



海吉亚医疗控股有限公司

Hygeia Healthcare Holdings Co., Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6078



2021

Environmental, Social
and Governance Report



2021 Environmental, Social and Governance Report

CONTENTS		Page
I.	CHAIRMAN'S STATEMENT	2
II.	ABOUT THE REPORT	3
III.	SUSTAINABILITY MANAGEMENT	5
IV.	STAKEHOLDER ENGAGEMENT	7
V.	ENVIRONMENTAL SUSTAINABILITY	13
VI.	SOCIAL SUSTAINABILITY	26
VII.	MAJOR HONORS AND AWARDS OF THE YEAR	60
VIII.	LIST OF INDUSTRY ASSOCIATIONS PARTICIPATED	62
IX.	REPORTING DISCLOSURE INDEX	65

2021 Environmental, Social and Governance Report

I. CHAIRMAN'S STATEMENT

Dear readers,

Thank you for your interest in the 2021 ESG Report of Hygeia Healthcare.

In 2021, Hygeia Healthcare continued to strengthen ESG development, and integrated various ESG concepts and policies into the daily management and operation of its hospitals. We established an ESG office at the group level to formulate and promote the implementation of ESG development strategies and related policies in line with the vision and mission of the Group. In 2021, MSCI, an internationally renowned institution, awarded Hygeia Healthcare an ESG rating for the first time, and we also obtained an ESG score from S&P for the first time. Our overall performance in ESG won the attention and recognition of various authoritative institutions.

Climate change is a matter connected to the future and destiny of mankind, and needs to be coped with under the joint efforts of the whole society. Hygeia Healthcare always adheres to the core operating concept of sustainable development, identifies and discloses the risks of climate change and the impact thereof on the Group's business, and implements environmental protection measures across its hospitals. In addition, we continue to improve the medical waste management mechanism to ensure that all medical waste is disposed of in a standardized manner.

Standardized operation is the focus of Hygeia Healthcare for sustainable development. We always abide by the highest standards of business ethics, explicitly prohibit commercial bribery, promote the deep and practical implementation of the internal code of conduct and related courses and training, and require all employees to establish the values of "telling truth, performing deeds, and being honest", keep benevolent and be regimented with integrity in medical practice.

We pay full attention to all stakeholders. We always maintain patient-centered and safeguard the health of patients with professional technologies and premium services; we earnestly protect the rights and interests of all medical staff, and provide medical staff with a healthy and safe working environment and a broad platform for future development; the stable and sustainable supply chain is the cornerstone of the services provided by Hygeia Healthcare for its patients, and we have established a comprehensive supplier management system to achieve win-win cooperation among upstream and downstream players.

Fulfilling social responsibilities and corporate commitment has always been a core value of Hygeia. During the COVID-19 pandemic control period, all hospitals of Hygeia actively cooperated with the government and execute strategic plans of the competent departments. We participated in the pandemic prevention and control of local and surrounding areas. Taking people as the foremost. We placed emphasis on both pandemic prevention and cure, with an aim to safeguard all patients. We continued to provide free consultations in local communities and rural areas, promoted healthcare awareness to contribute to the oncology sector, and paid attention to unmet medical needs.

Hygeia Healthcare will always adhere to the corporate vision of "making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖·讓生命更健康)" to provide high-quality and efficient medical services to the society. Looking forward, we will continue to consolidate the management system, strive to improve the management level of the hospitals under the Group, and track the results of various ESG-related initiatives, so as to fulfil our ESG commitment and create sustainable and long-term value for all stakeholders.

Zhu Yiwen

May 2022

2021 Environmental, Social and Governance Report



**“Making
healthcare
services more
accessible and
affordable**

**and making life
healthier”**

II. ABOUT THE REPORT

In strict compliance with the requirement under Appendix 27-Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the Group is pleased to present the ESG report for the year ended December 31, 2021 (“**FY2021**”), which demonstrates the Group’s approach and performance in terms of ESG management and corporate sustainable development for FY2021. The information disclosed in this ESG report was gathered through various channels, including internal policies and data of the Group, the feedback of the implementation of ESG practices in the Group, stakeholder surveys and other relevant information. A complete content index is available at the end of the ESG report for readers’ convenience to check its completeness.

Scope Setting

This ESG report defines the scope of information disclosure herein with operational control approach and based on the assessment on the impact of the Group’s operating entities on the society and environment in FY2021. The reporting scope of this ESG report covers the principal business operations of the Group, including hospital business¹ and third-party radiotherapy business. In line with the application of the materiality principle, the disclosure scope of certain performance indicators of the Group is further explained in the relevant sections. For the details of the businesses of the Group, please refer to the 2021 annual report of the Group.

1 The Group’s hospital business includes the operation of a network of 11 oncology-focused hospitals, namely Shanxian Hygeia Hospital Co., Ltd. (單縣海吉亞醫院有限公司) (“**Shanxian Hygeia Hospital**”), Suzhou Canglang Hospital Co., Ltd. (蘇州滄浪醫院有限公司) (“**Suzhou Canglang Hospital**”), Suzhou Yongding Hospital Co., Ltd. (蘇州永鼎醫院有限公司) (“**Suzhou Yongding Hospital**”), Chongqing Hygeia Cancer Hospital Co., Ltd. (重慶海吉亞腫瘤醫院有限公司) (“**Chongqing Hygeia Cancer Hospital**”), Longyan Boai Hospital Co., Ltd. (龍岩市博愛醫院有限公司) (“**Longyan Boai Hospital**”), Hezhou Guangji Hospital Co., Ltd. (賀州廣濟醫院有限公司) (“**Hezhou Guangji Hospital**”), Heze Hygeia Hospital Co., Ltd. (菏澤海吉亞醫院有限公司) (“**Heze Hygeia Hospital**”), Chengwu Hygeia Hospital Co., Ltd. (成武海吉亞醫院有限公司) (“**Chengwu Hygeia Hospital**”), Kaiyuan Jiehua Hospital Co., Ltd. (開遠解化醫院有限公司) (“**Kaiyuan Jiehua Hospital**”), Liaocheng Hygeia Hospital Co., Ltd. (聊城海吉亞醫院有限公司) (“**Liaocheng Hygeia Hospital**”) and Anqiu Hygeia Hospital Co., Ltd. (安丘海吉亞醫院有限公司) (“**Anqiu Hygeia Hospital**”).

2021 Environmental, Social and Governance Report

Reporting Principles

As the reporting principles underpin the preparation of the ESG report, the main ESG performance of the Group in FY2021 of this ESG report has been determined and disclosed under the principles of materiality, quantitative, balance and consistency.

Materiality

The Group applies the principle of materiality to effectively define its reporting scope, and conducts materiality analysis to identify the key and relevant ESG issues for its business development. In FY2021, the Group maintained effective communication with its key stakeholders and conducted an annual survey on the ESG materiality assessment. The survey results serve as an important basis for the detailed disclosure of this ESG report, and provide a reference for the Group to reasonably allocate resources and improve the ESG management system in the future.

Quantitative

The application of the principle of quantitative is mainly reflected in the Group's information collection, processing and effective disclosure of various quantitative key performance indicator (KPI) data in the environmental and social aspects. The sections headed "Emissions", "Use of resources" and "Employment" in this ESG report provide a comprehensive overview of the Group's ESG management performance in FY2021 by quantifying the relevant performance of the Group.

Balance

The Group's ESG report follows the principle of balance and impartially conveys truthful and effective information about the Group's ESG performance to its stakeholders. Specifically, the Group effectively classifies, evaluates and discloses the potential climate-related risks to which it is exposed, with an aim to give the readers a fair picture of the Group's ESG level.

Consistency

The Group adopts a consistent method to define the scope of disclosure, and account for and disclose its ESG performance, including carbon footprint, with reference to the reporting frameworks and recommended methods such as "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, so as to provide valid and comparable information to its stakeholders.

2021 Environmental, Social and Governance Report

III. SUSTAINABILITY MANAGEMENT

Since its establishment, the Group has been aiming to build Hygeia as a special service brand and humanistic hospitals which can gain “satisfaction from the public, the staff and the government”, and protect the health of patients with professional strengths and high-quality services. In order to promote the implementation of the concept of sustainable development across the Group, the Group has adopted a “top-down” management strategy, where the Board is responsible for coordinating the sustainable development strategy and management issues of the Group, and leading the preparation of the annual ESG report and related information disclosure, including the approval of annual ESG report and the oversight of the day-to-day implementation of ESG policies. ESG-related training is included in the annual training of the company secretary of the Group, which ensures that the Board can understand sustainability-related issues such as corporate environmental, social and governance-related risks in a timely and effective manner. The Board and the committees thereof will give adequate consideration to ESG-related issues when reviewing and directing strategies, important action plans, risk management policies, annual budgets and business plans, setting organizational performance targets, monitoring the implementation and execution thereof, and overseeing significant capital expenditures and acquisitions. The management of the Group is responsible for implementing the development targets and policy directives of the Board, leading employees of various business segments to carry out daily work, and updating the Board on the ESG-related information of the Group through regular meetings. The hospitals of the Group are responsible for promoting and putting various sustainable development plans and measures into practice, implementing various ESG matters, conducting regular reviews and continuously improving system construction under the unified guidance of the Group.

Responsibilities of the Board

The Board, as a primary risk supervisor as well as a guardian of long-term corporate values, is responsible to supervise and ensure that all employees of the Group fully understand the ESG visions, implement the corporate sustainable development policies, actively initiate its corporate vision pegged to social and environmental responsibilities, and strive to fulfil its duties and responsibilities in the following areas:

ESG risks

The Board oversees the environmental and social impact assessment during operations and decision-making process, understands the potential and actual key ESG risks exposed to the Group through materiality assessment and regular reporting from the management, evaluates the short, medium and long-term impact on the Group, and reasonably allocates resources and instructs to eliminate or control any related risks.

ESG policies

The Board stays up-to-date with and studies the latest ESG-related policy changes through training and internal meetings, and evaluates their impacts on the Group's business model.

ESG culture

The Board boosts understanding of sustainability across the Group through policy frameworks and creates an internal sustainability culture, to ensure that ESG indicators apply in operational processes and business development.

ESG work

The Board continuously improves the Group's governance structure and management model, to ensure effective communication and efficient implementation of ESG work across the Group.

ESG targets

The Board keeps an eye on the progress made by each business segment of the Group in achieving ESG targets through regular reports from the management. With reference to national policies and an in-depth analysis of the Group's business model and development vision, the Group has established relevant indicators and targets (including monitoring carbon footprints), to track the Group's performance on its sustainable development path in all aspects.

2021 Environmental, Social and Governance Report

The Group integrates the concept of sustainable development into its long-term development strategy to guide all of its hospitals and functional departments to strengthen corporate management in a more scientific, professional and systematic way on the basis of business practices. The Group continuously improves its corporate management structure and sustainable development philosophy, and actively reviews and improves the environmental and social impact of various business segments through the ESG framework. Over the years, the Group has continuously integrated the philosophy of sustainable development and ESG risk management model into its corporate risks management system. The Group has established an audit committee to provide independent opinions on the effectiveness of internal control policies, financial management procedures and risk management systems including ESG risks. The Audit Department of the Group is responsible for carrying out special audits on a regular basis, putting forward rectification opinions on existing problems, and supervising the implementation of subsequent rectification measures.

Case Sharing

In the consideration of the environmental aspect, the Board of the Group attaches great importance to the use of corporate resources. Excessive resource consumption and waste not only is contrary to the national initiative for energy conservation and emission reduction, but also affects the sustainable development level of the Group in the long run. The Group applies a standardized and modularized matrix-based management model, and supervises the use of resources, especially utility expenses, of all hospitals and subsidiaries of the Group through the General Logistics Department, while monitoring the energy consumption of the large-scale medical equipment at the same time. Based on a systematic data management system, the Group continues to refine its operating model, and encourages employees to conserve resources and reduce waste through incentive measures.

In the consideration of the social aspect, the Board of the Group pays great attention to corporate employment condition, the health and safety of the working environment and the effectiveness of occupational hazards control. The Board believes that harmonious employment relationship is crucial to the sustainable development of the Group, and therefore strongly advocates the organization of a series of employee activities to create a harmonious working atmosphere. Meanwhile, the Group is highly concerned about the health protection of employees for special types of work, and conducts special physical examinations for them on a regular basis to ensure their health.

In the consideration of corporate governance, the Group focuses on building a resilient supply chain and eliminating corruption. The Group strengthens its supply chain management through unified bidding. Based on a transparent price mechanism, it aims to eliminate corruption in the supply chain.

Going forward, the Group will improve target establishment and progress supervision based on the assessment of ESG KPIs, such as the energy consumption level, staff turnover rate and supply chain procurement efficiency of the Group, for the regular review of the Board, so as to continuously improve the management structure and the philosophy of sustainable development.

2021 Environmental, Social and Governance Report

IV. STAKEHOLDER ENGAGEMENT

The Group believes that effective communication with stakeholders is one of the keys to executing its sustainable development strategy. Over the years, the Group has maintained effective communication with key stakeholders through various channels, so that the Group can keep abreast of the market dynamics and emerging risks and opportunities in the market where it operates, and understand the expectations and concerns of its stakeholders, thereby enhancing the resilience of corporate development and continuously improving the way and method of business operation.

The Group has established a Doctor-Patient Relationship Office, and has established a complete patient reception process, in an attempt to facilitate good doctor-patient communications, help improve the quality of medical services, and improve patient satisfaction. Meanwhile, we care about our employees, for which we conduct employee satisfaction surveys on a regular basis, and regularly organize employee trainings to promote the all-round development of employees. The Investor Relations Department of the Group is mainly responsible for the exchange and communication with investors, holds several investors' road shows every year, and regularly organizes offline reverse road shows such as field surveys in hospitals, so as to promote in-depth exchanges between investors and management of the Group. The Group also actively attends industry seminars and exchange activities, and participates in the formulation of industry standards to continuously improve the development of the industry, and promote the scientific development of the healthcare industry. Stakeholders of the Group can keep abreast of the latest development of the Company through various channels and methods such as the WeChat official account and e-mail of the Investor Relations Department, the WeChat official accounts of its hospitals, and the official website of the Company.

Type of Stakeholders	Expectations and Concerns	Communication and Response
Patients/customers	<ul style="list-style-type: none"> – High-quality medical services – Product safety and risk control – Information and privacy protection – Satisfying the needs of patients 	<ul style="list-style-type: none"> – Improving service and product quality – Strengthening the quality control mechanism – Improving information security management – Conducting patient satisfaction surveys and tracking feedbacks
Employees	<ul style="list-style-type: none"> – Healthy and safe working environment – Protection of legal rights and interests – Employee compensation and benefits – Development prospect and training program 	<ul style="list-style-type: none"> – Strengthening safety supervision – Complying with laws and regulations – Optimizing the remuneration and welfare system – Establishing the professional training mechanism
Investors/shareholders	<ul style="list-style-type: none"> – Return on investment – Corporate governance – Steady operation – Information disclosure 	<ul style="list-style-type: none"> – Improving profitability – Publishing corporate governance reports and related announcements on a regular basis – Strengthening risk control – General meetings and official website of the Group

2021 Environmental, Social and Governance Report

Type of Stakeholders	Expectations and Concerns	Communication and Response
Government and regulatory authorities	<ul style="list-style-type: none"> – Complying with laws and regulations in the course of operation – Integrity construction – Responsible marketing 	<ul style="list-style-type: none"> – Complying with local laws and regulations – Optimizing internal control system – Adhering to compliance publicity
Suppliers and hospital partners	<ul style="list-style-type: none"> – Fair and open procurement – Win-win cooperation among upstream and downstream players – Supply chain risk management – ESG due diligence and responsible investment 	<ul style="list-style-type: none"> – Bid invitation – Supplier satisfaction surveys, telephone discussions, face-to-face meetings and on-site surveys – Standardized supplier management – Industry seminars
Community	<ul style="list-style-type: none"> – Participating in community activities and social welfare activities – Protecting the community environment – Promoting inclusive medical treatment 	<ul style="list-style-type: none"> – Carrying out public welfare activities – Practicing green operation – Providing professional medical services
Industry associations	<ul style="list-style-type: none"> – Promoting the industry development and progress – Fulfilling environmental and social responsibilities 	<ul style="list-style-type: none"> – Seminars – Standard formulation

2021 Environmental, Social and Governance Report

Case Sharing

Hygeia Healthcare Successfully Held the 2021 Annual General Meeting

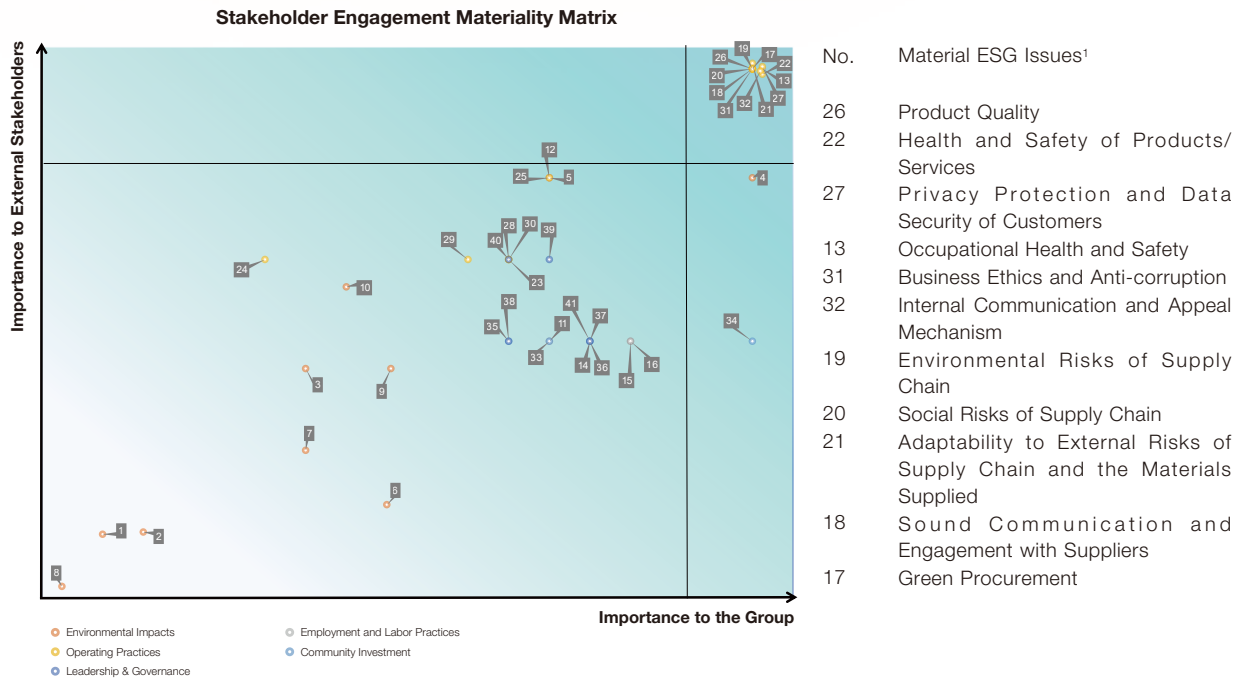
On June 28, 2021, Hygeia Healthcare successfully held the 2021 annual general meeting in Shanghai. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the shareholders and shareholder representatives present at the meeting duly approved 11 resolutions by poll, including reviewing the annual financial report, the report of directors and the auditors' report, declaring the final dividend, and authorizing the Board to determine the remunerations of directors, appointing auditors and re-electing certain directors. The directors and management of the Company also communicated and exchanged with shareholder representatives on issues related to the Company's development strategy, and the shareholder representatives expressed their expectations for the development prospects of the Company.



Materiality Assessment

In FY2021, the Group identified material ESG-related issues through annual stakeholder survey and internal audit. The Group engaged an independent third-party agency to send invitations to its stakeholder representatives to participate in the Group's annual survey on materiality assessment. With reference to the requirements of the ESG reporting guide issued by the Stock Exchange, the Group selected representatives of internal and external stakeholders to participate in this survey based on the influence and reliance of its stakeholders on the Group, including the Group's internal management and general employees of each business segment, as well as patients, suppliers, investors and other representatives of external organizations. Stakeholder representatives evaluated and expressed their views on 41 material issues by filling out an online questionnaire. Material issues cover various aspects such as product responsibility control, supply chain management model, corporate environmental impact, implementation of anti-corruption policies, employment, leadership and governance. The Group has turned the results of this survey into a materiality matrix as shown below, which has been confirmed by the Board as the Group's materiality assessment results for FY2021. The management of the Group defines the key points disclosed in this report and discloses them in detail in different sections of this ESG report based on the feedback and suggestions from stakeholders and the results of materiality assessment.

2021 Environmental, Social and Governance Report



Through such materiality analysis, the Group gathered the opinions of stakeholders and identified the following issues as the key ESG issues for the Group and its stakeholders, and made response in respect of the Group’s management policies and performance for such issues.

Quality, Health and Safety of Medical Products and Services:

Adhering to the philosophy of “making healthcare services more accessible and affordable and making life healthier”, the Group focuses on providing high-level medical products and service to patients, continuously optimizes service philosophy and standards, and completes work in strict accordance with internal and industry-recognized procedures, with a view to helping patients recover sooner. The Group has established a quality control committee which regularly carries out quality control inspections and training activities to strengthen the sense of responsibility of each hospital. In addition, such committee relies on a sound medical quality control and drug quality management mechanism to achieve effective inspection and management of medical treatment and medicine safety in all hospitals. (Please refer to the section headed **B.6 Product Responsibility** for details)

- Other less important issues include: 1. Greenhouse Gas Emissions; 2. Air Pollution; 3. Energy Management; 4. Water Resource and Waste water Management; 5. Solid Waste Management; 6. Management on the Use of Raw Materials; 7. Land Use, Ecology System and Biodiversity; 8. Mitigation of and Adaptation to Climate Change; 9. Packaging Materials Management; 10. Renewable and Clean Energy; 11. Diversity and Equal Opportunity; 12. Employee Compensation Conditions and Benefit Policy; 14. Employee Development and Training; 15. Prohibition of Child Labor and Forced Labor; 16. Labor Rights; 23. Customer Welfare; 24. Marketing and Promotion; 25. Protection of Intellectual Property; 28. Labelling Issues Related to Products/ Services; 29. Product Design Innovation and Product Lifecycle Management; 30. Product/Service Access and Affordability; 33. Communication and Connection with Local Communities; 34. Participation in Charitable Activities; 35. Promoting Local Employment; 36. Local Environmental Protection; 37. Supporting Local Economic Development; 38. Adaptability and Resilience of Business Models to Environmental, Social, Political and Economic Risks and Opportunities; 39. Response to and Management of Changes in Legal and Regulatory Environment (Legal Compliance Management); 40. Capabilities of Emergency and Risk Response; 41. Systematic Risk Management (e.g. financial crisis)

2021 Environmental, Social and Governance Report

Case Sharing

On April 23, 2021, Shanxian Hygeia Hospital held a kick-off meeting for the special action of “Treating Patients as Relatives (視病人為親人)”, during which, all the participants studied the “Implementation Plan for Carrying out the Special Action of ‘Treating Patients as Relatives’ in Depth by Medical Institutions in Shanxian” (《單縣醫療機構深入開展“視病人為親人”專項行動實施方案》), and Shanxian Hygeia Hospital made arrangements according to various measures and set up its leading group for the action of “Treating Patients as Relatives”. The hospital always maintains patient-centered and is committed to creating medical services of the highest quality, so as to continuously improve patient satisfaction.

**Privacy Protection and Data Security of Patients**

The Group recognizes that protecting the privacy and security of patients is a legal obligation for medical institutions and medical workers. The Group strictly abides by the laws and regulations of the People's Republic of China (the “PRC”), respects the personal dignity of patients, protects patients' privacy, and ensures that no patient information is leaked by signing internal confidentiality agreements, strengthening the awareness of data protection, and optimizing the platform management system. (Please refer to the section headed **B.6 Product Responsibility** for details)

Occupational Health and Safety

As a practitioner of sustainable development in the medical industry, the Group strictly abides by national and local laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Law of the People's Republic of China on the Prevention and Control of Infectious Diseases (《中華人民共和國傳染病防治法》), the Administration Measures for Hospital Infection (《醫院感染管理辦法》), and the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), and has formulated and implemented various internal systems such as the Management System for the Occupational Health and Safety Protection of Medical Personnel (醫務人員職業健康安全防護管理制度) and the Health Management System for Radiation Workers (輻射工作人員健康管理制度). (Please refer to the section headed **B.2 Health and Safety** for details)

2021 Environmental, Social and Governance Report

Supply Chain Management

The Group proactively fulfils supply chain responsibilities, strictly complies with the requirements of laws and regulations such as the Law of the People's Republic of China on the Administration of Drugs (《中華人民共和國藥品管理法》), the Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》), the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), and the Measures for the Supervision and Administration of Medical Device Operation (《醫療器械經營監督管理辦法》), and has formulated and implemented various internal systems such as the Drug Procurement Management System (藥品採購管理制度), the Supplier Management System (供應商管理制度) and the Supplier Management Procedures (供方管理程序) to standardize the entry and evaluation of suppliers, and effectively ensure the quality of medical products and services. (Please refer to the section headed **B.5 Supply Chain Management** for details)

Compliance with Business Ethics and Anti-Corruption

The Group resolutely eradicates all forms of corruption, and explicitly prohibits commercial bribery by formulating relevant internal policies. In November 2021, the National Health Commission, the National Medical Insurance Administration and the National Administration of Traditional Chinese Medicine issued the Notice on Issuing the Nine Principles for the Incorruptible Practice of Staff in Medical Institutions (《關於印發醫療機構工作人員廉潔從業九項準則的通知》). Through formulation of the internal code of conduct and organization of related training courses, the Group requires all employees to practice with integrity, and keep the nine principles in mind and put them into practice. (Please refer to the section headed **B.7 Anti-Corruption** for details)

Stakeholders Feedback

As the Group strives for excellence, the Group welcomes stakeholders' feedback and advice on the improvement of corporate ESG approach and performance, especially under the topics listed as the highest importance in the materiality assessment. Readers are welcomed to maintain contact with the Group via the following:

Address: Suites 702-707, Enterprise Square, No. 228 Meiyuan Road, Jing'an District, Shanghai
E-mail address: IR@hygeia-group.com.cn

2021 Environmental, Social and Governance Report

V. ENVIRONMENTAL SUSTAINABILITY

During the “14th Five-Year Plan” period, China regards environmental protection as a fundamental measure for the construction of ecological civilization, and takes energy conservation, emission reduction and environmental protection as important means to optimize economic growth, promote low-carbon economic transformation and improve people’s livelihood. The Group thoroughly put into practice the spirit of the Comprehensive Work Plan for Energy Conservation and Emission Reduction during 14th Five-Year Plan Period (《“十四五”節能減排綜合工作方案》), proactively promotes energy conservation and emission reduction in business activities, resolutely prevents and controls environmental pollution, and accelerates the transformation to a business model of green, low-carbon and circular development, in order to contribute to the achievement of the great targets of carbon peaking in 2030 and carbon neutrality in 2060. In FY2021, the Group was committed to strictly controlling its emissions and managing resource consumption, and complying with the environmental laws and regulations of the People’s Republic of China in the course of daily operation, including but not limited to:

- Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》);
- Law of the People’s Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》);
- Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》);
- Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》);
- Regulations on the Safety and Protection of Radioisotopes and Radiation Devices (《放射性同位素與射線裝置安全和防護條例》);
- Law of the People’s Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》);
- Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》);
- Discharge Standard of Water Pollutants for Medical Organizations (《醫療機構水污染物排放標準》);
- Regulations on the Administration of Medical Wastes (《醫療廢物管理條例》);
- Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》); and
- Standard for pollution control on medical waste treatment and disposal (《醫療廢物處理處置污染控制標準》).

This section mainly discloses the Group’s policies, practices and quantitative data in relation to emissions, use of resources, environment and natural resources for FY2021.

2021 Environmental, Social and Governance Report

A.1 Emissions

In FY2021, the Group complied with and did not violate any laws and regulations that have significant impact to the Group in the course of daily operation, including air and greenhouse gas (GHG) emissions, discharge of pollutants into water and land, discharge of hazardous and non-hazardous wastes and noise. The Group adheres to the concept of green development, and always bears the operation attitude and principles of ecology and environmental protection in mind. Through the formulation and implementation of internal policies and requirements such as the Medical Waste Management System (醫療廢物管理制度) and the Hospital Sewage Management System (醫院污水管理制度), the Group regulates the emissions of waste water and waste generated as well as medical radiation sources during operation in a standardized manner, actively improves energy efficiency, and continuously explores an environment-friendly operation model, so as to reduce the environmental impact of the Group's emissions. Each hospital of the Group has established professional departments and working groups to conduct daily management and be responsible for the potential environmental impact arising from the operation process in accordance with the requirements of the Group and regulations. For instance, the logistics departments of the Group's hospitals are responsible for waste and waste water management, and strictly supervise and manage the transfer, classification and temporary storage of medical waste and the treatment of waste water, with the infection management departments in charge of the supervision thereof.

Due to the nature of the Group's business, the waste gas emissions of the Group include sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matters ("PM") mainly from the use of business vehicles and the use of natural gas by the hospitals. In FY2021, the Group generated 3.2 kg of SO_x, 2,774.1 kg of NO_x and 201.8 kg of PM, respectively. With the "30.60" carbon reduction target put forward, China has incorporated carbon peaking and carbon neutrality into the overall plan of ecological civilization construction, to gradually realize the transition to a green, low-carbon and high-quality development path. In FY2021, the Group's GHG emissions mainly came from the consumption of diesel fuel and gasoline fossil fuel by vehicles, the use of natural gas and indirect emissions from the electricity purchased during operation. In FY2021, the total GHG emissions of the Group were 19,731.0 tons of carbon dioxide equivalent (tCO₂e), with an intensity of approximately 0.1 tons of carbon dioxide equivalent per square meter. The Group generates a certain amount of solid waste and waste water during its operation. In FY2021, the Group generated a total of 3,216.8 tons of solid waste, including 607.2 tons of medical waste. The Group discharged a total of 546,364.4 cubic meters of waste water. Table 1 below summarizes the Group's total emissions for FY2021.

2021 Environmental, Social and Governance Report

Table 1 — Total Emissions of the Group by Category in FY2021⁷

Category of Emissions	KPIs	Unit	Emissions in FY2021	Intensity in FY2021 (unit/m ²) ¹
Air Emissions ²	SO _x	kg	3.2	1.2×10 ⁻⁵
	NO _x	kg	2,774.1	1.0×10 ⁻²
	PM	kg	201.8	7.6×10 ⁻⁴
GHG Emissions	Scope 1 ³ (Direct Emissions)	tCO ₂ e	1,741.6	—
	Scope 2 ⁴ (Indirect Emissions from Energy Consumption)	tCO ₂ e	17,536.6	—
	Scope 3 ⁵ (Other Indirect Emissions)	tCO ₂ e	460.1	—
	GHG Reduction from Planting Trees	tCO ₂ e	7.3	—
	Total Emissions	tCO ₂ e	19,731.0	0.1
Solid Waste and Waste Water	General Non-hazardous Solid Waste	ton	2,609.6	9.9×10 ⁻³
	Medical and Other Hazardous Solid Waste	ton	607.2	2.3×10 ⁻³
	Waste Water (General Non-hazardous Domestic Waste Water and Medical Waste Water) ⁶	m ³	546,364.4	2.1

- The emission intensity for FY2021 is calculated by dividing the amount of air, GHG or other emissions generated by the Group in FY2021 by the average gross floor area of the Group in FY2021;
- Air emissions only include air pollutants from the exhaust gas emitted by the Group during the use of the Company's business vehicles in FY2021;
- The Group's emissions of scope 1 (direct emissions) only include the consumption of fossil energy in the use of business vehicles and the emissions generated from the use of natural gas;
- The Group's emissions of scope 2 (indirect emissions from energy consumption) only include emissions from the electricity purchased;
- The Group's emissions of scope 3 (other indirect emissions) only include waste paper disposed of in landfills, the use of electricity by government authorities to treat potable water and waste water, and the GHG emissions generated from employees' flight travel;
- The amount of waste water generated by the Group is based on the assumption that all potable water is discharged to public sewers; and
- The scope of environmental data collection covers the operating premises of and the use of business vehicles by Shanxian Hygeia Hospital, Suzhou Canglang Hospital, Suzhou Yongding Hospital, Chongqing Hygeia Cancer Hospital, Longyan Boai Hospital, Hezhou Guangji Hospital, Heze Hygeia Hospital, Chengwu Hygeia Hospital, Kaiyuan Jiehua Hospital and Anqiu Hygeia Hospital. The methodology used in the GHG emissions reporting above is based on How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs (如何編備環境、社會及管治報告? 附錄二: 環境關鍵績效指標匯報指引) issued by Hong Kong Exchanges and Clearing Limited, the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Public Building Operating Enterprises (Trial) (公共建築運營企業溫室氣體排放核算方法和報告指南(試行)) issued by the National Development and Reform Commission of China, the Technical Guidelines for Preparing the List of Air Pollutant Emissions for Road Vehicles (道路機動車大氣污染物排放清單編製技術指南) and the Limits of Fuel Consumption for Light Commercial Vehicles (輕型商用車輛燃料消耗量限值).

2021 Environmental, Social and Governance Report

Air emissions

The air emissions generated by the Group mainly comes from the exhaust gas emitted by business vehicles. In FY2021, the Group mainly used diesel and gasoline as the power source for vehicles. In response to the national call for energy conservation and emission reduction, the Group strictly controls and maintains its business vehicles. For example, the Group trains and educates drivers to maintain good driving habits. Meanwhile, the Group actively cooperates with third-party organizations to conduct strict inspections on the exhaust emissions of its boilers and sewage stations on a quarterly basis to ensure that the waste gas emissions are up to standards. The Group advocates the use of natural gas and other clean energy sources for heating in winter, and ensures that gas boilers have passed the emission certifications and standards of national environmental protection authorities. The Group has established an environmental inspection team, which is responsible for regularly detecting the pollutants discharged.

GHG emissions

In 2021, the Action Plan for Carbon Peaking before 2030 (《2030年前碳達峰行動方案》) was issued in China, which incorporates carbon reduction targets into the “Ten Big Moves for Carbon Peaking” including the green and low-carbon transformation of corporate energy, energy conservation, carbon reduction and efficiency enhancement, green and low-carbon technological innovation. As an advocate of low-carbon transformation, the Group always takes addressing national and global carbon reduction as a key part of corporate sustainable development and climate resilience. In FY2021, the Group’s GHG emissions mainly came from the use of business vehicles, boiler operation and electricity purchase. The Group reduces the frequency of using business and private vehicles by advocating employees to choose green travel methods such as public transportation. The Group advocates the procurement and use of energy-saving equipment and products, and supervises and manages the use of energy resources in all hospitals under the Group through the Group’s General Logistics Department, as a fundamental means of improving energy efficiency and transforming to a low-carbon and environmentally friendly operation model. In order to reduce related GHG emissions from the source and reduce the risk of GHG emissions in daily operations, the Group has formulated and implemented its internal measures, and the specific policies will be further explained in the subsection headed “Energy Resources” below.

Meanwhile, the Group attaches great importance to the monitoring and management of other indirect GHG emissions, and incorporates emissions of Scope 3, including use of water, water drainage and employee flight travel, into the statistical scope to further enhance employees’ awareness of carbon footprint across the Group and accelerate the promotion of the Group’s achievement of the carbon reduction targets in all aspects.

2021 Environmental, Social and Governance Report

Waste Water

Domestic sewage and medical waste water are generated during the business operation of the Group. The sewage treatment stations of the Group's hospitals are constructed in accordance with relevant national requirements and have obtained the state-approved pollutant discharge permits. The hospitals of the Group have formulated the procedures, responsibilities and emergency plans for sewage treatment in documents. The waste water generated by each hospital is managed in strictly accordance with the pre-discharge standard requirements in the Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005) (《醫療機構水污染物排放標準(GB18466-2005)》), and the sewage stations are disinfected every day through the cooperation with third-party institutions, with waste water discharged into the municipal pipe network only if it is tested to be up to the standard. Meanwhile, the Group follows the requirements of industry standards, such as the Engineering Technical Specifications for Hospital Sewage Treatment (《醫院污水處理工程技術規範》), and conducts scientific treatment of waste water, including pre-treatment, primary intensive treatment, secondary treatment, simple biochemical treatment, disinfection treatment, etc. The sewage stations of the Group's hospitals are equipped with flow meters for monitoring, which are connected to the environmental bureau. The Group advocates the concept of circular economy and encourages employees to pay attention to the conservation and reuse of water resources.

As the amount of waste water depends on the amount of water used to a great extent, the Group has taken specific measures to reduce the amount of water used in the course of operation and improve the efficiency of water usage. Specific measures will be further explained in the subsection headed "Use of Water" below.

Solid Waste

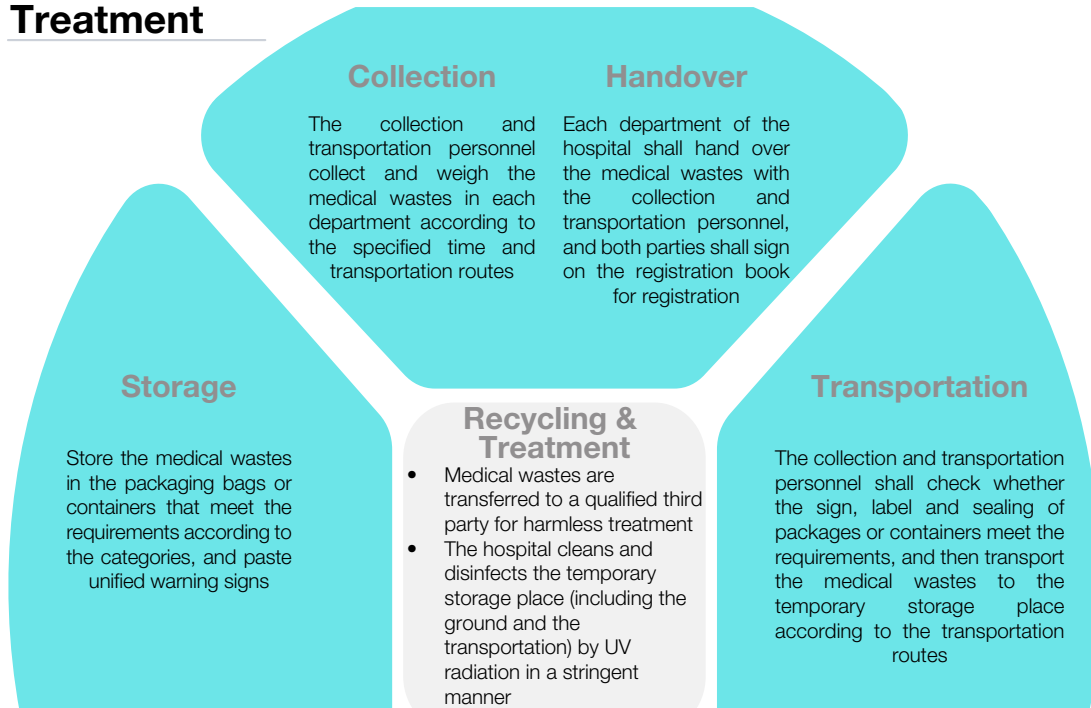
The solid waste generated by the Group mainly represents medical waste and non-hazardous waste. Each hospital of the Group has established leading group for waste management to coordinate the safe and effective management of medical waste. The medical waste of the Group is classified into infectious waste, damaged waste, chemical waste, pathological waste, pharmaceutical waste and infectious epidemic-related waste. According to the Medical Waste Classification Catalogue (《醫療廢物分類目錄》) promulgated by the National Health Commission, each hospital implements classification management for medical waste, and has formulated sound medical waste treatment processes and emergency plans to standardize the storage, collection, handover, transportation and recycling and disposal of medical waste in wards. The infection management divisions in the hospitals are responsible for providing trainings on the knowledge of laws, professional technologies, safety protection and emergency treatment for employees engaged in medical waste treatment, so as to strengthen the professional skills and sense of responsibility of the staff in medical waste treatment. The Group cooperates with professional third-party organizations, and the medical waste, after packaged, will be recycled by qualified third-party companies on a collective basis. The Group's hospitals actively explore ways to reduce medical waste. For example, certain hospitals of the Group plan to replace the infusion bags with plastic-reduced packaging in FY2022, which is expected to reduce plastic by approximately 10% under the same number of infusion bags.

In order to manage general non-hazardous waste more effectively, the Group has adopted various measures centered on the sustainable waste management model, and actively responds to the national initiatives and requirements for the waste classification system by encouraging employees to reduce, recycle, reuse and classify domestic waste. General waste is managed by the property management service providers of the hospitals, placed in a centralized manner by designated persons and at designated places, and eventually collected and processed by third parties.

2021 Environmental, Social and Governance Report

In FY2021, the Group recycled approximately 162 tons of plastic, 69 tons of glass and 62 tons of other types of waste.

Flowchart for Medical Wastes Treatment



Medical Radiation

The Group and all its hospitals abide by applicable laws, regulations and regulatory requirements such as the Law of the People’s Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》), the Regulations on the Safety and Protection of Radioisotopes and Radiation Devices (《放射性同位素與射線裝置安全和防護條例》), and the Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》), and strictly implement radiation monitoring and protection in all sites with medical radiation. The hospitals of the Group conduct pre-evaluation, control effect evaluation and environmental impact evaluation of radiation occupational disease hazards for the sites where large radioactive equipment are placed in accordance with relevant laws and regulations, and ensure that the wall thickness of the radiation sites meets the standard, and the lead doors, lead screens and other protective equipment are adequately equipped. In addition, the Group has formulated and implemented internal systems such as the Periodic Equipment Inspection Plan (設備周期性檢測方案) to regularly monitor and evaluate the radiation intensity at radiation sites, strictly control the risk of radiation pollution, and maintain a safe diagnosis and treatment environment. The Group’s hospitals have formulated emergency plans and measures for relevant radioactive sources to cope with emergencies.

The hospitals of the Group strictly follow the national and local requirements for the management of solid, gaseous and liquid radioactive waste, take reducing the generation of radioactive waste as the primary target, and collect and process the radioactive waste generated according to the type, half-life period, physical and chemical properties of nuclide.

2021 Environmental, Social and Governance Report

A.2 Use of Resources

In FY2021, the main resources consumed by the Group were electricity, diesel, gasoline, natural gas and water. In order to fully implement the Decision of the State Council on Strengthening Energy Conservation (《國務院關於加強節能工作的決定》) and the Notice of the State Council on Issuing the Comprehensive Work Plan for Energy Conservation and Emission Reduction during the 14th Five-Year Plan Period (《國務院關於印發“十四五”節能減排綜合工作方案的通告》) and other policy requirements, and resolutely execute the national policy of building an environment-friendly society, in FY2021, the Group earnestly strengthened the energy conservation of its hospitals with an aim to build an energy-saving enterprise. The Group's production of professional stereotactic radiotherapy equipment only involves the use of a small amount of packaging materials, which is not a major event for the Group, so it is not disclosed in this report. The Group's consumption of different resources in FY2021 is set forth in Table 2.

Table 2 – Total Consumption of Major Resources by the Group in FY2021³

Use of Resources	KPIs	Unit	Total Amount in FY2021 ¹	Intensity in FY2021 (unit/m ²) ²
Energy	Electricity	GJ (thousand kWh)	103,478.0 (28,743.9)	0.4 (0.1)
	Diesel	GJ (liter)	2,205.6 (57,240.3)	8.3×10 ⁻³ (0.2)
	Gasoline	GJ (liter)	5,405.8 (154,942.4)	2.0×10 ⁻² (0.6)
	Natural Gas	GJ (m ³)	24,361.1 (647,005.7)	0.1 (2.4)
	Total	GJ (thousand kWh)	135,450.5 (37,625.1)	0.5 (0.1)
Water	Water	m ³	546,364.4	2.1
Others	Paper	ton	51.2	1.9×10 ⁻⁴

- The energy consumption in FY2021 covers the resources consumed by the operating premises of and the use of business vehicles by Shanxian Hygeia Hospital, Suzhou Canglang Hospital, Suzhou Yongding Hospital, Chongqing Hygeia Cancer Hospital, Longyan Boai Hospital, Hezhou Guangji Hospital, Heze Hygeia Hospital, Chengwu Hygeia Hospital, Kaiyuan Jiehua Hospital and Anqiu Hygeia Hospital of the Group;
- The resource consumption intensity for FY2021 is calculated by dividing the amount of resources consumed by the Group in FY2021 by the average gross floor area as of the Group in FY2021; and
- The unit conversion of energy data is based on the Energy Data Handbook (能源數據手冊) issued by the International Energy Agency and the conversion factor of total calorific value in How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs issued by Hong Kong Exchanges and Clearing Limited.

2021 Environmental, Social and Governance Report

Energy Resources

In FY2021, the electricity consumption of the Group mainly came from the daily lighting of hospitals and the daily operation of each business segment, including the electricity consumed by equipment and the natural gas by boilers, etc., and the energy resources consumed by business vehicles were mainly diesel and gasoline.

The Group advocates the creation of a green office environment and operation model, and has formulated and strictly implemented the internal policies such as the Management System for Procurement and Use of Office Supplies in Hospitals (《醫院辦公用品採購及領用管理制度》) and the Management Measures for Strengthening Electricity Conservation and Controlling Energy Consumption to Eliminate Wastes (《關於加強節約用電控制能耗杜絕浪費管理辦法》), requiring all hospitals to formulate annual energy conservation plans and objectives, to standardize the use of office supplies.

- | | |
|--|---|
| Formulating standard systems | <ul style="list-style-type: none"> — Each hospital formulates the annual work plan and target for energy conservation, controls the purchase quantity of office supplies and consumables, and encourages each department to save and reduce energy consumption. For example, certain hospitals of the Group plan to further improve the efficiency of air-conditioners in FY2022, with an aim to reduce the energy consumption of air-conditioners by 10%-15%; and — Divisions of the hospitals formulate plans for energy conservation, subject to the monthly inspections of the logistics department. |
| Reducing waste of resources | <ul style="list-style-type: none"> — Office supplies shall be applied for, registered, compared and analysed on a regular basis to control their consumption throughout the hospital; — Use energy-saving and water-saving appliances and sensor lights, and set the air-conditioning temperature and switch ON/OFF time properly; — Vigorously advocate and use a water circulation system, and regularly clean the pipes to increase the smoothness of water circulation to achieve the best performance in energy conservation, so as to reduce the consumption of natural gas and electricity for heating in winter; and — Logistics personnel on duty and security personnel conduct inspections at the same time to eliminate energy waste. |
| Increasing propaganda of green ecology | <ul style="list-style-type: none"> — Hold monthly energy conservation-related meetings to discuss on the room for improvement and enhance energy conservation awareness among all staff; and — Vigorously promote the awareness of saving electricity in the daily management of the divisions and at various meetings of the hospitals, and emphasize the importance of energy conservation and emission reduction. |

2021 Environmental, Social and Governance Report

Use of Water

The water consumption of the Group mainly comes from the drinking water of patients, family members and employees for daily life, the water for cleaning and disinfection in the hospitals and the water consumed by central air-conditioners. In FY2021, the Group was not aware of any issue in sourcing water.

The Group actively responded to the spirit of the 14th Five-Year Plan for the Construction of a Water-Saving Society (《“十四五”節水型社會建設規劃》) and focused on improving the efficiency of water consumption. In the daily management of the divisions and at various meetings of the hospitals, the Group vigorously promotes and enhances the staff's awareness of water conservation, and emphasizes the importance of water conservation. The hospitals of the Group have formulated water conservation systems, policies and targets, and the general duty office of the hospitals will conduct inspections of the public areas and divisions of the hospitals on a daily basis. In order to further improve the utilization efficiency of water resources, the Group has adopted the following measures:

- Repair dripping faucets in time to avoid leaks in the water supply system;
- Enhance the inspections and maintenance of faucets, water pipes and other water storage devices; and
- Select water-saving appliances and advocate the use of rainwater recycling systems.

Paper

The Group is committed to creating the lifestyle of low-carbon operation, and encourages and actively promotes paperless and automated office operations. In FY2021, the Group took the following measures to effectively manage paper consumption:

- Apply electronic medical records and electronic office audit system to reduce paper consumption;
- Collect single-sided paper in a reasonable manner for reuse and recycling;
- Post up paper-saving signs in printing areas to intensify employees' awareness of saving paper;
- Procure environment-friendly paper;
- Encourage employees to disseminate information electronically by email, electronic bulletin boards, etc.; and
- Set duplex photocopying as the default mode for most network printers.

2021 Environmental, Social and Governance Report

A.3 Environment and Natural Resources

Over the years, the Group has continuously understood and evaluated the impact of the Group's business operations on the environment and natural resources. Through risk identification, solving problems, and summarizing experience to explore better models, the Group fulfils its environmental protection responsibilities, and continuously strives to reduce the potential environmental impact of its development in a precise, scientific, legal, and systematic manner. In FY2021, the impact of the Group's operations on the environment and natural resources was mainly caused by the disposal of waste and waste water, as well as the potential impact on the environment during the construction of new hospitals.

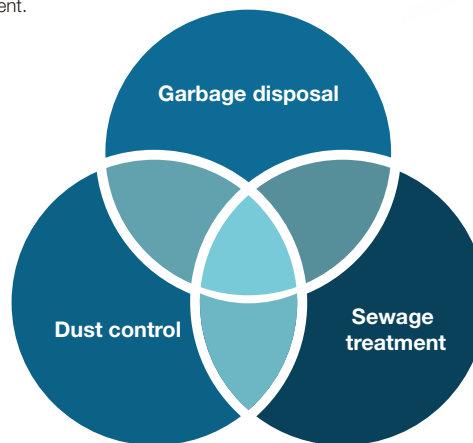
In order to effectively manage the environmental impact arising from the operation of the hospitals, the hospitals of the Group continue to improve the management system for energy conservation, and guide and evaluate the environmental impact and energy conservation management of all the divisions across the hospitals based on the recording, tracking and analysis of various environment-related indicators and through the implementation of the responsibility system, with a view to building an effective environmental management system. For example, the Group requires medical waste and medical waste water to be disposed of in accordance with the instructions of relevant documents, and solid waste must be handled and monitored by dedicated personnel. Through the special inspection teams established by the hospitals, the resource utilization efficiency of certain of the Group's hospitals has increased compared with the previous financial year, further reducing the generation of waste from the source. Meanwhile, the Group has carried out the exploration and practice of a number of energy-saving technologies to effectively reduce the consumption of energy resources. For example, the Group has renovated lighting fixtures and replaced high-energy-consuming lamps with LED lights, and encourages employees to turn off the lights in time, so as to eliminate the circumstances where the lights are kept on all the time and reduce the power consumption of lighting equipment.

2021 Environmental, Social and Governance Report

In the planning and implementation of new hospital construction projects, the Group vigorously introduces green building design elements and focuses on improving the energy conservation and emission reduction effects of such projects. The Group strictly follows the relevant national environmental protection laws and regulations, and strictly supervises the dust control, waste water sewage treatment and garbage disposal during the construction process in line with the environmental protection requirements of the local government and the actual situation of the construction sites of the new hospital construction projects. For example, the Group uses enclosed and covered vehicles to transport slags, and washes the vehicles on the construction sites; and sprinkles and cleans the road surface every day.

- Garbage cans are set on the construction site to collect domestic garbage, which will be transported by garbage truck to a professional third party for unified treatment.

- The construction site is equipped with closed enclosures, and installed with dust atomization and spraying facilities;
- Slags are transported with enclosed and covered vehicles, and vehicles and pavements on the construction site are washed by spray water;
- All the bare soil on the construction site is covered by geotextiles, and wet operation is used for the earthwork excavation, for which dust reduction treatment is also conducted;
- Mixing, cutting and paint spraying in the open air are strictly forbidden, and special flue gas recovery devices are equipped for on-site welding work;
- Construction waste and dust on the construction site are cleaned up in time according to the construction progress to avoid dust.



- The on-site sewage is uniformly discharged into the on-site three-stage septic tank, and the canteen oil is discharged into the three-stage septic tank after being treated by a special oil separator;
- Sewage from the septic tank is uniformly treated by a professional third party.

2021 Environmental, Social and Governance Report

Looking forward, the Group will keep target-oriented to continuously improve the Group's environmental performance and strengthen the control over the environmental impact across the Group through performance tracking of relevant indicators.

Targets and Actions

Aspect	Target	Plan and Action Example
GHG Emissions	Taking FY2021 as the baseline year, to reduce the intensity of Scope 1 and Scope 2 GHG emissions by 25% by 2030	<ul style="list-style-type: none"> Progressively explore and apply renewable and clean energy sources, including solar and other clean energy sources Encourage employees to save electricity and other energy through the education on energy conservation and environmental protection Strengthen the implementation of inspections on energy consumption to ensure the transparency and efficiency of the Group's energy consumption
Use of water resources	Taking FY2021 as the baseline year, to reduce water use intensity by 25% by 2030	<ul style="list-style-type: none"> Intensify the inspections on the management of water consuming appliances Advocate the installation and utilization of rainwater harvesting system
Energy Efficiency	Taking FY2021 as the baseline year, to reduce total energy consumption intensity by 25% by 2030	<ul style="list-style-type: none"> Expand the application scope of renewable energy Encourage all employees to develop good habits of saving energy through training and education
Waste Management	Taking FY2021 as the baseline year, to reduce general non-hazardous solid waste intensity by 20% by 2030	<ul style="list-style-type: none"> Enhance the implementation of waste management responsibility system, lift the waste classification requirements and strengthen the supervision over disposal methods adopted by third parties

2021 Environmental, Social and Governance Report

A.4 Climate Change

At the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change in Glasgow, UK in November 2021, participating countries reaffirmed the Paris Agreement's goal of limiting global average temperature rise to 2°C above the pre-industrial level, and striving to limit the temperature increase to 1.5°C above the pre-industrial level. As China clearly proposes the great targets of achieving the peak of carbon dioxide emission by 2030 and striving to achieve carbon neutrality by 2060, the Group spares no effort to explore the ways to reduce carbon emissions and develop climate resilience. With consideration of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has conducted a materiality assessment on the potential climate risks and transition risks to which it is exposed, with a view to transitioning to a low-carbon and high-quality development model.

Type of Risk	Analysis on Impact	Counter-measures and Opportunities
Rising prices of GHG emissions	With the launch of the national carbon emissions trading market, future policy requirements for carbon regulation and pricing in the medical industry may affect the Group's operating expenses	<ul style="list-style-type: none"> Mitigate climate change and reasonably offset the Group's carbon footprint through carbon offsetting tools and projects such as tree planting and greening Keep in line with the national regulatory requirements, understand and improve all-round corporate compliance, and capture a strong position in the market
Fluctuations in the prices of raw materials	Significant fluctuations in raw material prices or supply shortages in the short term may affect the Group's procurement costs and the quality of medical services	<ul style="list-style-type: none"> Mitigate the impacts brought by temporary instability of supply chain by applying supply chain centralized procurement, etc.
Stakeholders' concerns about the Group's low-carbon development	Stakeholders expect the Company to take proactive management measures and enhance disclosure transparency in respect of the response to climate change	<ul style="list-style-type: none"> Actively formulate and disclose carbon emission reduction targets and corresponding emission reduction measures Improve energy efficiency by using energy-saving lamps, sensor faucets, etc.
Increased frequency and severity of extreme weather events such as heavy rains and floods	Operational problems such as heavy rain causing flood into the underground garage, and heavy soil landslide in sewage station	<ul style="list-style-type: none"> Optimize existing and under-construction buildings and facilities, such as equipping protective slopes with deceleration belts to garage entrances and roads to effectively prevent rainwater from flowing into the garage, and complete protective slope treatment during the construction of hospital sewage stations, etc.
Rise of average temperature	High temperature in summer leads to a sharp rise in electricity consumption, causing hidden dangers to electricity safety	<ul style="list-style-type: none"> Strengthen the inspection of high-power-consuming equipment during peak power consumption periods in summer to eliminate potential safety hazards

2021 Environmental, Social and Governance Report

Resource conservation is included in the performance appraisal of the Group's hospitals to motivate all staff to strive to build an environment-friendly enterprise. Meanwhile, the management of the Group monitors the implementation and effectiveness of climate-related actions, and regularly submits relevant information to the Board for review. The Group plans to invest more resources and organize more trainings in environmental protection in the future, and set more aggressive climate-related targets in the next five years.

VI. SOCIAL SUSTAINABILITY

Employment and Labor Practices

B.1 Employment

Adhering to the philosophy of being people-oriented, the Group cherishes the talents of employees, protects the rights and interests of employees, and is committed to providing employees with a good and stable career development platform to achieve the common development of employees and the Group. As at December 31, 2021, the Group had a total of 5,077 employees, including 1,486 male employees and 3,591 female employees, all located in Mainland China.

Table 3 — Total Number of Employees of the Group by Gender, Age, Position and Employment Type as at December 31, 2021¹

Unit: Number of Employees		Age Group				Total
Gender	30 or below	31 to 40	41 to 50	51 or above		
Male	460	534	238	254	1,486	
Female	1,991	1,102	332	166	3,591	
Total	2,451	1,636	570	420	5,077	

Employment Type			
Full-time	Part-time	Other	Total
5,077	0	0	5,077

Position			
General Employees	Mid-level Management	Senior Management and Directors	Total
4,370	643	64	5,077

¹ The employment-related information is based on the employment contracts entered into between the Group and its employees, which were obtained from the Human Resources Department of the Group. The methodology used for the above employment data is based on How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs issued by the Stock Exchange.

2021 Environmental, Social and Governance Report

Legal Compliance

Since its establishment, the Group has complied with relevant laws and regulations for its employment policies, which have been continuously updated and revised. In FY2021, the Group had complied with relevant laws and regulations, including the following:

- Labor Law of the People's Republic of China (《中華人民共和國勞動法》);
- Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》);
- Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》);
- Employment Promotion Law of the People's Republic of China (《中華人民共和國就業促進法》); and
- Provisions on Minimum Wages (《最低工資規定》).

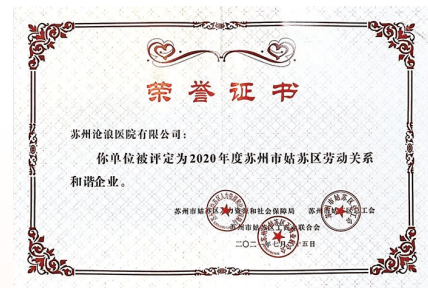
The Human Resources Department of the Group is responsible for regularly reviewing, updating and supervising the implementation of relevant employment policies within the Company, such as the Staff Remuneration System (員工薪酬制度) and the Staff Welfare System (員工福利制度). The Group requires employees to abide by laws, regulations, administrative rules and various rules and regulations and labor discipline formulated by the Group; strictly abide by labor safety and hygiene requirements, operating procedures and work norms; take care of the Group's property and observe professional ethics; and actively participate in the training organized by the Group to improve ideological awareness and professional skills. The rules and regulations of the Group are generally announced in the form of employee handbooks, internal websites, bulletin boards, employee meetings, and study seminars. The Group requires employees to fully study and earnestly learn about the various rules and regulations formulated by the Group.



Suzhou Canglang Hospital Won

Honorary Title of "Enterprises with Harmonious Labor Relations in Suzhou (蘇州市勞動關係和諧企業)"

The Human Resources and Social Security Bureau of Gusu District, Suzhou City, the Federation of Trade Unions of Gusu District, Suzhou City, the Federation of Industry and Commerce of Gusu District, Suzhou City and other departments jointly held the activity of selecting Enterprises with Harmonious Labor Relations in Gusu District, Suzhou City, and Suzhou Canglang Hospital was once again honoured to be one of the "Enterprises with Harmonious Labor Relations in Gusu District, Suzhou (蘇州市姑蘇區勞動關係和諧企業)", and leaders of the labor supervision authority of Gusu District awarded the hospital a certificate of honor, fully affirming and commending the hospital's actions of actively undertaking social responsibilities, caring for employees, creating a harmonious labor atmosphere and building a harmonious enterprise.



2021 Environmental, Social and Governance Report



Title of “Grade-A Creditworthy Enterprise for Labor Security in Gusu District, Suzhou City (蘇州市姑蘇區A級勞動保障信譽單位)”

In order to foster a social atmosphere that praises integrity and punishes dishonesty, strengthen the construction of a credit system in the sector of human resources and social security, and enhance enterprises’ awareness of law-abiding and social responsibility, the selection of creditworthy enterprises for labor security in Gusu District, Suzhou City has been carried out under the principles of “openness, fairness and justice”, and as reviewed and published by the Human Resources and Social Security Bureau of Gusu District and the Office of the Leading Group for the Construction of the Social Credit System, Suzhou Canglang Hospital was awarded the title of “2020 Grade-A Creditworthy Enterprise for Labor Security in Gusu District, Suzhou City (2020年度蘇州市姑蘇區A級勞動保障信譽單位)”.

Recruitment and Promotion

The Group adheres to the principle of equal employment and adopts the principles of openness, equality and competition to select and recruit candidates to ensure that candidates will not be affected by factors such as nationality, ethnicity, marital status, age, gender and religion. We tolerate no form of employment discrimination and safeguard employees’ rights of equal employment through various means.

Recruitment process

Recruitment plan
 Each department director will draft an annual recruitment plan. The hiring department shall fill out a “recruitment application form” which is reviewed and signed by the director of the hiring department, approved by the chief executive officer, then transferred to the HR department. The HR department will proceed with staff recruitment and hiring according to the demand of the hiring department.

Publish recruitment information
 Depending on the position, number of vacancies, qualification requirements and the source and scope of desired candidates, the HR department will determine the manner and extent in which to publish the recruitment information. The recruitment process takes an approach that combines internal and external recruitment, including internal referral, competitive recruitment, recruitment through the media, public recruitment and headhunter.

Candidate selection
 The HR department will collect and conduct preliminary review on the candidate profiles, eliminate unqualified applications, refer applications that qualify for other positions to the relevant departments, and send the qualified profiles to the hiring departments. Candidates passing the review process will be notified by the HR department for the first-round interview. Those who pass the first-round interview will proceed to the second-round panel interview, the interviewer will consolidate comments and feedback from the panel. Results of the second-round interview are divided into “hired”, “not hired” and “transfer to another position”.

Candidate employment
 The HR department will pass on the resume and “interview record” of the hired candidate for approval. After the “interview record” is duly signed, the HR department will send an “employment notification” to the candidate and a “new employee on board notification” to the relevant department staff.

2021 Environmental, Social and Governance Report

The qualifications, standards and expertise of medical professionals are crucial to the quality of medical services and corporate competitiveness. During the recruitment process, the Group strictly checks every employee's ID card, graduation certificate, practice certificate, qualification certificate and professional title certificate, and requires medical professionals to possess medical-related qualification certificates and professional title certificates before they are allowed to take up their posts. The Group adopts the employment system for the management of experts with multi-site practices in each hospital, and requires each expert to complete the multi-site practice filing in accordance with the law. The Group continues to monitor the qualification registration and filing records of employees after they are employed to ensure that the operation of each hospital complies with relevant laws.

The Group implements a "dual-channel promotion" mechanism to provide employees with reasonable promotion paths. The Group evaluates and provides qualified employees with job promotion opportunities based on their professional levels, years of service, work performance and personal capabilities. The Group selects outstanding internal talents every year, and has established a talent pool including reserve talents, middle-level cadres and senior talents, and an internal job rotation mechanism to provide employees with opportunities for mutual learning and diversified career development paths.



The Third Batch of Experts Set up Studios of Renowned Doctors in Suzhou Canglang Hospital

In August 2021, Suzhou Canglang Hospital held the exchange meeting with the experts from studios of renowned doctors and the unveiling ceremony of the third batch of experts set up studios of renowned doctors in Suzhou Canglang Hospital.

In recent years, Suzhou Canglang Hospital has successively introduced ten experts to set up studios of renowned doctors, so that the people can enjoy the medical services of renowned doctors and experts at their doorstep. Meanwhile, renowned doctors stationed in the hospital can work together to promote the development of key disciplines in the hospital, boost the construction of a famous hospital with renowned doctors and famous departments, and provide high-quality and convenient medical services for the surrounding residents in a better way.



重庆市职称改革办公室2021年度重庆市卫生技术高级职称评审通过人员公示

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序号	工作单位	姓名	申报职称
223	重庆海吉亚肿瘤医院	徐林冲	副主任医师
283	重庆海吉亚肿瘤医院	王芳文	副主任医师
2021年度重庆市卫生技术高级职称评审通过人员公示名单			
2021年度重庆市卫生技术高级职称评审通过人员公示名单			
153	重庆海吉亚肿瘤医院	丁茂松	副主任医师
163	重庆海吉亚肿瘤医院	熊勇	副主任医师
192	重庆海吉亚肿瘤医院	陈廷洋	副主任医师
291	重庆海吉亚肿瘤医院	朱美	副主任医师
2021年度重庆市卫生技术高级职称评审通过人员公示名单			
120	重庆海吉亚肿瘤医院	杨强	副主任医师
2021年度重庆市卫生技术高级职称评审通过人员公示名单			
291	重庆海吉亚肿瘤医院	李雪松	副主任医师

A Total of 8 Medical and Nursing Talents in Chongqing Hygeia Cancer Hospital Got Promoted

In December 2021, a total of 8 physicians and nurses in Chongqing Hygeia Cancer Hospital got promoted to senior professional titles.

8 medical and nursing talents passed the senior professional title evaluations in 2021 for internal medicine, surgery, comprehensive medicine, medical technology, pharmacy and nursing in Chongqing, respectively, and were granted senior professional titles.

2021 Environmental, Social and Governance Report

In FY2021, the Group organized campus recruitment activities in Shandong, Suzhou, Chongqing and Longyan, etc.

Compensation and Dismissal

The Group has established a sound employee performance appraisal and promotion system to provide employees with fair and competitive remunerations and benefits. The Group conducts appraisal on general employees once a quarter through both target responsibility appraisal and KPI appraisal. For employees at management level, the Group conducts appraisal on them through target responsibility system appraisal on a half-year basis. The performance appraisal results serve as an important criterion for the Group to distribute year-end performance bonuses and provide opportunities for promotion.

Any employment or termination of employment contracts of the Group must be based on reasonable grounds and strictly enforced in accordance with internal policies. The Group strictly prohibits any unfair or unreasonable dismissal, and strictly regulates its dismissal procedures in accordance with the employee management policy. For employees who seriously violate the Group's employment policies, the Group will terminate their employment contracts in accordance with relevant national laws and regulations and the Group's internal rules.

In FY2021, the total employee turnover rate of the Group was approximately 11.7%.

Table 4 — Employee Turnover Rate of the Group by Gender, Age and Geographical Region in FY2021¹

Unit: Number of Employees Left	Age Group				Total
	30 or below	31 to 40	41 to 50	51 and above	
Male	100	56	23	20	199
Turnover Rate of Male Employees (%)	21.7%	10.5%	9.7%	7.9%	13.4%
Female	245	94	25	29	393
Turnover Rate of Female Employees (%)	12.3%	8.5%	7.5%	17.5%	10.9%
Total	345	150	48	49	592
Total Employee Turnover Rate (%)	14.1%	9.2%	8.4%	11.7%	11.7%

Geographical Location		
Region	Number of Employees Left	Employee Turnover Rate
Mainland China	592	11.7%

¹ The turnover data is based on the employment contracts entered into between the Group and its employees, which were obtained from the Human Resources Department of the Group. The methodology used for the above turnover data is based on How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs issued by the Stock Exchange.

2021 Environmental, Social and Governance Report

Working Hours and Rest Period

The Group strictly manages the attendance and rest time of its employees in accordance with employment laws, including the Provisions of the State Council on Working Hours of Employees (國務院關於職工工作時間的規定). In addition to basic paid annual leaves and statutory holidays, employees are also entitled to additional paid leave benefits, such as marriage leave, maternity leave and bereavement leave.

Equal Opportunities and Anti-Discrimination

As an employer of equal opportunities, the Group is committed to promoting non-discrimination and equal opportunities in all decisions relating to human resources and employment, so as to foster a work environment of fair competition, mutual respect and diversity. The training and promotion opportunities, dismissal and retirement policies of all business units of the Group are not based on the employees' age, gender, marital status, pregnancy status, family status, disability, race, skin colour, ancestry, national or ethnic origin, nationality, religion or any other non-work-related factors. The Group encourages employees to report any incident of suspected discrimination to the Human Resources Department. The Human Resources Department will evaluate, handle, record and take any necessary disciplinary action against the responsible person(s).

Other Welfare and Benefits

The Group provides its employees with well-appointed staff quarters and a continuing education fund. In accordance with relevant national laws and regulations, the Group provides its employees with housing subsidies, annual physical examinations, holiday benefits and various types of insurance, and actively organizes team building activities.

Case Sharing

On April 27, 2021, on the occasion of Nurses' Day, 165 nurses from Longyan Boai Hospital were selected to enter the final of the single emergency nursing event. 18 nursing teachers were divided into four groups to participate in the competition named First-Aid Emergency Response Drill in Case of Patients' Condition Changes (患者發生病情變化急救應急預案演練), where nurses and team members at all levels showed their strengths, overcame difficulties and promoted growth through competition, and carried forward the tradition of nursing.

On the occasion of the Mid-Autumn Festival in 2021, the leaders of Chengwu Hygeia Hospital led some department heads to visit the staff that stayed on their posts during the festival, and sent holiday greetings and sincere blessings to them, conveying warmth and care to the hearts of employees.

In October 2021, Suzhou Canglang Hospital participated in the 2021 Competition for Nursing Operation Skills in Operating Rooms in Suzhou (2021年蘇州市手術室護理操作技能比賽) held by Suzhou Nursing Society, showing the positive spirit and well-trained technical ability of the nursing staff of the hospital, and continuing to strive to provide patients with better nursing services. On November 20, Suzhou Canglang Hospital and Suzhou Yongding Hospital jointly held the 2021 Reading and Sharing Session, during which, they shared the book Working Methods (《干法》) written by Mr. Kazuo Inamori, to seek improvement together in the course of discussion and sharing. At the reading and sharing session, representatives of each group expounded the gains and insights obtained from the book, conducted wider and deeper thinking with consideration of their work and life, and had a pleasant conversation about their thoughts and insights from reading the book in different perspectives.

2021 Environmental, Social and Governance Report



Employee activities in 2021

In FY2021, the Group complied with relevant laws and regulations on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, benefits and other treatments, and other relevant laws and regulations that have a significant impact on the Group.

2021 Environmental, Social and Governance Report

B.2 Health and safety

The Group highly values occupational health and safety protection of our employees, and strictly abides by the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Regulation on Work-Related Injury Insurance (《工傷保險條例》), the Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases (《中華人民共和國傳染病防治法》), the Administrative Measures for Hospital Infection (《醫院感染管理辦法》), the Regulation on the Administration of Medical Institutions (《醫療機構管理條例》), the Regulation on Preparedness for and Response to Emergent Public Health Hazards (《突發公共衛生事件應急條例》), the Specification of Hand Hygiene for Healthcare Workers (《醫務人員手衛生規範》) and other laws, regulations and standard requirements.

During FY2021, the Group has been stringently implemented its internal policies on safety and health, such as the Management System for Occupational Health and Safety Protection of Medical Personnel (《醫務人員職業健康安全防護管理制度》), the Health Management System for Radiation Workers (《輻射工作人員健康管理制度》) and the Procedures on Handling Occupational Respiratory Exposure (《呼吸道職業暴露後的處置流程》), so as to ensure the health and safety protection of our employees.

The Group arranges physical examination for employees every year and requires them to take necessary immunization; provides sufficient isolation gowns, uniforms, masks, gloves, face shields and other basic protective articles for employees to reduce the risk of infection and injury; takes adequate radiation protection measures for employees engaged in or involved in radiation work to avoid radiation injury. Specific measures include:

- *Training and certificate management*

Radiation workers must participate in the radiation safety training at or above the intermediate level organized by the state-designated training institutions before taking up their posts, and obtain the Certificate of Radiation Workers. Radiation workers can only engage in the restricted radiation work after holding the certificate. The Certificate of Radiation Workers shall be reviewed once a year. Radiation workers shall apply for re-training when the 4-year training validity expires.
- *Personal radiation dose monitoring*

All employees engaged or involved in radiation work must accept personal radiation dose monitoring. In daily work, they must wear personal dosimeter and personal dose alarm, as well as protective equipment like lead clothes, lead hat, lead apron, lead gloves and lead glasses in strict accordance with the requirements of the national environmental protection supervision authorities. The details of personal radiation dose will be issued by the third-party agency every quarter. The Group keeps the maximum annual dose limit no greater than 5mGy in strict compliance with the national regulations.
- *Personal radiation dose files*

All employees engaged or involved in radiation work must establish personal radiation dose files. Such files, which contain the basic personal information, job position, dose monitoring results, etc., shall be kept and filed by the Administration and Personnel Department until the radiation worker reaches the age of 75 or stops radiation work for 30 years.

2021 Environmental, Social and Governance Report

- *Radiation-related physical examination*

All employees engaged in radiation work will take part in the professional physical examination carried out by the designated medical institutions for radiation examination every year, and they will be evaluated comprehensively on the possibility to continue to engage in radiation work according to the physical examination report.

The Group is well aware that occupational health risks associated with the medical industry are mainly exposed during clinical practice, and that occupational safety and healthcare are, in particular, crucial to health and protection for radiation work, as well as during clinical practice in close contact with patients. Concerning our clinical staff who are in close contact with patients, the headquarters of the Group has organized relevant trainings, such as Comparison of the First and Second Editions of the Technical Guidelines for Prevention and Control of COVID-19 (《關於〈第一版、第二版新冠肺炎感染預防與控制技術指南對比〉》), and Infectious Diseases Department, Medical Affairs Department and Nursing Department of each of our hospitals, as well as head nurse of each department and members of other relevant departments thereof, have sent their representatives to participate in those trainings. Meanwhile, the Group also requires the Medical Affairs Department, Nursing Department and Infectious Diseases Department of each hospital to organize their own relevant training on occupational health and safety on monthly basis. In connection with the safety measures regarding health and protection for radiation work, the Technical Department is responsible for determination of appropriate protective methods against radiation and provision of trainings for our radiation workers; the Production Department is responsible for purchase of radiation protection devices, allocation of personnel, coordination and organization of on-site work and statistics of the personal radiation dose of radiation workers; the Inspection Department is responsible for verification and testing measurement of our radiation protective devices; the Administration and Personnel Department is responsible for formulation of our training plans and statistics of radiation allowance, as well as the collection and management of personal health files of radiation workers; while the Finance Department is responsible for payment settlement of radiation protective devices and granting of monthly radiation allowance. The Group arranges physical examination for our radiation workers every year according to its internal rules and regulations. In FY2021, radiation workers of each hospital of the Group have gradually completed their physical examination.

The Group's occupational health and safety policy covers all staff in the Research, Development and Manufacturing Department of the Group's headquarters, radiation workers and clinical staff of each hospital of the Group. In respect of health and protection for radiation work, provision of relevant training, arrangement of physical examination and other matters to members of the Research, Development and Manufacturing Department of the Group's headquarters are directed and supervised by the staff of the System Department; while the Administration and Personnel Department shall keep the relevant files and provide assistance, and report to the director of the Research, Development and Manufacturing Department. Radiation workers of each hospital are under the supervision of the Personnel Department and the Administration Department of their respective hospitals, which are responsible for providing relevant training to and arranging physical examination for radiation workers, as well as reporting to the president. The Medical Affairs Department and Nursing Department of each hospital are responsible for monitoring the health and safety protection and organizing relevant training for clinical staff having close contact with patients, as well as reporting to the president in connection with affairs thereof.

2021 Environmental, Social and Governance Report

Table 5 — Number and rate of work-related fatalities of the Group in the past three financial years¹

Year	FY2021	FY2020	FY2019
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (calculated per 100 workers)	0	0	0

¹ Data of work-related fatalities was obtained from the Human Resources Department of the Group. The methodology adopted for our work-related fatalities reported above was based on “How to Prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs” issued by the Stock Exchange.

In FY2021, the Group had a total of 9 work-related accidents, causing 8 employees injured and the number of working days lost due to work-related injuries was 169. The Group has reviewed and summarized the causes of those accidents thoroughly in good faith, and formulated various rectification measures. In FY2021, the Group has no violation of any relevant laws and regulations in relation to providing a safe working environment and protecting employees from occupational hazards, which may have a significant impact on the Group in terms of providing a safe working environment and protecting employees from occupational hazards.

Actions to be taken in the post-pandemic era

The Group has thoroughly implemented the policy requirements regarding the prevention and control of COVID-19 issued by the State Council and formulated relevant policies, such as Recommendations on Disinfecting Methods of Medical Devices and Ambient Object Surface under the Normalized Prevention and Control of COVID-19 Pandemic (新冠肺炎常態化疫情防控醫療器械及環境物體表面消毒方法推薦方案) and implemented thereof in a rigorous manner. The Group has also organized training on the prevention and control of COVID-19 pandemic.

The Group requires all the medical staff to undertake standardized prevention measures, especially respiratory protection by wearing surgical masks and monitoring the usage of doors and passages by separating medical staff and patients' passages. Before admission to hospitals, all patients, their companions and visitors shall wear surgical masks, measure body temperature and verify health green code and electronic pass following the instructions of our staff. Patients from regions of mid or high risk of COVID-19 or fever clinics are required to take the coronavirus nucleic acid test. All inpatients and their companions are also required to take a nucleic acid test as per requirements. Meanwhile, the Group has proactively commenced practical drills for the prevention and control of COVID-19 to enhance its capability in preventing the spread of the pandemic comprehensively. The Group encourages taking measures at an early stage in four areas: detection, diagnosis, quarantine and reporting. The Group has strengthened its prevention and control measures against infection within hospital areas through applying different timeslots for diagnosis and treatments, adopting the workflow of pre-inspection triage and fever clinics in a strict manner, as well as implementing protection measures for medical staff to maintain and monitor their health. The Group has set up transition wards in its hospitals and made appropriate use of them, and through measures of nucleic acid test screening, quarantine placement, etc., to reduce the risk of cross-infection. During the post-pandemic era, the Group has made reasonable changes to our style of conducting a meeting from offline, such as roadshows, to online video and telephone conferences. Our staff are suggested to make online communication even under regular situations to reduce the frequency of business travels or travel among cities.

2021 Environmental, Social and Governance Report

B.3 Development and Training

The Group attaches great importance to nurturing employees. By establishing a multi-level training system designed with courses of rich content, the Group has been boosting its employees' sense of belonging to the Company and promoting two-way communication between the Company and employees aiming to create a corporate culture of unity. The Group believes that a comprehensive training system can help its employees improve their overall performance, so as to raise its market competitiveness and drive its sustainable development.

With an aim to improve the overall quality of our employees to set up a diverse team of talents for identifying and nurturing multifaced talents with medical expertise on an ongoing basis, the Group has established the Hygeia Healthcare Teaching and Researching Institute with the main function of constructing a training system for the staff of the Group at all levels and implementing training plans. There is an academic committee under Hygeia Healthcare Teaching and Researching Institute, which comprises both eligible experts internally selected by the Group and external experts, and is primarily responsible for training and teaching. Training courses are mainly divided into professional courses and management courses, including clinical medicine, medical technology, oncology MDT, nursing, pharmacy, business analysis, management, etc. Training programs at the Group level are mainly organized and arranged by Hygeia Healthcare Teaching and Researching Institute. Together with the Group's Human Resources Department, Hygeia Healthcare Teaching and Researching Institute will assess trainees based on their course attendance, level of participation, monthly reviews and year-end reviews.

In FY2021, the Group issued the Hygeia Healthcare Teaching and Researching Institute Plans (海吉亞醫療教學研究院方案) and the Assessment, Evaluation and Recruitment System for Senior Management of Hospitals (醫院高管考評及聘用制度) to further improve the training, performance assessment systems of the Group's talents and the recruitment mechanism of our cadres. Hygeia Healthcare Teaching and Researching Institute comprises the president, the academic committee and the academic affairs department, and is structured with three training modules, i.e., the professional group training, management training and outsourced training. The Assessment, Evaluation and Recruitment System for Senior Management of Hospitals (醫院高管考評及聘用制度) will give an objective and fair view of our hospitals' high-level cadres' value creation process and result so that the Group will be able to carry out reasonable value allocation, duty appointment and dismissal through such evaluation to foster the development of high-level cadres to align with that of our hospitals.

Our hospitals offer various orientation programs to new employees. For instance, in FY2021, the Group arranged certain theoretical training courses regarding Nursing Documentation Writing (護理文書書寫), the Laws and Regulations Relating to the Nurses Regulations (護士條例相關法律法規), Contingency Plans for Emergency Incidents: Nursing (突發事件應急預案 — 護理篇) and Nursing Safety and Self-protection (護理安全自我防護), as well as some technical operation training activities in respect of electrocardiogram monitoring, life detection and defibrillation for our new nursing staff.

Due to the COVID-19 pandemic, the Group conducted its training courses employing a combination of telephone or online video training and offline communication activities in FY2021, completed over 1,500 person times of training courses throughout the year (excluding training courses offered by hospitals).

2021 Environmental, Social and Governance Report

Case Sharing — Longyan Boai Hospital successfully held the Comprehensive Oncology Treatment Training Course (腫瘤綜合治療培訓班) and the establishment of the provincial oncology expert studio

Hosted by Longyan Boai Hospital, the Comprehensive Oncology Treatment Training Course (腫瘤綜合治療培訓班), a one-day municipal continuing education project, was held online and offline simultaneously. Certain experts and scholars, being famous locally and externally, were invited to jointly make discussions and give sharing on hot topics concerning oncology, and promoted the standardized comprehensive treatment for oncology. Despite the prevention and control measures against the epidemic, there were still nearly 50 oncology discipline related medical staff members, who are from different municipalities, districts and counties, participated in the training course in person.

Such training course has created a platform for comprehensive oncology treatment communication among peers in the industry, and also provided many precedents and references on issues concerning oncology treatment, which may have positive impacts on improving the cure rate of oncology diseases, mitigating patients' pains and improving patients' life quality.

Case Sharing — Hygeia Healthcare Teaching and Researching Institute-First training class for reserve cadres

On September 11, 2021, Hygeia Healthcare Teaching and Researching Institute's first training class for reserve cadres was carried out in Suzhou Yongding Hospital, to further enhance the planning, innovation and content expansion of the academy, which in turn build a solid foundation for medical talents development.

2021 Environmental, Social and Governance Report

Case Sharing-Hezhou Guangji Hospital commenced mid-level and senior management training

In order to further enhance the management capabilities of mid-level and senior management among the hospital, enrich the composition of management team and promote standardized, refined, scientific and personalized management, Hezhou Guangji Hospital organized mid-level and senior management training during FY2021. For senior management, the training is based on “Nine Abilities and Ten Focus of Hospital Management” (醫院管理者應當具備的九大能力和十項重點工作) and its scope covers hospital construction, service brand building, information construction, medical quality management and personalized management etc. Mid-level training focuses on analysing special tasks of the hospital, modern hospital management philosophy, core values and patterns of healthy development. Combined with case studies, outstanding developmental history and daily life examples, the training is conducted in an easy-to-understand manner, leading the trainees to be people-oriented, loyal and responsible, dedicated, as well as to improve their own qualities and enhance their cohesion and execution.



Training courses in FY2021



2021 Environmental, Social and Governance Report

Table 6 — The number and percentage of the Group's employees trained by gender and employee category in FY2021¹

				TOTAL
Total number of employees trained				3,489
Total number of employees at the end of the year				5,077
Percentage of employees trained				68.7%
Gender	Employee category			Total
	Regular Employees	Middle Management	Senior Management and Directors	
Male	904	243	41	1,188
Percentage of total employees trained	25.9%	6.9%	1.2%	34.0%
Female	2,002	282	17	2,301
Percentage of total employees trained	57.4%	8.1%	0.5%	66.0%
		Regular Employees	Middle Management	Senior Management and Directors
Total number of employees trained		2,906	525	58
Percentage of total employees trained		83.3%	15.0%	1.7%

¹ Employee training data is obtained from the Group's HR Department. Training refers to the vocational training attended by the Group's employees in FY2021. The methodology used to report the above number and percentage of employees trained is based on the "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" published by the Stock Exchange".

Table 7 — The training hours per the Group's employee by gender and employee category in FY2021¹

Gender	Employee category			Total
	Regular employees	Middle management	Senior management and directors	
Male	32,903.5	6,354.0	921.0	40,178.5
Average training hours	28.2	23.3	20.0	27.0
Female	74,680.5	7,985.5	356.0	83,022.0
Average training hours	23.3	21.6	19.8	23.1
Total	107,584.0	14,339.5	1,277.0	123,200.5
Average training hours	24.6	22.3	20.0	24.3

¹ Employee training data is obtained from the Group's HR Department. The methodology used to report the above training hours per employee is based on the "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" published by the Stock Exchange".

2021 Environmental, Social and Governance Report

B.4 Labor standards

In FY2021, the Group complies with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), and other relevant labor laws and regulations in China, prohibiting any employment of child labor or forced labor. For the purpose of strictly preventing illegal employment related to child, minors and forced labor, during the process of both internal and external recruitment to bring in outstanding talents, the Group carefully verifies all employees' ages with their official identification documents, such as identity cards, passports. The Group keeps personnel files of employees, including information such as proof of age (copy of ID card) and entry date, which are verified by the Human Resources Department every six months to prevent the occurrence of child labor.

Meanwhile, the Human Resources Department invites new employees, employees with three years of service, and employees with five years of service to hold employee seminars every six months to understand the latest situation of employees, aiming to prevent any occurrence of forced labor. The Group strengthens publicity and education for every department to enhance its awareness of compliance with PRC laws and regulations. The Group organizes training programs about preventing child labor and forced labor every six months. In addition, the Group does not force employees to work overtime and provides employees who work overtime corresponding time off to protect their due rights.

The Group's Human Resources Department is responsible for monitoring and ensuring the compliance of corporate policies and practices with laws and regulations related to preventing child labor and forced labor. For those violating our policies to recruit child or forced labor without authorization, the Group shall order to prohibit their acts, hold accountability of those directly responsible and impose heavy penalties. And for those who are in a serious case, commit such act repeatedly, or constitute crimes, the Group shall take legal action against those responsible to investigate any criminal liability by the Ministry of Justice.

In FY2021, the Group did not violate any relevant laws and regulations that have a significant impact on the Group in preventing child labor or forced labor.

OPERATING PRACTICES

B.5 Supply Chain Responsibility

The Group pursues stable and resilient supply chain, it continues to increase the ESG management over the years, at the same time, it proactively fulfills supply chain responsibilities. In FY2021, the Group strictly complies with the Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) and other laws and regulations, formulates and implements internal systems such as the Drug Procurement Management System (《藥品採購管理制度》), Supplier Management System (《供應商管理制度》) and Supplier Management Procedures (《供方管理程序》), so as to regulate the supplier access and evaluation and effectively guarantee the quality of the medical products and services.

Supplier access

The existing suppliers of the Group mainly include suppliers involved in pharmaceuticals and medical consumables, raw materials of radiotherapy equipment, construction projects and information technology systems. The Group has formulated the strict selection criteria for each type of suppliers, strictly reviewed the sales, production and other qualification certificates of the suppliers, and comprehensively considered the product quality, pricing, reputation, delivery time of the suppliers and other factors. In addition, the Group attaches great importance to the environmental and social risks of the supply chain, conducts background investigations on suppliers in respect of labor lawsuits, environmental penalties and others during the access process, and takes into account the suppliers' performance in environmental and social responsibility.

2021 Environmental, Social and Governance Report

Supplier evaluation

The Group has established the list of qualified suppliers, and conducts regular inspections and dynamic evaluations of the performance of the suppliers, such as the service level and product quality, at different stages of the project and contract execution. According to the latest scoring results, the suppliers are divided into four levels, i.e. A, B, C and D, among which, A-level suppliers are excellent suppliers and preferred partners, while D-level suppliers are unqualified suppliers and are not allowed to participate in any bidding and cooperation projects of the Group within two years, and the re-bidding must be requalified and re-reviewed. In addition, for suppliers that have material violations during the bidding and contract performance, the Group has set up a supplier blacklist to prohibit all cooperative relationships, so as to achieve the selection of high-quality suppliers and the elimination of poor-quality suppliers, urge suppliers to perform their responsibility and create a responsible supply chain.

Green procurement principles

The Group actively develops a green supply chain and incorporates green procurement principles into its procurement practices and supply chain environmental risk management approaches. Quality priority, price priority, and ISO14001 EMS qualification are principles and requirements to be incorporated into the Group's procurement standards. In particular, the Group implements its green procurement principles by considering environmental-friendly factors at all stages of supplier selection, product evaluation, order review, product acceptance, quality inspection and usage assessment.

The above supply chain management policies, supplier engagement management, and green procurement policies apply to all of the Group's suppliers. These policies covering approximately 42,712 purchased products are implemented by the procurement team and monitored by the Pharmacy and Laboratory Department. In FY2021, the Group maintained cooperation with a total of 465 major suppliers, all of which are located in Mainland China. The Group's quantitative supply chain information is based on the aggregated procurement information from the Group's in-network hospitals in FY2021.

2021 Environmental, Social and Governance Report

B.6 Product Responsibility

As an oncology-focused healthcare group, the Group endeavors to create excellent hospital branding in the regional medical industry with a graceful environment, superb technology, and high-end medical equipment; and strives to escort our people's health and welfare by providing excellent diagnosis and treatment technology, high-quality service, and graceful service environment. Adhering to the corporate vision of "making medical treatment warmer and life healthier", the Group continues to improve its service quality of diagnosis, treatment, rehabilitation, preventive health care, and health education, and provide high-quality medical services to our patients based on medical science, at the same time with the help of medical equipment and consumables, in strict compliance with relevant national medical and health laws and regulations and medical treatment regulations. In FY2021, the Group complied with relevant laws and regulations of the PRC in respect of health and safety, advertising, labeling and privacy matters of the medical products and services provided, including but not limited to:

- Law of the People's Republic of China on the Promotion of Basic Medical and Health Care (《中華人民共和國基本醫療衛生與健康促進法》);
- Law on Doctors of the People's Republic of China (《中華人民共和國醫師法》);
- Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》);
- Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》);
- Regulation on the Administration of Medical Institutions (《醫療機構管理條例》);
- Regulations on the Handling of Medical Accidents (《醫療事故處理條例》);
- Regulation on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》);
- Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》);
- Measures for the Administration of Medical Quality (《醫療質量管理辦法》);
- Measures for Complaint Management of Medical Institutions (《醫療機構投訴管理辦法》); and
- Measures for Supervision and Administration of Drugs of Medical Institutions (《醫療機構藥品監督管理辦法》).

2021 Environmental, Social and Governance Report

With a focus on strengthening the institutional education of the Group's hospitals, enhancing medical quality management, facilitating all doctors to fully understand the requirements of various laws and regulations, as well as the Group's policies, ensuring medical quality and safety, and making sure the implementation of quality responsibility, the Group has formulated and implemented a series of internal systems, including the Administrative Measures on Work of the Quality Control Committee (《質量控制委員會工作管理辦法》), the Medical Safety (Adverse) Incident Management System (《醫療安全(不良)事件管理制度》), the Drug Traceability and Management System (《藥品追蹤溯源管理制度》), the Medical Accident Handling Mechanism and Contingency Plan (《醫療事故處理機制及應急預案》), striving to continuously strengthen our mechanisms of medical quality control, medical incident handling and pharmaceuticals quality management, which continuously improved our healthcare standard and quality.

Medical products and services quality

The Group builds up a quality control committee (hereafter referred to as the “**Quality Control Committee**”), which has professional sub-committees including the medical committee, the nursing committee, the nosocomial infection control committee and so on. Such committee is responsible for formulating and improving the quality control standard of the Group as well as assessing and monitoring the quality control of healthcare services of our in-network hospitals. The Quality Control Committee and each professional sub-committee also organize the in-network hospitals to conduct periodic self-examination and supervise the rectification of problems in each in-network hospital. The Group's in-network hospitals set up their own medical department, nursing department, quality control department, nosocomial infection division, etc., and establish 8 quality control committees, including medical quality control committee, pharmaceutical affairs committee, blood transfusion management committee, etc., at the same time, create a hospital-departmental quality control system and a series of quality control schemes to maintain the quality and safety of medical services in all aspects. The Group organizes expert teams to conduct two on-site inspections on each in-network hospital every year, links the results of hospital self-examination and on-site inspections with performance appraisal to urge medical staff in each hospital to optimize the quality of their work.

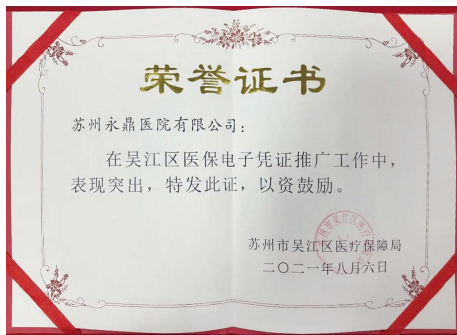
To ensure drug safety, the Group strictly implements internal policies and regulations, including Track and Trace of Drugs, Inspection and Storage of Drugs, and Drug Safety Management.

- **Track and Trace of Drugs:** Strictly control the qualifications of pharmaceutical suppliers, record the name, registration certificate number or record voucher number, specification and model, date of manufacture, manufacturer and other information of drugs through the information system, and conduct real-time electronic data interchange with the pharmaceutical manufacturers to achieve the traceability of the whole process of pharmaceutical operation.
- **Inspection and Storage of Drugs:** Inspect the product specifications, outer packaging, and transportation conditions of the delivered drugs. The delivery can only be accepted after the inspection results are qualified; After inspection and acceptance, store the drugs in separate warehouses and areas and take measures to protect the drugs from light, poor ventilation, moisture, and insects according to the characteristics of drugs. The relevant department carries out regular stocktaking of drugs and communicates with suppliers in time for the return and exchange of medicines that are approaching the expiration. The relevant department removes drugs that are approaching the expiration from the shelves in time and arranges a qualified third party to destroy them.

2021 Environmental, Social and Governance Report

- Drug Safety Management:** Establish a monitoring and reporting mechanism for adverse drug reactions, and require hospitals to collect and record such adverse drug reactions in detail, and report such reactions on a timely basis. Meanwhile, hospitals shall analyze and assess the collected adverse drug reaction reports and monitor information to reduce and prevent reoccurrence of such adverse drug reactions.

Exposing to unexpected medical adverse event potentials, the Group is in strict compliance with our emergency management policies such as Medical Safety (Adverse) Incident Management System (《醫療安全(不良)事件管理制度》), which provide strict rules on the types and levels of and reporting procedure for medical adverse incidents and standardize the relevant procedures, including on-site treatments, physical evidence preservation, and post-accident measures, to ensure that medical accidents are properly handled and the interest of patients are protected. The Group formulates and implements the Drug Recall Management System (《藥品召回管理制度》) to handle potential drug safety events. The Group conducts hierarchical recall of drugs with potential safety hazards that have already been sold by drug manufacturers or sales companies in accordance with the prescribed procedures. Relevant departments are responsible for the information collection, management, and release of recall notices of recalled drugs, detailed records of recalled drugs, and destruction in accordance with regulations to ensure the drug safety of the public.



Case Sharing – Suzhou Yongding Hospital had been rewarded for promoting electronic medical insurance certificates

On August 6, 2021, Suzhou Yongding Hospital was awarded an honorary certificate from Suzhou Wujiang District Medical Insurance Bureau for its outstanding contributions to promoting electronic medical insurance certificates in Wujiang District. The hospital will continue to put efforts into promoting electronic medical insurance certificates, in order to bring further convenience to the public when seeking medical treatment.

Case Sharing – continuous implementation of “treat patients as your family” project

The Group understands that window service is an important element of the overall hospital service. It is the upfront service of the hospital with direct contact with patients, a crucial part in ensuring the quality of our medical services. In FY2021, Shanxian Hygeia Hospital actively responded to the “medical institutes implementing ‘treat patients as your family’ project” initiated by the county health bureau. It established outstanding window services, created a positive, professional and efficient image of window services, provided patients with warm and efficient window services, carried out the “civilized services that warms people’s hearts and window services that satisfies patients” activity, strengthened service awareness, standardized service behavior and improved service attitude.

2021 Environmental, Social and Governance Report

Management on Labels and Advertisement

The Group strictly complies with relevant PRC regulations such as the Provisions on the Administration of Pharmaceutical Directions and Labels (《藥品說明書和標籤管理規定》) and standardizes the medicine application instruction and introduction. The Group's promotional advertisement complies with requirements including the Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》) and the Measures for the Administration of Medical Advertisements (《醫療廣告管理辦法》). We carry out promotions based on the principle of truth and accuracy and follow the guidelines provided by medicine regulatory departments. Hospitals of the Group have established dedicated business expansion department, which is responsible for carrying out promotion through various medical activities. All information must be reviewed by the Group before publication.

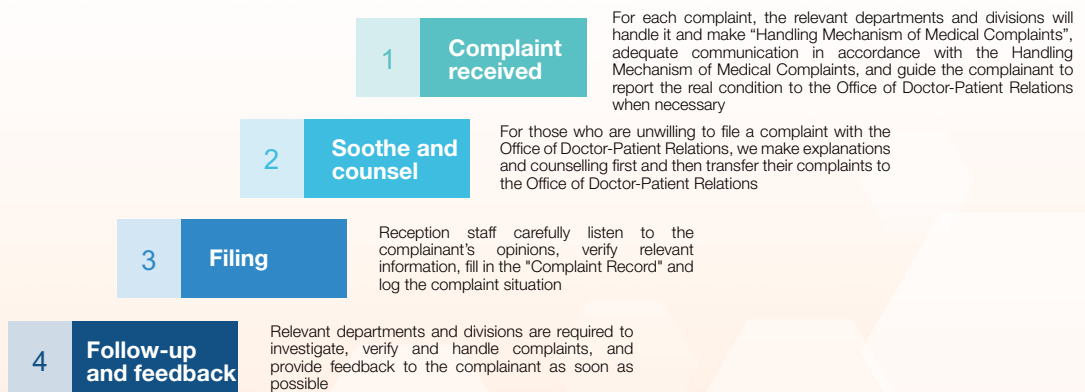
Suggestion and Complaints

The Group stringently abides by the Measures for Complaint Management of Medical Institutions (《醫療機構投訴管理辦法》), the Regulation on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》) and other laws and regulations. We have formulated internal regulations such as the Reception and Handling Process System of Patient Complaints (《患者投訴接待處理流程制度》) and other internal policies to ensure a good and efficient communication mechanism with patients. We provide outstanding and comprehensive medical services to satisfy patients' needs and enhance their medical experience. As prescribed by the internal policies, each hospital is required to regularly report medical dispute and complaint data to the Group's Quality Control Committee. After summarizing and analyzing the complaint data of each hospital, the Group arranges case study and experience summary learning for various complaints to further improve services of each hospital.

Case Sharing

During the FY2021, the Group received 12 complaints regarding our hospitals, the respond rate and resolve rate reached 100%, all complaints have been duly handled. Hospitals of the Group adhere to the principles of seeking the truth. Once a complaint is received, we will carry out a throughout investigation and handle the any negative impact unintentionally caused with discrete. Meanwhile, we establish improvement plans for real issues to avoid re-occurrence of similar issues.

Handling Process of Medical Dispute Complaint



2021 Environmental, Social and Governance Report

The Group has set up a satisfaction survey team, which conducts patient satisfaction surveys regularly through telephone and on-site return visit. In the meantime, all hospitals follow up the satisfaction of inpatients and discharged patients by virtue of questionnaire survey and telephone follow-up every month and make feedback and follow-up on the survey results.

Patients' Privacy

Patients' medical information is the major customer privacy of the Group. The Group is aware that safeguarding patient's privacy is our obligation. We have established dedicated department and personal to handle and manage medical records in a standardized manner according to the Regulations on Medical Records Management by Medical Institutes.

The Group stringently abides by the laws and regulations such as the Information security technology-Personal information security specification (《信息安全技術個人信息安全規範》) and Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and have enacted and implemented internal policies including Data Information Security System (《數據信息安全制度》), the Database Security Management Regulations (《數據庫安全管理規範》) and the Hospital Confidentiality System (《醫院保密制度》). According to the principles and requirements of hospital information security management, the Group tightly encrypts and manages patient privacies like patient names, medical history and medical records to strengthen information security and privacy protection.

Regularly update the management system

Carry out regular review and revision of information security management systems to meet the latest needs of information security management of the Group. For example, to constantly enhance information management of the Group, no internal or external staff could access patient's personal information or digital medical records without prior authorization. Such data could only be access with permission from hospital head or executive director.

Sign confidentiality agreements with employees

Sign the Information Security Confidentiality Agreement (《信息安全保密協議》) with employees and urge employees to fulfil their responsibilities for confidentiality accordance with the Confidentiality System (《保密制度》) to prevent and eliminate various leaks.

Daily supervision and inspection

Conduct regular inspections of the system database and data storage of computer room in the Group and each hospital to ensure the security of the system data and the physical environment.

Arrange information security training

Employees should complete computer operation and maintenance, information system security and confidentiality training before starting the job and can only take up the post after obtaining the "Qualification Certificate". They are also required to receive continuing security education and lectures as well as information security training, to further strengthen information security and privacy protection awareness.

2021 Environmental, Social and Governance Report

Information Security Management System

The Group's hospitals actively implement the requirements of the internal management system, and closely manage the authority and password of the information system. The internal HIS system and the external public network of each hospital are physically separated, while all USB ports of internal network equipment are firmly prohibited to avoid data leakage. Moreover, the Group conducts daily local and remote backups of system data, as well as regular recovery tests of data backup, intensifying the defense capabilities of the information system to ensure the security and accuracy of system data. In addition, each hospital of the Group safeguard information security by ways of authority management, database management and password management to avoid data leakage. At present, the Group has passed the certification of the national information security level protection III.



Authority management

- Impose authority restrictions based on different job positions, restrict the scope of data accessible to employees;
- Promptly disable system accounts of departed employees, periodically review system accounts authorities to ensure person-authority consistency.



Database management

- The database server is used separately and maintained by designated personnel;
- Regularly review the administrator's operation logs at the system application level and database level, and regularly improve the security configuration of the operating system to ensure the security and compliance of data operation.



Password management

- Establish a strict password approval and authorization process, and conduct unified management of passwords;
- Set requirements for the complexity and length of system passwords, specify the maximum lifespan of passwords, and prohibit the use of the restored password storage function to ensure the password security.

Product innovation and intellectual property rights

The Group considers innovation a trend to adapt to economy globalization and new technology revolution of the world. The high-quality innovation and development of the Groups' hospitals relates to the wellbeing and safety of the public. This social benefit is the motivation of the Group to constantly pursue superb medical technologies, introduce advanced technological equipment, provide outstanding services and cultivate technological talents. During FY2021, the Group actively pursues medical technology and service innovation with an aim to enhance patient satisfaction.

2021 Environmental, Social and Governance Report

Case Sharing — One subsidiary was once again recognized as “High and New Technology Enterprise”

In 2020, the Group’s subsidiary, Shanghai Gamma Star Technology Development Co., Ltd., received the “High and New Technology Enterprise Certificate” jointly issued by Shanghai Municipal Committee of Science and Technology (上海市科學技術委員會), Shanghai Municipal Bureau of Finance (上海市財政局) and Shanghai Municipal Tax Service of the State Administration of Taxation (國家稅務總局上海市稅務局), valid for three years.



The Group strives to enhance its intellectual property right protection, and has strictly complied with requirements including the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) and the Enterprise Intellectual Property Management (《企業知識產權管理規範》). We have formulated and implemented strict internal policies to fully safeguard our enterprise intellectual properties. The Group actively applies intellectual properties for any newly self-developed logos, labels, product design or technologies and appoints legal advisors to provide professional legal advice on intellectual property protection. The Group appoints internal legal personnel to inspect and prevent our intellectual properties being infringed, meanwhile requires our staff to safeguard commercial secrets and other proprietary intellectual properties. During the FY2021, the Group has accomplished various research projects, namely Study on the correlation between home medication compliance and quality of life in of Hakka hypertension patients in urban and rural areas of Hezhou City (《賀州市城鄉客家高血壓患者居家用藥依從性與生活質量相關性研究》), Clinical study of minimally invasive treatment of elderly patients with hip fractures with PFNA technology (《運用PFNA技術微創治療老年髖部骨折的臨床研究》), Ultrasound evaluation of the effect of early rehabilitation therapy on diaphragmatic function in patients with septic shock and mechanical ventilation (《超聲評價早期康復治療對膿毒性休克機械通氣患者膈肌功能影響的研究》), Application of ultrasound-guided percutaneous transluminal angioplasty (PTA) in the stenosis of internal fistula in patients with maintenance hemodialysis (《超聲引導下經皮腔內血管成形術(PTA)在維持性血透患者內瘻狹窄中的應用》) and Clinical application of standardized interventional therapy for acute severe ischemic stroke (《急性重症缺血性腦卒中規範化介入治療的臨床應用研究》), etc.

During the FY2021, the Group had no recalls on sold products. During the FY2021, the Group had not violated laws and regulations in relation to product health and safety, advertisement, labels and privacy which have a significant impact on the Group.

2021 Environmental, Social and Governance Report

B.7 Anti-corruption

The Group strictly complies with the anti-corruption and bribery laws and regulations of the PRC and places of operation, including the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) and Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》). We have established and implemented the Anti-Corruption and Anti-Bribery Letter of Commitment (反腐敗、反賄賂承諾書) and other internal rules and regulations, to urge all employees to follow the principle of "law-abiding and integrity" and resolutely forbid commercial bribery, bribery, and offering or accepting other improper benefits. The Group requires all of our new employees to sign an anti-corruption confirmation, which expressly prohibits corrupt activities such as financial impropriety, immorality and fraudulent activities, and clarifies the punishment measures for fraud and corruption. Human Resources Department of the Group monitors the entire process and execution of relevant policies.

The Group established various reporting channels such as hotline and email, and regularly held special trainings on anti-corruption and promotion of integrity to enhance employees' legal and ethical awareness and reduce the risk of fraud. The Group is determined to eliminate all corruption within the supply chain. We will issue a declaration on anti-corruption to cooperation partners before entering into all business to inform them of our policies on anti-corruption and anti-bribery. We also require suppliers to sign contracts containing anti-bribery provisions to reduce the risk of third-party corruption. In case of suspicious criminal behaviours, the Group will immediately inform relevant regulatory institutions or law enforcement if our management considers necessary.

During the FY2021, the Group organized anti-corruption training, including the definition of commercial bribery. Through explaining requirements under the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), the Opinions on Issues concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies (《關於辦理商業賄賂刑事案件適用法律若干問題的意見》) and other laws and regulations, the attendees came to realize the types and forms of commercial bribery and related legal obligations upon violation. Since the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) stipulated eight charges regarding commercial bribery, its underlying elements and types are complicated. Therefore, the Group explained each charge in detail during the training and in combination with our business nature, provided classic examples of commercial bribery in the medical industry, with an aim to help attendees understand and identify criminal behaviours.

Table 8 — FY2021 Anti-corruption training information of the Group

Number of anti-corruption lecture/training (Unit: section(s))	Total number of hours of relevant lecture/training (Unit: hour(s))	Number of participating management personnel (Unit: person(s))	Number of participating employees (Unit: person(s))
28	42	365	939

During the FY2021, there are no anti-corruption legal cases in which the Group or its employees were involved. The Group had not violated any bribery, extortion, fraud or money laundry related laws and regulations which have a significant impact on the Group.

2021 Environmental, Social and Governance Report

Community**B.8. Community Events Investments**

The Group actively performs its corporate social responsibilities and infuse the philosophy of good corporate citizenship into the Group's long term sustainability blueprint. We give back to the society with no holding back, promote community development, safeguard the people's well-being. Leverage on our strengths, we assume social responsibility without hesitation and play a bigger and more proactive role in promoting "common prosperity".

During the FY2021, the Group's strategic highlight of performing social responsibilities include devoting itself in fighting against the pandemic, caring for the disadvantaged, enhancing health care education, participating in social services and aiding public welfare activities. We actively organize and participate in various meaningful events in the relevant field, work hard to promote the harmonious co-existence of enterprise, community and the whole society.

*Devoted in fighting the pandemic*Case Sharing — Medical staff of Longyan Boai Hospital provided instant support in fighting the pandemic in Putian

On September 12, 2021, Longyan Boai Hospital rapidly organized a support team to provide instant support in pandemic control in Putian in response to the instructions from competent department.



2021 Environmental, Social and Governance Report

Case Sharing — Frontline support by medical professionals of Suzhou Yongding Hospital

In 2021, Suzhou Yongding Hospital sent out medical staff to the outbreak frontlines in Nanjing and Yangzhou. Their selflessness acted as a shield against the virus. In the meantime, medical staff from Suzhou Yongding Hospital also fulfilled their duties in battling the pandemic, protecting the residents of Wujiang in a concerted effort.

To comply with the calls for COVID-19 vaccination and increase the vaccination rate within Wujiang district, two employees from the Suzhou Yongding Hospital stuck to their posts and provided vaccination consistently, and were recognized as “2021 Outstanding Individuals for Their Contribution to COVID-19 Vaccination in Wujiang District Healthcare System” by the Wujiang District Health Commission.



2021 Environmental, Social and Governance Report

Case Sharing — Various in-network hospitals of the Group participated in anti-pandemic efforts



As a designated hospital for COVID-19 nucleic acid testing in the high-tech zone, Chongqing Hygeia Cancer Hospital coordinated resources from different departments, deployed personnel and supplies to combat the pandemic, ensuring that nucleic acid testing within and without the hospital was conducted in an orderly manner. The hospital also conducted nucleic acid sampling for employees, teachers and students from over 40 enterprises and institutions, building a safety barrier that protected public lives.



Under the arrangement of competent authorities, Suzhou Canglang Hospital also participated in the sampling and testing of nucleic acid. They assisted with door-to-door, around-the-clock testing for designated persons such as employees in train station and railway stations and taxi drivers. Our medical personnel also visited various institutions, such as primary schools in the Gusu District, the Soochow University and the Suzhou Polytechnic Institute of Agriculture, to provide onsite nucleic acid sampling and testing for teachers and students.

2021 Environmental, Social and Governance Report

Caring for the underprivileged

Case Sharing — Suzhou Yongding Hospital and Suzhou Canglang Hospital qualified as provincial and municipal “Elderly-friendly Medical Organization (老年友善醫療機構)”, respectively

As population ageing intensifies, people are living longer and diseases induced by old age are gaining more attention. The Group actively responds to the “Opinion of the State Council of the PRC on Strengthening Elderly Care in a New Age (《中共中央國務院關於加強新時代老齡工作的意見》)”. Physicians from the geriatric department of the Group’s hospital, have years of clinical experience accumulated from long periods of service. They adopt a holistic approach to diagnosis and treatment, administer medications that strike a balance between various organs and systems. As such, elderly patients enjoy medical services that are speedy, comprehensive, rational and effective.

During 2021, Suzhou Yongding Hospital and Suzhou Canglang Hospital qualified as a provincial and municipal “Elderly-friendly Medical Organization”, respectively. Suzhou Yongding Hospital and Suzhou Canglang Hospital will take this opportunity to follow the philosophy of “respecting, nursing, loving and assisting the elderly”, firmly focus on elderly-friendly services, constantly improve the health management of elderly patients, and provide them with a safer, friendlier and more comfortable medical environment, safeguarding the health of citizens.

2021 Environmental, Social and Governance Report

Case Sharing — Chongqing Hygeia Cancer Hospital was granted the honorary title of “Organization Caring for the Disabled (愛心助殘單位)” in 2021

Over the years, Chongqing Hygeia Cancer Hospital adheres to its philosophy and stays true to its mission. It focused on fulfilling social responsibilities by bringing warmth and care to the disabled, helping them to lead a fulfilling life, as a way to give back to society and spread kindness. On December 3, 2021, Chongqing Hygeia Cancer Hospital was granted the honorary title of “Organization Caring for the Disabled (愛心助殘單位)” in 2021 by Chongqing Welfare Foundation for Disabled Persons (重慶市殘疾人福利基金會) and the High-tech Zone Government Services and Social Affairs Center (高新區政務服務和社會事務中心).

Case Sharing — Longyan Boai Hospital organized charity activities for “International Day of Disabled Persons”

On December 1, 2021, the eve of the 30th “International Day of Disabled Persons”, the Longyan Municipal Committee of Democratic National Construction Association, Foundation for Disabled Persons in Longyan, Fujian Province and Longyan Boai Hospital jointly held healthcare activities in the care home for disabled persons. Over the years, Longyan Boai Hospital focused on charity and social responsibility. It has helped the disabled by providing both mental and physical assistance, showing them care and warmth from the society.

Case Sharing — Various in-network hospitals of the Group organised “respect the elder” Chong Yang Festival activities

During 2021, various in-network hospitals of the Hygeia Group organised “respect the elder” Chong Yang Festival activities.

Medical professionals from the Suzhou Canglang Hospital visited bed-ridden elders in Gusu district’s nursing homes. During the visits, medical staff offered greetings and comfort to the elders, provided free consultation, measured blood pressure and blood sugar level, provided instructions on medication and answered questions the elders encountered in everyday life. In addition, Suzhou Canglang Hospital organised a gratuitous consultation event for the residents of Lanxi community, providing health consultation, Traditional Chinese Medicine (“TCM”) physiotherapy and free haircuts to the elderly, who expressed their welcome and appreciation.

Medical professionals from Shanxian Hygeia Hospital delivered free healthcare services to the elderly in Ziyudong County. They conducted blood sugar and blood pressure measurement, ECG examination, B ultrasound, and answered health related questions patiently.

Medical staff from the Chengwu Hygeia Hospital visited the elderly residence in Chengwu county welfare centre and offered gratuitous consultations. During the event, attentive medical professionals measured the elders’ blood pressure, blood sugar, ECG, conducted eye checks for eye disease screening, inquired about clinical history and medication history, answered questions patiently and dutifully. They also provided customised recommendations to the elders based on their body condition and diet, educated them on general healthcare, raising the residents’ awareness in self-care and disease prevention.

In addition, Heze Hygeia Hospital and Hezhou Guangji Hospital organized a health check event with a Chong Yang Festival discount. Suzhou Yongding Hospital established a geriatrics outpatient department, providing an green channel to seniors over 60, showing concern for the elderly’s health.

2021 Environmental, Social and Governance Report

Case Sharing — Chongqing Hygeia Cancer Hospital organized the commencement ceremony for visiting people in need

On February 2, 2021, the commencement ceremony for “Help the Poor and Move Forward with Love” activity for visiting people in need was successfully held in Chongqing Hygeia Cancer Hospital. The event was jointly organized by the Chongqing Social Assistance Foundation and the sponsors for “Help the Poor” special fund, with an aim to enhance protection for people in need. Representatives from the Chongqing Social Assistance Foundation and the sponsors for “Help the Poor” special fund visited poverty-stricken cancer patients during the winter, delivered care and warmth to patients and families in need, boosting their confidence in combating sickness, so they can continue their treatments and have a positive attitude towards life.

Our efforts in health education

Case Sharing — Multiple in-network hospitals of the Group organized events on cancer prevention and treatment awareness

To promote a healthy lifestyle and a scientific approach to combatting cancer among the public, various in-network hospitals of the Group organized a series of events on cancer prevention and treatment during the 2021 National Cancer Prevention and Treatment Awareness Week.

Chongqing Hygeia Cancer Hospital and multiple renowned Class-3A hospitals jointly organized a series of live streaming public welfare events on the theme of “Caring for Lives, Preventing Cancers with Scientific Methods”. Over 50 live events were held, which promoted general health education to the public.

As a designated hospital for cancer treatment in the Heze Economic Development Zone, Heze Hygeia Hospital sent medical professionals to the Longshan community for gratuitous consultation as a part of the National Cancer Prevention and Treatment Awareness Week, with the theme of “A Healthy Country and Home — Caring for Lives, Preventing Cancers with Scientific Methods”.

Chengwu Hygeia Hospital and Chengwu County Labor Union jointly organized the general education event “Cancer Prevention for a Healthy Future” for workers in the county, which educated workers on the healthcare knowledge on cancer prevention and treatment. Looking forward, Chengwu Hygeia Hospital will organize health talks on the topic of cancer prevention in various administrative departments and corporations in the county, to promote a scientific and healthy way of living.

2021 Environmental, Social and Governance Report

Case Sharing — Shanxian Hygeia Hospital offered gratuitous consultations with the theme of “learn from Lei Feng”

On the morning of March 5, 2021, sponsored by the Party Branch of Shanxian Municipal Health Commission and undertaken by Shanxian Hygeia Hospital, the “Learn from Lei Feng Volunteer Service 2021” large-scale free clinic event was held in the Shanxian Taixin Garden community. The aim of this event was to promote the spirit of Lei Feng in the new era, spread the volunteering spirit of “dedication, fraternity, helping each other and progress”. Experts of the free clinic team made detailed inquiries about the residents’ body condition, educated them on everyday healthcare tips and ways to prevent cancer, and conducted routine checks for the residents.

The free clinic event enhanced the residents’ awareness in hygiene and health, and also reinforced the positive image of the hospital as a public servant.



Case Sharing — World COPD Day — Shanxian Hygeia Hospital offered gratuitous consultations to the public

On November 17, 2021, World COPD Day, the Pulmonary and Critical Care Medicine Department of Shanxian Hygeia Hospital offered gratuitous consultations to the public at the hospital’s outpatient lobby. Experts educated the patients and their families on COPD related information, such as incidence rate, mortality rate, causes, common symptoms and assisted examinations. The gratuitous consultation event was able to raise the public’s awareness on COPD. Shanxian Hygeia Hospital will continue to provide high quality medical services with a caring and professional attitude.

Participation in community services

Case Sharing — Suzhou Canglang Hospital organized “Medical Services at Home” activities

On May 15, 2021, Suzhou Canglang Hospital commenced the third season of “Medical Services at Home” activities, a medical team from the oncology rehabilitation department visited various families and offered care, medical service and attention to discharged patients.



2021 Environmental, Social and Governance Report

Case Sharing — Longyan Boai Hospital set up a community medical service station

A medical service station, jointly established by Longyan Boai Hospital and the community of Hongtanshan, Hongfang Town, Xinluo District, commenced operation on May 29, 2021. The hospital assigns experts or medical specialists to the medical service station to provide services by appointment, such as family doctor appointment, disease assessment, compiling disease spectrum, TCM medication, health-related interactive WeChat group and home visits for special groups. If residents need special treatments, they may make appointments through their family doctors, who build a channel with medical specialists to serve patients' medical needs.

*Participate in public welfare activities*Case Sharing — Suzhou Canglang Hospital completed the first blood donation event of 2021

On February 18, 2021, the staff of Suzhou Canglang Hospital participated in the first blood donation event of 2021 during their lunch break. A total of 40 donors gave 12,400 ml of blood.

2021 Environmental, Social and Governance Report

Each year, Suzhou Canglang Hospital actively organises blood donation events, where healthcare professionals demonstrate the spirit of “Respect and Care for Life, Save Lives and Cure the Injured, Ready to Sacrifice, Give Love without Boundaries (敬佑生命、救死扶傷、甘於奉獻、大愛無疆)”, showcasing the dedications of medical practitioners and the vision of “making healthcare services more accessible and affordable (讓醫療更溫暖)”.



2021 Environmental, Social and Governance Report

Case Sharing — Chengwu Hygeia undertook the public welfare activity “Care the Health for Female Staff” in Chengwu county

On May 26, 2021, under the guidance of United Front Work Department of the Chengwu County Committee (成武縣委統戰部), the public welfare activity “Care the Health for Female Staff (關愛女職工健康)” sponsored by the Chengwu County Federation of Industry and Commerce (成武縣工商聯) and Chengwu County Women’s Association (成武縣婦聯) and undertaken by Chengwu Hygeia Hospital, commenced successfully. Gynaecologists from Chengwu Hygeia Hospital participated in a variety of activities, such as lectures on women’s health and consultation on women’s healthcare, which promoted knowledge in women’s health, helped female staff to establish a healthy lifestyle, ensuring an effective healthcare system for our female staff.

Case Sharing — Fundraising events organized by in-network hospitals of the Group

Longyan Boai Hospital made a donation of RMB50 thousands to Fujian Liangye Welfare Foundation for Disabled Persons (福建省梁野殘疾人慈善基金會), with an aim to improve the living standards of the “sick-and-disabled, old-and-disabled and disabled families”. Our initiative was highly acclaimed by such authorities as the government of Wuping county (武平縣政府), Disabled Persons’ Federation of Wuping County (武平縣殘聯) and Foundation for Disabled Persons of Wuping County (武平縣殘疾人基金會). Longyan Boai Hospital was granted the honorary title of “Enterprise with Special Contribution (特別貢獻企業)”.

Heze Hygeia Hospital and Chengwu Hygeia Hospital organized “Charity Donation Day”. All departments of both hospitals participated in the event and raised over RMB30 thousands. This event received recognition from competent authorities.

2021 Environmental, Social and Governance Report

VII. MAJOR HONORS AND AWARDS OF THE YEAR

As of January 1, 2022, the Group, its in-network hospitals and medical professionals have obtained the following honors and awards:

No.	Award	Awarded Time
1	Enterprise with Grade A Labor Protection Credibility in Suzhou Gusu District 2020	May 2021
2	Suzhou Gusu District Labor Relations Harmony Enterprise 2020	July 2021
3	Wujiang District Labor Relations Harmony Enterprise 2020	December 2021
4	Organization with Outstanding Internal Safety and Security in Heze City 2021	January 2022
5	Advanced Unit of Innovative Service in Private Hospital of Heze City 2021	January 2022
6	2021 Guangxi Medical Record (Medical Insurance DRG Payment) Writing Competition Final Round – Team Second Prize	September 2021
7	2021 Heze City Excellence Organization Award in Fitness Walking in Celebration of the 100th Anniversary of the Communist Party of China	February 2021
8	Strategic Partner in Public Welfare of the Chengwu County Young Volunteers Association	March 2021
9	Second Prize in “High Quality and Safety” Healthcare Quality Improvement Standards of Chongqing High-tech Zone	December 2021
10	Dianhutun Sub-district Advanced Unit in Grass-roots Party Building 2020	February 2021
11	Dianhutun Sub-district Advanced Unit in Pandemic Prevention and Control 2020	February 2021
12	“Enterprise with Special Contribution in Helping Disabled Persons” by Fujian Liangye Welfare Foundation for Disabled Persons	July 2021
13	Enterprise with Outstanding Contribution in Gusu District 2020	February 2021
14	Team Second Prize in the Second First-aid Skills Contest of Gusu District 2021	September 2021
15	Gusu District Charity Donation Certificate	October 2021
16	Outstanding Member of Guangxi Non-State-Operated Economic Organization and Social Organization Party Workers Association	January 2021
17	Hezhou City “Be Grateful and Follow the Party” Patriotic Song Singalong Outstanding Video – Third Prize	September 2021
18	2021 Hezhou City Advanced Unit in Monitoring Adverse Effects/Incidents of Medications, Medical Equipment and Cosmetics	February 2021
19	Suzhou Province Elderly-Friendly Medical Organization	December 2021
20	Organization Caring for the Disabled in Longyan City	December 2021
21	Member Organization of Longyan City Elderly Healthcare Promotion Council	December 2021
22	Longyan City Volunteers Association Caring Unit	December 2021
23	Shanxian County Caring Unit 2021	January 2022
24	Advanced Unit in County-wide United Front Work of Shanxian County	May 2021
25	First Prize for Private Medical Institution in Wujiang District “Lawful Operation and Service Integrity” Skills Competition	September 2021
26	National Advanced Grassroots Party Organization of the CCP Central Committee	June 2021

2021 Environmental, Social and Governance Report

No.	Award	Awarded Time
27	Worker Pioneer of All-China Federation of Trade Unions	April 2021
28	Outstanding Individual in Medical Insurance Management 2020	April 2021
29	Second Prize in "Healthcare Lecture Competition" of Fujian Medical Care Association Dialysis Specialty Training Programme 2021	August 2021
30	Third Prize in 2021 Hezhou Medical Care Technical Competition	May 2021
31	Third Prize in 2021 National Pharmaceutical Professional Competition	February 2021
32	Second Prize in 2021 Suzhou Operation Room Medical Care Technical Competition	October 2021
33	Winner in 2021 Suzhou Operation Room Medical Care Technical Competition	October 2021
34	Outstanding Individual Winner in 2021 Wujiang District HIV Prevention Technical Competition	December 2021
35	2021 Wujiang District Hygiene and Healthcare Role Model in Lawful Operation and Service Integrity	September 2021
36	Individual Third Prize in the Second First-aid Battle Contest of Gusu District 2021	September 2021
37	"Excellent Nurse" of Hezhou City Healthcare System	May 2021
38	Hezhou City Outstanding Party Affairs Worker	June 2021
39	The Most Admirable Nurse of Kaiyuan City	May 2021
40	The Most Admirable Physician of Kaiyuan City	May 2021
41	Outstanding Nurse of Longyan City	May 2021
42	Second Prize in Wujiang District Selection Round of Suzhou Dialysis Technical Competition	December 2021
43	Third Prize in Wujiang District COVID-19 Pandemic Prevention and Control (Disease Prevention and Control) Technical Competition and COVID-19 Vaccination Technical Competition	October 2021

2021 Environmental, Social and Governance Report

VIII. LIST OF INDUSTRY ASSOCIATIONS PARTICIPATED

As of December 31, 2021, the Group, its in-network hospitals and medical professionals have participated in the following industry associations:

No.	Name of Association	Membership Level
1	Chongqing Industry-University-Institute Collaboration Association	General director
2	Chongqing Social Medical Institutions Association	Vice president
3	2nd Session of Guangxi Anti-Cancer Association-Thyroid Cancer Branch	Committee member
4	Fujian Association of Medical Exchanges Across the Taiwan Straits – Breast Tumor Minimal Invasion and Non-invasion Branch	Director
5	Fujian Hospital Management Association – Private Hospital Management Branch – Society of Anesthesiology	Vice chairman
6	Fujian Association of Traditional Chinese Medicine Constitution Recuperation	Standing director
7	Guangxi ASEAN Women and Children’s Health Promotion Center	Specialist
8	Guangxi Non-public Medical Institutions Association – Health Assessment Professional Committee	Vice chairman, member
9	Guangxi Non-public Medical Institutions Association – Anesthesiology Professional Committee	Vice chairman, Standing committee member, Member
10	Guangxi Non-public Medical Institutions Association – Hospital Infection Management Professional Committee	Vice chairman
11	Guangxi Association of Rehabilitation Medicine – 1st Session of Tui Na and Rehabilitation Professional Committee	Standing committee member
12	Guangxi Medical Association – 13th Committee of the Radiology Branch	Committee member
13	Guangxi Medical Association – 10th Committee of the Neurology Branch	Committee member
14	Guangxi Medical Association – 11th Committee of the Digestive Diseases Branch	Committee member
15	Guangxi Association of Integrative Medicine – Spine and Spinal Cord Surgery Branch	Committee member
16	Guangxi Association of Traditional Chinese Medicine – 1st Session of the Intensive Care Medicine Branch	Standing committee member
17	Heze Practice Base for “Patriotic Struggle and Meritorious Services”	Member
18	Heze Demonstration Point for Establishment of Eight Red Brands of Grass-roots Party Building Work	Member
19	Heze Private Hospital Association	Member entity
20	Hezhou Obstetrics Quality Control Center	Specialist
21	Hezhou Medical Association – 1st Session of Intensive Care Medicine Branch	Committee member
22	Hezhou Medical Association – 1st Committee of the Emergency Medicine Branch	Standing committee member

2021 Environmental, Social and Governance Report

No.	Name of Association	Membership Level
23	Hezhou Medical Association — Gastrointestinal Endoscopy Branch	Vice Chairman, Standing committee member, Committee member
24	Hezhou Medical Association — 1st Committee of the Electrocardiography Branch	Committee member
25	Hezhou Medical Association — Oncology Branch	Vice chairman
26	Honghe Prefecture Private Hospital Association	Vice president
27	Honghe Prefecture Oncology Specialist Alliance	Member
28	Healthy Guangxi Initiative Promotion Committee Office Popular Science Expert Pool	Member
29	Jiangsu Research Hospital Association — Professional Committee of Hematopoietic Stem Cell Transplant and Immunotherapy	Committee member
30	Jiangsu Medical Association — 9th Session of the Hematology Branch — Thrombosis and Hemostasis Group	Committee member
31	Kaiyuan Red Cross	Director
32	Kaiyuan Psychiatry Specialist Alliance	Leading unit
33	Kaiyuan Oncology Specialist Alliance	Member
34	Longyan Medical Care Association — 5th Session of the Board	Standing director, Director, Vice chairman
35	Longyan Medical Association — Painology Branch	Vice chairman and committee member
36	Shandong Emergency Medical Partnerships	Standing director
37	Shandong Cardiopulmonary Medical Partnerships	Member
38	Shanxian Banma Volunteer Rescue Association	Co-construction unit
39	Shanxian Demonstration Point for Party Building Work of Social Organization	Member
40	Shanxian Association of Culture & Tourism	Member
41	Shanxian New Social Stratum Association	Vice chairman and strategic partner member
42	Shanxian Elder Care Community	Member
43	Suzhou Anti-Aging Association — Renal Rehabilitation Professional Committee	Committee member
44	Suzhou Anti-Cancer Association — 5th Session of the Board	Director
45	Suzhou Medical Association — Nephrology Branch — 3rd Session of Youth Committee	Committee member
46	Suzhou Medical Association — Obstetrics and Gynecology Branch — 4th Intrauterine Diseases Diagnosis and Treatment Study Group	Member
47	Suzhou Medical Association — Geriatrics Branch — Geriatric Osteoporosis and Metabolic Diseases	Member
48	Suzhou Medical Association — Gastroenterology Branch — Gastrointestinal Oncology Group	Committee member
49	Suzhou Medical Association — Hematology Branch — Geriatric Hematology Group	Committee member
50	Suzhou Hospital Association — 1st Hospital Infection Management Professional Committee	Committee member

2021 Environmental, Social and Governance Report

No.	Name of Association	Membership Level
51	Suzhou Association of Traditional Chinese Medicine — 3rd Wu's Medicine Professional Committee	Committee member
52	Yunnan Gejiu Anti-Cancer Association	Branch of Kaiyuan Jiehua Hospital
53	Chinese Non-public Medical Institutions Association — 2nd Radiology Professional Committee	Committee member
54	Shandong Branch of China Tobacco Cessation Alliance	Director
55	Chinese Association of Rehabilitation Medicine — Pain Rehabilitation Professional Committee — Popular Science Study Group	Committee member
56	Translational Medicine Branch of China Association of Gerontology and Geriatrics	Committee member
57	China Isotope and Radiation Industry Association	Member
58	Suzhou Branch of Jiangsu Union of Chinese MDT Union of Colorectal Cancer	Committee member
59	Spine Minimally Invasive Expert Committee of the China Academy of Chinese Medical Sciences	Youth committee member

2021 Environmental, Social and Governance Report

IX. REPORTING DISCLOSURE INDEX

ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE

Aspects	ESG Indicators	Descriptions	Sections	Pages
A. Environmental				
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. <i>Note:</i> Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Emissions	13
	KPI A1.1	The types of emissions and respective emissions data.	Emissions	14
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	15
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	15
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	15
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions	24
	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	17, 24
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources	19
	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).	Use of Resources	19
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources	19

2021 Environmental, Social and Governance Report

Aspects	ESG Indicators	Descriptions	Sections	Pages
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	24
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources	21, 24
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources	19
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources	22
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources	22
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	25
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	25
B. Social Employment and Labor Practices				
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.	Labor and Employment Practices	27
	KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Labor and Employment Practices	26
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Labor and Employment Practices	30

2021 Environmental, Social and Governance Report

Aspects	ESG Indicators	Descriptions	Sections	Pages
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.	Labor and Employment Practices	33
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Labor and Employment Practices	35
	KPI B2.2	Lost days due to work injury.	Labor and Employment Practices	35
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Labor and Employment Practices	33
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Labor and Employment Practices	36
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Labor and Employment Practices	39
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Labor and Employment Practices	39
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Labor and Employment Practices	40
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor and Employment Practices	40
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labor and Employment Practices	40

2021 Environmental, Social and Governance Report

Aspects	ESG Indicators	Descriptions	Sections	Pages
Operating Practices				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Practices	40
	KPI B5.1	Number of suppliers by geographical region.	Operating Practices	41
	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.	Operating Practices	40
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operating Practices	40
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operating Practices	41
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.	Operating Practices	42
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operating Practices	48
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operating Practices	45
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices	47
	KPI B6.4	Description of quality assurance process and recall procedures.	Operating Practices	43
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operating Practices	46

2021 Environmental, Social and Governance Report

Aspects	ESG Indicators	Descriptions	Sections	Pages
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.	Operating Practices	49
	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.	Operating Practices	49
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operating Practices	49
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Operating Practices	49
Community 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.	Community	50
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community	50
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community	50