen Zhongshan Hospital comprehensively carried out the improvement project of patient service experience, covering the whole medical links such as medical environment, treatment process, service reception etiquette, health education, follow-up after discharge, etc. By improving service and optimizing work process, all departments strengthen patients’ service awareness, improve patients’ service ability, and further improve patients’ satisfaction.

Main Measures of “Over-expected Patient Experience” Project

Assisted Reproductive Pregnancy Centre	<ul style="list-style-type: none"> • Provide housekeeper service to assist doctors in consultation, online Q&A and regular follow-up • Speed up consultation and shorten time to enter IVF treatment cycle
Gynaecology	<ul style="list-style-type: none"> • Establish WeChat work account and WeChat group • Carry out small class of education
Traditional Chinese Medicine Clinic of Reproduction and Pregnancy	<ul style="list-style-type: none"> • Formulate the appearance standard and service language standard for departments • Improve warm and moxibustion equipment to improve comfort

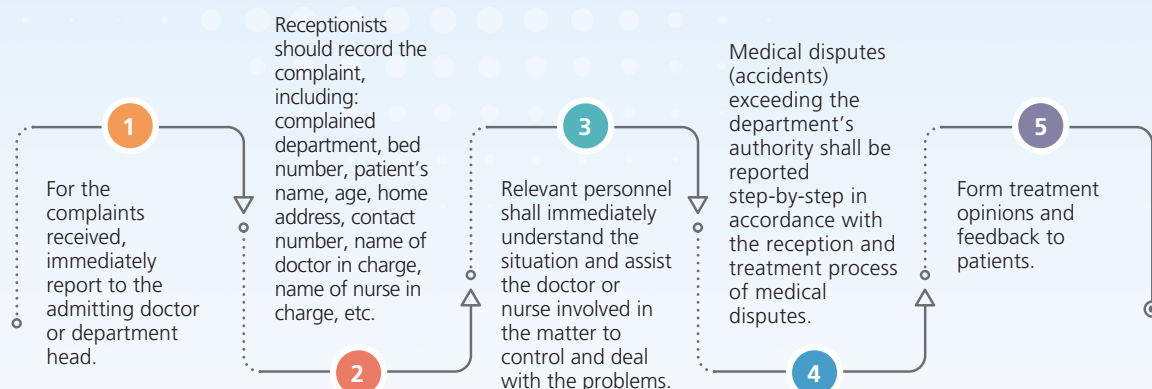
Customer Communication and Dispute Settlement

The Group focuses on providing quality medical services for each patient. The Group has formulated the management system related to complaint handling, so as to timely handle all kinds of demands of patients during the period of receiving medical services, establish a good communication mechanism, and prevent the occurrence of medical disputes. The Group has opened a variety of complaint channels, including letter, visit, telephone call, WeChat, supervision, suggestion box, etc., to ensure timely handling of different types of complaints. In addition, we provide patients with transparent external channels for handling medical disputes, including the “12345” complaint hotline and the Office of Local Health and Family Planning Commission, to repeatedly protect the rights of patients.

For possible medical disputes, the Group has also formulated a sound medical dispute management system, including *Emergency Plan for Medical Disputes*, *Medical Complaints and Dispute Handling System*, etc., to standardize the dispute handling procedures and safeguard the rights and benefits of patients. During the reporting period, the Group has not been punished for violating relevant laws and regulations on medical services.

4. Providing High Quality Medical Services

Procedures for Handling Complaints and Medical Disputes



Protecting Patient Privacy

The Group strictly protects the privacy of patients in medical activities, and protects their privacy from any form of external invasion, such as private parts, medical history, physical defects, special experience and suffering. The Group has formulated *Information Security Management System* and *Medical Record Management System*, which requires all staff to keep the patient's private information confidential and never allow unauthorized leakage. The main responsible subjects include medical staff, logistics and maintenance personnel, cleaning personnel, canteen personnel and other staff.

In China, the Group has identified the following risk areas that are easy to cause patient privacy leakage, including outpatient treatment, specimen and data transportation, information system use, etc., and has taken necessary measures in each area to protect patient privacy. In addition, through regular training, the Group standardizes the working methods of all employees and strengthens their awareness on privacy protection. Shenzhen Zhongshan Hospital requires information department personnel to sign *Confidentiality Agreement for Information Department Personnel* separately to strengthen the management of easily accessible information personnel.

In addition to standardizing the management of personnel, the Group also strengthens the capability of hardware system to ensure privacy of patients. Shenzhen Zhongshan Hospital carries out evaluation work of classified protection of information system every year according to *The Administrative Measures for Classified Protection of Information Security*. At the same time, the Group regularly monitors the effectiveness of the information security system construction through external system audit once every six months.

4. Providing High Quality Medical Services

Patient Privacy Protection Measures

Outpatient Section	Patient Hospitalization Section	Specimen and Data Transportation	Information System Control
<ul style="list-style-type: none"> • One clinic for each patient; • First and second waiting areas are set up; • The calling system does not display the full name of the patient; • One meter line is set at service windows of toll desk and medical guide desk to facilitate queuing for medical treatment in order; • Self service equipment is separated by baffle. 	<ul style="list-style-type: none"> • Nurses are not allowed to provide inquiry and guidance services without the consent of patients; • The patient's private parts should always be covered when transporting patients; • The medical technology department should keep the patient's test sheet properly and check the patient's identity before releasing the test results. 	<ul style="list-style-type: none"> • The specimens should be sealed and packed during transportation, and sent to the laboratory by field personnel. All kinds of patient information should not be exposed on the way; • The specimens transported by patients or their families were packed in sealed opaque chain bags and sent to the laboratory; • All patients' identifiable information should not be reused; • All of the waste materials printed with recognizable information of patients are fixed and locked by each department, and are destroyed regularly. 	<ul style="list-style-type: none"> • Set up correct use authority and strengthen password management; • Require medical staff to close the patient information window as soon as possible after the disposal.

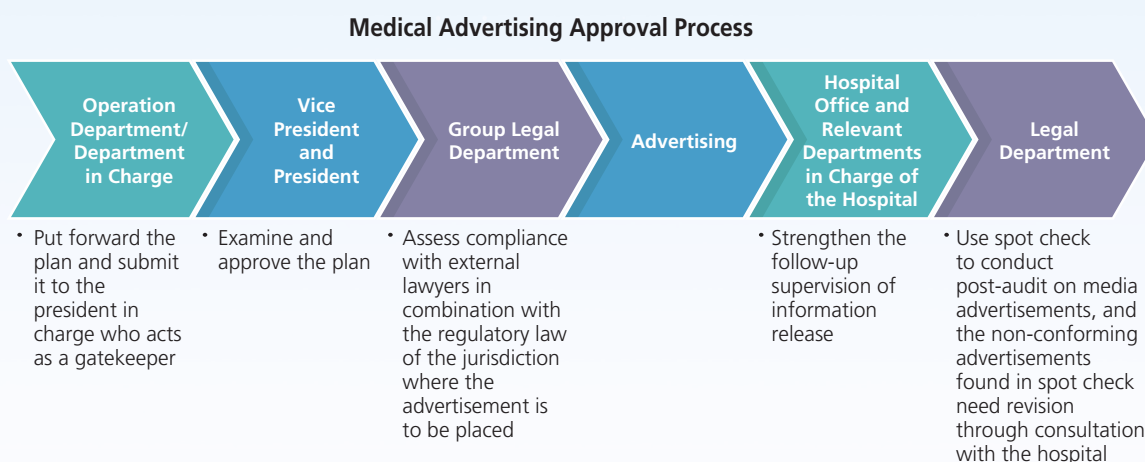
4.3 RESPONSIBLE MARKETING

In China, the Group strictly abides by the requirements of national laws and regulations such as the *Advertising Law of the People's Republic of China* and *the administrative Measures on Medical Advertising*, and has formulated *The Approval System for Advertising Publicity of Sichuan Jinxin Fertility Medical Management Co., Ltd.* to standardize the approval of external publicity and marketing of all the organizations under the Group.

For the advertisements that need to obtain *the Medical Advertisement Examination Certificate*, the Group shall fill in *the Application Form for Medical Advertisement Examination*, *the Sample of Finished Medical Advertisement* and other management documents as required, and submit them to the relevant departments for examination and approval after being approved by the president. For the advertising without *the Medical Advertisement Examination Certificate*, the Group systematically stipulates the corresponding approval process to ensure the legality, standardization, authenticity and consistency of medical advertisement.

4. Providing High Quality Medical Services

In July 2020, Chengdu Xinan Hospital of the Group was punished by the industrial and commercial administration bureau for revealing the data of treatment success rate on its official website. After presenting evidence, the success rate data is not false publicity; because the regulations prohibit the publicity of success rate, a fine of RMB14,791.28 was finally imposed. Chengdu Xinan Hospital followed the punishment of the industrial and commercial administration bureau, removed the relevant illegal content displayed on its official website, paid the full fine on schedule, and provided targeted professional training for the marketing staff.



4.4 R&D INNOVATION

The Group believes that scientific research and innovation leading clinical development is one of the important development strategies. In 2020, the Group actively built an innovation technology platform and set up an innovation research institute to further enhance its leading position in the field of ART and accumulate source power for future sustainable growth.

The Group focuses on basic research related to genetics and reproductive immunology, and improves the technical level of medical services through technical cooperation with universities and research institutions at home and abroad. Shenzhen Zhongshan Institute of Reproduction and Genetics, affiliated to Shenzhen Zhongshan Hospital of the Group, received a natural science foundation from the government. Chengdu Xinan Hospital has carried out a number of research projects with Sichuan University, Institute of Blood Transfusion of Chinese Academy of Medical Sciences, City University of Hong Kong, Chengdu Research Institute, the Key Laboratory of the State Forestry and Grassland Administration on Conservation Biology of Rare Animals in the Giant Panda National Park, etc.

During the reporting period, Shenzhen Zhongshan Hospital obtained 3 new patents and published 48 papers including SCI papers, domestic core journal papers and international conference papers. Chengdu Xinan Hospital obtained a new patent and published 16 papers including SCI papers, domestic core journal papers and international conference papers.

4. Providing High Quality Medical Services

Patent Approval in 2020

Chengdu Xinan Hospital	Utility model patent "A Sharp Tool Box with Cutting Catheter" ZL 2019 2 0758173.8
	Utility model patent "A Cervical Dilator" ZL 2019 2 0202237.6
Shenzhen Zhongshan Hospital	Utility model patent "A Liquid Nitrogen Level Measuring Device" ZL 2019 2 1017160.1
	Utility model patent "A Kind of Uterine Vascular Blocking Forceps" ZL 2019 2 0201722.1

In the United States, physicians of HRC Fertility cooperate with leading multinational pharmaceutical companies to carry out clinical research, focusing on the research of new technologies in the treatment of IVF, so as to promote the treatment effect of patients and enhance clinical experience. This kind of cooperation can effectively improve the success rate of treatment, so as to improve the quality of medical care services.

Industry Communication

As a leader in the field of assisted reproduction, the Group has organized and co-organized many industry exchange activities in the field of assisted reproduction. In addition, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital regularly receive visits and exchanges by industry experts, and enhance communications within the industry through visits, meetings and other forms.

In addition, experts from Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital of the Group serve as members of various industry associations in the field of assisted reproduction, or as editorial board members of industry journals and magazines, providing suggestions for the development of assisted reproduction.

4. Providing High Quality Medical Services

Summary of Industry Exchange in 2020

Shenzhen Zhongshan Hospital

European Conference on Human Reproduction and Embryology:

- 1 paper of International Conference (abstract)

The 14th National Conference of Reproductive Medicine of the Chinese Medical Association:

- 3 domestic conference papers (abstract)
- 2 speakers at the parallel sessions
- 35 wall newspaper exchanges

The 10th Reproductive Medicine Academic Conference of Guangdong Medical Association:

- 1 domestic conference paper (abstract)
- 1 domestic conference paper (full text)

Chengdu Xinan Hospital

The 14th National Conference on Reproductive Medicine of Chinese Medical Association:

- 82 wall newspaper exchanges
- 2 speakers at the parallel session

The 8th Reproductive Medicine Conference of Sichuan Medical Association:

- 15 papers were submitted, 4 of which were for wall newspaper communication
- 2 speakers at the parallel session

Reproductive health China trip of China Association for the Promotion of International Health Care for Women and Children Health Care Parallel Session:

- 1 lecturer

The Sixth Session of Symposium on obstetrics and Gynecology and training course on infertility in Tibet Autonomous Region:

- 2 lecturers

Intellectual Property Protection

In China, the Group has signed a *Scientific Research Project Cooperation Agreement* with the cooperative institutions to standardize the responsibilities, rights of both parties and distribution of achievements, and protect R&D achievements and intellectual property rights of itself and the cooperative institutions with clear provisions. The Group has formulated *Information Security Management System*, *Confidentiality Agreement of Information Section Personnel* and other systems to define the scope of trade secrets and intellectual property rights, use rights and conditions, violation liability, etc., so as to further protect intellectual property rights of others from infringement.

5. Creating A Happy Workplace Environment

The Group respects every employee, protects every employee's legitimate rights and interests, creates a happy workplace environment, explores every employee's value, develops every employee's professionalism, shapes and activates employees' workplace vitality through diversified training and workplace development platforms.

5.1 PROTECTION OF EMPLOYEE RIGHTS AND BENEFITS

The Group regards employees as an important driving force for development, strictly abides by the labor standards of China and the United States, adheres to legal employment, does not use child labor and compulsory labor, and effectively fulfills all legitimate rights and benefits of employees. The Group recognizes and respects the diversity of employees, ensures that employees of different genders, nationalities and religious beliefs have equal career platforms, and is committed to creating an active, inclusive, democratic and warm workplace for employees.

The Group has formulated a sound recruitment, dismissal, salary and promotion, working hours and leave system to standardize the protection of basic rights and benefits of employees. In China, the Group conducts annual employee satisfaction survey, regularly solicits the employees' opinions and feedback on the dimensions of work environment, communication management, learning and development, work return and personal status, timely summarizes and gives feedbacks to the current situation, and continuously creates a more enjoyable workplace environment for employees.

Staff Employment and Basic Rights

Aspect	Main Policy
Recruitment and Dismissal	<ul style="list-style-type: none"> • Employment: implement equal employment and prohibit forced labor according to local laws and regulations • Recruitment and Dismissal: formulate <i>The Recruitment and Employment Management System</i> and <i>Employee Hiring and Dismissal Management System</i> to standardize and improve employee hiring and dismissal management
Remuneration and Promotion	<ul style="list-style-type: none"> • Salary: according to the <i>Salary Management System</i>, set and pay salaries in accordance with laws and regulations and local minimum wage standards; regularly adjust salaries for employees according to the local market salary level and living cost • Promotion: according to <i>the Promotion Management System</i> or internal promotion system, combined with the results of employee performance evaluation as the standard for annual performance bonus and employee promotion
Working Hours and Leave	<ul style="list-style-type: none"> • Working hours: employees work 8 hours a day and 40 hours a week • Overtime working: in China, employees can apply for compensatory leave for overtime working; the overtime working management of HRC Fertility employees shall refer to the local regulations of California • Leave: paid annual leave, bereavement leave, sick leave, etc., shall be implemented in accordance with local laws and regulations

5. Creating A Happy Workplace Environment

Employee Welfare and Care

The Group advocates the balance between work and life of employees, provides rich and diverse welfare for employees and their families, regularly carries out employee care and condolence work, and creates a warm and colorful enterprise atmosphere, so as to attract, motivate and retain talents, enhance the cohesion and sense of belonging of employees.

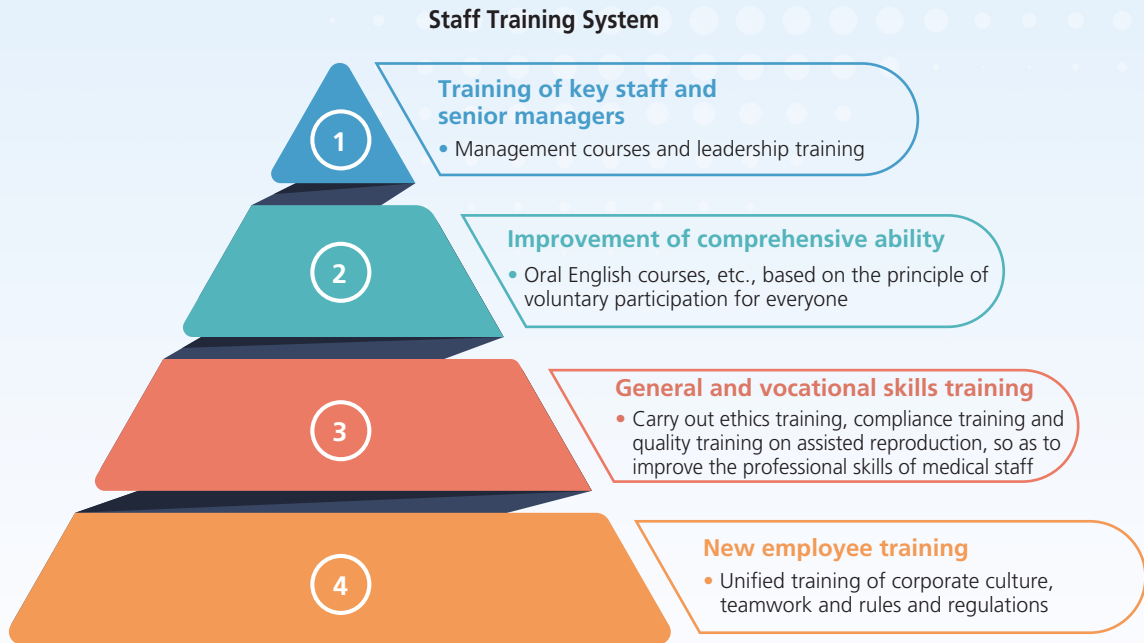
Social Insurance	Employee Welfare	Employee Care
<ul style="list-style-type: none"> Provide medical insurance, endowment insurance and unemployment insurance for all employees in accordance with local laws and regulations HRC Fertility also provides a group health insurance plan for eligible employees 	<ul style="list-style-type: none"> Employee Benefits: holiday greetings, birthday greetings, employee birthday celebrations, etc. Staff Activities: provide all kinds of cultural and sports activities for employees, such as enterprise annual meeting, beauty lecture, cooking competition, basketball match, oral English challenge, etc. 	<ul style="list-style-type: none"> Care for retired employees and help for employees in need HRC Fertility provides employee with mental health assistance program (EAP)

5.2 STAFF DEVELOPMENT

Staff Training and Development

The Group is committed to building a learning organization to provide effective support for implementation of overall strategy and realization of vision. The Group provides training opportunities for employees at home and abroad as well as employees inside and outside hospitals, provides training services and support for employees in various aspects and channels, and cultivates employees' comprehensive ability. The Group's staff training includes new staff training covering all staff, JCI public training, comprehensive ability improvement courses, and leadership training for management personnel.

5. Creating A Happy Workplace Environment



In addition, the Group strives to develop training programs according to the needs of each employee, and provide some employees with overseas or other hospital training programs, continuing education support and other opportunities, so as to enhance their professional abilities and ensure their smooth personal career development channels. Shenzhen Zhongshan Hospital has formulated *Management System of Continuing Education* and *Management System of Going Out for Further Study* in Shenzhen Zhongshan Urological Hospital, etc., which stipulates the encouragement and support policies for employees who have obtained continuing education and going out for further study.

In 2020, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital respectively sent 6 discipline leaders and 10 business and technical key members to study in reproductive surgery, reproductive immunity, gynecology, radiation and other specialties. In addition, one of the first batches of employees selected by Shenzhen Zhongshan Hospital of the Group graduated from postdoctoral program in 2020, and some employee representatives were admitted to well-known universities at home and abroad such as the Chinese University of Hong Kong in 2020.

In 2020, the Group established a new operation site in Wuhan, China. Wuhan Jinxin Hospital also sent doctors to Shenzhen Zhongshan Hospital for further study, mastering IVF process, medicine application mode of Jinxin Fertility, reproductive medicine knowledge, outpatient common urological diseases and other related auxiliary technologies.

5. Creating A Happy Workplace Environment

Training of Medical Statistics in Shenzhen Zhongshan Hospital

Shenzhen Zhongshan Hospital of the Group realizes the importance of using statistical methods to design and process experimental data correctly to improve medical research level. In order to cultivate the statistical thinking and application skills of hospital staff, Shenzhen Zhongshan Hospital has set up a series of courses of medical statistics once every other week, covering basic theories and statistics of statistical design, data collection, basic theories and statistical methods of organization and analysis and so on. The development of this course is helpful for hospital staff to learn other courses and read professional books and periodicals, and lay the necessary statistical foundation for them to engage in medical practice and scientific research.

Incentives for R&D Personnel

The Group attaches great importance to incentives for core staff. In order to encourage hospital staff to actively engage in scientific research work and declare scientific research achievements, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital of the Group have established the *Scientific Research Award System*, respectively. According to the relevant regulations of the hospitals and grade of published papers and magazines, all qualified scientific research projects are awarded, and the award covers publication of academic papers, subject approval, scientific and technological achievements, patent approval, innovation and progress in clinical diagnosis and treatment technology.

In order to standardize the management of hospitals' scientific research work and implement the professional assessment and incentives for core talents, Shenzhen Zhongshan Hospital of the Group has formulated *The Performance Appraisal System for Science and Education*, which integrates the published articles or research of R&D personnel into its performance assessment.

5.3 OCCUPATIONAL HEALTH AND SAFETY

Safety Emergency Management

In China, the Group has established a sound occupational health and safety management system, and established a safety production leading group, and a nursing quality and safety management committee respectively, which are responsible for formulating the hospital safety improvement plan, as well as supervising and guiding the implementation.

For medical emergencies, the Group has established emergency plans for all kinds of events, including *Emergency Response Plan for Public Health Emergencies*, *Emergency Response Plan for Biosafety Events of Pathogenic Microorganism Laboratory*, *Emergency Response Plan for Radiation Events*, etc., to strengthen the pertinence and effectiveness of safety management.

5. Creating A Happy Workplace Environment

In 2020, the Group's hospitals in China strictly complied with the requirements of national, provincial, municipal and district epidemic prevention and control, and constantly improve the control process and emergency plan related to epidemic prevention and control. *Emergency Response Plan for the COVID-19 Infection*, *Emergency Response Plan for Dealing with the COVID-19 Isolation and Closure* were formulated in Chengdu Xinan Hospital, while *Hospital Infection Emergency Report and Emergency Response Plan* were formulated in Shenzhen Zhongshan Hospital.

For non-medical emergencies, the Group has also formulated a risk prevention system with the priority of environment and safety. At the same time, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital carry out fire-fighting knowledge training and fire drill activities every year.

Through the combination of internal and external training, the Group improves the safety awareness of employees and their ability to respond to various emergencies.

Hospital Infection Management

Hospital infection management is a crucial management link for medical staff in medical career. The Group has formulated a sound hospital infection quality management system and strictly abides by it to prevent accidental contamination of skin, eyes and mucous membrane by infectious substances in diagnosis and treatment, experiment and nursing work, or puncture skin by needles and other sharp instruments containing infectious blood and body fluids, thus causing iatrogenic infection among medical personnel and other patients.

The Group's Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital set up three levels hospital infection management mechanism, including hospital infection management committee, hospital infection department and clinical department infection control group, and strictly implemented the mechanism, and held regular infection management committee meetings and department infection control group meetings. In 2020, Chengdu Xinan Hospital further established a hospital level infection control inspector team, and the hospital infection management committee appointed 9 members of the infection control group as hospital level infection inspectors, assisting hospital infection departments to implement various measures of infection control, and further ensure the safety of medical personnel.

In China, the Group has formulated the *Occupational Protection System*, *Occupational Exposure Management System*, *Medical Personnel Hand Hygiene Management System*, *Hospital Infection Classification Protection Management System*, etc. Based on the relevant policies issued by the country, the Group timely revised the hospital level and department level system and operation process in combination with its own actual conditions, so as to effectively ensure the effective implementation of hospital infection management. In 2020, Shenzhen Zhongshan Hospital revised the *Occupational Exposure Management System for Medical Personnel*, further standardizing the preventive measures for occupational exposure, the measures after occupational exposure and the treatment measures for source of exposure to ensure timely and effective treatment of occupational exposure risks. In addition, the Group formulates a hospital infection training plan for all employees every year, and specifies the training duration for medical staff at all levels. The Group adopts the methods of unified training and hierarchical training, hospital training and department training, on-site training and online training, hospital infection theory examination and on-site questioning, and improves the hospital infection prevention awareness of all medical personnel through continuous propaganda and education, on a regular basis, carry out theoretical assessment of hospital infection at both hospital level and department level to ensure the effect of hospital infection training. The Group requires all new employees to participate in the hospital infection training and pass the assessment.

5. Creating A Happy Workplace Environment

In the United States, in order to reduce the risk of employees exposed to tuberculosis, seasonal influenza, HIV and other infectious diseases in the workplace, HRC Fertility has formulated relevant management measures, involving improving awareness of disease transmission risk among to employees, treatment methods during exposure, etc. In addition, HRC Fertility also provides training to employees on blood borne diseases and infectious disease protection.

Occupational Disease Risk Prevention

For employees with occupational disease risk at work, the Group ensures that they are in controllable risk through regular equipment protection and quality testing, and equipped with sufficient protective equipment; through occupational protection training, annual regular physical examination, regular personal dose testing and other measures, the Group improves employees' awareness of occupational disease prevention and ensures employees' occupational safety.

6. Nurturing A Beautiful Environment and Community

The Group pays attention to the impact of its operation on human health and environment, actively does a good job in pollutant emission reduction and resource conservation, and is committed to reducing the carbon footprint of its operation activities. In addition, the Group pays attention to the community construction in the operation area, promotes the improvement of public health level, and provides help for the people in need of care.

6.1 GREEN OPERATION

Environmental Management System

The Group strictly abides by *The Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations on environmental protection, and strives to reduce the adverse impact of operation on the environment. The possible environmental impacts during the operation of the Group mainly include energy use, water use, office supplies consumptions, and the discharge of medical and administrative wastewater as well as discharge of general and medical wastes.



Pollutant Emission Reduction

Medical waste should be handled by qualified units;
The domestic and office garbage should be classified.



Resource Saving

Water saving, power saving and office consumables saving measures in daily operation process.



Integration of Environmental Awareness

Carry out environmental protection training activities to help employees establish awareness of environmental protection and conservation of natural resources.

Green Operation Measures

The Group in 2020 formulated ESG targets related to greenhouse gas, wastes, energy, and water resources, etc. In addition, the Group's ESG working group monitors and assesses work progress towards ESG targets once every six months to ensure that all departments work to achieve those targets.

ESG Targets

Greenhouse gas	34% reduction in greenhouse gas emission per RMB million operating income in 2025, as compared with 2020
Wastes	40% reduction in hazardous waste per RMB million operating income in 2025, as compared with 2020
Energy	34% reduction in energy consumption per RMB million operating income in 2025, as compared with 2020
Water Resources	20% reduction in water consumption per RMB million operating income in 2025, as compared with 2020

6. Nurturing A Beautiful Environment and Community

Emission Management

The Group is a provider of ARS. Its main discharges are domestic and medical wastewater, non-hazardous waste and medical waste, and indirect greenhouse gas emissions caused by office and hospital electricity.

The hazardous waste generated by the Group is mainly medical waste, and the reduction of medical waste has not been counted at present. The Group has formulated the *Medical Waste Management System* to regulate the collection and disposal of medical waste. The non-hazardous waste generated in the daily operation of the Group mainly comes from the daily office waste and domestic waste, and the non-hazardous waste generated will be recycled and treated by the property maintenance agency. In addition, in China, the Group has formulated the *Sewage Treatment Management System* to regulate the storage, treatment and detection of sewage.

Main Emission Management Measures

Sewage



- Conduct domestic sewage detection every month to ensure that the sewage discharge meets the requirements of regulatory authorities
- The radioactive sewage should be stored separately and recycled by a third party designated by the environmental protection department
- Full time personnel shall be trained in sewage treatment and occupational health and safety, and they can work only after passing the training

Medical Waste



- Medical waste is classified and sent to a qualified third party for collection and transportation
- Medical waste storage sites should be cleaned and disinfected regularly
- Develop emergency treatment plan for leakage and diffusion of medical waste
- Training on relevant laws and professional technology, safety protection and emergency treatment for medical waste management personnel

Non-hazardous Waste



- Domestic waste shall be classified and recycled according to recyclable, kitchen waste, harmful and others, and handed over to a qualified third party for unified treatment
- Conduct daily activities to improve waste classification awareness among employees

Resource Use

The direct energy used by the Group is natural gas and self-owned vehicle oil consumption, and the indirect energy is electric power. The Group's water mainly comes from municipal water supply, and there is no problem in obtaining the applicable water source. The Group is committed to building a resource-saving hospital, starting from the use of energy, water resources, office supplies, as well as staff publicity and education, to strengthen the management and implementation of resource conservation, and strive to enhance the staff's awareness of environmental protection.

6. Nurturing A Beautiful Environment and Community

Resources Saving Measures



Energy

- Ensure that the lights are off when people leave and the constant temperature of air conditioner is set in office
- Arrange the operation time of the boiler reasonably and supply gas in a centralized way
- When carrying out collective activities, it is recommended to use public cars together to save energy consumption



Water

- Install sensor faucets in office and turning the taps off when leaving to save water
- Water spray used for plants to reduce waste on water



Office consumables

- Promote double sided printing
- Use recycled paper as much as possible for business cards, printed matter, etc.



Awareness and education

- Organize trainings on policies, laws and regulations regarding energy saving and consumption reducing among employees
- Put up signs of energy saving and consumption reducing in office space to improve employees' awareness of resource saving

6.2 TACKLING CLIMATE CHANGE

Global climate change not only brings a variety of extreme weather phenomena, but also seriously affects all kinds of economic and social activities. On September 2020, President Xi Jinping delivered an important speech at the General Debate of the Seventy-fifth Session of United Nations General Assembly, pointing out that China will enhance the country's independent contribution, and strive to achieve the peak of carbon dioxide emissions by 2030, and strive to achieve carbon neutrality by 2060.

The Group actively responded to the concerns of the government, investors and other stakeholders on climate change, referring to the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board to identify the risks and opportunities related to climate change, and continuously improve management based on the results, so as to minimize the carbon footprint generated by operational activities.

Climate Change Governance

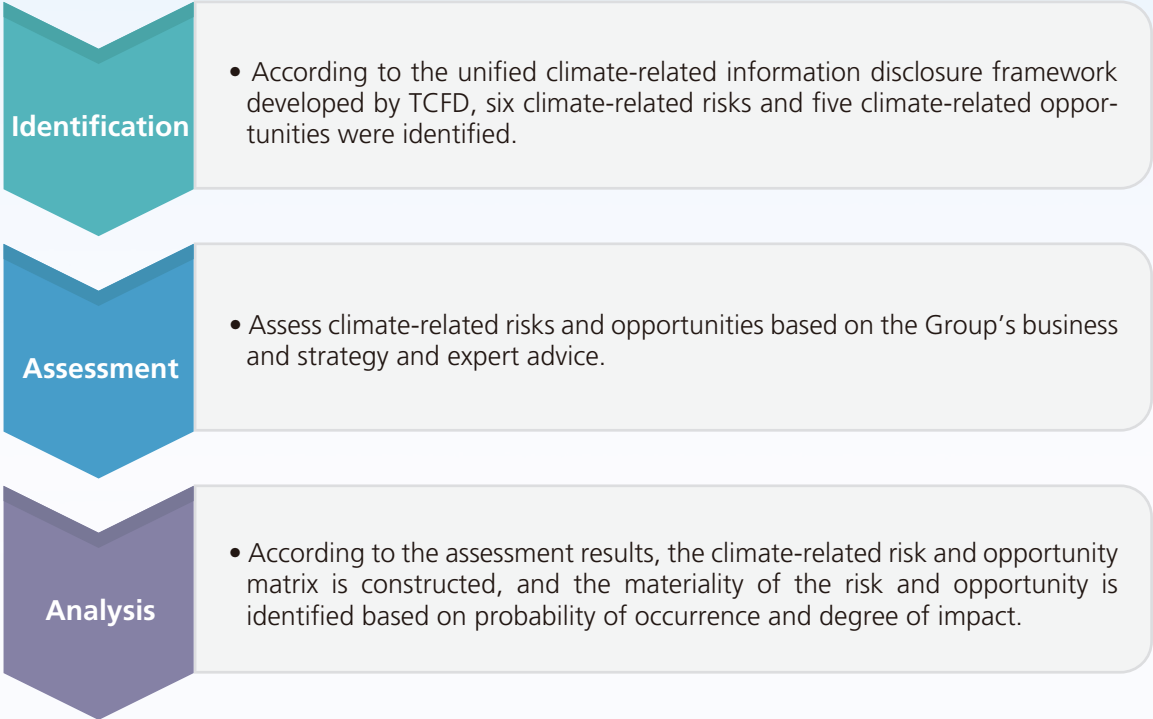
The ESG working group of the Group is responsible for identifying the climate change risks related to the Group's business every year, assessing the impact of such risks on the Group, and providing suggestions to the board of directors on risk response.

6. Nurturing A Beautiful Environment and Community

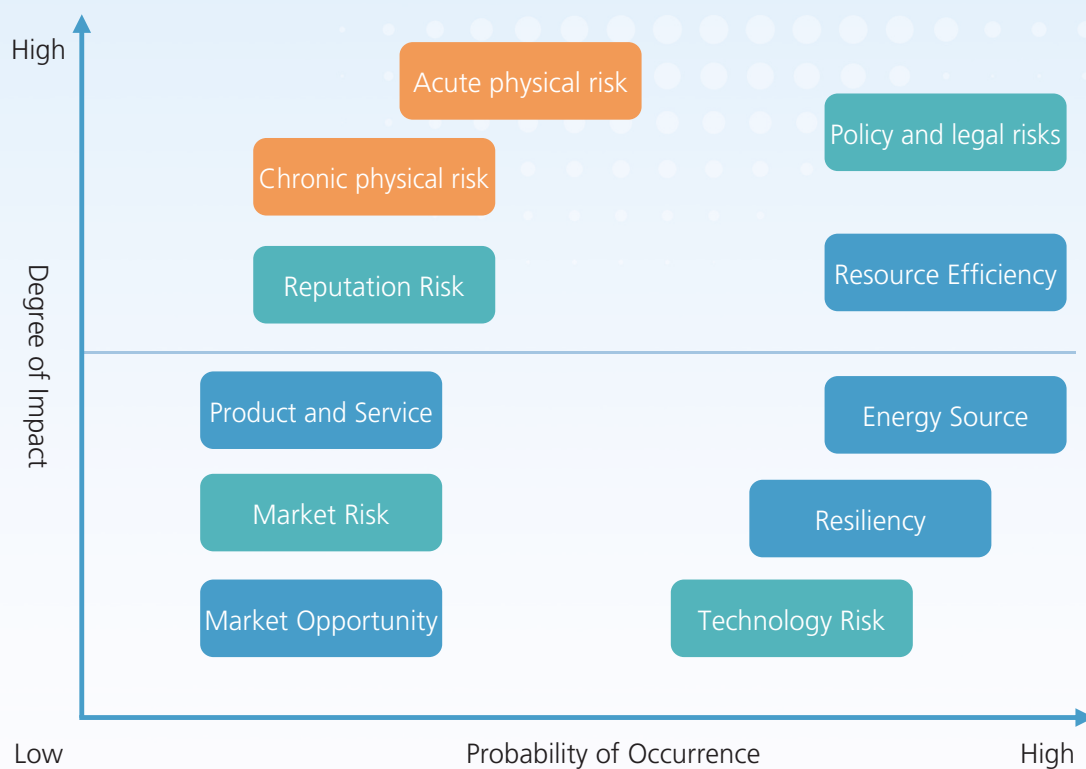
Climate Change Risks and Opportunities

In order to better cope with the potential risks and opportunities of climate change, the Group identified the climate-related risks and opportunities relevant to its own operation, and assessed the impact of various risks and opportunities on its own finance via policy research, peer benchmarking and expert consultancy.

Climate-related Risks and Opportunities Assessment Approach



6. Nurturing A Beautiful Environment and Community



Climate-related risks

Physical Risks

Transition Risks

Climate-related risks

Opportunities

Climate-related Risks and Opportunities Matrix

6. Nurturing A Beautiful Environment and Community

Financial Impact Analysis of Climate-related Risks

Identification of Major Risks and Opportunities of Climate Change			Potential Financial Impact	Measures	
Risks	High	Policy and Legal Risk	The Group may face the risk of legal liability, regulatory measures, disciplinary action, property loss or business reputation loss due to non-compliance with climate related policies or laws.	Business Income ↓ Credit Risk ↑	
		Technology Risk	In the process of low-carbon technology transition, the development and application of renewable energy, new energy and other energy-saving and environmental protection technologies may have a certain impact on the operation and business of the Group.	Fixed Assets Value ↓ R&D Investment Cost ↑	
	Medium	Acute Physical Risk	Severe climate change, such as typhoon and flood, will produce extreme weather or natural disasters, which may affect the normal operation of the Group's hospitals and clinics, and further affect the business.	Business Income ↓ Operating Cost ↑ Fixed Assets Value ↓	<ul style="list-style-type: none"> Establish a relatively complete emergency management plan for extreme weather.
		Chronic Physical Risk	Long term natural mode changes such as sea level rise and persistent high temperature may affect the normal operation of the Group.	Operating Cost ↑ Fixed Assets Value ↓	<ul style="list-style-type: none"> Reduce the use of high energy consuming equipment.
		Reputation Risk	The public has a higher concern on green operation. If the Group fails to meet the expectations of stakeholders, it may bring reputation risk to the operation.	Business Income ↓ Operating Cost ↑	
	Low	Market Risk	The Group's main business is ARS. The transition risk caused by the increase of customers and consumers' demand for green products and services has little impact on the Group.	Business Income ↓ Credit Risk ↑	

6. Nurturing A Beautiful Environment and Community

Identification of Major Risks and Opportunities of Climate Change			Potential Financial Impact	Measures
Opportunity	High	Resource Efficiency	Operating Cost ↓	<ul style="list-style-type: none"> The operation activities adopt LED energy-saving lamps, etc.
		Resiliency	Business Income ↑ Operating Cost ↓	
	Medium	Energy Source	Operating Cost ↓	<ul style="list-style-type: none"> Using new energy vehicles as official vehicles and other measures to reduce the carbon footprint of operation. Integrate energy management into supplier evaluation.
		Market Opportunity	Business Income ↑ Credit Risk ↓	
	Low	Product and Service	Business Income ↑ Credit Risk ↓	

6. Nurturing A Beautiful Environment and Community

6.3 RUSHING THOUSANDS OF MILES TO FIGHT AGAINST THE PANDEMIC AS ONE

In early 2020, the pandemic of COVID-19 affected the lives of so many people. Since the outbreak, the Group has attached great importance to the prevention and control of the pandemic. While doing a good job of returning to work and production and staff protection, the Group has actively carried out relevant work to support community prevention and contributed to the prevention and control of the pandemic.

During the pandemic, the Group donated RMB6 million to Sichuan Red Cross Society to support the pandemic prevention and control work of front-line medical staff. In addition, Chengdu Xinan Hospital organized staff to donate to Sichuan Red Cross Society, and raised a total of RMB53,989 to fulfill the initial mission of pandemic control with practical actions.

Fully Protecting the Health of the Community and Patients

During the pandemic in 2020, Chengdu Xinan Hospital assembled 10 medical and nursing personnel to form an emergency rescue team and went to the front line of epidemic prevention. The team mainly carried out supervision and inspection on key personnel arrangement management, community closure, on duty and watch, nucleic acid test, etc., and completed more than 700 nucleic acid samplings.

In the United States, the Company quickly formulated response plans for special periods, and set up a special working group to ensure the safety and health of patients during treatment, including delivery and follow-up care services for newborns to ease any anxieties of the parents.



6. Nurturing A Beautiful Environment and Community

Ensuring the Health of Employees in All Aspects

In 2020, affected by the pandemic, Chengdu Xinan Hospital adopted both online and offline modes to carry out hospital-level training such as hand hygiene knowledge training, basic system training of hospital infection prevention and control, hospital environment cleaning and disinfection management, and knowledge training of epidemic prevention and control in autumn and winter, at least once a month. The hospital infection training covers medical staff, new employees, service personnel, cleaning and security personnel, and other outsourcing personnel. All staff working in the hospital are trained in different levels. In addition, each department is required to carry out secondary training to cover the employees who cannot participate in the centralized training, so as to realize the full coverage of all employees' hospital infection training.

In the United States, HRC Fertility has formulated the COVID-19 Prevention Program (CPP), which involves risk identification, workplace cleaning and disinfection process, epidemic prevention training, etc.; organized social distancing, distribution of protective equipment, and regular disinfection of the workplace. In addition, in order to help employees better balance family and life during quarantine, HRC Fertility provides employees with 40 hours for working from home.

6.4 COMMUNITY ENGAGEMENT

The Group firmly believes that medical and health enterprises, as corporate citizens, should give full play to their own advantages and business expertise, give back to the society, contribute to the healthy and sustainable development of the society, and encourage employees to actively participate in social welfare undertakings, so as to help more people improve their lives.

Contributing to Improving Community Healthcare

The Group is committed to improving the condition of community medical service in the operating area, and using its own advantages and resources to provide comprehensive medical service solutions and knowledge sharing for local hospitals, so as to benefit community residents and patients.

6. Nurturing A Beautiful Environment and Community

“100 Medical Workers Public Welfare Activity”

In 2020, Chengdu Xinan Hospital started a public welfare plan for medical workers, which assisted each family with a maternity fund of RMB8,000, and helped a total of 53 families to achieve the dream of becoming parents.

Improving Community Healthcare Condition

In the whole disease prevention and control system of China, community health service center, as an important part of primary healthcare, plays an extremely important role. Improving the overall quality of community health service is the prerequisite to truly achieving the medical mechanism of “first diagnosis in the community, serious illness in the hospital, rehabilitation in the community”. In 2020, the Group actively carried out various community health education public welfare activities in China to help improve the community healthcare quality.

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| Chengdu Xinan Hospital | <ul style="list-style-type: none"><input type="checkbox"/> Launched the public welfare punch in activity of “Good Pregnancy Fitness Training Camp” in WeChat community and mini clock-in program, and provided free consultations to about 1,260 couples who were seeking natural pregnancy on how to develop healthy lifestyle and easy pregnancy through diet, health, psychological adjustment, etc.<input type="checkbox"/> During the pandemic, science popularization and patient education activities were carried out in the form of live broadcast, and 154 expert science popularization live broadcasts were carried out throughout the year.<input type="checkbox"/> Nearly 20 community offline science lectures and theme science popularization activities were carried out, involving hand hygiene publicity, reproductive health knowledge lectures, etc. |
| <hr/> | |
| Shenzhen Zhongshan Hospital | <ul style="list-style-type: none"><input type="checkbox"/> Carried out seaside community health classroom, including case sharing and interactive questions, etc. |
| <hr/> | |
| Wuhan Jinxin Hospital | <ul style="list-style-type: none"><input type="checkbox"/> Carried out free clinic activities named “Caring for the Environment and Raising Awareness on Health – Wuhan Jinxin Hospital in Action”, providing local community residents with counselling on the COVID-19 protection, and daily disease prevention, etc. |
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6. Nurturing A Beautiful Environment and Community

Volunteer Service

The Group not only carries out public welfare projects externally, but also encourages employees to participate in volunteer activities internally, and provides platform, management, materials and other support for employee volunteer activities, forming a good atmosphere for volunteer activities.

In order to encourage employees to participate in community volunteer service, HRC Fertility has formulated a "Volunteer Time Policy", which provides up to 8 hours of paid leave per year for eligible employees to volunteer in non-profit organizations and carry out projects with social significance for them.

ESG Quantitative Performance Table¹

EMISSIONS

Type	Indicator	Unit	2018	2019	2020
Air Emission	NOx emission	kg	/	187	162
	SO ₂ emission	kg	/	36	37
	Particulate matter emission	kg	/	21	54
Wastewater	Discharge of medical wastewater	Tonnes	39,875	59,550	67,016
	COD emission	Tonnes	3.49	4.71	7.61
	NH ₃ -N emission	Tonnes	0.20	0.39	1.07
	Suspended solids emission	Tonnes	0.55	0.97	1.37
	Administrative wastewater discharge	m ³	13,347	15,600	21,145
	Waste Emission	Total discharge of hazardous waste	Tonnes	81	323
Total discharge of medical waste		Tonnes	48	46	166
Total amount of non-hazardous waste discharge ²		Tonnes	156	204	708
Total discharge of non-hazardous waste per unit operating income		Tonnes/ RMB10,000	0.002	0.002	0.007
Total discharge of hazardous waste per unit operating income		Tonnes/ RMB10,000	0.001	0.003	0.002
Greenhouse Gas Emission	Total greenhouse gas emissions ³	Ton CO ₂ equivalent	2,746.74	6,948.70	8,794.86
	Direct greenhouse gas emissions	Ton CO ₂ equivalent	147.44	419.91	506.53
	Indirect greenhouse gas emissions	Ton CO ₂ equivalent	2,599.30	6,528.79	8,288.33
	Greenhouse gas emissions per unit operating income	Ton CO ₂ equivalent/ RMB10,000	0.03	0.07	0.08

Notes:

1. Compared to the previous two years, Wuhan Jinxin Hospital was added to the data scope in 2020. Data on emission and resource use do not cover HRC Fertility.
2. The increase of non-hazardous waste in 2020 is mainly due to the inability for employees to dine in groups during the pandemic, which leads to the increase of food and beverage waste.
3. The total greenhouse gas emissions is the emissions of greenhouse gases in scope 1 and 2. Scope 1 and 2 emissions are calculated based on the oil consumption by the Group's owned vehicles, power consumption, natural gas consumption and relevant emission coefficient. The greenhouse gas emission data in 2018 and 2019 have been adjusted retroactively according to the latest emission coefficient of SEHK.

ESG Quantitative Performance Table

RESOURCE USE

Type	Indicator	Unit	2018	2019	2020
Use of Energy	Electricity consumption	MWh	3,035.64	7,419.76	9,281.42
	Natural gas consumption	m ³	44,849	171,209	203,976
	Gasoline consumption of own vehicles	L	10,987	11,585	20,773
	Diesel consumption of own vehicles	L	7,431	6,456	3,137
	Comprehensive energy consumption	MWh	3,036	9,443	11,709
	Comprehensive energy consumption per unit operating income	MWh/RMB10,000	0.03	0.09	0.11
Use of Water Resources	Water consumption	m ³	58,037	77,324	104,430
	Water consumption per unit operating income	Tonnes/RMB10,000	0.63	0.72	1.01

EMPLOYMENT

Indicator	Unit	2018	2019	2020
Total number of employees	Person	1,282	1,407	1,483
Number of male employees	Person	218	213	248
Number of female employees	Person	1,064	1,194	1,235
Number of employees under labor contract system	Person	1,225	1,348	1,415
Number of dispatched employees	Person	2	9	43
Number of part time employees	Person	55	50	25
Number of employees under 30 years old	Person	476	510	123
Number of employees aged 30 to 50	Person	692	778	831
Number of employees over 50 years old	Person	114	119	529
Number of employees in Mainland China	Person	858	987	1,245
Number of employees in Hong Kong, Macao, Taiwan and overseas	Person	424	420	238
Employee turnover rate	%	16	14	17
Turnover rate of male employees	%	18	18	16
Turnover rate of female employees	%	16	14	17
Turnover rate of employees under 30 years old	%	16	15	23
Turnover rate of employees aged 30 to 50	%	16	13	19
Turnover rate of employees over 50 years old	%	19	22	41
Turnover rate of employees in Mainland China	%	14	12	20
Turnover rate of employees in Hong Kong, Macao, Taiwan and overseas	%	21	19	34

ESG Quantitative Performance Table

STAFF DEVELOPMENT

Indicator	Unit	2018	2019	2020
Employee training coverage	%	70	73	88
Male employees	%	18	16	16
Female employees	%	82	84	84
Junior employees	%	90	90	85
Intermediate management employees	%	9	8	13
Senior management employees	%	2	2	2
Average training hours per employee	Hours	/	/	18
Male employees	Hours	/	/	13
Female employees	Hours	/	/	19
Junior employees	Hours	/	/	17
Intermediate management employees	Hours	/	/	19
Senior management employees	Hours	/	/	53

Note:

- In 2020, calculation method of employee training coverage by gender and employee type was adjusted as: (Employees in a specified category, who took part in training/total employees who took part in training) *100. The data of 2018 and 2019 have also been adjusted retroactively according to the latest calculation method.

OCCUPATIONAL HEALTH AND SAFETY

Indicator	Unit	2018	2019	2020
Working days lost due to work-related injury ¹	Day	0	48	88
Number of work-related fatalities	Person	0	0	0
Employees suffering from occupational disease	Person	0	0	0

Note:

- The increase in the number of working days lost due to work-related injury in 2020 was because employees had a car accident when going to work. The Group conducted work-related injury assessment after the accident.

ESG Quantitative Performance Table

SUPPLY CHAIN MANAGEMENT

Indicator	Unit	2018	2019	2020
Total number of suppliers	Number of suppliers	525	659	534
By region				
Mainland China	Number of suppliers	292	372	312
The United States	Number of suppliers	233	287	222
Suppliers passing the performance evaluation of environment, labor and ethics ¹	Number of suppliers	84	124	312

Note:

1. After data tracking, the total number of suppliers in 2018 and 2019 have been corrected in this report.

CUSTOMER SERVICE AND DISPUTE SETTLEMENT

Indicator	Unit	2018	2019	2020
Product and service related complaints received	Case	79	68	96
Complaint resolution rate	%	100	96	100

COMMUNITY ENGAGEMENT

Indicator	Unit	2018	2019	2020
Total community public welfare investment	RMB1,000	160	250	6,000
Among them, the total amount of charitable donations ¹	RMB1,000	60	20	6,000

Note:

1. The 2020 charitable donation was the donation the Group made to help Wuhan fight against COVID-19.

ESG Quantitative Performance Table

COMPLIANCE

Aspects	Name of Major Laws and Regulations
Environmental Protection	<p>China: <i>Environmental Protection Law of the People’s Republic of China, Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005), etc.</i></p> <p>United States: <i>California Medical Waste Management Act, chapter 117890, etc.</i></p>
Medical Quality Management	<p>China: <i>Law on Medical Practitioners of the People’s Republic of China, Law of the People’s Republic of China on the Prevention and Control of Infectious Diseases, Law of the People’s Republic of China on Maternal and Infant Health Care, Drug Administration Law of the People’s Republic of China, Technical Specifications for Human Assisted Reproductive Technology, Several Provisions on Strengthening the Administration of Technical Service Institutions and Personnel for Assisted Reproductive Technology, Regulations on the Administration of Medical Institutions, Regulations on the Handling of Medical Accidents, Detailed Rules for the Implementation of Regulations on the Administration of Medical Institutions, Measures for the Administration of Medical Quality, Measures for the Administration of Human Assisted Reproductive Technology, Measures for the Administration of Nosocomial Infection, and Several Provisions of Shenzhen Municipality on the Administration of Clinical Application of Medical Technology (Trial Implementation), etc.</i></p> <p>United States: <i>California Business and Professions Code, Clinical Laboratory Improvements Amendments, etc.</i></p>
Customer Service and Dispute Settlement	<p>China: <i>Measures for the Administration of Complaints from Medical Institutions, Regulations on the Prevention and Handling of Medical Disputes, Regulations on the Handling of Medical Accidents, Tort Liability Law, etc.</i></p> <p>United States: <i>Health Insurance Portability and Accountability Act of 1996</i></p>
Customer Information and Privacy Protection	<p>China: <i>Law of the People’s Republic of China on Network Security, Measures for the Administration of Internet Hospitals (Trial Implementation), Norms for the Administration of Telemedicine Services (Trial Implementation), etc.</i></p> <p>United States: <i>Health Insurance Portability and Accountability Act of 1996, California Confidentiality of Medical Information Act, etc.</i></p>

ESG Quantitative Performance Table

<p>Ethical Risk</p>	<p>China: <i>Measures for the Administration of Human Assisted Reproductive Technology (Ministry of Health Order [2001] No.14), Technical Specifications for Human Assisted Reproductive Technology (weikejiao [2003] No.176), Ethical Principles for Human Assisted Reproductive Technology and Human Sperm Bank (weikejiao [2003] No.176), Ethical Review Measures for Biomedical Research Involving Human Beings (Legal Department order [2016] No.11), Code for Ethical Review of Life Science and Medical Research Involving Human Beings in Shenzhen (Trial Implementation), Several Provisions on Strengthening the Management of Assisted Reproductive Technology Service Institutions and Personnel (No. 20 [2019] of National Health Office for Women and Children), and Guide for the Establishment of Ethical Review Committee of Clinical Research Involving Human Beings (2020 Edition) (Office of Medical Ethics Expert Committee of National Health Commission)</i></p> <p>United States: <i>Health Insurance Portability and Accountability Act of 1996, Foreign Corrupt Practices Act</i></p>
<p>Marketing and Publicity</p>	<p>China: <i>Advertising Law of the People’s Republic of China, Administrative Measures for Medical Advertising, etc.</i></p> <p>United States: <i>Health Insurance Portability and Accountability Act of 1996, General Data Protection Regulation of EU</i></p>
<p>Protection of Employee Rights and Benefits</p>	<p>China: <i>Labor Law of the People’s Republic of China, Labor Contract Law of the People’s Republic of China, Regulations on Social Endowment Insurance, Social Insurance Law of the People’s Republic of China, Labor Dispute Mediation and Arbitration Law of the People’s Republic of China, etc.</i></p> <p>United States: <i>The Fair Labor Standards Act, The Employee Retirement Income Security Act, The family Medical and Family Leave Act, The Occupational Safety and Health Act, Americans with Disabilities Act, Employment Discrimination Laws, etc.</i></p>
<p>Occupational Health and Safety</p>	<p>China: <i>Labor Law of the People’s Republic of China, Law of the People’s Republic of China on the Prevention and Control of Infectious Diseases, Guideline for Protection Against Occupational Exposure to Blood-borne Pathogens, Guideline for Protection Against Occupational Exposure to HIV for Medical Staff, etc.</i></p> <p>United States: <i>California Health and Safety Code, Needlestick Safety and Prevention Act</i></p>
<p>Anti-corruption</p>	<p>China: <i>Company Law of the People’s Republic of China and Anti-money Laundering Law of the People’s Republic of China</i></p> <p>United States: <i>Foreign Corrupt Practices Act</i></p>

In 2020, there were no reported violations of laws and regulations with respect to air and greenhouse gas emissions, discharge to water and soil, and discharge of hazardous and non-hazardous wastes; employment and labor standard; health and safety, and privacy matters related to products and service, intellectual property protection; and bribery, extortion, fraud, money laundering and other corruption-related aspects.

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Aspects, General Disclosures and Key Performance Indicators (KPI)

Aspects, General Disclosures and Key Performance Indicators (KPI)	Description	Section for Disclosure
A. Environmental		
Aspect A1. Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6.1 Green Operation ESG Quantitative Performance Table
KPI A1.1	The types of emissions and respective emissions data.	ESG Quantitative Performance Table
KPI A1.2	Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Quantitative Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Quantitative Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Quantitative Performance Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	6.1 Green Operation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of target(s) set and steps taken to achieve them.	6.1 Green Operation

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Aspects, General Disclosures and Key Performance Indicators (KPI)

Aspects, General Disclosures and Key Performance Indicators (KPI)	Description	Section for Disclosure
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1 Green Operation ESG Quantitative Performance Table
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).	ESG Quantitative Performance Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Quantitative Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.1 Green Operation
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.	6.1 Green Operation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, as the Group provides ARS, which involves no production activities
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6.1 Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1 Green Operation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.2 Tackling 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.	6.2 Tackling Climate Change

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Aspects, General Disclosures and Key Performance Indicators (KPI)

Aspects, General Disclosures and Key Performance Indicators (KPI)	Description	Section for Disclosure
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Protection of Employee Rights and Benefits ESG Quantitative Performance Table
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Quantitative Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Quantitative Performance Table
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.3 Occupational Health and Safety ESG Quantitative Performance Table
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Quantitative Performance Table
KPI B2.2	Lost days due to work injury.	ESG Quantitative Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.3 Occupational Health and Safety

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Aspects, General Disclosures and Key Performance Indicators (KPI)

Aspects, General Disclosures and Key Performance Indicators (KPI)	Description	Section for Disclosure
Aspect B3. Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Staff Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Quantitative Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Quantitative Performance Table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	5.1 Protection of Employee Rights and Benefits ESG Quantitative Performance Table
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	5.1 Protection of Employee Rights and Benefits
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Protection of Employee Rights and Benefits
B. Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.4 Responsible Purchasing
KPI B5.1	Number of suppliers by geographical region.	ESG Quantitative Performance Table
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.	ESG Quantitative Performance Table
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.4 Responsible Purchasing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.4 Responsible Purchasing

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Aspects, General Disclosures and Key Performance Indicators (KPI)

Aspects, General Disclosures and Key Performance Indicators (KPI)	Description	Section for Disclosure
Aspect B6. Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	4.1 Medical Quality Management 4.2 Improving Customer Service 4.3 Responsible Marketing 4.4 R&D Innovation ESG Quantitative Performance Table
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable, as the Group provides ARS, which involves no production activities
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.2 Improving Customer Service ESG Quantitative Performance Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.4 R&D Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	4.1 Medical Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Improving Customer Service

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Aspects, General Disclosures and Key Performance Indicators (KPI)

Aspects, General Disclosures and Key Performance Indicators (KPI)	Description	Section for Disclosure
Aspect B7. Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	3.1 Business Ethics ESG Quantitative Performance Table
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.	3.1 Business Ethics ESG Quantitative Performance Table
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	3.1 Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	3.1 Business Ethics
Aspect B8. Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.3 Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environment, labor needs, health, culture, sport).	6.3 Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Quantitative Performance Table

List of Technical Terms

ARS	Assisted reproductive services
ART	Assisted reproductive technology
CLIA	It is proved to be in line with <i>The Clinical Laboratory Improvement Amendments</i> (CLIA), which regulates the quality control of the whole testing process (including the whole process from before analysis to after analysis).
AAAHHC	Demonstrate commitment to quality care and full compliance with the Accreditation Association for Ambulatory Health Care (AAAHHC) standards.
CAP	It is proved that the clinic has met all applicable certification standards and has been certified by <i>The Society of American Pathologists</i> (CAP) reproductive laboratory accreditation program.
JCI	Joint Commission International