2020
Environmental, Social and Governance Report

微創醫療科學有限公司

MicroPort Scientific Corporation

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00853)

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About the Report

OVERVIEW

MicroPort Scientific Corporation (hereinafter referred to as "MicroPort," "we" or "the Company") released the 2020 Environmental, Social, and Governance (ESG) Report. The report mainly discloses information concerning the ESG performance of the Company and its subsidiaries (collectively referred to as "the Group") for the fiscal year from 1 January 2020 to 31 December 2020 (hereinafter referred to as "the reporting period"). Some information and cases herein may be traced back to the period prior to the reporting period.

BASIS FOR COMPILATION OF THE REPORT

This Report was prepared in accordance with the requirements of the *Environmental, Social, and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HKEx"). In addition, this report made reference to the concerns of the MSCI ESG Rating where appropriate. We determine the contents of the report according to a set of systematic procedures, including identifying and ranking important stakeholders and material ESG issues, determining the scope of the ESG report, collecting relevant materials and data, compiling the report based on materials and reviewing materials contained herein.

SCOPE AND BOUNDARY OF THE REPORT

The policy and data disclosed in this report covered the Group, and the reporting scope was in accordance with the annual report. The historical data from past years cited in this report are all final data, and all financial data in this report was in US dollars unless otherwise indicated.

ASSURANCE ON THE RELIABILITY OF DATA

The data and cases cited herein mainly come from statistical reports and relevant documents of the Group. The Board of Directors of the Company pledges that the report does not contain any false records or misleading statements, and is liable for the truthfulness, accuracy and completeness of the report.

REPORT CONFIRMATION AND APPROVAL

This report was approved by the Board of Directors upon confirmation from the management.

Messages from Chairman

As a leading enterprise in the innovative high-end medical device industry, MicroPort holds true to the management credo of "Eyes for Greatness, Hands on Details". While continuing to practice corporate social responsibility, we are committed to working with employees, communities and other stakeholders to take the lead in the green and harmonious development of the industry and society.

We emphasize product quality. MicroPort always prioritizes quality as the top corporate value and continues to "Provide Trustworthy and Universal Access to State-of-the-Art Solutions of Prolonging and Reshaping All Lives" for patients and doctors. We strive to build a brand where "The Patient Always Comes First", focus on R&D and innovation, as well as deliver high-quality products and services to the global market. By the end of the reporting period, we had 20 products that have entered the special review

procedure for innovative medical devices of the National Medical Products Administration of China (the "Green Channel"), ranking first in the medical device industry for 6 consecutive years. As a leading innovator, in 2020, we were included in the Business Innovative Examples of Yangtze River Delta 2019 released by Shanghai Business Innovation Research Institute for Yangtze River Delta.

We strictly abide by ethical standards. MicroPort constantly improves integrity, marketing compliance, information security, privacy protection and intellectual property management. During the reporting period, we implemented a variety of online and on-site training to further deepen the anti-corruption awareness of employees. In addition, we have passed the audit on the ISO27001 information technology security management system, promised to provide information security for customers, and adhered to the ethical operation standards from all aspects.

We implement the green concept. MicroPort brings greenness and sustainability into our business philosophy, actively promotes environmental management and green production, strives to reduce the carbon footprint produced by our operation, and creates an eco-friendly business development. During the reporting period, we promoted the use of clean energy in the office and continued to explore the methods of green production.

We are people-centric. MicroPort is committed to providing a good working environment and harmonious atmosphere for all employees; we protect the rights and interests of employees, support employees to grow further and jointly

realize the vision of "Building a Super-Conglomerate of People-Centric Enterprises of Emerging Medical Technologies" with them. During the pandemic, we continued to create a fair, transparent, inclusive and diversified working environment for more than 7,000 employees. We were recognized as "China's Healthiest Employer" by authoritative institutions.

We pursue public health and well-being.

"The sun and the moon shine on all things however trivial they are the rain and the dew moisten all lives, even coarse grasses." MicroPort seeks to bring health and longevity to every patient, every family, every community in every corner of the world. We proactively respond to social needs by providing more access to medical products and developing poverty alleviation and charitable donation campaigns in order to improve people's livelihood and well-being. In 2020, we won a number of social responsibility awards, including the "Charity Innovation Award" in 2019 by the China Charity Festival and "2020 Top 60 Chinese Corporate Citizens - 520 Responsible Brands" in May 20, 2020, which fully evidences MicroPort's good sense of social responsibility.

In 2020, the sudden outbreak of COVID-19 brought unprecedented challenges all over the world. Despite the impact of the pandemic, we still ensured the orderly production and operation, helped the post-pandemic recovery of business at

home and abroad, maintained a leading position in the market; we also continued to strengthen our independent R&D capabilities so as to generate steady new driving forces for the Group.

All MicroPort people across the world work together to fight against the COVID-19. Internally, we resume production and work while protecting the physical and mental health of employees. To the society, as a responsible medical devices provider, we fulfill our social responsibility by looking out for the patients and medical staff fighting at the front line during the special period.

We are proud to be able to give back to the community based on what we have achieved in our business. Looking forward, we will further improve our layout in key fields of high-end medical devices, continue to provide integrated solutions for patients, doctors and hospitals to create a true brand where the patient always comes first. We will also respond to the expectations of stakeholders, create returns for shareholders and produce value for the society.

By Order of the Board
Chairman of the Board, Executive Director and Chief Executive Officer

Zhaohua Chang Ph.D

About Us

BASIC FACTS

Company Name: MicroPort Scientific Corporation

Stock Code: 00853

Headquarters address: 1601 Zhangdong Road Zhangjiang Hi-Tech Park, Shanghai, The People's Republic of China

Operation Sites: MicroPort has established main production (R&D) bases in Shanghai, Suzhou, Jiaxing and Shenzhen in China, Memphis in the United States (the "US"), the suburb of Paris in France, the suburb of Milan in Italy and the Dominican Republic, among others.

Mission and Values

Vision:
Building a Super-Conglomerate of People Centric Enterprises of Emerging Medical Technologies

"The sun and the moon shine on all things however trivial they are, the rain and the dew moisten all lives, even coarse grasses."
MicroPort seeks to bring health and longevity to every patient, every family, every community in every corner of the world.

Beliefs:
Breaking Barriers to help Billions of People to Live Beyond 115 Years

Mission:
Provide Trustworthy and Universal Access to State-of-the-Art Solutions of Prolonging and Reshaping Lives

EIGHT VALUES OF MICROPORT:

Quality
We know thoroughly that every product produced by us may determine whether a patient lives or dies and thereby concern the happiness of his/her family. For this reason, we relentlessly request all of our employees to put every excellent effort into pursuing zero defects in product quality and "zero tolerance for inadequate services." We are committed to building a brand where the patient always comes first.
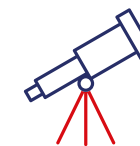
Innovation
We rapidly, effectively and persistently seek to develop state-of-the-art high-end medical devices; we then industrialize them via collaborative innovation of various resources so as to deliver the greatest benefits to patients.

Integrity
Integrity, honesty and legal compliance are the cornerstones of corporate culture and the key to enduring success. We abide by the law in all business activities, deliver on our promises and assume responsibility for our own actions.

Pioneering
We respect the strongest, pursue honors, and encourage ambitiousness and pioneering, including the passion to challenge authority, venture into the unknown and exceed expectations.

Responsibility
We advocate a sense of responsibility among employees, who are encouraged to think, speak, act and dedicate to work. We actively fulfill our social responsibility and devote ourselves to community activities and charitable activities, so as to benefit the society after benefiting from it and co-develop with the community. In this way, we aim to develop our employees into excellent and respectable social citizens, and develop the Company into an excellent, respectable corporate citizen.

Dedication
We believe that diligence brings rewards. The achievement of each strategic goal comes from diligent thinking and action. We also firmly believe that "only by working earlier and harder than others can we taste the rare fruits of success."

Efficiency
Through effective authorization and collaborative operation, we strive to maintain the entrepreneurial vitality, flexibility and efficiency of small business operation when the enterprise continues to grow.

Collaboration
We advocate team spirit and believe that optimism, strict discipline, unified will and action are the fundamental premises to achieve collective objectives and to realize personal value.

Main Business and Products

The Group focuses on innovating, manufacturing and marketing high-end medical devices globally. With a diversified product portfolio now being used in over 10,000 hospitals around the world, the Group operates a broad range of business segments including cardiovascular devices business, orthopedic devices business, cardiac rhythm management ("CRM") business, endovascular and peripheral vascular devices business, neurovascular devices business, heart valve business, surgical robot business, surgical devices business and other business. Every six seconds, one of MicroPort's products is used worldwide to save lives, improve life quality, or help create new life.

Global Distribution

The Group is determined to integrate the MicroPort brand and global operations. The Group pursues a localization-based global brand and operation strategy, implements an operational model featuring global strategy, localized enforcement, diversified distribution and unified positioning. The Group effectively integrates global resources with the market to expand our global distribution and introduce products to more countries and regions, thus benefiting patients around the world.

Special Topic in 2020: Fight against COVID-19

In 2020, coronavirus pneumonia (hereinafter referred to as "COVID-19") spread throughout the world, posing serious challenges to the world's public health management. As a global medical device company that seeks to promote the well-being, MicroPort persistently took active actions. Internally, we implemented various pandemic prevention measures, offered anti-pandemic materials and standardized their uses, and strengthened psychological counseling for employees to ensure the global branches were regularly operated and our employees were physically and mentally healthy. Externally, we gave full play to the technological advantages of high-end medical device company to help prevent and control the pandemic. In addition, MicroPort donated a large amount of funds, medical supplies and medical equipments through multiple channels to China and the international communities, thus fulfilling our social responsibility as a responsible medical device company during this special period.

SAFE RESUMPTION OF WORK

The COVID-19 pandemic significantly impacted the world's economy and global enterprises. Facing the pandemic, we proactively studied and implemented various prevention measures, formulated a series of scientific plans to secure production and supply, and applied them to our global operation centers. During the reporting period, our global branches adopted measures for scientific pandemic prevention and resumption of work and production as presented below, which helped maintain stable business operations and protect the physical and mental health of employees.

PANDEMIC PREVENTION MEASURES

Coordinated leadership

MicroPort established a working group for COVID-19 prevention and control right after the outbreak, and set up corresponding teams in all major subsidiaries. The human resources, property management and logistics and information technology departments of the Company worked in concert under the unified leadership of the working group by communicating over employee safety and other anti-pandemic measures, making work arrangements and supervising the implementation of such measures on a daily basis.

Management of pandemic prevention

In order to avoid widespread cross-infection, we implemented a managerial grid model, requested employees to come to work and get off work in different periods of time, carry out regular sterilization, keep a safe social distance, and took special management measures for places with a high risk of transmission.

Psychological counseling

Online psychological counseling courses on topics of physical and mental health, office pandemic prevention and work from home arrangement were offered to employees, to help them stay in a positive and healthy psychological state during the outbreak.

Daily monitoring

The working group monitored health issues of employees via reporting system on a daily basis, to keep track of the conditions of patients with confirmed or suspected COVID-19 infection.

Support and help

We have sent a letter of sympathy and issued subsidies to greet and comfort employees who are placed under quarantine due to the COVID-19 pandemic and delivered food to them. A donation activity has been initiated during the pandemic among employees, and the money collected of the public welfare fund would be given to the employees who are in financial difficulties or suffer other major hardships due to the pandemic.

Donation

MicroPort's public welfare fund (3M foundation, MicroPort Mutual-Help Mutual-Trust Fund) launched a mutual support donation fund for employees or their family members infected with COVID-19. Employees could voluntarily donate money to raise funds for their fellow colleagues affected by the COVID-19, and the Group contributed the same proportion to the fund. During the pandemic, the 3M fund has collected nearly RMB 700,000.

Emergency response

For employees who had a fever, identified close contacts of patients with confirmed COVID-19 infection and those infected with COVID-19, branches of MicroPort prepared isolation plans for employees and contingency plans for subsequent treatment of the Company, based on local pandemic management measures.

Training in pandemic prevention

In order to increase employees' knowledge of pandemic prevention, MicroPort delivered training in the standard use of anti-pandemic supplies, including hand sanitizer, masks and gloves to our employees.

SAFE RESUMPTION OF WORK AND PRODUCTION

During the reporting period, MPO's[1] factory in Arlington, US rolled out a series of measures to prevent the COVID-19 pandemic. In terms of the organizational structure, MPO set up special medical posts to foster a safe working environment and responded to health emergencies. In light of procedural arrangements, MPO made a daily inspection system, under which all employees and guests are placed under health check-ups and requested to make a declaration before entering the workspace. If any employee is suspected or confirmed to have been infected with COVID-19, all of his/her close contacts will be subject to quarantine.

In the workplace, MPO provided employees with anti-pandemic supplies, including disinfecting wet wipes, disinfectants, masks and gloves, and requested them to wear masks in offices and keep a six-foot social distance from each other. In addition, in queuing areas and other crowded areas, marks were placed on the floor at six-foot intervals and plates were set up to distinguish between working zones and unidirectional movement zones, limits were imposed on the maximum number of people and social distance for different offices, for the purpose of protecting the health of employees and ensuring stable operation.
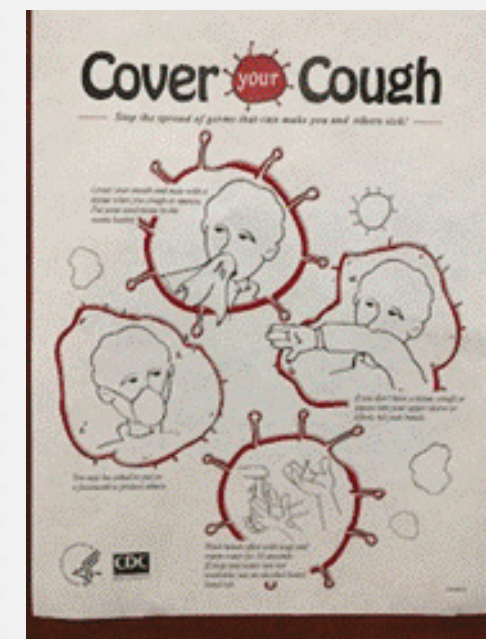
TECHNICAL SUPPORT

As a high-end medical device company, it is our bounden duty to use state-of-the-art technology to fight the pandemic and resolve medical challenges arising out of the pandemic. We take the initiative to communicate with partners including hospitals to facilitate frontline pandemic prevention and control, and treat patients with our cutting-edge technology and medical equipment.

1. MPO or MicroPort Orthopedics: MicroPort's international orthopedics business (outside China)

The First Trans-bronchial Surgical Robot for the Diagnosis and Treatment of COVID-19

During the reporting period, the trans-bronchial surgical robot independently developed by Shanghai MicroPort MedBot (Group) Co., Ltd., a subsidiary of MicroPort, for the diagnosis and treatment of COVID-19 completed the first robot-assisted bronchoscopic alveolar lavage (BAL) at Shanghai Chest Hospital. The bronchial surgical robot is the first of its kind that is applied to the diagnosis and treatment of COVID-19. By allowing medical staff to remotely perform surgeries with the help of a robot, the trans-bronchial surgical robot physically insulates medical staff from possible surgical site infections, which not only reduces the risks of medical staff's infection during treatment but also increases the diagnosis rate and the cure rate of COVID-19.

TeleCardio's Remote ECG Technology Contributes to Building of Intelligent Shelter Hospital

Shanghai TeleCardio MedTech Co., Ltd. ("TeleCardio"), an associate company of MicroPort EP MedTech, participated in the building of the Intelligent Shelter of the Wuchang Shelter Hospital. The application of TeleCardio's wearable remote single-lead ECG monitor, which is combined with the technologies of remote ECG, cloud server, and internet-based healthcare, realizes the real-time transmission of all ECG data to a Cloud Platform with ECG patch. As a result, the real-time ECG data of the patients hospitalized in the shelter can be sent to the command center of the Intelligent Shelter. The doctors can monitor COVID-19 patients' cardiovascular conditions timely with a high-quality ECG. Therefore, the doctors could easily access to the patients' ECG data remotely, reducing the risk of sudden deteriorations. The application would improve the efficiency of disease management.

DONATION

After COVID-19 broke out, in the face of different pandemic situations at home and abroad, our branches across the world reacted actively together as a group, raised and a large amount of charity funds and mobilized plenty of anti-pandemic supplies for donation by leveraging global supply reserves and supply chains. In this way, we help people in all walks of life to fight the pandemic while ensuring that employees of all our branches could access sufficient anti-pandemic supplies. During the reporting period:

- ◆ **We contributed coronary stent systems and other high-tech medical materials worth** RMB 14 million to hospitals in Wuhan, and ensured they were delivered on the same day as these devices were mainly used to carry out emergency surgeries for coronary heart diseases.

- ◆ **We immediately donated cash** of RMB 2 million to Wuhan through Society for Promotion of the Guangcai Program of Shanghai Pudong New Area.

- ◆ **We procured and donated 3,500 pieces of medical protective clothing** from Australia to the Pudong New Area Health Committee.

- ◆ **We donated more than 40,000 pieces of N95**, Type IIR and other medical and surgical masks to 22 hospitals in seriously affected areas such as Wuhan, Huanggang and Xiaogan in Hubei.

- ◆ **We donated three air sterilization stations** (worth of RMB 100 million) to the medical team of Ruijin Hospital Affiliated to Shanghai Jiaotong University School of Medicine in Wuhan.

- ◆ **We set up the first special "anti-pandemic" fund** of US$500,000 to purchase anti-pandemic supplies via international material procurement channels.

- ◆ **We donated** RMB 300,000 to Fuwai Hospital for the procurement of COVID-19 supplies.

- ◆ **We donated more than two million medical masks** to over 30 countries/regions and actively shared our experience in domestic pandemic prevention and control.

Mr. Peng Bo (third from the left), Chairman of MicroPort Greater China Executive Committee, donated 3,500 pieces of medical protective clothing procured from Australia to Pudong New Area Health Committee on behalf of the Company

MicroPort Orthopedics donated more than 200,000 masks to the emergency response team for coronavirus in Arlington, US

Donation of medical supplies and food to health professionals who went to Wuhan to help fight the pandemic
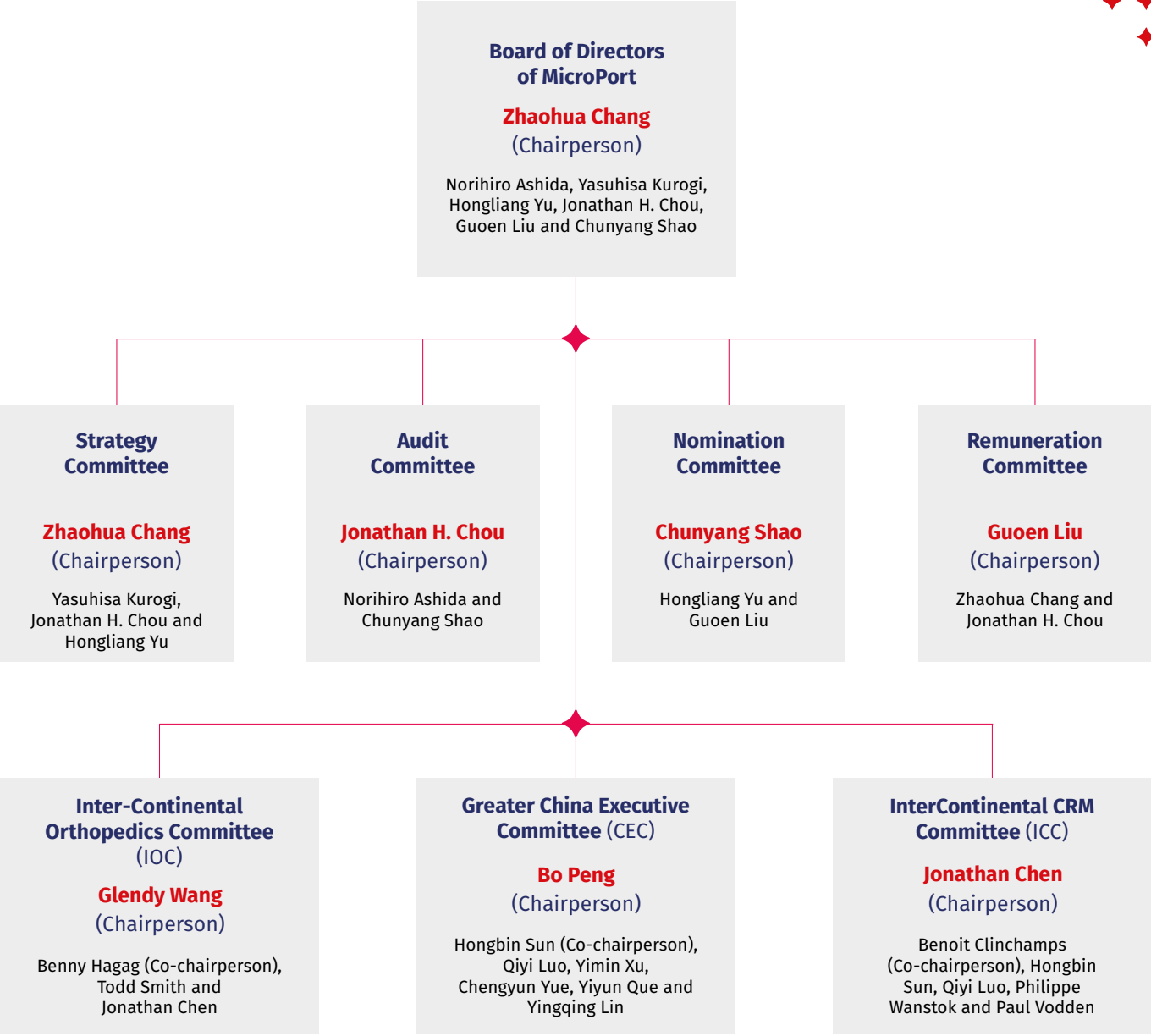
ESG
Governance

The Company is committed to maintaining high standards of corporate governance and ESG practices to protect the interests of our shareholders and sustainable development of the Company in the long run. The Board of Directors believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value.

COMPLIANCE GOVERNANCE

The Company adopts the principles set out in the Corporate Governance Code and embeds best governance practices throughout the organization to safeguard the interests of our shareholders and to increase corporate value and accountability. The Board of Directors reserves the right to decide all major matters relating to policies, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve a conflict of interests), financial information and other significant operational matters of the Company. The Company has established a global management team as presented in the following chart to manage and supervise the routine operation of the Group.

Board of Directors of MicroPort

Zhaohua Chang
(Chairperson)

Norihiro Ashida, Yasuhisa Kurogi, Hongliang Yu, Jonathan H. Chou, Guoen Liu and Chunyang Shao

Strategy Committee

Zhaohua Chang
(Chairperson)

Yasuhisa Kurogi, Jonathan H. Chou and Hongliang Yu

Audit Committee

Jonathan H. Chou
(Chairperson)

Norihiro Ashida and Chunyang Shao

Nomination Committee

Chunyang Shao
(Chairperson)

Hongliang Yu and Guoen Liu

Remuneration Committee

Guoen Liu
(Chairperson)

Zhaohua Chang and Jonathan H. Chou

Inter-Continental Orthopedics Committee (IOC)

Glendy Wang
(Chairperson)

Benny Hagag (Co-chairperson), Todd Smith and Jonathan Chen

Greater China Executive Committee (CEC)

Bo Peng
(Chairperson)

Hongbin Sun (Co-chairperson), Qiyi Luo, Yimin Xu, Chengyun Yue, Yiyun Que and Yingqing Lin

InterContinental CRM Committee (ICC)

Jonathan Chen
(Chairperson)

Benoit Clinchamps (Co-chairperson), Hongbin Sun, Qiyi Luo, Philippe Wanstok and Paul Vodden

The Company has adopted a Board Diversity Policy which aims to create a plan to achieve diversity in the Company's Board of Directors. The Company recognizes and embraces the benefits of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantages. Certain measurable objectives have been set in the policy and include, but are not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and regional experience. The ultimate decision will be based on merit and the contribution that the selected candidates will bring to the Board of Directors.

When evaluating and selecting any candidate for directorship, the Nomination Committee will consider the following criteria: character and integrity; qualifications including professional qualifications, skills, knowledge and experience relevant to the Company's business and corporate strategy, and diversity factors mentioned in the Board Diversity Policy.

The Company supports directors to obtain the latest information about the statutory and regulatory system and the business environment in order to help the latter perform their duties. Also, the Company will arrange the ongoing introduction and professional development plan for Directors when necessary. During the reporting period, MicroPort provided induction training for Directors who were appointed for the first time and introduced important updates on laws and regulations including new listing rules, and updates on the business environment through continuous training for all Directors.

The Company will continue to review and strengthen its corporate governance practices so as to ensure compliance with the Corporate Governance Code.

RISK CONTROL

MicroPort has established a comprehensive risk management system, continuously improved the internal control system, identified and withstood risks related to business operation from multiple perspectives, including but not limited to strategic risks, financial risks, market risks, operational risks and legal risks.

The Audit Committee under the Board of Directors oversees the internal control system and risk management system of the Group, reports to the Board of Directors on any material issues, and makes recommendations to the Board of Directors. The internal audit team leverages resources of departments and personnel related to internal audit and performs internal control reviews and risk assessment; the Committee also regularly reports to the Audit Committee under the Board of Directors of the Group on the construction and execution of the Company's internal control system, in order to boost the effectiveness of risk control of the Group.

The Internal Audit Department analyzes, evaluates and monitors the operational and financial risks of the Group to identify and mitigate risks promptly. It comprehensively implements the Internal Audit System to optimize the risk management mechanism and strengthen the procedures of authorization, approval, supervision and other controls to improve the supervision and control mechanism. During the reporting period, we conducted interviews, evaluated the completeness and adequacy of systems, performed walk-through tests and sampling inspections to complete the internal audit of key procedures of the Group and domestic and overseas subsidiaries, compiled an internal audit report and made rectification plans on identified risks.

Furthermore, the Group will engage external consulting firms to supplement internal audit by providing assistance to internal audit, so as to ensure the independence of internal audit and the fairness of evaluation and reflect the operation of the Company's internal controls more objectively.

ESG STRUCTURE

MicroPort sticks to a concept of "Small Beginnings Lead to Great Miracles" and adheres to a management credo of "Eyes for Greatness, Hands on Details" to persistently create the greatest value for our shareholders, customers, employees, the environment and society.

In order to further advance scientific and systematic ESG management, we have made ongoing efforts to reinforce and improve the ESG structure according to the Environmental, Social and Governance Reporting Guide issued by the HKEx and sustainable practices of the industry.

The Company has set up a top-down ESG structure with three levels, composed of the Board of Directors, the ESG Working Committee and the ESG Working Group. Among them, the Board

of Directors serves as the highest responsible body of the ESG governance structure. It leads and supervises ESG work, evaluates and determines ESG risks of the Company, and rolls out corresponding management and supervisory measures while examining and approving ESG-related policies and reports. The ESG Working Committee communicates the decisions of the Board of Directors and coordinates various ESG matters. Their composition and responsibility should be up to the requirements of the Listing Rules of the HKEx. The ESG Working Group is composed of various functional departments of the headquarter and relevant departments of major subsidiaries, and is responsible for the execution of specific ESG-related work.

COMMUNICATION WITH STAKEHOLDERS

MicroPort emphasizes on the expectations and requirements from stakeholders in determining the Company's ESG strategies and identifies fields that call for actions related to stakeholders in various ways. Our key stakeholders include employees, customers (global distributors, hospitals, physicians and surgeons), users (patients), shareholders, suppliers, regulatory agencies and the media.

During the reporting period, we conducted several regular and irregular communications with various stakeholders by means of online and offline meetings, face-to-face discussions, surveys and business visits to actively listen to their opinions and advice, understand their concerns and demands, as well as formulate and adjust relevant measures accordingly.

Stakeholder Type	Stakeholders	Issues of Concern	Channels of Communication
Governments and regulators	National and local governments, market regulators, tax authorities, environmental and industry regulators	- Risk management - Environmental management - Anti-corruption measures - Product safety and quality	- On-site investigations - Exchange of official documents - Policy implementation - Information disclosure
Shareholders and investors	The Company's equity and debt investors	- Talent development - Product safety and quality - Technology and innovation - Intellectual property	- Investor relations website[2] - Shareholder meetings - Information disclosure - Correspondence - Teleconferences - On-site visits - Roadshows
Customers/ users	Global distributors, hospitals, physicians, surgeons and patients	- Information security - Product safety and quality - Customer services - Responsible marketing	- Distributor meetings - Customer surveys - Technical seminars - Customer service hotlines - Surveys on customer satisfaction
Employees	Employees of the Company	- Talent development - Remuneration and benefits - Diversification and equalization - Occupational health and safety	- Employee Management Committee - Employee activities - Employee surveys - Employee training - Internal publications
Suppliers	Raw material suppliers	- Product safety and quality - Responsible supply chain management	- Supplier evaluation - Communication with suppliers - Training for suppliers
Communities and the media	Local communities, the public and the media, etc.	- Involvement of stakeholders - Community contribution - Product safety and quality	- Volunteer services - Community activities - Media communication and interviews

During the reporting period, the Company held 115 investor meetings by ways of roadshows, investor conferences, on-site visits and teleconferences, and met with 2,082 investors and analysts. While ensuring compliance, we communicate with the investors in a pragmatic and open approach to let them keep up with our development progress and further exchange information with the capital market. In addition, we attach great importance to the communication with minority investors and protection of their rights and interests. In 2020, the Company increased positive interaction with the media and successfully convened four financial results briefings.

2. https://www.microport.com/en/investors-relations/

MATERIALITY ANALYSIS

In accordance with HKEx's *Environmental, Social and Governance Reporting Guide* and by reference to the Global Reporting Initiative (GRI)'s *Global Standards for Sustainability Reporting (GRI Standards)*, we have identified and summarized 25 material issues related to our social responsibility on the basis of MicroPort's business features. We have assessed those identified issues through peer benchmarking and expert consultation after considering the priorities and expectations of various stakeholders. The assessment results are categorized by three levels with high, medium and low importance. Among them, there are 6 material issues of high importance and 19 material issues of medium importance. In the report, we will make a targeted disclosure of each issue based on its importance.

Matrix chart — Y-axis: Importance of Issues to Stakeholders (High); X-axis: Importance of Issues to the Sustainability of the Company (Medium to High).

Important / Highly important

- Occupational health and safety
- Product safety and quality
- Talent development
- Benefits and remuneration of employees
- Technology and innovation
- Anti-corruption
- Risk management
- Diversification and equalization
- IP
- ESG management system
- Environmental management system
- Information security
- Involvement of stakeholders
- Energy consumption
- Packaging materials
- Exhaust discharge
- Wastewater/ waste management
- Responsible supply chain
- Water resource management
- Carbon footprint of products
- Customer services
- Responsible marketing
- Accessible medical care
- Community contribution
- Public welfare and charity

Legend:
- Corporate Governance
- Issues of Products and Services
- Environmental Issues
- Issues of Employees
- Social Issues

Ethical Operation

Integrity, trustworthiness and abidance by laws and regulations are the cornerstones of corporate culture and keys to the sustainability of a company. MicroPort is committed to operating business with the highest ethical standards. We adhere to the bottom line of business ethics, abide by laws in business activities, deliver on our promises and assume responsibility for our own actions. Guided by customer needs, we integrate ethics, honesty, animal ethics, marketing compliance, business information security and intellectual property risks management and control into operation, and establish a comprehensive ethical operation system.
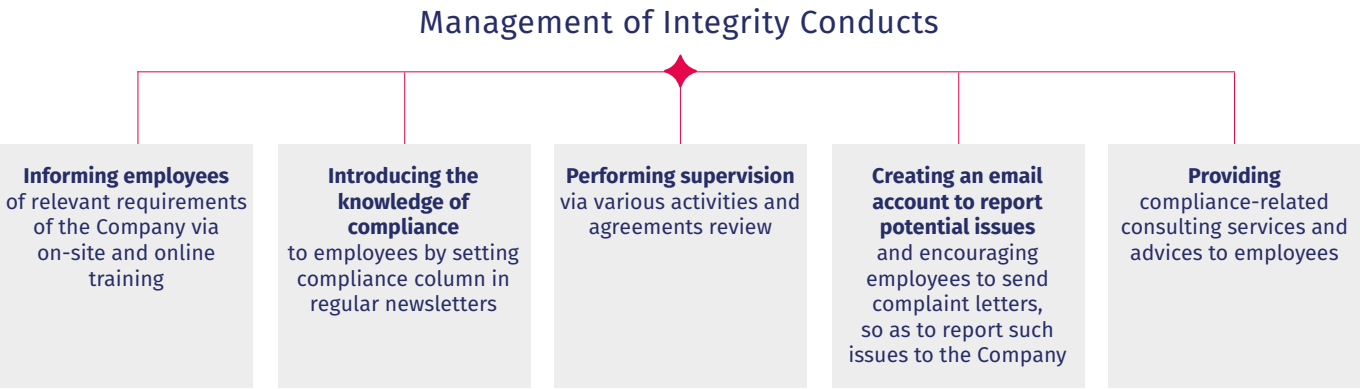
HONESTY AND INTEGRITY

MicroPort has been consistently adhering to a high-standard integrity and honesty system, fighting corruption and upholding integrity. We strictly abide by all applicable laws and regulations on bribery, extortion, monopoly, fraud and money laundering, including the Law of the People's Republic of China Against Unfair Competition, the Criminal Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Foreign Corrupt Practices Act (FCPA) in the US and the Bribery Act in the United Kingdom (UK). In the meantime, we have released some policies, including the Code of Business Conduct and Ethics, the Compliance Manual and the Employee Integrity Code to progressively develop a sound compliance management system and implement a high-standard ethical code. In line with the Code of Business Conduct and Ethics, we have set guidelines on anti-monopoly, as well as the prohibition of the acceptance of gifts and political contributions for the Company. During the reporting period, a new section titled "Anti-Corruption and Anti-Bribery" was added to the code to ensure anti-corruption work is implemented effectively.

Management of Integrity Conducts

| **Informing employees** of relevant requirements of the Company via on-site and online training | **Introducing the knowledge of compliance** to employees by setting compliance column in regular newsletters | **Performing supervision** via various activities and agreements review | **Creating an email account to report potential issues** and encouraging employees to send complaint letters, so as to report such issues to the Company | **Providing** compliance-related consulting services and advices to employees |

According to the *Employee Integrity Code*, under the supervision of the Audit Committee, internal audit and compliance management functions are responsible for performing integrity conduct audit and inspection, providing opinions and suggestions on the results of the audit and inspection. Employees are encouraged to report behaviors in violation of the *Code of Business Conduct and Ethics* through email (compliance@microport.com). After receiving a report, we investigate and verify relevant issues in a timely manner. If the complaint is confirmed, we will deal with relevant personnel according to the policy. In addition, we are committed to protecting the information of whistleblowers and prohibiting any retaliation against whistleblowers. In the case of any information leakage, we will take immediate measures to protect the whistleblowers and track down the source of such leakage.

While continuously improving the systems and measures of integrity conduct management, we also focus on compliance training to enhance the understanding and practice of company's compliance policies and requirements by employees, suppliers, distributors and other related parties. During the reporting period, in addition to the annual online compliance training for all employees, we also delivered 31 sessions of online or on-site compliance training to 1,192 people, including newly recruited employees, employees of key business and certain distributors. Meanwhile, our overseas subsidiaries conducted annual compliance training for all employees and salespersons to deepen overseas employees' understanding of anti-corruption laws start with a new paragraph. During the reporting period, the Company was neither informed of any incidents violating any laws and regulations on bribery, monopoly, extortion, fraud and money laundering, which have material impacts on the Group, nor any legal cases involving corruption within the Company or among employees.

In September 2020, the compliance team carried out offline training for 54 employees of the sales team for a key market segment in important matters and policy requirements of the Company for academic conferences.

From May to September 2020, the compliance team and the business team launched a communication and training session for 196 distributors' representatives regarding the compliance policies and requirements of MicroPort and the responsibilities of distributors.

COMPLIANT MARKETING

MicroPort strictly complies with relevant laws of the country where we operate and resolutely protects various rights and interests of consumers in publicity and marketing.

With regard to advertising, MicroPort established a monitoring mechanism, under which the intellectual property department and legal affairs department and other relevant departments will review the contents of press releases to be published, so as to avoid misleading consumers by exaggerating and false publicity through adding risk alert.

In terms of packaging and products labeling, we have developed the *Standards on the Management of Packaging and Design*, which specifies the departments responsible for the packaging and labeling of medical devices and other documents and materials related to the design and packaging, so as to ensure that we comply with the existing laws and regulations and meet the demands of customers. In addition, we exercise control over the printing and inspect product labels to ensure accuracy and compliance with laws and regulations throughout the process.

During the reporting period, the Company did not receive any complaints or lawsuits concerning advertising content that misled or deceived consumers.

Research and Communication over the Practical Advertisements of Medical Devices

In December 2020, we invited veteran experts in advertisement laws for a research and communication seminar concerning the practical advertisements of medical devices in Shanghai, nearly 100 employees from different employees of the Group attended the seminar. This activity provides a practical guide for the departments of the Group on how to accurately understand the advertising boundary in the medical device industry and compliance issues that call for special attention. In so doing, we further regulated the external publicity and promotion of relevant business segments or departments in routine business operations and reduced legal and compliance risks of the Company.

INFORMATION SECURITY

MicroPort understands deeply that strict control network data security and privacy protection is critical to our customers. Strictly in compliance with laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Administrative Measures for the Classified Protection of Information Security, and the General Data Protection Regulation (GDPR) in the European Union (EU), we have rolled out corresponding data security protection policies and information security management systems, including the *Information Security Management Guidelines, the Measures for the Management of Information Assets* and administrative measures for access control, cybersecurity and operations maintenance to implement information security in various work. During the reporting period, we also added clauses in relation to data and privacy protection to the *Code of Business Conduct and Ethics*.

We have adopted multiple measures for the prevention and control of information security to render comprehensive data and information security protection.

No.	Measure	Main Influence
1	Network access system	To prevent unauthorized users from accessing the network of the Company
2	Hardware redundancy and high availability (HA)	To prevent interruption with better hardware and ensure continuity
3	Platform for operations maintenance monitoring and early warning	To monitor and issue early warnings to the performance of servers and network equipment, and keep track of the latest operating status
4	Desktop management system	To monitor all violations of the terminals and conduct compliance inspection of software used
5	Vulnerability scanning	To proactively identify security vulnerabilities of hosts, systems and applications

In line with the requirements of ISO/IEC27001:2013 Information technology — Security techniques — Information security management systems, every year, the department in charge of information technology takes the lead in carrying out risk assessment on information assets regularly, including information asset classification and grading, risk identification and evaluation, and risk response plans and their implementation to minimize the information security risks of MicroPort and strengthen relevant response measures.

Apart from risk evaluation, MicroPort regularly launches information security reviews to monitor how effective existing prevention and control measures are and continuously updates measures to boost information security.

We also organize training on cybersecurity for our employees, such as phishing email tests to put them on high alert to information security risks and increase their awareness of information security protection.

During the reporting period, we kicked off the MicroPort Classified Cybersecurity Protection Program. As a result, the Manufacturing Execution System (MES), after being tested, has reached secondary standards of such protection (classified cybersecurity protection). At the same time, we also have passed the review of the ISO 27001 standard for information security management systems. During the reporting period, MicroPort was informed of no customer privacy violations which might materially impact us.
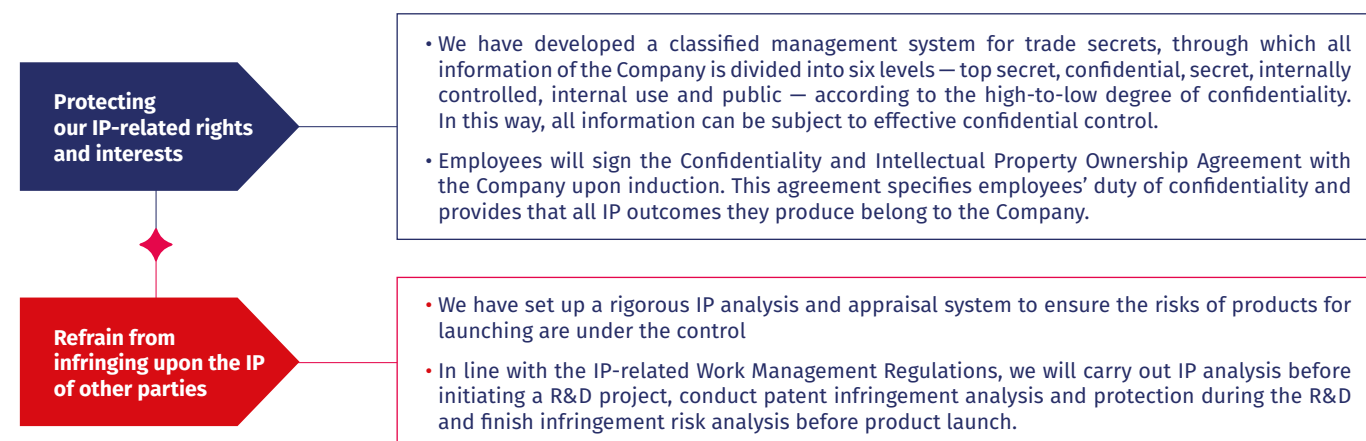
TRADE SECRETS AND IP PROTECTION

MicroPort higly emphasizes on trade secrets and intellectual property protection. We strictly abide by the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition, the *Defend Trade Secrets Act of 2016*, the *Economic Espionage Act of 1996* and the *Uniform Trade Secrets Act* in the US and Directive (EU) 2016/943 in the EU among other laws and regulations in the place where we operate. Hence, we regard our IP development strategy and the *Trade Secret Management Regulations* as guidelines to manage the Group's IP and trade secrets. Furthermore, we refine and develop them into the *IP-related Work Management System*, the *Trademark Management System*, the *Rules on the Management of the* IP Protection of Technological Innovations and the R&D

Journal *Management Regulations*. Moreover, we have developed specific rules for R&D incentives and document management to implement incentive measures for innovation and protection, so as to materialize standard and well-organized IP management systems and procedures. We have also signed the Confidentiality and Intellectual Property Ownership *Agreement* and the *Non-Compete Agreement* with relevant parties.

We prohibit IP infringements in any form while protecting our own IP-related rights and interests. During the reporting period, we did not witness any infringements upon patents, trade secrets, or trademarks.

Measures of MicroPort for Trade Secret and IP Protection

Protecting our IP-related rights and interests

- We have developed a classified management system for trade secrets, through which all information of the Company is divided into six levels — top secret, confidential, secret, internally controlled, internal use and public — according to the high-to-low degree of confidentiality. In this way, all information can be subject to effective confidential control.
- Employees will sign the Confidentiality and Intellectual Property Ownership Agreement with the Company upon induction. This agreement specifies employees' duty of confidentiality and provides that all IP outcomes they produce belong to the Company.

Refrain from infringing upon the IP of other parties

- We have set up a rigorous IP analysis and appraisal system to ensure the risks of products for launching are under the control
- In line with the IP-related Work Management Regulations, we will carry out IP analysis before initiating a R&D project, conduct patent infringement analysis and protection during the R&D and finish infringement risk analysis before product launch.

The IP held by the Company mainly includes patents, trademarks and copyrights. During the reporting period, MicroPort owned 2,766 trademarks (including applications), up by 681 on a year-on-year basis; secured 342 new authorized patents and held 5,097 patents (including applications), a year-on-year increase of 981 items, thus achieving the goal set out in early 2020. Moreover, we won the 21st China Patent Silver Award with our utility patent - "method and device for loading drugs and/or polymers on medical appliance", and the 21st China Patent Excellence Award with our utility patent - "branched stent-graft delivery system and delivery method."

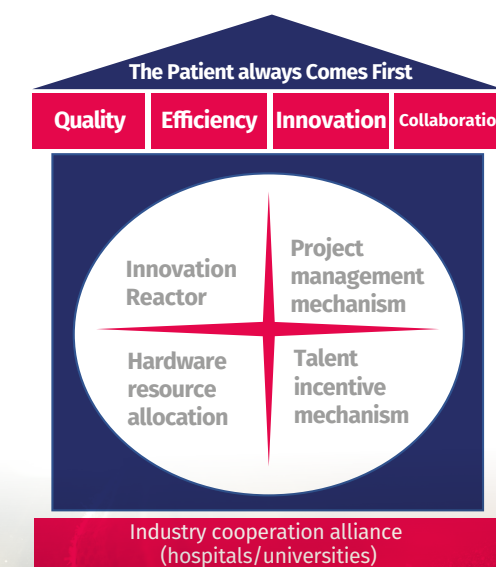*China Patent Silver Award*

China Patent Excellence Award

Craftsmanship in Action

MicroPort has been dedicated to innovation since its establishment. We consistently work towards the mission of "To Provide Trustworthy and Universal Access to State-of-the-Art Solutions of Prolonging and Reshaping All Lives" and hold true to the credo of "Eyes for Greatness, Hands on Details". We continuously devote ourselves to innovating and developing the world-leading technology so as to provide the global market with high-quality products and services.

CONTINUOUS INNOVATION

MicroPort believes that the strong capacity of independent and adaptable technological innovation lay the groundwork for sustainable development of medical device companies. To enhance the capacity in continuous innovation and profit-making, we conduct approximately 100 R&D projects simultaneously, based on our analysis of the industry growth and long-term plan on R&D and application. To satisfy the growing clinical demand, we have established and implemented a management model that integrates technological innovation and industrialization. Based on industrial cooperation alliance between companies and hospitals & universities, this model focuses on four mechanisms, namely "Innovation Reactor," "Project Management Mechanism," "Hardware Resource Allocation" and "Talent Incentive Mechanism", while pursuing "Simultaneous R&D, Efficiency, High-quality, Economic Competitiveness and Precise Positioning". With this model in place, the Company is able to accurately grasp innovation opportunities in the highly competitive market.

Management Model of MicroPort that Integrates Technological Innovation and Industrialization

The Patient always Comes First

| Quality | Efficiency | Innovation | Collaboration |

- Innovation Reactor
- Project management mechanism
- Hardware resource allocation
- Talent incentive mechanism

Industry cooperation alliance (hospitals/universities)

Principles of MicroPort's Innovation Management Model

Simultaneous R&D process of multiple projects

Precise positioning for the benefit of patients

Focus of high efficiency

Competitive cost and resource utilization ability

Continuous quality improvement

Simultaneous R&D · **Efficiency** · **Precise positioning** · **Principles** · **Economic competitiveness** · **High-quality**
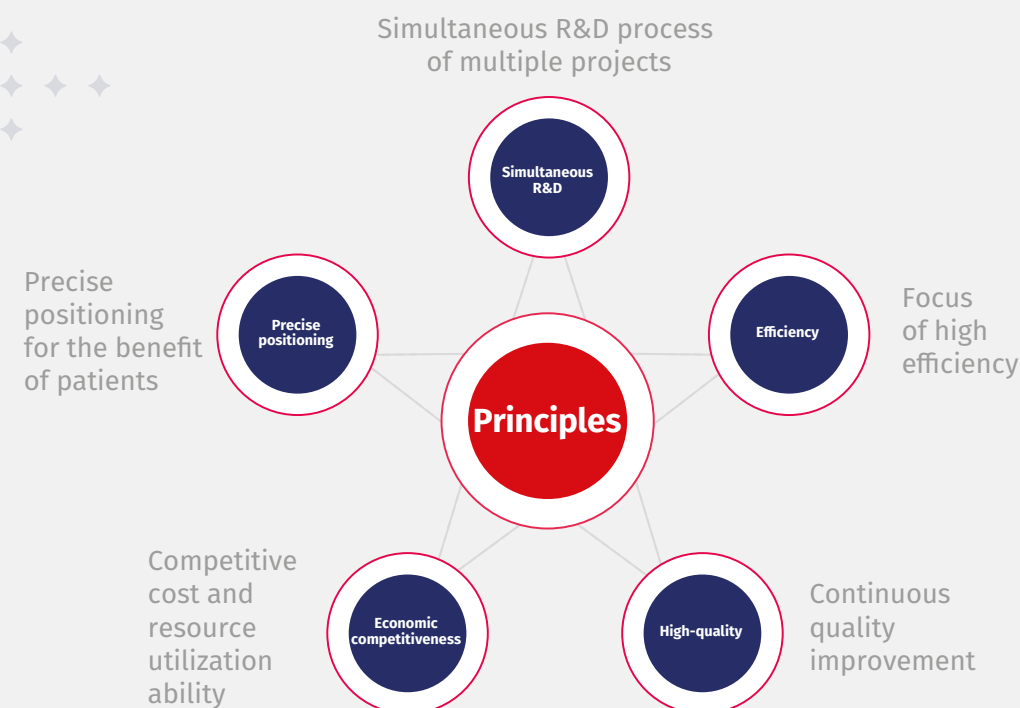
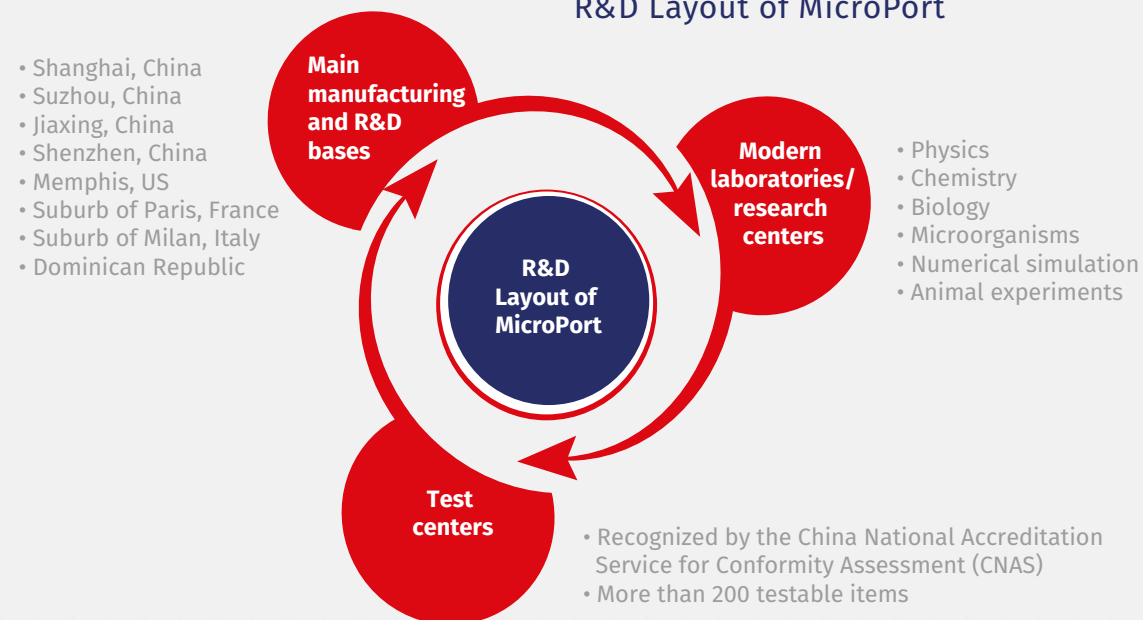In order to lower the R&D costs, we leverage the "Innovation Reactor" to provide various fundamental resources and platforms for different projects, thus minimizing the unnecessary repetitive investment for the R&D process of a single project.

R&D Capacity

Adhering to an integrated global innovation strategy, MicroPort has built manufacturing and R&D bases worldwide. In addition, we work closely with internationally renowned doctors and scientists to develop a range of products that meet high quality and clinical standards, aiming to provide continuous driving force for the independent innovation of MicroPort.

R&D Layout of MicroPort

- Shanghai, China
- Suzhou, China
- Jiaxing, China
- Shenzhen, China
- Memphis, US
- Suburb of Paris, France
- Suburb of Milan, Italy
- Dominican Republic

Main manufacturing and R&D bases

Modern laboratories/ research centers
- Physics
- Chemistry
- Biology
- Microorganisms
- Numerical simulation
- Animal experiments

R&D Layout of MicroPort

Test centers
- Recognized by the China National Accreditation Service for Conformity Assessment (CNAS)
- More than 200 testable items

Knowledge Systems

To establish a knowledge sharing mechanism between employees, customers and business partners, we have built a MicroPort-styled knowledge sharing scheme, which integrates the Company's core independent innovation capacity into the entire value chain of the medical device industry, and support the efficient implementation of the Company's medical solutions through digital approaches.

Security-based Knowledge Sharing Scheme of MicroPort

R&D	Manufacturing	Logistics	Sales	Services
Intelligence collaboration	Design collaboration	Planning collaboration / Manufacturing collaboration	Sales collaboration	Service collaboration
Central control	QMS (Quality Management System) Comprehensive Quality Control			

Knowledge Management Platform of MicroPort

MicroPort capitalizes on the data and information network backed by the knowledge sharing scheme to foster an integrated knowledge platform. The platform comprises knowledge portals, communities of practice, knowledge maps and knowledge database to promote the extraction, combination, correlation, regeneration, learning and sharing of the data and information.

During the reporting period, we have further optimized the Guide to Feasibility Research of Product Development Projects and the Guide to Decision-making and Review of Product Development Project. We had a total of 30 products received registration approvals from the National Medical Products Administration and 2 products were approved to have access to the Green Channel. As of the end of the reporting period, we had 20 products that have entered the Green Channel, ranking first in the medical device industry for 6 consecutive years. In overseas market, the Group had 4 products approved by FDA and 14 products obtained CE marks in 2020.

Our innovation ability is also acknowledged by the public. During the reporting period, out of more than 80 nominees, we were selected as one of the 11 innovative enterprises for the Innovative Business Examples of the Yangtze River Delta 2019 released by the Shanghai Yangtze River Delta Business Innovation Research Institute, being a representative of the contributors and pioneers in the medical care and health industry of Shanghai in recent years. Moreover, our project "Collaborative Practice of Management Reform and Operation under the Registrant System" was awarded the first prize at the 2020 Shanghai Municipal Enterprise Management Modernization Innovation Achievement.

PRODUCT QUALITY

Since its establishment, MicroPort always prioritizes Quality as the top one of the eight corporate values and strives to build a brand where "The Patient Always Comes First". The Company will continue to fully leverage the effect of quality and innovation in driving the corporate development, providing more integrated and accessible medical solutions that prolong and reshape patients lives, and helping the industry achieve high-quality development.

Quality Management System

The Company recognizes that a mature quality management system (QMS) is the key element for medical device enterprises to improve the quality of production and operation. We have established a three-level quality system, composed of corporate documents such as quality manuals, control procedures and management systems, operation norms and work guides, so as to promote the implementation and improvements of the quality system in a top-down manner. The Quality Manual, a guideline to our quality management, defines the Company's quality policies, medium and long-term quality objectives and requirements of the quality system, and also clarifies the Company's commitment to quality management. During the reporting period, we kept abreast of the latest changes in domestic and overseas laws and regulations and further improved the Quality Manual accordingly, allowing the Company to align the QMS with the highest international standards.

The Company has built a comprehensive international QMS. The system controls quality throughout the product life cycle, ranging from the initiation of product development projects, planning input, design and verification, confirmation and transfer, manufacturing to post-market tracking. The Company and its subsidiaries have obtained the certification of ISO9001[3], ISO13485[4], CNAS[5] and ISO/IEC17025[6].
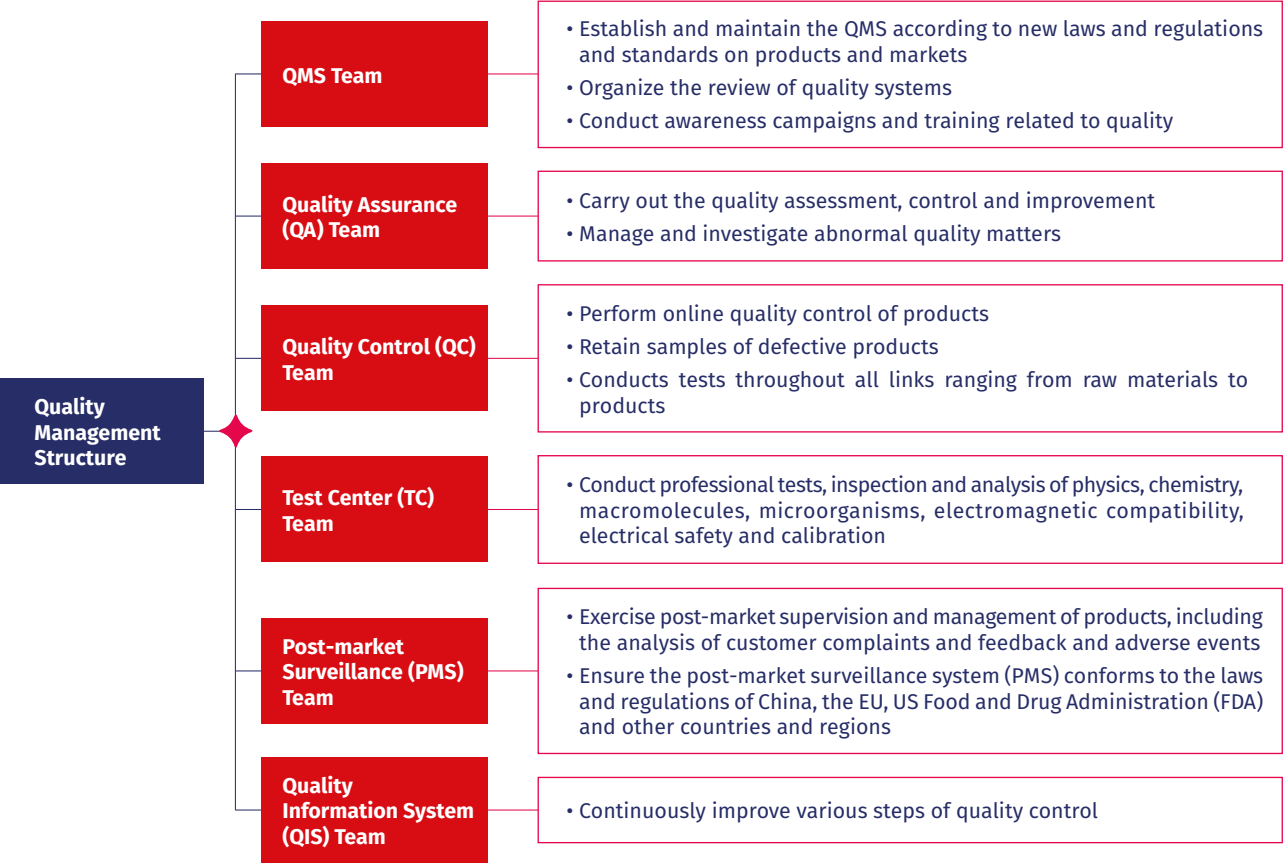
Relevant Certification of MicroPort's QMS		
No.	Certificate Name	Scope of Certification
1	ISO13485	Shanghai Campus, Suzhou Campus, Jiaxing Campus, Shenzhen Campus and Beijing Campus MPO's orthopedics laboratory in Tennessee, US MicroPort CRM S.r.l. Saluggia
2	ISO11135[7]	Shanghai Campus and Suzhou Campus
3	ISO9001	Shanghai Campus and MPO's orthopedics laboratory in Tennessee, US
4	CNAS-CL01 idt ISO/IEC 17025	Shanghai Campus, Suzhou Campus and Jiaxing Campus

We establish and maintain a quality management team and further divide it into 6 teams. These teams perform quality management of products throughout the life cycle from different dimensions. Meanwhile, we set up the Quality and Standardization Committee, combining R&D with standard setting, ensuring that all standards are available and compulsory, aiming to build an optimized quality system with great operation.

3. ISO9001: Quality Management System.
4. ISO13485: Medical devices — Quality management systems — Requirements.
5. CNAS: Certification by China National Accreditation Service for Conformity Assessment (CNAS).
6. ISO/IEC17025: Testing and Calibration Laboratories.
7. ISO11135: Sterilization of Health-Care Products — Ethylene Oxides.

Structure of Quality Management Team

QMS Team
- Establish and maintain the QMS according to new laws and regulations and standards on products and markets
- Organize the review of quality systems
- Conduct awareness campaigns and training related to quality

Quality Assurance (QA) Team
- Carry out the quality assessment, control and improvement
- Manage and investigate abnormal quality matters

Quality Control (QC) Team
- Perform online quality control of products
- Retain samples of defective products
- Conducts tests throughout all links ranging from raw materials to products

Test Center (TC) Team
- Conduct professional tests, inspection and analysis of physics, chemistry, macromolecules, microorganisms, electromagnetic compatibility, electrical safety and calibration

Post-market Surveillance (PMS) Team
- Exercise post-market supervision and management of products, including the analysis of customer complaints and feedback and adverse events
- Ensure the post-market surveillance system (PMS) conforms to the laws and regulations of China, the EU, US Food and Drug Administration (FDA) and other countries and regions

Quality Information System (QIS) Team
- Continuously improve various steps of quality control

During the reporting period, we rolled out a variety of measures, including regulating laboratory quality control and enhancing intelligent quality tests, to ensure our products meet the requirements of regulators and the expectations of patients.

One-stop Medical Device Product Test and Analysis Service Platform

In July 2020, the "One-stop Medical Device Product Test and Analysis Service Platform" project of the MicroPort Medical Testing Center was enlisted in the first batch of projects supported by the Shanghai Service Industry Development Guidance Fund. In the test center, the Company expanded an additional 2,000 m^2 area for the project to install sophisticated facilities and equipment, including fatigue testing machines, universal material testing machines and 3-meter complaint fully anechoic test chamber (3m-FAC-C), to offer comprehensive high-tech test services in power-based, physical, chemical, microbiological and material analysis and solve such industry challenges as scarce professional testing resources of medical devices and prolonged testing cycles.

In the meantime, the test center purchased a laboratory information management system (LIMS) from LabVantage Solutions to lay an information-based and procedure-based foundation for laboratory compliance and pave the way for the information-oriented development of laboratories.

Improvement of Intelligent Testing of Bare Coronary Stents

We continue to explore intelligent test equipment in order to improve intelligent quality inspection and control of coronary products. During the reporting period, on the basis of Q-six, an automatic surface inspection device for bare stents, we duplicated four new test devices, made technological breakthroughs in testing defective "groove design" specific to Firehawk® stents and pioneered an integrated solution to the detection test of Firehawk®'s inferior bare stents with grooves. This solution allows us to test the interiors and exteriors of Firehawk® products, produce test results stably and efficiently, boost the consistency between the test capacity and inspection on surface defection of bare stents, reduce the rate of error and misjudgments arising out of artificial tests, and thereby strengthen quality control of products while paving the way for automatic, unmanned and intelligent stent tests at laboratories.

Picture of Q-six and Case of Detective Bare Stents

During the reporting period, we received the 2020 Global Performance Excellence Award given by the Asia Pacific Quality Organization (APQO) (for the second consecutive year), the third Gold Prize for Quality in Pudong New Area, the Shanghai's Award for Qualit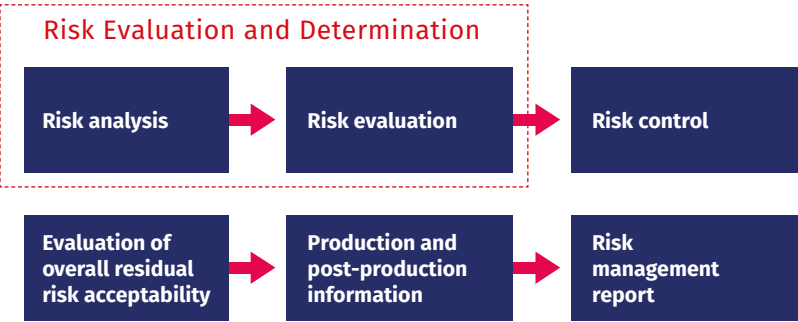y Management 2019, the Quality Benchmark in Shanghai 2019 and the National Quality Benchmark for the Country 2020; also won the "Global Performance Excellence Award (GPEA)" of International Asia Pacific Quality Award (IAPQA) in 2020 for two consecutive years.

Quality Risk Management

We believe product safety is a vital issue for the medical device industry. In accordance with relevant laws and regulations on quality and ISO14971 (Medical Devices — Application of Risk Management to Medical Devices), we have established the Product Risk Management and Control Procedures, which specifies risk management activities in each step of the product life cycle.

We have established an on-going risk review in the life cycle of medical device development, with the implementation of risk control and relevant emergency measures based on results of quantitative risk analysis, so as to achieve a closed-loop management of risk analysis and risk control measures.

Diagram of the Risk Management Process

Risk Evaluation and Determination

Risk analysis → Risk evaluation → Risk control

Evaluation of overall residual risk acceptability → Production and post-production information → Risk management report

Adverse Events and Product Recalls

We attach great importance to the management of adverse events. We developed a warning system, which covers notices of medical device accidents, impact assessment and market safety corrective actions according to relevant laws and regulations of China, the EU, the US, South Korea, and other countries and regions. The system also assesses the safety and effectiveness of products through continuous and effective monitoring of post-market information, as well as promptly identifies and takes measures to control and reduce potential product risks.

We have developed the *Product Recall Management System* to regulate product recall procedures by assessing risks that may result in product corrections, recalls and refunds. Recall procedures are divided into three levels according to risk levels with specific time limits, thus protecting the safety of product users, patients and other stakeholders in the use of such products. To prevent product recalls, we take multiple measures, including quality control, quality assurance and quality improvements before products are delivered, to prevent the substandard products entering the market.

No cases of product recall or fatal accident due to product quality issues were recorded in the Chinese mainland during the reporting period.

Quality Culture Development

We believe that building a corporate quality culture system can effectively enhance the quality of products and services. We hold "Quality Month" event every year to popularize quality-related knowledge and accelerate the development of quality culture. During the reporting period, we launched a three-month "Quality Month" event, which was jointly organized by our Shanghai, Jiaxing and Suzhou branches for the first time and, enhancing of employees' quality awareness.

No	Activities
1	2020 Forum on Quality and Registration Laws
2	2020 Concerted Quality Development — Investigation in Benchmark Enterprises
3	2020 On-Site Appraisal of 6S
4	2020 Press Conference of Quality Control Circle
5	2020 Press Conference of Six Sigma Green Belts/Black Belts
6	2020 Product Quality Training Camp
7	2020 Company's Internal Review of Quality Management System

ISO 13485 and GMP[8] Training

In August and October 2020, in response to the training needs of various business segments for laws and regulations on quality, we invited external lecturers to give two sessions of training on ISO 13485 and GMP regulations. Through detailed interpretations of laws and regulations, case analysis, classroom interaction and paper assessment, the two trainings effectively improved the quality awareness and understanding of relevant laws and regulations of 230 participating employees.

Training in ISO13485&GMP

Group Photo Taken at the Zhejiang Training Base

SERVICE ASSURANCE

MicroPort is dedicated to providing every patient with professional services and trustworthy and universal access to state-of-the-art solutions of prolonging and reshaping lives. Placing patients at the core of our business, we leverage multiple disciplines and technologies to assist doctors to ensure that patients have access to long-term continuous treatment and care during hospitalization and after discharge, so that they can return to society as soon as possible.

Implant Cards of MicroPort

Liang Zhi Care's unique device identification (UDI) and 115 Care Card's integrated database for medical devices can supervise the whole process ranging from the design and development of medical devices, manufacturing to post-market. We mark product number on the implant cards for patients with a QR code of "unique product identifier (UPI)" to provide users with the information of medical implants and safety instructions. In the case of an emergency, through these identifications, doctors can obtain the information of the implants quickly and accurately, protecting patient's rights and interests and lives.

Besides, we have set up the Care Health Management (CHM) system, a national call center for implant card users to help them learn about product information and therapy methods. We are committed to meet the need of patients in anywhere at any time in a timely and accurate manner.

"Micro Website[9]" for Patient Education

We have developed a "Micro Website" dedicated to providing professional education to patients. With five functions namely Newsletter, Knowledge, Patient Services, Rehabilitation Tools and Compassionate Sharing, it provides our product users and their caretakers with one-stop, all-around and professional health information services, so as to safeguard the rights and health of patients.

Five Systems of "Micro Website" for Patient Education

Newsletter System

A newsletter system providing differentiated services to patients with different diseases and their caretakers is put together on the basis of interests

Knowledge System

The system ensures the knowledge and services for patients better and more accurately match each patient's needs

Patient Services System

A care for health management system is put in place to provide more accurate and matching services and clearly define patient service strategies and approaches

Rehabilitation Tools System

A system explores different varieties of diseases, establishes risk evaluation models in concert with clinical departments, and regulates and promotes rehabilitation algorithms for better rehabilitation adherence and less rehabilitation in adherence

Compassionate Sharing System

A system of family accounts is opened to actively intervene in the rehabilitation and experience of patients during continuous treatment by encouraging the contribution of their family members, apart from medical professionals, in order to fight diseases in concert with patients and improve their living standards

8. GMP: Good Manufacturing Practices

9. see https://www.115care.com/cn_pc/index.htm for more information

Customer Feedback

We believe feedback from customers is an important impetus for us to continuously improve products and services. We formulated the *Feedback Control Procedures*, the *Administrative Regulations on Customer Complaints and the Administrative Regulations on Overseas Customer Complaints*, clarifying the channels to obtain information on customer complaints and the corresponding handling procedures. We also conduct relevant training for salespersons and distributors according to the *Warning System Control Procedures*, to inform them of our complaint feedback policy and warning system, and request them to report customer complaints in a timely manner.

In terms of feedback on product issues, the majority of customer feedback stems from sales documentation. Handling procedures include complaint documentation, acceptance, the return of the product against which a complaint is lodged (if any), analysis of the correlation between the complaint and product quality, and initiation of corrective and preventive measures. Non-sale feedback can be conducted over the phone, by e-mail or other forms. The feedback will be recorded in the online ordering system by relevant personnel and handled according to the same procedure as sales documentation.

Feedback and Complaint Channels for the Products of MicroPort

Feedback through online platforms (online ordering system)

Feedback by e-mail

Feedback over the phone

As to answering questions from patients and offering patient care, we have established the Liang Zhi Care Center for Patient, opened the Liang Zhi Care Hotline and developed a website to provide general educational information on minimally invasive intervention products, answer patients' questions about intervention products and provide patients and their caretakers with services around the clock. In the meantime, we have created a WeChat official account named "Liang Zhi Care" to provide preoperative, intraoperative and postoperative services to patients in terms of minimally invasive intervention. During the reporting period, the registered patients of Liang Zhi Care Center for Patients reached over 150,000. With its new customer management mode integrating service innovation and health management, the Liang Zhi Care Center for Patients was named as the Best Omnimedia Service Demonstration Unit in 2020 and the Most Innovative Manager in 2020 by the China Information Industry Association Customer Contact Center Branch.

• **Liang Zhi Care Hotline:** 400-995-1601 or 400-840-0501
• **Liang Zhi Care Website:** www.115care.com
• **Liang Zhi Care E-mail:** weichuangliangzhi@microport.com
• **WeChat Official Account:** Liang Zhi Care

We interpret and analyze customers' opinions about our products and services via regular surveys. Specifically, we send satisfaction survey on our business in China to approximately 100 customers every year. For business in the US, we send a customer experience survey to our US-based and international customers. Furthermore, we explored multiple ways to understand and analyze customers' feedback on our products and services.

SUPPLIER MANAGEMENT

MicroPort recognizes that a sound supplier management system helps us achieve goals shared with our supplies and bring win-win outcomes through cooperation. During the reporting period, we set up the Supplier Management Committee to formulate procurement and supplier management policies of the Company, determine various procurement strategies and tasks as needed, supervise the implementation of procurement and supplier management policies and carry out periodic audits.

Introduction and Management

During the reporting period, we revised the *Supplier Management Rules* and the *Procurement Management Guide*, which established procedures and management rules for the introduction, evaluation and withdrawal of suppliers, guide suppliers to raise the awareness of social responsibility and lower the risks of supply chain. We also classify suppliers according to their raw materials, ingredients and services, and categorize risk levels of products from suppliers in order to optimize supplier management.

With regard to quality, we actively work together with suppliers to solve problems related to product safety and quality assurance. We request suppliers of key materials to obtain the certifications of ISO9001 and ISO13485 and sign relevant agreements on procurement and quality. In order to strictly evaluate the product quality of suppliers, we organize annual supplier reviews through questionnaire surveys and face-to-face interviews and evaluations to ensure their products meet our quality requirements. We comprehensively evaluate the performance of suppliers in terms of product quality pass rates, on-time delivery rate, cost and service, among other factors, and guide them to make improvements according to their actual performance.

The improvements of suppliers' operation systems play a vital role in the development of the supply chain. In order to expand the knowledge and learning abilities of suppliers, MicroPort actively launches training and supporting programs for suppliers to enhance their quality and safety management capacity, improve their product quality and to jointly build a secure and sound supply chain system with them.

Sustainable Supply Chain

In line with the *Procurement Management Guide*, apart from the qualifications and product performance of suppliers, we pay special attention to their performance related to social responsibility, such as environmental performance and the prohibition of child labor or forced labor. For example, in order to reduce our carbon footprint, we have adopted a principle of nearby procurement, MicroPort contracts local suppliers of paper print packaging (excluding primary product packaging) in the operation site in Shanghai with the maximum distance being approximately 64km. At the same time, all suppliers of this kind use environmentally-friendly packaging materials.

Furthermore, in order to secure a stable supply chain, we visit suppliers with high risks more frequently and sign long-term cooperation agreements with suppliers for large procurement to ensure the stability of supply.

Distribution of Suppliers

202   65

3,179
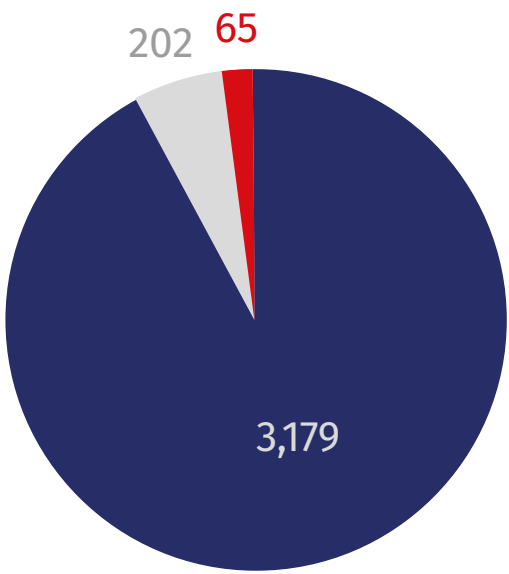
■ China   ■ Europe   ■ Americas

The number of the Group's suppliers during the reporting period.

Environmental
Responsibility

MicroPort integrates green and sustainable development into our business philosophy, proactively promotes environmental management and clean production, and strives to reduce the carbon footprint arising from our operations with the commitment to creating an eco-friendly management and development pattern.

ENVIRONMENTAL MANAGEMENT

MicroPort strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Environmental Protection Tax Law of the People's Republic of China, and other relevant environmental laws and regulations in all places around the globe where we conduct business. We formulate internal environmental policies in order to reduce the impacts on the environment arising from our operations, including the Administration Procedures for Clean Production and the Requirement Procedures for Organizational Environment and Interested Parties.

We established an environmental management system in our production management process. Shanghai MicroPort Medical (Group) Co., Ltd. has obtained the Environmental Management System (ISO 14001)[10] certification and the Energy Management System (ISO 50001)[11] certification. Two factories of our subsidiary MicroPort CRM, located in Clamart, France and Saluggia, Italy, have also obtained the ISO 14001 certification.

MicroPort compiles annual work plans on environmental protection and clean production each year, refining the overall targets and indicators, and assigning the corresponding responsibility to specific person based on the principle of "whoever's in charge is responsible".

• **Identifying major environmental factors:** under the guidance of the Procedures for the Identification, Evaluation and Control of Environmental Factors, we have formulated the lists of major environmental factors by identifying the environmental factors in our operations, products and services through process analyses and on-site observations, and developed sound preventive measures targeted the relevant risks.

• **Strengthening environmental pollution monitoring:** we have formulated the Control Procedures for Targets, Indicators and Management Plans and the Control Procedures for Monitoring and Measuring. On such basis, the relevant production units shall monitor, measure and evaluate the environmental performances, and disclose the environmental information for public supervision on a regular basis.

• **Improving Emergency Response Capability:** we require all our factories to strictly implement the Procedures for Emergency Preparedness and Response in the event of any accident or unexpected emission/leakage during the production and transportation, and take immediate emergency measures to prevent and control the emission and pollution hazards.

• **Enhancing the environmental awareness of all employees:** we have implemented the Management Procedures for Employees' Abilities, Training and Awareness Cultivation, proactively organized staff trainings on clean production and adopted a "three-level"[12] environmental education, aiming to improve our employees' awareness of Environment, Health and Safety (EHS) and the risks as well as the countermeasures in their work and operations. In addition, during the reporting period, we implemented the Management Rules for the Use of Air-Conditioning and Lighting, proposing the initiative of "Saving Energy and Reducing Emissions" with the commitment of creating a greener office environment.

The Initiative of "My Advice on 'Saving Energy and Reducing Emissions'"

During the reporting period, in order to further improve the resource utilization and continuously reduce the energy consumption, we initiated the activity of "My Proposals on 'Saving Energy and Reducing Emissions'" and encourage each employee to come up with at least one practical energy saving and emission reduction proposal. We evaluated and gave cash rewards based on the quality, practicability, and the number of effective suggestions, aiming to increase the enthusiasm of every participant.

During the reporting period, the Company was selected as the "Green Factory" by the Ministry of Industry and Information Technology of China, and was granted the award of "First Group of Five-Star Demonstration Units with Green Manufacturing Systems in Shanghai". Furthermore, we have further carried out green projects and committed to meeting the standards of "Shanghai Garden Unit".

The environment at MicroPort headquarter

10. ISO 14001 covers standards for the design, development and production of the coronary rapamycin target eluting stent system, coronary rapamycin eluting cobalt-based alloy stent system, coronary artery stent, PTCA balloon dilation catheter, and the percutaneous vertebroplasty guide system.
11. ISO50001 covers standards for energy management and energy-saving application in energy procurement, conversion, transmission, distribution and use during the design, development and production of coronary rapamycin target eluting stent system, coronary rapamycin eluting cobalt-based alloy coronary stent system, coronary artery stent, PTCA balloon dilation catheter, and the percutaneous vertebroplasty guide system.
12. The three-level environmental education is carried out by the Company, the factories/divisions and work teams.

EMISSIONS MANAGEMENT

Gas Emission Management

The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Clean Air Act and other relevant laws and regulations in places around the globe where we conduct business. We have developed the Procedures for the Prevention and Control of Air Pollution, striving to reduce the relevant gas emission while ensuring the compliance with relevant emission regulations.

Gas emissions at the Company mainly derive from stationary-source production such as pickling, electrolytic polishing, chemical reagent purification and drug spraying, which are discharged through the exhaust tube after the absorption of activated carbon. Additionally, we have a small amount of mobile source emissions derived from our own vehicles.

In China, the Company has reinforced the management on the use of chemicals in production, aiming to reduce the volatilization of acid mist. In the meantime, we have strengthened the management and maintenance of our activated carbon absorption devices to ensure high-efficiency. Additionally, we hire qualified third-party agencies each year to conduct gas emission testing, ensuring the compliance with relevant emission regulations.

In overseas countries, we strive to protect the environment by reducing the volatile organic compounds (VOCs) generated from our production in the US and European countries.

The Ethanol Reduction Plan		
During the reporting period, the Company launched the Ethanol Reduction Plan to reduce the overuse of ethanol in production. We optimized the cleaning techniques of bare stents and drying bottles by recycling the cleaning agents and reducing the proportion of ethanol, aiming to reduce unnecessary consumption and the emission of VOCs. With an estimated annual output of 800,000 stents, this plan is expected to reduce ethanol consumption by 39% and VOCs emissions by 0.748 tons for the Company.		

Type of emissions	Unit	2020
VOCs	tons	2.25

Sewage Management

The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Clean Water Act as well as laws and regulations in places around the globe where we conduct business. We developed the Procedures for the Prevention and Control of Water Pollution to reduce the discharge of sewage while ensuring the compliance with the relevant regulations.

In China, the Company's sewage comes from office buildings, toilets, canteens, garages and other basic amenities, amongst which the oily sewage from canteens is subjected to pretreatment through oil and residue separation, and the sewage from flushing underground garages is subjected to pretreatment through oil separation and sand sedimentation. Prior to discharging to municipal sewers, sewage from canteens and garages after pretreatment, together with sewage from office buildings and toilets will be treated with sewage treatment facilities. Our industrial sewage, mainly including sewage from water bath pot, sewage from high-pressure steam sterilization pot, sewage from R&D without contacting with reagents, and sewage consumed for pure water preparation, will be uniformly handled with sewage treatment facilities and discharged in compliance with the regulations.

Our overseas subsidiary MPO treats sewage through a sewage treatment system in compliance with the regulations, and collects rainwater samples every quarter to ensure that the surface water is not polluted. We also keep monitoring the quality of ground water to improve our practice of sewage management.

Type	Unit	2020
Total wastewater discharged	tons	212,678
Chemical Oxygen Demand (COD)	tons	6.34
Ammonia-nitrogen	tons	0.26

Waste Management

As a medical device manufacturer, the proper disposal of solid waste is an important part of our mission for environmental protection. The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, the Resources Conservation & Recovery Act in the US, the Hazardous Waste Management Rules, the Tennessee Waste Minimization Law, the "Loi relative à l'élimination des déchets et à la récupération des matériaux" in France, and other applicable laws and regulations concerning solid waste in places around the globe where we conduct business. The Company has established the Procedures for the Control of Solid Waste Pollution and specified detailed methods and processes for collection and disposal process of solid waste. Whenever there is a new type of waste generated by a new equipment or production process, we will analyze and determine the disposal methods, aiming to minimize the generation of solid waste while ensuring compliance with the regulation.

Hazardous waste generated from our operations includes medical waste and chemical waste, and solid waste includes general industrial waste and municipal waste from work and daily operation. We disposal of the above waste in the following ways:

Solid Waste	Hazardous Waste
• Stored in garbage rooms; • Recycled if still useful so as to conserve energy and prevent pollution; • Those nonrecyclable items are cleaned and removed, buried and burn away for the purpose of electricity generation by the Department of Environmental.	• Stored in a special warehouse for hazardous waste; • Entrusted to a qualified third party agency for transfer and recorded in paperwork to ensure traceability of waste movements.

Our subsidiary MPO implements a program to minimize waste and prevent pollution, and conducts inspections of solid waste on a regular basis to ensure proper treatment. During the reporting period, most of industrial waste from our operation in Arlington, US, was recycled by a metal recycling logistics company.

During the reporting period, MicroPort's waste emissions are as follows:

Type	Unit	2020
Hazardous waste Disposed[13]	tons	179.45
Intensity of Hazardous waste Disposed	tons/million dollars revenue	0.28
Solid waste[14] Disposed	tons	423.83
Solid waste Recycled	tons	76.57
Intensity of Solid waste Disposed	tons/million dollars revenue	0.65

13. We have expanded and optimized the statistical boundaries of hazardous waste's amount in the report.
14. The data includes general industrial waste and municipal waste generated from work and daily life.

Noise Management

The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Pollution From Environmental Noise and other relevant laws and regulations in places where we conduct business. We have established the Procedures for the Prevention and Control of Pollution from Environmental Noises to ensure compliance with relevant national requirements, reducing and preventing the environmental impacts of noise.

In order to reduce noise pollution, the Company conducts regular inspections on noise impact in our factories, carries out regular equipment maintenance and reduces night shift production. For new, expansion and reconstruction projects that may cause noise pollution, the project team will identify the environmental factors and manage the construction in line with the Procedures for Environmental Impact Management of New Projects.

Improvement of Sound Insulation in Buildings

For infrastructure projects in Shanghai, Suzhou and Jiaxing campuses, we installed rock wool inside the sites as it can absorb part of the sound waves passing through the gypsum board, thereby reducing reflection in sound cavity formed between the keel and gypsum board for better insulation. The noise in the space with rock wool could be 8-15 decibels lower than those without rock wool.

Walls installed with Rock Wool

ENERGY AND RESOURCE UTILIZATION

Energy Management and Greenhouse Gas (GHG) Emissions

We advocate efficient energy management to reduce our carbon footprint. In accordance with relevant laws including the Law of the People's Republic of China on Energy Conservation and the Energy Policy and Conservation Act of 1975 in the US, we have established Procedures for the Management of Energy Conservation Design and Procedures for Energy-Saving Procurement Management, continuously reducing energy consumption and improving energy efficiency by optimizing energy structure and applying advanced energy management technologies.

In China, we have achieved systematic management of energy utilization via an online energy management platform and enhanced energy efficiency by using renewable energy and installing energy-saving equipment. Furthermore, we have compiled a manual of illumination standards in accordance with the national requirements in offices and other places, and collected illumination data of each area and set specific illumination times based on the demand.

The Online Energy Management Platform

We formally launched the online energy management platform in 2017 to achieve systematic management of energy consumption. As for now, this platform collects data from more than 200 first-class, second-class and third-class electric meters, basically covering most of electric equipments on our major campuses in China, helping realizing real-time monitoring of energy consumption and providing visual analysis reports.

Installation of Energy-Saving LED Tube Lights

During the reporting period, we have replaced the incandescent light tubes in all fire exits on the campus located on Zhangdong Road with energy-saving LED lights, reducing energy consumption by 1,632 kWh per year with the improvement of brightness and safety.

We have also replaced all fluorescent tubes in the underground garage with LED lights, reducing energy consumption by approximately 2,000 kWh per year.

Using Clean Energy in Office Area

MicroPort has been actively developing and utilizing renewable energy on the campus located on Zhangdong Road since its inception. To reduce the consumption of non-renewable energy and GHG emissions, the campus is equipped with a solar heating system that provides hot water for all employees. Currently, we are gradually replacing the existing street lights on campus with solar-powered ones.

Glass Curtainwall   *Solar Heating System*

Our overseas subsidiary MicroPort CRM conducts comprehensive carbon audits to keep track of the carbon footprint of our European operations, and has adopted an approach advocated by Association Bilan Carbone[15] to reduce Scope 3 GHG emissions associated with employee commuting and business trips. During the reporting period, CRM has made continuous efforts to improve the systems of heating, ventilation and air conditioning to improve energy efficiency.

MicroPort CRM's Highlights in Emission Reduction

Policies/Standards	• Adopted a vehicle policy that limits carbon dioxide emissions; • Developed a sustainable procurement policy; • Established standards of sustainability for suppliers.
Measures	• Selecting local suppliers for catering and odd jobs; • Replacing vehicles regularly; • Using environment-friendly products; • Using environment-friendly methods for green land maintenance; • Cooperating with suppliers with good sustainability practices.

15. Association Bilan Carbone is an agency for Green Action in France

MicroPort's energy consumption and GHG emissions during the reporting period are as follows:

Type	Unit	2020
Indirect energy		
Outsourced electricity[16]	kWh	68,356,742
Direct energy		
Natural gas	m³	574,914
Diesel[17]	Liters	22,237
Gasoline	Liters	20,523
Total energy consumption	GJ	285,281
Intensity of total energy consumption	GJ/million dollars revenue	439.75

GHG Emissions		
Type	Unit	2020
Scope 1 GHG emissions	tCO_2e	2,704
Scope 2 GHG emissions	tCO_2e	43,016
Total GHG emissions	tCO_2e	45,720
Intensity of GHG emission	tCO_2e/million dollars revenue	70.48

Water Conservation

We believe that improving the utilization efficiency of water is an important task for companies to improve their environmental performance. In line with relevant laws and regulations concerning water conservation in places around the globe where we conduct business, including the Law of the People's Republic of China on Water and the Clean Water Act in the US, we have established Regulations on Water Use Management. We strive to reduce water consumption by building supervision mechanisms, strengthening inspections on equipment, carrying out education on water conservation and recycling cooling water during production. In overseas countries, our subsidiaries abroad recycle rainwater for green land irrigation, and have installed automatic faucets to reduce water consumption in operations during the reporting period.

Landscape Pools Used for Irrigation

The landscape fountain on the campus located in Zhangdong Road is an example of water conservation. It can store 140 m³ of water. Given that the water in the fountain needs to be changed every month, we connected the fountain to the irrigation system and irrigate plants with the used water, reducing water consumption by around 1,680 m³ per year.

16. We expanded and optimized the statistical boundaries of outsourced power in the report.
17. Microport CRM has greatly reduced the use of diesel fossil energy by implementing the EHS policy during the reporting period.

During the reporting period, MicroPort's water consumption is as follows:

Water Consumption		
Type	Unit	2020
Total water consumption	Tons	301,068.00
Water consumption intensity	Tons/million dollars revenue	464.09

Packaging Materials Management

Our packaging materials comprise plastic bags, cartons, cardboard boxes, trays and lids, etc. We have reduced the use of packaging materials mainly by adopting new technologies and recycling materials.

Laser Marking Codes

During the reporting period, we have removed all the printed traceability labels on the bags of coronary products and directly printed them on the product connector with laser QR codes. This improvement could save approximately RMB 100,000 per year on labeling materials and improve the efficiency of package inspection by 25%.

Printed Traceability Labels   *Labels for Laser QR Codes*

During the reporting period, MicroPort's packaging material consumption is as follows:

Packaging Material Consumption		
Type	Unit	2020
Total packaging material consumption for finished products[18]	tons	403.80
Intensity of packaging material consumption for finished products	tons/million dollars revenue	0.62

18. We optimized the production capacity for the data, which was collected from procurement records.

Social Care

As a responsible corporate citizen, MicroPort takes the initiative to assume social responsibility. We are committed to promoting inclusive health care, making charitable donations, and actively responding to social events such as poverty alleviation and the COVID-19 pandemic. We make contributions to the society and develop together with it.

INDUSTRIAL TRAINING

We partner with companies and organizations that share our vision to make breakthroughs in medical technology for the benefit of the general public.

Industry-University-Research Cooperation

In 2020, we actively participated in industrial activities to promote the standardization of the medical device industry. We signed cooperation agreements with a number of enterprises and universities to carry out collaborative research on medical device innovation and talent training, so as to promote the development of the medical device industry.

Strategic Cooperation Agreement between MicroPort and Renji Hospital Affiliated to School of Medicine of Shanghai Jiaotong University

In 2020, MicroPort signed a strategic partnership agreement with Renji Hospital Affiliated to Shanghai Jiaotong University School of Medicine.

MicroPort regards R&D and independent innovation as key drivers of the company's development. The cooperation with Renji Hospital is aimed to jointly establish a validation center for innovative medical ideas and a clinical trial center for new product development through a series of activities including policy study, clinical research, research base construction, product industrialization and commercialization, as well as talent training and workshops.

MicroPort and Robocath in France Set up a Joint Venture to Promote the Commercialization of Surgical Robots in China

In 2020, MicroPort MedBot (Shanghai) Co., Ltd, a subsidiary of MicroPort, entered into a definitive agreement with Robocath to form a joint venture in China on panvascular interventional surgical robots.

The joint venture will set up a manufacturing base in China to manufacture and assemble robot systems. This strategic partnership will introduce the world-class panvascular interventional surgical robot systems to the Chinese market and benefit more patients.

Our Leading Role in Industry Standardization

The Company has set up the Quality and Standardization Committee to promote the standardization of the medical device industry. Since the establishment of the Committee, MicroPort has been involved in the formulation and revision of over 100 international, national, industry-level and association-level standards, among which over 40 standards have been issued or implemented. During the reporting period, we participated in the formulation and publication of 5 industry standards, including:

Code/Standard	Type	Date of issuance
YY/T 0651.2-2020 Implants fur Surgery – Wear of Total Hip-joint Prostheses Part 2: Methods of Measures	Industry Standard	2020/9/27
YY/T 1765-2020 Test Methods for Determination of Total Knee Replacement Constraint	Industry Standard	2020/9/27
YY/T0809.2-2020 Implants for Surgery – Partial and Total Hip Joint Prostheses – Part 2: Articulating Surfaces Made of Metallic, Ceramic and Plastics Materials	Industry Standard	2020/9/27
YY/T0664-2020 Medical Device Software – Software Life Cycle Process	Industry Standard	2020/9/27
YY/T1759-2020 Guidelines for Design and Evaluation of Primary Flexible Packaging for Medical Devices	Industry Standard	2020/9/27

Talent Development

Training talents for the medical industry is an important mission of MicroPort. The Company has set up the Emerging MedTech Knowledge & Practice Workshop for healthcare providers, managers and decision makers of the medical industry. The workshop covers training programs on clinical knowledge and skills for our employees as well as professional education for external parties. The workshop offers professional, integrative, innovative and efficient education to promote the development of the medical industry.

Training on Acute Coronary Syndromes

In collaboration with our partners, we held a workshop on acute coronary syndromes in 2020. Through two days of theoretical lectures and case studies, the course trained participants' skills to treat acute coronary syndromes, so as to improve the treatment for patients with acute myocardial infarction. During the reporting period, we held three sessions for 60 participating coronary artery surgeons and received positive feedback.

The Era of Creative Speech

The program aims to help Chinese doctors improve public speech ability and perform professionally on international stages. The program included training in language structure and logic of expression, visual presentation, interactive art, English expressions and cultural differences. During the reporting period, we held two sessions for 17 participants and received positive feedback.

In addition, we provide online and offline medical education activities and offer public courses. Our goal is to improve the accessibility of high-quality medical services and medical education through popular science education for the public and free training for doctors.

MicroPort Orthopedics and Superb Medical Skills Jointly Organized Public Live Streaming on the Design and Surgical Technology of Medical-Pivot Knees

MicroPort Orthopedics and Superb Medical Skills, a platform of medical education, jointly organized a public live streaming course on the *Design and Surgical Technology of Medical-Pivot Knees* during the reporting period.

A professor from Ruijin Hospital Affiliated to Shanghai Jiaotong University School of Medicine was invited to the virtual lecture to share his clinical experience in using the medical-pivot knees. The speaker shared detailed and highly feasible clinical experiences with participating orthopedic surgeons. As an innovative attempt of MicroPort Orthopedics driven by the digitalization and a promotion measure of inclusive health care, the live streaming attracted over 5,500 audiences and was widely praised by participating surgeons.

Liang Zhi Care Center for Patient Held Online Medical Science Education Activities

We established the Liang Zhi Care Center to offer patients with better medical support, medical knowledge and responses to questions about interventional products and treatment.

During the reporting period, the Liang Zhi Center held 11 live streaming courses for patient education with DXY. cn, covering over 40,000 patients and 12 hospitals. The activities not only answered patients' inquiries about their diseases but also enhanced their confidence in overcoming the disease. The series of events received unanimous praise from participants.

The live streaming course themed "Health Begins from the Heart"

Inclusive Health Care

MicroPort firmly believes that all people are entitled to enjoy health care, and have the right to pursue good health and longevity. The Company is committed to creating a variety of transformational medical solutions for people to enjoy these rights. As a medical device company with a strong sense of social responsibility, we uphold the faith of "Breaking Barriers to Support Billions of People Thrive Beyond 115 Years" and strive to bring health and longevity to every patient, every family, every community and every corner of the world using the world's most advanced medical technologies.

In order to promote inclusive health care, we provide affordable and accessible medical solutions to patients through industry cooperation, so that our cutting-edge medical technology can benefit more patients.

MicroPort Entered in Strategic Collaboration with Siemens Healthineers for The Development of Digital Subtraction Angiography System in China

In 2020, MicroImaging (Shenzhen) Medical Equipment Co., Ltd. a subsidiary of MicroPort, entered into a framework collaboration agreement with Siemens Healthineers to jointly develop Chinese-made digital subtraction angiography systems ("DSAs").

DSAs are used for diagnosis and minimally invasive interventional treatment of the heart, brain and peripheral vessels. The devices visualize blood vessel lesions and assess stenosis. Statistics indicate that the average number of patients having DSA in China is less than 10% of that in the US. These statistics highlight the need for greater access to DSAs to enable healthcare professionals to offer optimum care to patients and demonstrate the potential for development of the DSA market in China. The collaboration will allow both parties to optimize and integrate their resources and services to propel the high-quality development of China's medical device industry and provide more Chinese patients with accessible, high-quality and wide-covering integrated therapeutic solutions.

CONTRIBUTIONS TO THE COMMUNITY

We focus on contributing to community health services, supporting community projects and making charitable donations. We aim to achieve a win-win situation for business operations and the community development. Over the last decade, MicroPort has set up scholarship programs and built libraries at Shanghai Jiaotong University and the University of Shanghai for Science and Technology. In addition, the Company established several MicroPort Hope Primary Schools in remote areas in Shandong, Yunnan and Guizhou Provinces to improve local infrastructure and elementary education.

In 2020, we leveraged our internal resources to popularize knowledge on health care and the prevention and treatment of various diseases. We upheld the spirit of volunteerism and organized regular visits to the local community. We made charitable donations and continued to carry out scholarship programs and poverty alleviation projects. With the joint efforts of the Company and employees, the overall satisfaction rate of our community activities has exceeded 90%. During the reporting period, the Company won a number of social responsibility awards, such as "2019 Annual Public Welfare Innovation Award" at China Charity Festival and "2020 Top 60 Chinese Corporate Citizens - 520 Responsible Brands".

"MicroPort Volunteer Team" Demonstrates Corporate Social Responsibility and Employee Citizenship

In order to develop a harmonious corporate culture and promote the spirit of "dedication, fraternity, mutual assistance and progress" among employees, the Company has set up a volunteer team with 138 members at present. The team regularly participated in volunteer activities, including pedestrian service, library service and visits to elderly people living alone and those with severe illness and disabilities. The team participated in a total of 257.5 hours of voluntary work during the reporting period.

MPO Invited Local Students to Visit the Factory

In order to promote science education in local communities, MPO invited more than 60 students and teachers from Arlington Middle School to its local factory in early 2020. During the visit, MPO staff introduced different types of medical devices and their uses, as well as medical and health knowledge to the visitors. The activity was highly praised by local students and teachers.

Due to the outbreak of COVID-19, MPO launched the program of "Virtual Manufacturing Day" in October 2020, which offered online seminars to about 40 students and teachers from two local high schools.

MicroPort's donations and volunteer work during the reporting period are as follows:

Indicators	Unit	2020
Donations	RMB	13,214,164
Money spent for public welfare activities in surrounding communities	RMB	3,000
Time spent on voluntary work	Hours	22,584.5

Employee Care

We believe that employees are the fundamental to the sustainable development and success of an enterprise. We are committed to providing all employees with a legal and compliant working environment, a harmonious and pleasant working atmosphere, and protecting their rights and interests by promoting our corporate culture[19] and the "Horizontally and Vertically Integrated Organization"[20] model. We offer competitive compensations and benefits, clear career development paths and tailored professional training courses to our employees in accordance with our vision of "Building a Super-Conglomerate of People-Centric Enterprises of Emerging Medical Technologies".
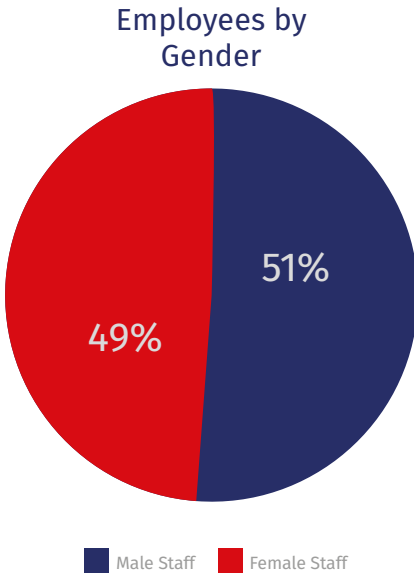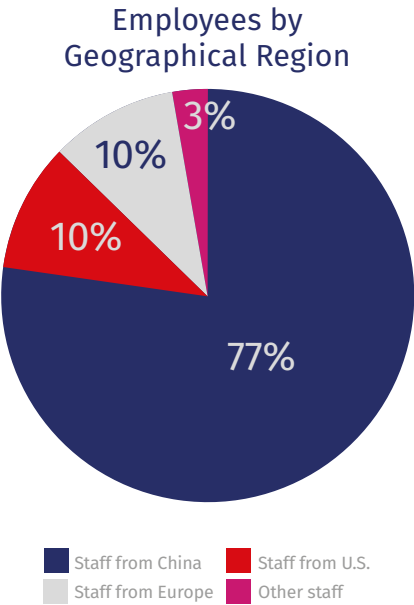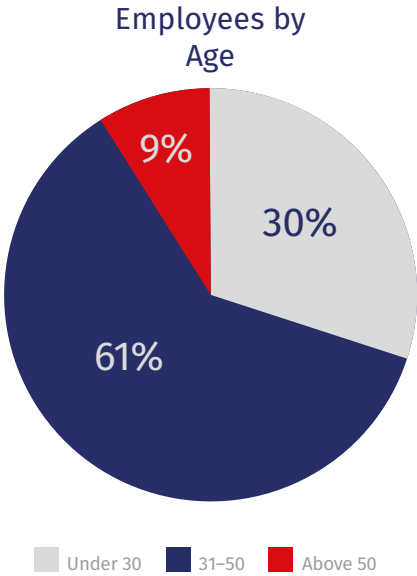
EMPLOYMENT AND DIVERSITY

We strive to promote equal opportunities and diversity in the workplace and strictly abide by relevant laws and regulations in places around the globe where conduct business, including but not limited to the *Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China*, and the *Provisions on Prohibition of Child Labor and the Fair Labor Standards Act* of the US, so as to create a fair and equitable employment environment for employees. We have formulated clearly the Policies on Recruitment Management in the Employee Handbook to ensure the equality and transparency of the recruiting process.

19. MicroPort's corporate culture is manifested in the "Nine Articles of MicroPort", including "Ideal and Belief", "Pursue Dreams", "Core Values", "Strategic Planning", "Governance Principles", "Management Philosophy", "Crisis Awareness", "Cultivation of Personality", "A Big Family View".
20. It is a unique people-oriented management model of MicroPort that emphasizes both the capabilities of functional departments (vertical) and the interaction across departments (horizontal). It is an innovative and practical combination of modern management philosophy developed in western countries and traditional Chinese culture.

MicroPort will not employ any child or forced labor. To avoid child labor, we check new employees' identification documents, such as Chinese ID card and American Social Security card, to ensure that all employees are of legal age for employment. If any child labor or forced labor is found, we will report the case to the relevant authorities and terminate the employment contract.

We consider employee diversity as the foundation of a multinational company. We require all labor related policies shall not be linked to the individual characteristics, such as race, age, cultural background, gender, religion, etc., so as to ensure a truly diverse workforce and a fair corporate culture.

MicroPort had a total of 7,068 employees at the end of 2020, increasing by 9.16% from the previous year, consisting of 6,088 permanent employees and 980 temporary employees. In 2020, despite the COVID-19 pandemic, we provided employees with due care, and strived to understand the demands of departing employees to improve employee satisfaction.

Employees by Age

- Under 30 — 30%
- 31–50 — 61%
- Above 50 — 9%

Employees by Geographical Region

- Staff from China — 77%
- Staff from U.S. — 10%
- Staff from Europe — 10%
- Other staff — 3%

Employees by Gender

- Male Staff — 51%
- Female Staff — 49%

During the reporting period, our overall employee turnover rate was 16.72%, a decrease of 10.25 percentage points compared to the previous year. The detailed distribution of departed employees are as follows:

		Turnover rate
Total turnover rate		16.72%
Turnover rate by gender	Male	17.33%
	Female	16.07%
Turnover rate by age	Under 30	21.47%
	31-50	15.43%
	Above 50	7.00%

WELFARE AND CARE

MicroPort offers competitive compensation and benefits to its employees. In accordance with the national and local regulations and the principle of work-based compensation, we have formulated the Compensation Management Measures in the Employee Handbook to ensure the fairness and rationality of compensation for all employees. In addition, we have a comprehensive performance evaluation mechanism, and take the results of performance evaluation as the basis for bonus allocation and salary adjustment, which encourages our employees to improve their work efficiency and performance.

Welfare

MicroPort hopes that every employee can regard the Company as a big family and grow together with it. We formulated the *Welfare Management Measures* and provide employees with a variety of benefits. Apart from national statutory welfare such as social insurances and public housing funds, we offer additional benefits such as supplementary housing funds, annual health examination, etc. Moreover, we provide a healthy working environment for our employees with gyms, libraries and lounges.

All employees at home and abroad are entitled to holidays, paid leave, maternity leave and other kinds of leave stipulated by relevant national laws and our firm policies. We have instituted the Holiday and Leave Management Measures to ensure employees' leave benefits.
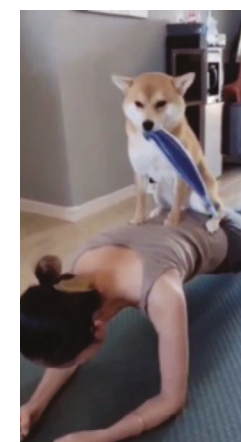
Employee Care

MicroPort is dedicated to creating a caring work environment. We organize various activities to improve employees' job satisfaction and happiness. Our labor union prepares holiday and birthday gifts for employees. For female employees, the union will give them special care on Women's Day and after they give birth. We visit employees in difficulties, including those hospitalized, as well as those suffering from work-related injuries and family accidents. We take appropriate measures to settle major work-related disputes among employees. According to the firm policy, employees who need subsidies can get financial support from the labor union.

Employee Care During the COVID-19 Pandemic in 2020

During the outbreak in early 2020, 129 MicroPort employees were stranded in Hubei. The Company set up a chat group named "MicroPort is always by your side" on DingTalk as a way to timely convey pandemic prevention and control information, help stranded employees solve difficulties and relieve anxiety. The group also rallied stranded employees to help each other. The Company offered psychological consultations to stranded employees with mental issues. The Company also arranged quarantine hotels for all employees returning from Hubei.

Home Fitness Activities by the Sports League in 2020

The sports league organized a series of home fitness activities in February 2020 during the outbreak. Employees participated in online competitions for sit-ups, push-ups, planks and rope skipping by uploading their videos for voting. These activities aimed to raise employee's awareness of physical fitness, and called on them to enhance immunity through physical exercise to improve health conditions, making physical exercise a shared interest for all.

We have multiple communication channels for employees. We listen to their suggestions and requests to strengthen the relationship between employees, as well as that between employees and management.

Microport Employee Communication Channels

1818 HR hotlines
The channel is set up for employees to communicate with HR to solve their doubts on HR policies and procedures, promotion and performance evaluations, work credential applications, etc.

The Woodpecker
The channel is set up for employees to put forward suggestions to solve minor difficulties in work. With rigorous process formulation, adequate communication and specific follow-up implementation, it has effectively improved the work efficiency of employees and the operating efficiency of the company.

Horizontal organizations
We have 19 horizontal organizations, including the labor union, women's federations, various clubs, salons and associations. Employees can voluntarily join or leave any horizontal organization.

Each horizontal organization has a DingTalk group and a WeChat group for member communication.

We regularly organize Friday Talks for employees from different departments to break down communication barriers between departments.

We attach great importance to the opinions and suggestions of employees. We conduct employee satisfaction surveys and analysis every year. We analyze and identify areas for improvement based on indicators such as employee turnover rate, absentee rate, and production safety. Based on the result, the human resources department formulates measures and plans to improve employee satisfaction. Such measures and plans are supervised by all employees to safeguard their rights and interests.

TALENT DEVELOPMENT

MicroPort regards talents as the core competitiveness of the company and put talent development at the top priority. With the expansion of business, our demand for talents is increasing, which shows the importance of building a learning organization. Based on this long-term strategy, we formulated the human resources strategy of "One Check, Two Paths, Three Programs" to improve our talent development system.

Talent strategy of "One Check, Two Paths, Three Programs"

"One Check"
To identify and cultivate high-potential employees for middle-level and senior leadership positions and to form a talent echelon, MicroPort conducts annual analysis of managerial staff and team sustainability in light of Iceberg Theory.

"Two Paths"
To ensure that employees understand their career path, MicroPort has created two career paths for managerial talents and technical talents, encouraging them to develop expertise and achieve career goals.

"Three Programs"
To cultivate, recognize, motivate and retain key R&D talents, MicroPort has three award programs, namely the "Overseas Returnees Leadership Program", the "Next Generation Leadership Program", and the "Future Talent Program" with generous subsidies and rewards.

Career Development

We have established a career development system of "Two Paths and Eighteen Ranks", which provides clear career development plans of each job category under two career paths for managerial talents and technical talents. In each category, we set clear ranks with respective responsibilities, as well as tailored coaching and evaluation mechanism to help employees achieve career goals. There are six occupational categories in MicroPort, including corporate managers and project managers from management function, as well as researchers, engineers, craftsmen, specialists/physicians from technical function. Each job category has 18 ranks within three levels from primary level, middle level to senior level. The clear career development path lays the foundation for our employees' career planning.

Performance Management

MicroPort emphasizes the common growth of corporates and individuals to achieve "win-win" results. In order to achieve this goal, we implemented the "Comprehensive Performance Management" to establish a fair and transparent performance evaluation system.
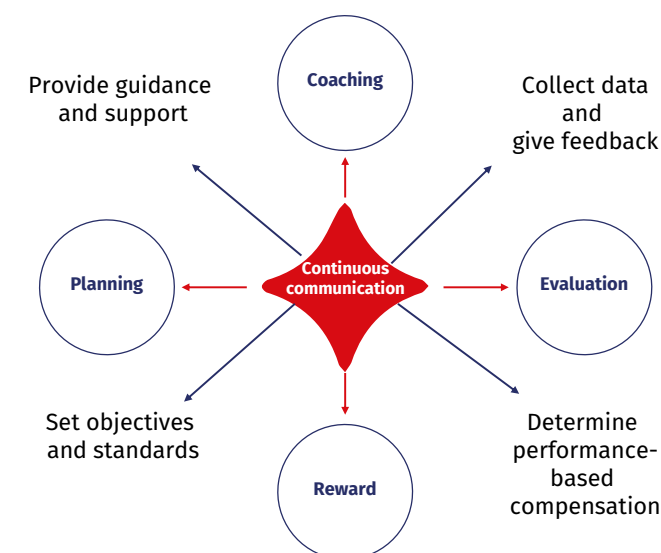
The Comprehensive Performance Management is a cyclic performance management process. At the beginning of each assessment cycle, managers and employees should communicate with each other and make a performance plan according to the objectives of each department. During the assessment period, the manager should give timely and effective guidance to the staff in daily work. In the final evaluation, the two parties should jointly determine the completion status of goals set in the performance plan. The Manager should evaluate the staff's performance based on the performance plan and completion status, and help the staff to identify areas for improvement. In the formulation of the performance plan, both parties should consider the deficiencies and aspects to be improved reflected in the previous assessment cycle, so as to carry out targeted communication and consultation.

Employee Training

MicroPort adheres to the learning philosophy of "let every employee to master the ability of their supervisors, and let every junior manager to develop the basic ability of senior management" and provides effective training programs for employees.

The Company has a well-defined training system and adopts top-down principles to encourage participation and contribution in the training from top management to employees. For instance, management personnel are required to complete pre-determined learning objectives each year as part of the annual performance evaluation.

In order to create an all-around learning environment for employees to help them develop professional skills and meet job requirements, the Company has set up the Innovation College which offers various on-line learning courses.

In order to improve management competency, the Company provides leadership training programs for management staff, laying the foundation for the development of future corporate leaders.

As for professional skills, the Company provides a series of training, seminars and customized programs to technical staff to help them understand and master the world's leading technology and discover their potential. In addition, the Company provides induction and on-the-job training, online learning courses, general skills training, employment certificate training and other programs for all employees, aiming to integrate their personal growth with career development.

In 2020, our training programs covered all employees. Specific training data is listed as follows:

Average training hours of employees by gender

Male	Female
11.77	13.45

Average training hours of employees by position

Management	Ordinary Employees
24.57	10.65
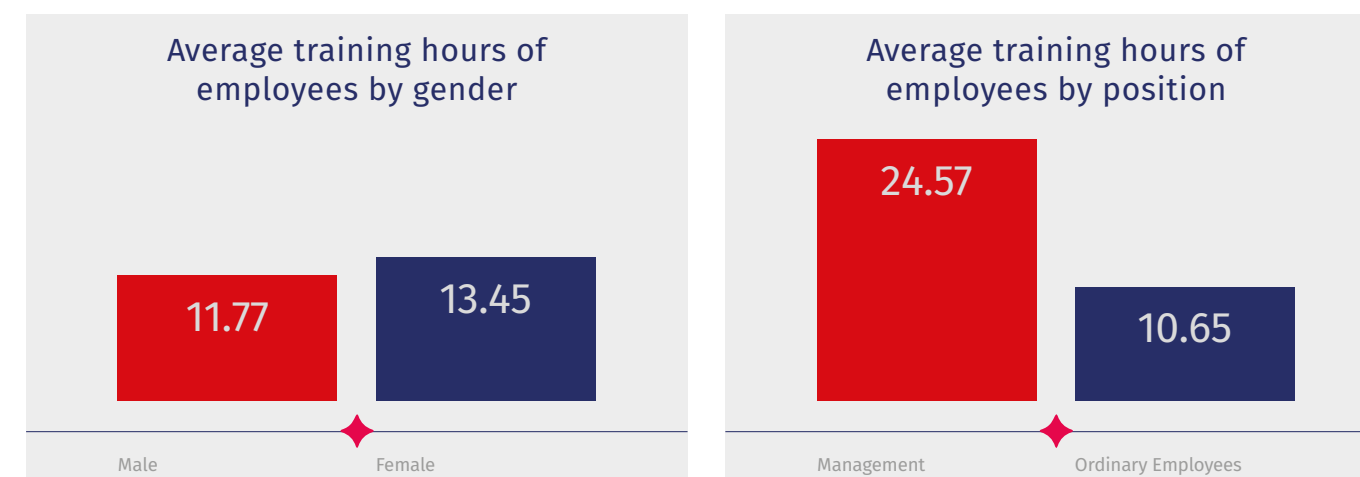
OCCUPATIONAL HEALTH AND SAFETY

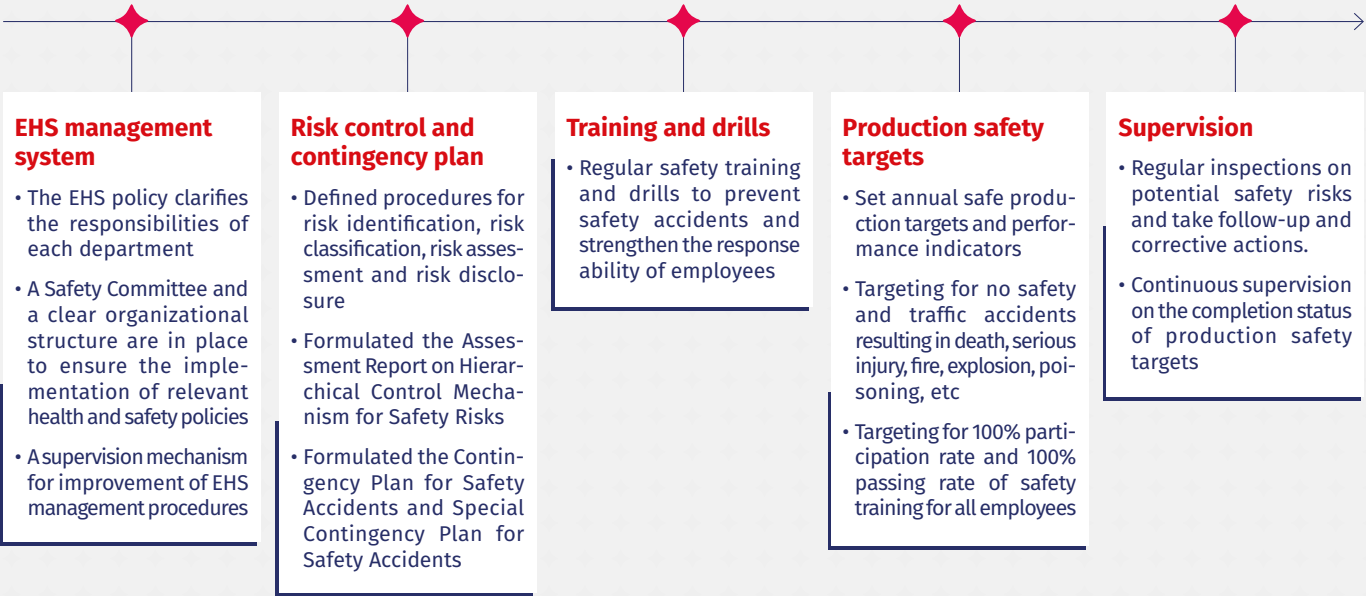Ensuring the health and safety of our employees is always the top priority of the Company. We established relevant management system and occupational disease prevention measures to ensure the basic health and safety of our employees.
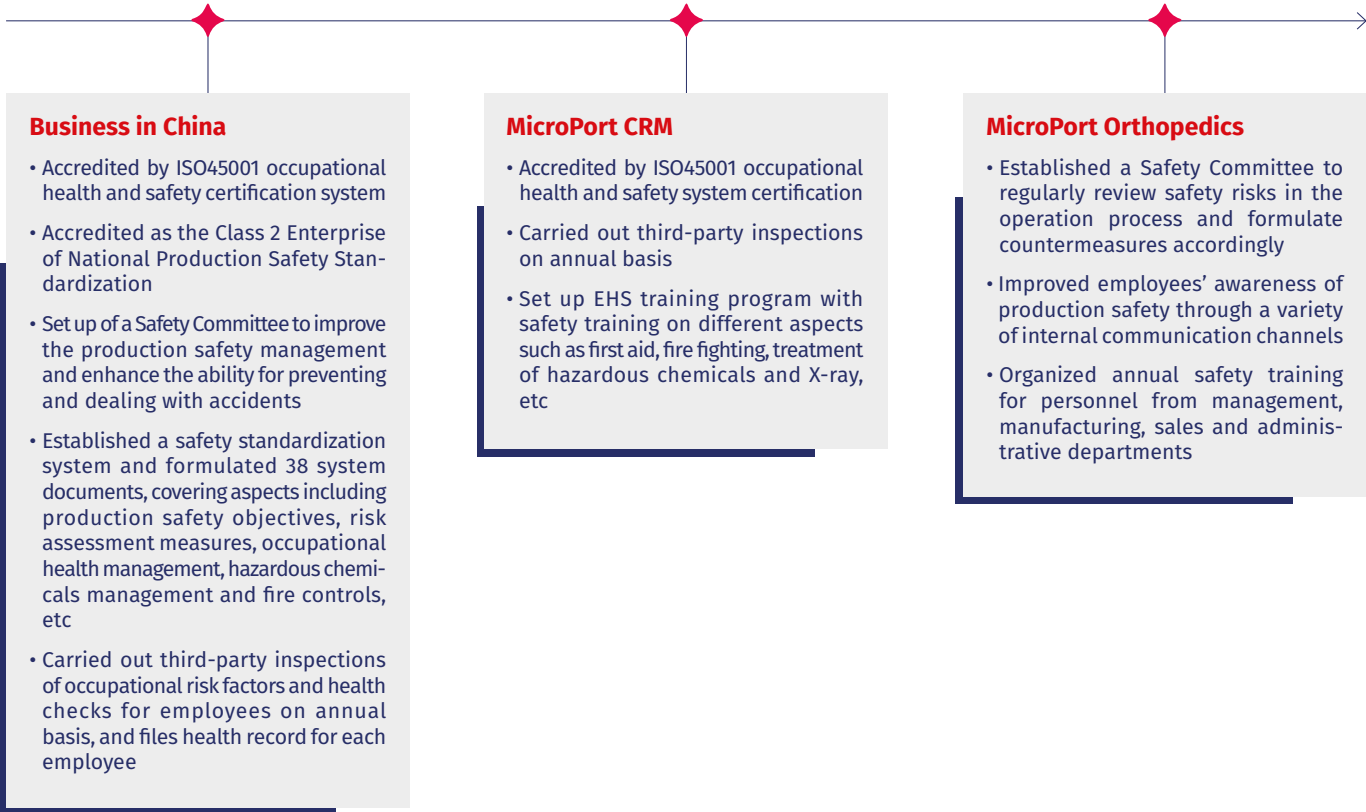
Management System

A comprehensive occupational health and safety management system lays the foundation for employee safety risk control. We strictly abide by the relevant laws and regulations in all places around the globe where we conduct business, including the *Production Safety Law of the People's Republic of China*, the *Occupational Disease Prevention Law of the People's Republic of China*, the *Occupational Safety and Health Act of 1970* in the US and regulations promulgated in accordance with this law, the *Tennessee Occupational Safety and Health Act of 1972* in the US and regulations promulgated in accordance with this law, and the Article 153 of the *Treaty on the Operation of the European Union,* the *EU Council Directive 89/391*, the Fourth Section of the *French Labor Code*, the Fifth Section of the *Italian Civil Code*, etc. MicroPort is committed to providing a safe and healthy working environment for all employees and has established occupational health and safety policies and practices at our major operation sites in China, Europe and the US.

Health and Safety Management Policies

EHS management system
- The EHS policy clarifies the responsibilities of each department
- A Safety Committee and a clear organizational structure are in place to ensure the implementation of relevant health and safety policies
- A supervision mechanism for improvement of EHS management procedures

Risk control and contingency plan
- Defined procedures for risk identification, risk classification, risk assessment and risk disclosure
- Formulated the Assessment Report on Hierarchical Control Mechanism for Safety Risks
- Formulated the Contingency Plan for Safety Accidents and Special Contingency Plan for Safety Accidents

Training and drills
- Regular safety training and drills to prevent safety accidents and strengthen the response ability of employees

Production safety targets
- Set annual safe production targets and performance indicators
- Targeting for no safety and traffic accidents resulting in death, serious injury, fire, explosion, poisoning, etc
- Targeting for 100% participation rate and 100% passing rate of safety training for all employees

Supervision
- Regular inspections on potential safety risks and take follow-up and corrective actions.
- Continuous supervision on the completion status of production safety targets

Health and Safety Management Practices

Business in China
- Accredited by ISO45001 occupational health and safety certification system
- Accredited as the Class 2 Enterprise of National Production Safety Standardization
- Set up of a Safety Committee to improve the production safety management and enhance the ability for preventing and dealing with accidents
- Established a safety standardization system and formulated 38 system documents, covering aspects including production safety objectives, risk assessment measures, occupational health management, hazardous chemicals management and fire controls, etc
- Carried out third-party inspections of occupational risk factors and health checks for employees on annual basis, and files health record for each employee

MicroPort CRM
- Accredited by ISO45001 occupational health and safety system certification
- Carried out third-party inspections on annual basis
- Set up EHS training program with safety training on different aspects such as first aid, fire fighting, treatment of hazardous chemicals and X-ray, etc

MicroPort Orthopedics
- Established a Safety Committee to regularly review safety risks in the operation process and formulate countermeasures accordingly
- Improved employees' awareness of production safety through a variety of internal communication channels
- Organized annual safety training for personnel from management, manufacturing, sales and administrative departments

Sharing of Safety Experience

On September 23, 2020, MicroPort attended a meeting of safety management organized by the Safety Production Association of Shanghai Pudong New District. The meeting discussed the topic of "promoting high-quality development of enterprises and building a new pattern of safe development". Participants expressed their opinions on how to improve corporate safety management and enhance risk control ability. MicroPort's practices in safety management was duly recognized.

During the reporting period, we adhered to our production safety objectives. Except for 23 minor injuries, there were no major casualties, production safety accidents and fire accidents with major social impact throughout the year.

Category	Measurement	2020
Number of work-related injury accidents	times	23
Working days' loss due to work-related injuries	days	621

Health and Safety Training and Drills

To strengthen employees' knowledge and skills on the prevention of safety and health hazards in the workplace, we encourage employees to participate in health and safety related training and drills, including occupational health training as well as emergency rescue drills. Our subsidiary MPO in America organizes annual safety training for management, manufacturing, distribution and maintenance personnel. MicroPort CRM, our subsidiary in Europe, has established an EHS management training program for safety risks in different aspects such as first aid, hazardous chemicals and X-ray, etc. During the reporting period, we've conducted 36 safety drills, and a total of 8,016 people participated in 14,672 hours of health and safety related training.

Occupational Health Training for Employees

The Forest Project is a comprehensive training program with 679 participants. In the program, senior management of MicroPort conducted training seminars for front-line employees. Occupational health was introduced to employees as part of the EHS during training on August 30 and September 6, 2020.

Electric Shock Accident Drill

On August 14, 2020, MicroPort carried out an electric shock emergency drill for staff from the EHS, property management and operation related functions. The drill included treatment for electric shock and rescue measures.

Fire Drill

On December 30, 2020, MicroPort carried out a fire drill on the Newton Road campus. The drill included on-site fire treatment, emergency evacuation and the use of fire extinguishers. All staff on the Newton Road campus took part in the drill. During the drill, we identified issues in the emergency plan which helped us to improve the emergency management system. It also enhanced the cross-department collaboration and employees ability to deal with emergencies.

During the reporting period, MicroPort was awarded the "Healthiest Employer in China" by China Human Resources Management Research Association and International WELL Building Institute (IWBI), which fully recognized our excellent efforts in protecting employees' occupational health.

Appendix I:
HKEx ESG Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Location
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.	Emissions Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions Management
KPI A1.2	Total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Energy and Resource Utilization
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emissions Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emissions Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management
Aspect A2:	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	Energy and Resource Utilization
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).	Energy and Resource Utilization
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Energy and Resource Utilization
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy and Resource Utilization
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.	Energy and Resource Utilization
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Energy and Resource Utilization

Aspect A3:	**The Environment and Natural Resources**	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Responsibility of Environmental Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Responsibility of Environmental Protection
Aspect A4:	**The Climate change**	
General Disclosure	Policies to identify and respond to significant climate-related issues that have and may affect the stakeholders.	Responsibility of Environmental Protection
KPI A4.1	Description of the significant impacts of climate-related issues that have and may affect the stakeholders and the actions taken to manage them.	Responsibility of Environmental Protection
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.	Employment and Diversity Welfare and Care
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Diversity
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Diversity
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.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Aspect B3:	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development
Aspect B4:	Labour Standards	
General Disclosure	• Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer • relating to preventing child and forced labour.	Employment and Diversity
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Diversity
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Diversity
Operating Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supplier Management
KPI B5.1	Number of suppliers by geographical region.	Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supplier Management
KPI B5.3	Description of the practices for identifying environmental and social risks at each link of the supply chain, and how they are implemented and monitored.	Supplier Management
KPI B5.4	Description of the practices for promoting the use of environmentally friendly products and services in supplier selection, and how they are implemented and monitored.	Supplier Management
Aspect B6	Product Responsibility	
General Disclosure	• Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer • relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality Service Assurance Trade Secrets and IP Protection Information Safety

KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Service Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Trade Secrets and IP Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Safety
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.	Honesty and Integrity
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.	Honesty and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Honesty and Integrity
KPI B7.3	Description of the anti-graft training provided to the board and staff.	Honesty and Integrity
Community Investment		
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.	Contributions to the Community Industrial Training
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Contributions to the Community Industrial Training
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Contributions to the Community

Appendix II:
Reference of Applicable Laws, Regulations and Policies Disclosed

Location	Chapter	Name of laws and regulations
Chinese Mainland	Ethic Operation- Honesty and Integrity	Law of the People's Republic of China Against Unfair Competition
		Criminal Law of the People's Republic of China
		Anti-monopoly Law of the People's Republic of China
	Ethic Operation- Information Safety	Cybersecurity Law of the People's Republic of China,
		the Administrative Measures for the Classified Protection of Information Security
	Ethic Operation- Trade Secrets and IP Protection	Trademark Law of the People's Republic of China
		Patent Law of the People's Republic of China
		Law of the People's Republic of China Against Unfair Competition
	Environmental Responsibility- Environmental Management	Environmental Protection Law of the People's Republic of China,
		Law of the People's Republic of China on Environmental Impact Assessment
		Environmental Protection Tax Law of the People's Republic of China
	Responsibility of Environmental Protection- Emissions Management	Law of the People's Republic of China on the Prevention and Control of Air Pollution
		Law of the People's Republic of China on the Prevention and Control of Water Pollution
		Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution
		Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise
	Environmental Responsibility- Energy and Resource Utilization	Law of the People's Republic of China on Energy Conservation and the Energy Policy
		Law of the People's Republic of China on Water
	Employee Care- Employment and Diversity	Labor law of the people's Republic of China
		Labor Contract Law of the People's Republic of China
		Provisions on Prohibition of Child Labor
	Employee Care - Occupational Health and Safety	Production Safety Law of the People's Republic of China
		Law of the people's Republic of China on Prevention and Control of Occupational Diseases
Other places	Ethic Operation- Honesty and Integrity	Foreign Corrupt Practices Act (FCPA) in the US
		the Bribery Act in the UK
	Ethic Operation- Information Safety	General Data Protection Regulation (GDPR) in the EU
	Ethic Operation- Trade Secrets and IP Protection	Defend Trade Secrets Act of 2016 in the US
		Economic Espionage Act of 1996 in the US
		Uniform Trade Secrets Act in the US
		Directive (EU) 2016/943

Location	Chapter	Name of laws and regulations
Other places	Environmental Responsibility- Emissions Management	*The Clean Air Act* in the US
		The Clean Water Act in the US
		the Resources Conservation & Recovery Act in the US
		Hazardous Waste Management Rules in the US
		Tennessee Waste Minimization Law in the US
		Loi relative à l'élimination des déchets et à la récupération des matériaux (Law on Waste Disposal and Material Recovery) in the France
	Environmental Responsibility- Energy and Resource Utilization	*the Energy Policy and Conservation Act of 1975* in the US
		The Clean Water Act in the US
	Employee Care- Employment and Diversity	*Fair Labor Standards Act* in the US
	Employee Care - Occupational Health and Safety	*Safety and Health Act of 1970* in the US
		Tennessee Occupational Safety and Health Act of 1972 in the US
		Article 153 of Treaty on the Operation of the European Union in EU
		EU Council Directive 89/391 in EU
		The fourth section concerning occupational health and safety of the French Labor Code
		the fifth part of the Italian Civil Code No. 81/2008

Internal Policy:

Location	Chapter	Name of laws and regulations
Chinese Mainland	Governance - Risk Management and Control	*Internal Audit System*
	Ethic Operation- Honesty and Integrity	*Information Security Management Guidelines*
		Compliance Manual
		Administrative Regulations on the Honest Practices of Employees
		Code of Business Conduct and Ethics
	Ethic Operation- Information Safety	*Information Security Management Guidelines*
		Measures for the Management of Information Assets
		Code of Business Conduct and Ethics
	Ethic Operation- Compliant Marketing	*Standards on the Management of Packaging Design*
	Ethic Operation- Trade Secrets and IP Protection	*Trade Secret Management Regulations*
		IP-related Work Management Regulations
		Trademark Management Regulations
		Regulations on the Management of the IP Protection of Technological Innovations
		R&D Journal Management Regulations
		Confidentiality and Intellectual Property Ownership Agreement
		Non-Compete Agreement

Location	Chapter	Name of laws and regulations
Chinese Mainland	Craftsmanship in Action - Continuous Innovation	*Guide to Feasibility Research of Product Development Projects*
		Guide to Decision-making and Review of Product Development Projects
	Craftsmanship in Action - Product Quality	*Quality Manual*
	Craftsmanship in Action - Quality risk management	*Product Risk Management and Control Procedures*
		Product Recall Management System
	Craftsmanship in Action - Service Assurance	*Feedback Control Procedures*
		Administrative Regulations on Customer Complaints
		Administrative Regulations on Overseas Customer Complaints
		Warning System Control Procedures
	Craftsmanship in Action - Supplier Management	*Supplier Management Rules*
		Procurement Management Guide
	Environmental Responsibility- Environmental Management	*Administration Procedures for Clean Production*
		Management Procedures for Organizational Environment and Requirements for Interested Parties
		Procedures for the Identification, Evaluation and Control of Environmental Factors
		Control Procedures for Targets, Indicators and Management Plans
		Control Procedures for Monitoring and Measuring
		Procedures for Emergency Preparedness and Response
		Management Procedures for Employees' Abilities, Training and Awareness Cultivation
		Management Rules for the Use of Air-Conditioning and Lighting
	Environmental Responsibility- Emissions Management	*Procedures for the Prevention and Control of Air Pollution*
		Procedures for the Prevention and Control of Water Pollution
		Procedures for the Prevention and Control of Solid Waste Pollution
		Procedures for the Prevention and Control of Pollution from Environmental Noises
		Procedures for Environmental Impact Management of New Projects
	Environmental Responsibility- Energy and Resource Utilization	*Procedures for the Management of Energy Conservation Design*
		Procedures for Energy-Saving Procurement Management
		Regulations on Water Use Management
	Employee Care- Employment and Diversity	*Employee Handbook*
		Nine Documents of MicroPort
	Employee Care- Occupational Health and Safety	*Security risk classified management and control assessment report*
		Comprehensive Emergency Plan for Safety Accidents
		Special Emergency Plan for Safety Accidents