



2022

New Horizon Health  
Environmental, Social and Governance (ESG) Report

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## Notes on Report Preparation

### Scope of Report

This is the Environmental, Social and Governance (“ESG”) report of New Horizon Health (hereinafter referred to as “NHH”, the “Company” or “we”) and its subsidiaries (the “Group”) (stock code: 6606.HK) for the year ended December 31, 2022.

This report discloses the core business of the Company. Unless otherwise stated, the scope of report is as follows. Compared with the scope of 2021 ESG report, the scope of this report covers Hangzhou Neohalo Biotechnology Co., Ltd. Compared with the scope of the consolidated financial statements in the annual report, this report does not incorporate its subsidiaries NH Health USA Inc. and NHH Ventures Holding Limited for the time, being because the management system of the above two subsidiaries differs from that of the subsidiaries listed in the table below and the operating revenue accounts for a relatively small proportion. In the future, we consider expanding the reporting scope to be consistent with the consolidated financial statements.

#### Names of Subsidiaries Covered by this Report

NHJK Holding Corporation Limited

Hangzhou New Horizon Health Technology Co., Ltd.

Beijing New Horizon Xincheng Health Technology Co., Ltd.

Beijing Nuoan Medical Examination Lab Co., Ltd.

Hangzhou Nuokang Medical Examination Lab Co., Ltd.

Guangzhou Nuohui Medical Examination Lab Co., Ltd.

Shanghai Linnuo Biotechnology Co., Ltd.

Hangzhou Neohalo Biotechnology Co., Ltd.

### Time Range

This report is an annual report covering the period from January 1, 2022 to December 31, 2022. Some textual information is beyond this scope and is explained where relevant.

### Basis of Preparation

This report has been prepared in accordance with Appendix 27 *Environmental, Social and Governance Reporting Guide* (effective since January 1, 2022) issued by The Stock Exchange of Hong Kong Limited.

## Reporting Principles

This report follows the reporting principles set forth in the *Environmental, Social and Governance Reporting Guide*, including:

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### Materiality

In accordance with this principle, this report identifies the issues to be addressed in this report through policy study, industry research and materiality analysis, and focuses on reporting on matters that may have significant impact on investors and other stakeholders in relation to ESG issues.

### Quantitative

In accordance with this principle, this report discloses key quantitative performance indicators and provides an explanation of the meaning of the indicators and of the basis for their calculation and assumptions.

### Balance

In accordance with this principle, this report reflects objective facts, and discloses indicators involving both positive and negative information.

### Consistency

In accordance with this principle, this report explains the meaning of the key ESG quantitative performance indicators disclosed herein and explains the basis of calculation and assumptions; it also tries to maintain consistency in the indicators used in different reporting periods to reflect the trend of performance level.

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## Data Description

The data and cases in this report are derived from the original records or financial reports regarding the actual operations of the Company. If the financial data are inconsistent with the annual financial report of the Company, the annual report shall prevail.

All financial data in this report are denominated in RMB.

## Reliability Assurance

NHH undertakes that this report does not contain any misrepresentation, misleading statements or material omissions. The Board of Directors of the Company assumes overall responsibility for ESG management and reporting.

## Contact Information

Investor Relations Department of NHH via email: [IR@nhbio.com.cn](mailto:IR@nhbio.com.cn)

# About NHH

## 1.1 Company Overview

NHH is the pioneer and market leader in China's cancer screening market focusing on early detection of high-incidence cancers. Assuming the mission of "Changing the Trajectory of Life", the Company always adheres to the product concept of scientific basis, clinical verification, user acceptance and market prospect, and invests heavily in the technological innovation and product development of independently researched and developed multi-omics cancer detection.

Rooted in the clinical market, the Company innovates and explores a diversified business model in early stage cancer screening, and has established in-depth strategic cooperation with crossover leading brands such as famous chain institutions for physical examination, insurance companies, chain drugstores and Internet medical platforms. So far, the main products of the Company have been available in nearly a thousand hospitals across China, and a closed-loop early screening and diagnosis service consisting of outpatient and in-hospital physical examination has taken shape.

### Basic Information of the Company



- Company name: 诺辉健康
- English name: New Horizon Health Limited
- Founded: 2015
- Listed: The Main Board of The Stock Exchange of Hong Kong Limited (code: 6606.HK)
- Headquarters: Hangzhou, China
- Places of operation: Hangzhou China, Beijing China, Guangzhou China, Hong Kong China
- Number of employees: 742

By the end of the reporting period, the Company has released and commercialized three products, ColoClear<sup>®</sup>, Pupu Tube<sup>®</sup> and UU Tube<sup>®</sup>. In addition, the company's cervical cancer screening product CerviClear<sup>™</sup> has already obtained the European CE Mark, and is qualified for launching in Hong Kong and the Greater Bay Area. The Company also has products under research or about to be registered as clinical products, respectively applicable to liver cancer (LiverClear<sup>™</sup>) and nasopharyngeal carcinoma (NPClear<sup>™</sup> (tentative name)), and several other cancer or pan-cancer screening pipeline products.

### Company Product System

ColoClear <sup>®</sup>	China's first early stage cancer screening product approved by the NMPA, applicable to the high-risk population of colon cancer aged 40 to 74
Pupu Tube <sup>®</sup>	China's first fecal occult blood self-test product approved in China
UU Tube <sup>®</sup>	China's first Helicobacter pylori self-test product approved by National Medical Products Administration
CerviClear <sup>™</sup> (under research)	The world's first urine sample early screening service for cervical cancer
LiverClear <sup>™</sup> (under research)	The world's first 'law of life' early screening service for liver cancer
NPClear <sup>™</sup> (tentative name) (under research)	The world's first screening service for high-risk populations of nasopharyngeal cancer based on blind nasopharyngeal swab collection
MCED (under research)	Pan-cancer early detection based on multi-omics

In 2022, the Company has received several external recognitions in terms of corporate social responsibility, business operation and medical innovation.

#### External Recognitions of the Company in 2022

Award Name	Organizer
Corporate/Institutional Social Responsibility Award	ZaoDx
Leading Company Award	ZaoDx
2022 Star of Innovation in Commercialization	Sailing Health
Top 20 ESG Competitiveness of Chinese Pharmaceutical Listed Companies	Healthcare Executive
High Growth Power Brand of “Gene Testing Consumption”	People’s Daily Online
Top 100 Promising Listed Companies of 2022	Snowball
Brand Value Award of 2022	Gelonghui
Case of Medical Technology Industry	Zhitong Caijing
Best ESG Award of Golden Hong Kong Stocks Award Ceremony of the Year	Zhitong Caijing
Consumer Healthcare Innovation Award of 2022	Jiemian News
Industry Benchmark Enterprise Award	21 <sup>st</sup> Century Business Herald
2022 Top 10 Innovative Enterprises in Precision Medicine	China Times
Excellent Big Health Enterprises in China Business Journal of 2022	China Business Journal
Excellent Innovation Enterprise	The Economic Observer
Leadership Award <sup>1</sup>	ZaoDx
Top 10 Figures in Pharmaceutical Industry <sup>1</sup>	People’s Daily Health Client
Medical Leaders <sup>1</sup>	People’s Daily Health Client
Best CEO <sup>1</sup>	Zhitong Caijing
Top 10 Game Breakers of “Ten Figures in Ten Years” from 2013 to 2022 <sup>1</sup>	China Times

<sup>1</sup> Award to Mr. Zhu Yeqing, CEO of NHH.

## 1.2 Environmental, Social and Governance (ESG) Management

### ESG Governance Structure

The Company has established an ESG governance structure extending from the Board of Directors to the executive level, with the Board of Directors assuming overall responsibility for ESG. The ESG Executive Working Group under the Board of Directors is responsible for coordinating ESG management, communication and information disclosure efforts, and reporting progress and results of ESG work to the Board of Directors. All departments and local laboratories of the Company shall fulfill their ESG work according to the ESG policies of the Company.

#### ESG Governance and Management Responsibilities

##### ESG Management

The Board of Directors is the highest decision-making body of the Company for ESG management and is responsible for monitoring and evaluating the effectiveness and ensuring sound and good ESG governance. Its main responsibilities include:

- Assessing and evaluating the Company's ESG risks and opportunities;
- Ensuring that appropriate and effective ESG risk management and internal monitoring systems are in place;
- Monitoring, approving and formulating ESG management policies, strategies, priorities and objectives of the Company;
- Regularly reviewing the Company's performance in relation to ESG objectives;
- Approving the disclosures in the Company's ESG reports, etc.

##### ESG Executives

As authorized by the Board of Directors, the ESG Executive Working Group assists in the conduct and implementation of ESG work, coordinates the participation by all departments in ESG matters, and promotes the implementation of ESG policies and measures across all lines of business of the Company. Among them, the Internal Audit Department is the lead department and the main coordinator of the ESG Executive Working Group.



## ESG Objectives and Performance Management

The Company attaches importance to ESG objectives and performance management. The Company conducts ESG risk evaluation and performance analysis on a semi-annual basis, strengthens recording and daily management, and the ESG Executive Working Group reports to the Board of Directors to ensure that the Board can keep abreast of ESG risks and management progress on important ESG issues. In particular, ESG risks include the assessment of controversial or risky events in three major areas, namely, environmental, social and governance; The progress in ESG issue management includes ESG quantitative performance evaluation and the analysis and exploration of key performance changes.

For ESG objectives and performance analysis, the ESG Executive Working Group is responsible for coordinating relevant departments to provide basic ESG key quantitative data, and analyzing it to develop the *New Horizon Health Key Quantitative Performance Analysis Report*. Through basic data collection and trend analysis, the ESG Executive Working Group establishes targets for waste reduction, energy use efficiency, and water use efficiency, which are split into relevant departments to carry out ESG management in a planned manner. Under the guidance of the objectives, the ESG Executive Working Group regularly monitors the progress and milestones of the objectives, reports and makes regular disclosures to the Board of Directors, and continuously promotes and improves the Company's ESG management practices.

### 2022 Highlight Performance



#### Economy

Operating income RMB **770** million  
YoY Growth **259.5%**

Gross profit RMB **650** million  
YoY Growth **318%**

R&D investment RMB **87.9** million  
YoY Growth **49.2%**

ColoClear® Chinese mainland income  
RMB **360** million  
YoY Growth **266.2%**

UU Tube® Sales income  
RMB **210** million

Pupu Tube® Sales income RMB **200** million  
YoY Growth **73.7%**



#### Social

Female employee ratio **49.46%**

Total amount of social welfare investment RMB **4.55** million

Employee equity incentive ratio **22%**

Coverage of employee receiving training **93.53%**

Training hours per employee **20.80** hours



#### Environment

Comprehensive energy consumption per 10,000 RMB decreased **71%** compared with 2019 (base year)

Water consumption per 10,000 RMB decreased **68%** compared with 2019 (base year)

GHG emissions per 10,000 RMB decreased **79%** compared with 2019 (base year)

Amount of non-hazardous waste generated per 10,000 RMB decreased **84%** compared with 2019 (base year)

Amount of hazardous waste generated per 10,000 RMB decreased **60%** compared with 2019 (base year)

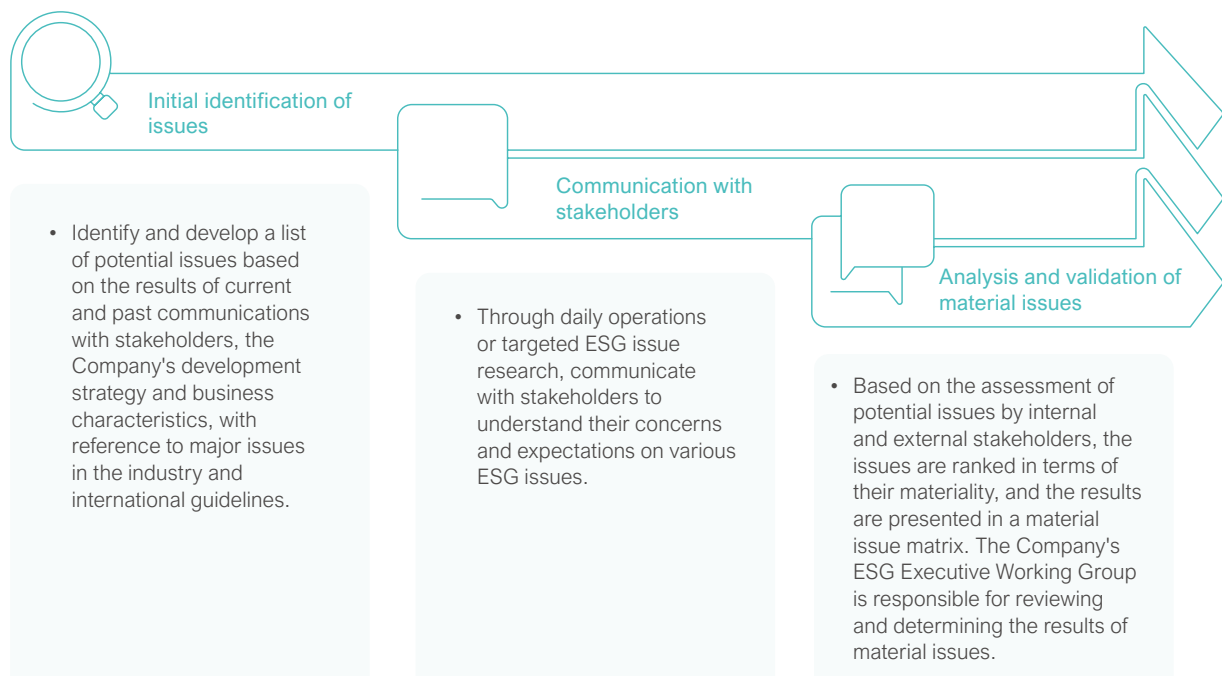


## 1.3 Material Issue Assessment

### Material Issue Assessment Process








The Company has followed the "Materiality Principle" in the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited, incorporates the views of internal and external stakeholders, and identifies critical ESG issues as the focus of the Company's ESG management and information disclosure. The Company conducts an assessment of critical ESG issues every two years based on questionnaire of stakeholders, and regularly reviews the results of the critical issues assessment.

The Company observes the following steps of issue importance assessment:



## Communications with Stakeholders

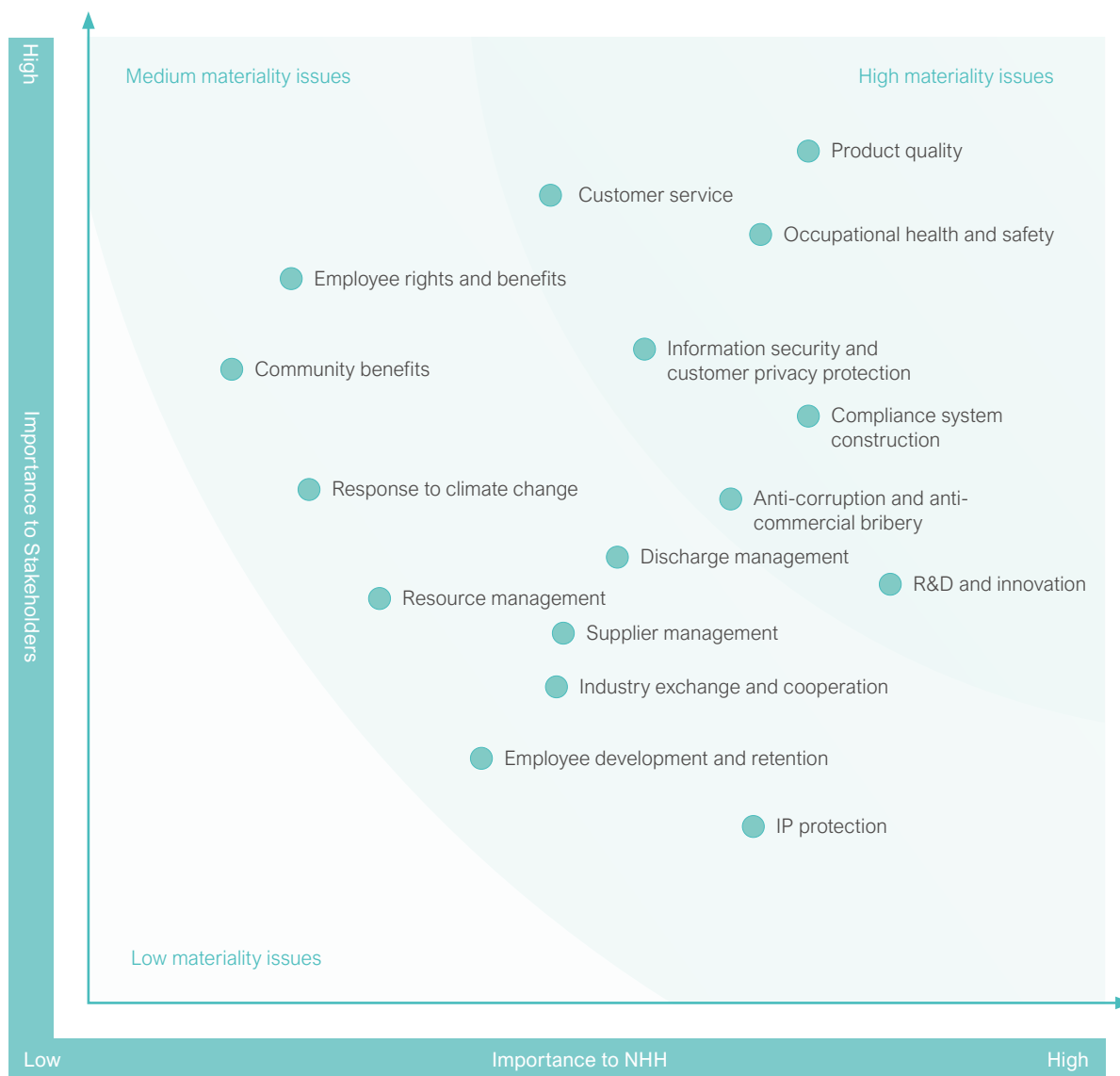
The Company emphasizes on the communications with stakeholders to understand their major concerns and demands, thus to further enhance the Company's environmental, social and governance standards. Based on the characteristics of our business, we classify major stakeholders into shareholders and investors, employees, customers, suppliers, partners, government and regulatory authorities, and the community and the public.

Stakeholders	Issues of Concern	Communication and Response
 <p>Shareholders and investors</p>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Internal control</li> <li>• Anti-corruption and anti-commercial bribery</li> <li>• R&amp;D and innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Website announcements and press releases</li> <li>• Information disclosure</li> <li>• R&amp;D results released</li> </ul>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Employee rights and benefits</li> <li>• Employee development and retention</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate internal communication channel</li> <li>• Career development training</li> <li>• Occupational health and safety training</li> </ul>
 <p>Customers</p>	<ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Customer privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-sales and after-sales communication channels</li> <li>• Product quality management</li> <li>• Information security and privacy protection</li> </ul>
 <p>Suppliers</p>	<ul style="list-style-type: none"> <li>• Supplier management</li> <li>• Anti-corruption and anti-commercial bribery</li> <li>• Product and service quality</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier access review</li> <li>• Continuous supplier evaluation</li> </ul>
 <p>Partners</p>	<ul style="list-style-type: none"> <li>• Industrial exchange and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Academic conferences and industry conferences</li> <li>• Carrying out industry cooperation projects</li> </ul>
 <p>Government and regulatory authorities</p>	<ul style="list-style-type: none"> <li>• Compliance system construction</li> <li>• Discharge management</li> <li>• Climate change response</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance system construction and management</li> <li>• Waste discharge management</li> <li>• Energy conservation and low carbon</li> </ul>
 <p>Community and public</p>	<ul style="list-style-type: none"> <li>• Community benefits</li> <li>• Pollutant emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Carrying out public welfare and science popularization activities</li> </ul>

## Material Issue Analysis

Based on the requirements of The Stock Exchange of Hong Kong Limited, industry hotspots and industry benchmarking, we have identified the list of material issues, ranked them by "importance to stakeholders" and "importance to NHH", and produced the matrix of material issues below:

⊙ NHH Material Issues Matrix



Compared with 2021, adjustments have been made in the quantity, importance and name of our material issues identified in 2022. As the Company's stakeholders have been paying increasing attention to the issue "anti-corruption and anti-commercial bribery", this issue was elevated to be a high materiality issue. To better respond to climate changes, we adjusted the low materiality issue "energy consumption" to the medium materiality issue "resource management". In addition, the expressions of some issues were adjusted to respond to the focuses of the capital market more directly.

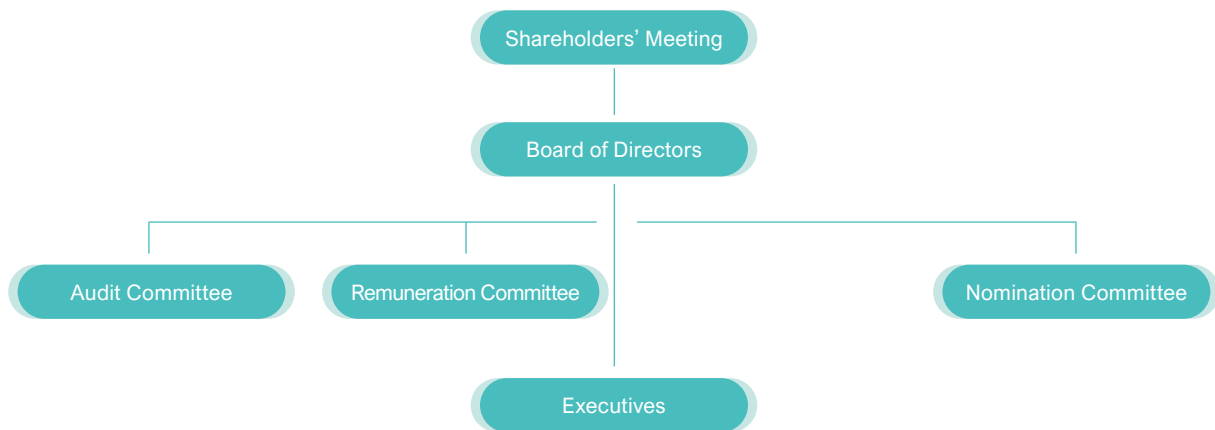
# Robust Governance and Operations

## 2.1 Corporate Governance

### Corporate Governance Structure

The Company has developed the *Articles of Association*, established a corporate governance structure consisting of the shareholders' meeting, the Board of Directors and the executives, and has set up the Audit Committee, Remuneration Committee and Nomination Committee under the Board of Directors, in strict compliance with the provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, Appendix 14 *Corporate Governance Code of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and other laws and regulations.

#### Corporate Governance Structure



The Company appoints and dismisses its Company directors and executives according to the *Articles of Association*. With board members enjoying professional competence in different areas including science, engineering, medicine and management, the board of diversified background helps the Company to analyze issues from different perspectives, and manages and reduces the operating risk of the enterprise.

The Company holds the shareholders' meeting and broad meeting pursuant to the *Articles of Association*.

#### Composition of the 2022 Board of Directors of NHH and Meetings

Composition of Board of Directors	Meetings
6 board directors Including 3 independent directors and 1 female director	1 Shareholders' meeting, which reviewed and approved 10 proposals
	4 board meetings, which reviewed and approved 35 proposals

## Investor Communication and Information Disclosure

The Company is dedicated to providing balanced and comprehensible company information to its shareholders and other stakeholders. The Company developed the *Shareholder Communication Policy* according to the *Corporate Governance Code of The Stock Exchange of Hong Kong Limited* and the Company's *Articles of Association*, to enhance the effective communication with shareholders and other stakeholders. In the meantime, the Company encourages shareholders to actively communicate with the Company, and motivates shareholders to exercise their rights. The Board of Directors of the Company is responsible for maintaining continuous liaison with shareholders, and developing and regularly examining the *Shareholder Community Policy* to ensure its efficiency. The Investor Relations Department of the Company is responsible for convening and holding regular shareholders' meetings, receiving investors' exchange visits, etc.

The Company disclosed information in a timely manner in accordance with the relevant regulations of The Stock Exchange of Hong Kong Limited and the China Securities Regulatory Commission. The Company disclosed information through the announcements and other documents published at the Exchange, official website, and shareholders' meetings, and stayed in close communication with investors through the phone, e-mail, online platform and office.

To ensure the accuracy and standardization of information disclosure, we have established a three-tier internal approval system including review by department heads, approval by executives, and confirmation by the Chairman. In 2022, the Company had published 36 announcements at The Stock Exchange of Hong Kong Limited, and held 4 performance briefing meetings.

## Internal Control

The Company carries out internal control in accordance with the *Audit Law of the People's Republic of China*, *China's Internal Auditing Standards*, *Basic Norms of Enterprise Internal Control*, *Supporting Guidelines for Enterprise Internal Control*, and other laws, regulations, specifications and guidelines, under the supervision by the Board of Directors, all departments and supervision departments, thus to guarantee the continuous, healthy and steady operation.

In 2022, the Company further strengthened the internal control system construction, and developed the *Internal Control System Manual*, including the programmatic document *Internal Control Manual* and the guidance document *Business Process Internal Control Matrix*. Based on the concept of "Five Factors of Internal Control", i.e., internal control environment, risk assessment, control activities, information and communication and internal supervision, the Company's operating activities were broken down into 11 Level-1 processes, further into 49 Level-2 processes and 204 Level-3 processes. Each process includes the risk and control point, relevant departments and positions, as well as the systematic and institutional documents. The Company conducted internal audit quarterly according to the audit plan, and timely identified, controlled and prevented any operating risk.

The Company also adopted several measures to improve internal control in 2022, such as formulating internal systems including *Management Measures for Third-party Payment Platform* and *Procurement Management Rules*, and strengthening the review of the expense reimbursement materials submitted by sales staff, thus to standardize the Company's work in finance, procurement and sales.

## 2.2 Compliance and Business Ethics

### Compliance System Construction

Strictly following the management principles of "full coverage, full compliance, adherence to the bottom line, and investigation of violations", the Company has constantly optimized and improved the compliance system, in order to promote the sound operation and sustainable development of the Company. The Company has implemented risk control and management of the Company's compliance operations and management by drawing up internal policy documents such as the *Compliance Management Policy* and the *Compliance Manual*.

All the employees of the Company are required to sign the *Compliance Commitment Letter* and participate in compliance training on a regular basis. The Company has also established a compliance reward and accountability system to recognize employees who strictly enforce compliance rules, avoid the risk of major violations or contribute directly to the reduction of losses; and to hold employees accountable for any violations of law, discipline and irregularities. If they are suspected of committing crimes, the Company will investigate their legal responsibilities according to the law.

In accordance with internal institutional requirements such as the *Compliance Management Policy*, the Company optimized the process and improved the measures in terms of compliance management in 2022.

#### Optimization of compliance management process

- Optimize part of the compliance approval process, and identify and manage relevant risks, to improve the Company's operation efficiency and meanwhile assure continuous compliance.
- Establish the weekly self-inspection system, to timely discover and solve risks.

#### Improvement of compliance management measures

- Provide compliance training and tests to new employees of the Company at the time of onboarding, to facilitate the implementation of the compliance management system at all departments and subsidiaries of the Company.
- Strengthen the compliance trainings for business departments and partners, to enhance the compliance awareness and level inside and outside the Company.

## Anti-Corruption and Anti-Commercial Bribery

According to the laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on the Prohibition of Commercial Bribery* and *Anti-Money Laundering Law of the People's Republic of China*, the Company has formulated internal systems such as the *Code of Conduct on Corporate Responsibility and Business Ethics*, the *Management Measures for Preventing Fraud and Encouraging Reporting*, and *Anti-Money Laundering Internal Control Specifications*, which regulate the activities of employees and business partners, suppliers, shareholders and various stakeholders in society, and prevent and control the occurrence of fraud and money laundering.

All employees are required to sign the *New Horizon Health Employee Commitment to Comply with the Code* after reading the *Staff Handbook* and the *Code of Corporate Responsibility and Business Ethics*, undertaking to comply with the discipline, norms, and professional ethics of the Company's employees.

For the sales staff and distributors engaged in sales and marketing, the Company adopts a strict anti-corruption policy and a "zero tolerance" policy towards commercial bribery, and firmly opposes any behavior that seeks commercial opportunities or other economic benefits by any improper means.

In the meantime, the Company actively carries out business ethics trainings to regulate employees' commercial behaviors. For new employees, the Company provides onboarding commercial ethics trainings and regular trainings subsequently. For old employees, the Company also offers the Cavalry Training Camp or other trainings that cover business ethics to key departments, to assure the legal compliance of the Company's business activities.

The Company has set up a "Public Supervision" page in the official website. If partners find that the Company is involved in any fraud, bribery, information leakage, misappropriation of assets, blackmail or money laundering, they can contact us via the compliance hotline at (0571) 88022307 or our compliance suggestion email at [compliance@nhbio.com.cn](mailto:compliance@nhbio.com.cn).

During the reporting period, there was no incident of corruption, bribery, extortion, fraud or money laundering, nor was there any litigation cases arising from the abovementioned matters.



# Innovation, R&D and Quality Service

## 3.1 Product R&D and Innovation

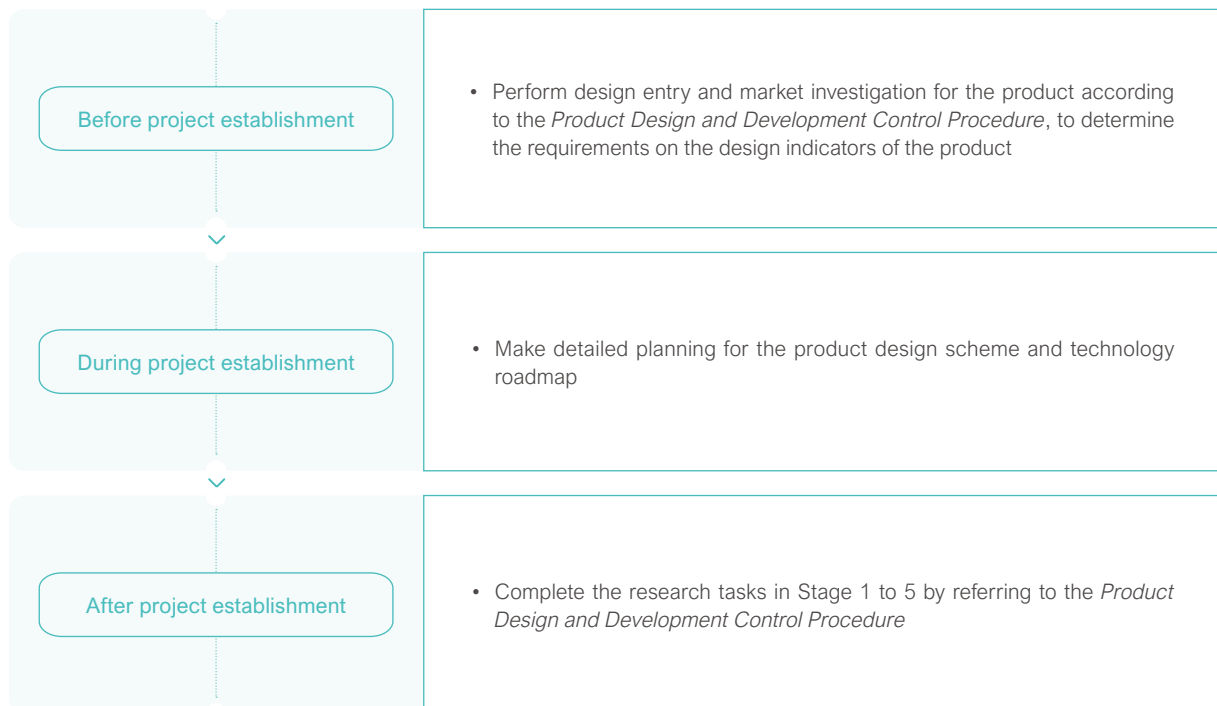
### R&D and Innovation

Upholding the vision “to prevent and cure cancer through screening and early detection”, the Company is dedicated to developing and commercializing innovating cancer screening products, and making breakthroughs in multi-omics technology research and development and prospective large-scale clinical trials.

Taking compliance as the bottom line, the Company has carried out innovation and R&D in strict compliance with domestic and foreign laws and regulations and standard guidelines such as *Regulations for the Supervision and Administration of Medical Devices*, *Measures for the Supervision and Administration of Medical Device Production*, *ISO 13485: 2016 Medical Devices - Quality Management Systems – Requirements for Regulatory Purposes* and *ISO 14971: 2019 Medical Devices - Application of Risk Management to Medical Devices*.

Upon the institutional guarantee, the Company has worked out the *Product Design and Development Control Procedure*, which expressly defines the tasks in each stage of product development. This Control Process has been implemented in the whole procedure of product development projects.

#### Product Development Project Process of the Company



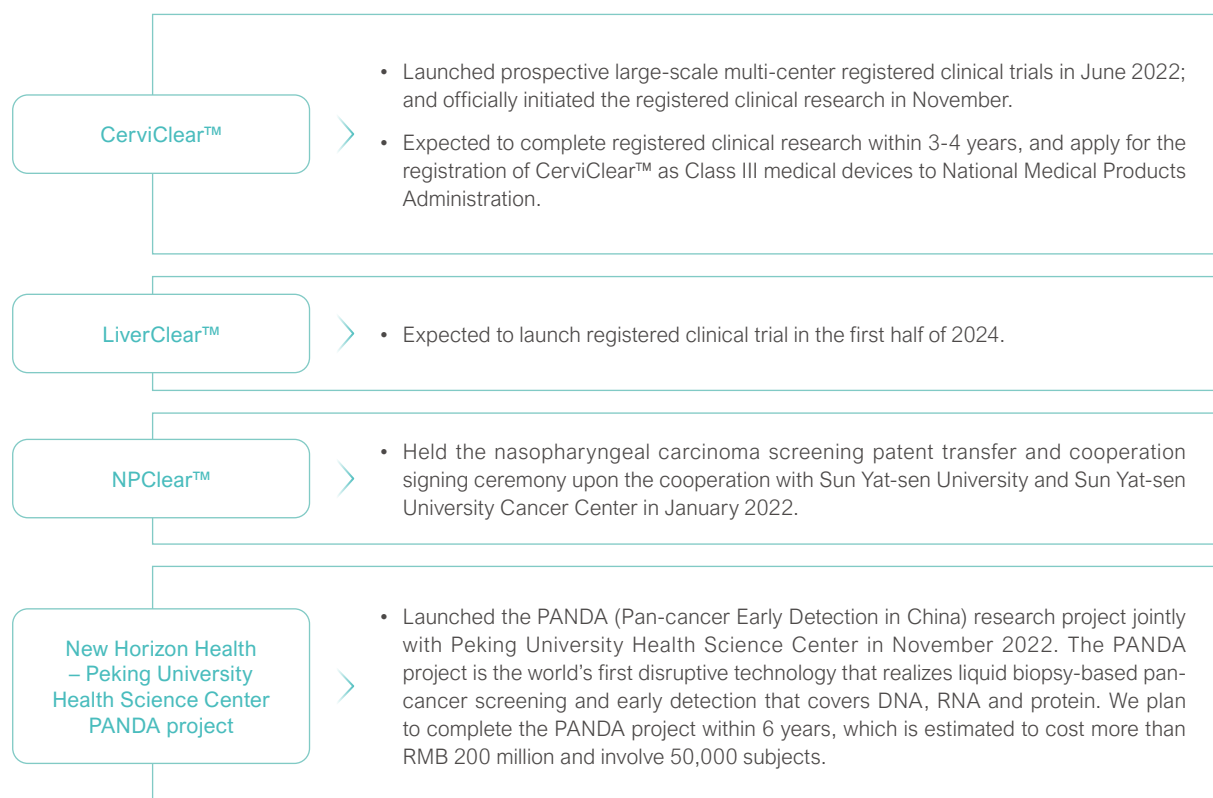


Depending on the support by the system, the Company has constantly upgraded its product development system based on the design and development process specified in *ISO 13485: 2016 Medical Devices - Quality Management Systems* as well as its R&D planning and internal characteristics. In 2022, the Company upgraded the development process of Next Generation Sequencing (NGS) platform and introduced the development process of In Vitro Diagnosis (IVD), to enhance its R&D innovation and product conversion efficiency.

Centering on talents, the Company continued to advance the construction of the R&D platform and the organization and development of the R&D team. In 2022, in addition to the original two R&D centers in Hangzhou and Beijing, we initiated the construction of NHH International R&D Center in Hong Kong, aiming to attract top talents in biotechnology worldwide, focus on the technology innovation and product development of multi-omics cancer screening which involves NGS technology, and simultaneously promote commercialization overseas and global synchronous clinical trials. Moreover, the Company also provided employees with diversified trainings and offered them the opportunities for growth. In 2022, we held internal and external trainings for R&D personnel every month to share the progress of advanced knowledge and technology as well as the latest news about the Company's R&D conditions. We also vigorously supported employees to improve their occupational skills, such as funding employees to obtain the work license for clinical gene amplification detection (PCR work license).

We continued to motivate and cultivate R&D personnel, and build a high-quality talent team. The Company provided key R&D personnel with equity for performance rewards, and selected and issued the "Project Award", "Innovation Award", "Excellent Employee" and other awards to R&D personnel. The Company had two or more conversations with each R&D worker, to understand their thoughts, questions and demand, and strived to solve questions and satisfy their needs.

Adhering to results orientation, we have spared no effort to advance the research and development of multiple pipeline products.



## R&D Ethics

Strictly observing the ethical consensus, the *Declaration of Helsinki*, the ethical norm *Measures for Ethical Review of Biomedical Research Involving Human Subjects* and laws and regulations including the *Medical Equipment Specification for the Quality Control of Clinical Trial* published by National Medical Products Administration, the Company respects and protects the legitimate rights and interests of the subjects. Research projects are guaranteed by the project leader. The Company strictly enforces the obligation of informed consent notification, and do not carry out research until the subjects are consulted and sign an informed consent form.

All systems related to clinical research and test of the Company have been reviewed by the Medical Department, to guarantee the compliance of clinical research and test. The Company shares the research ethics, protection of subjects' rights and interests, and other knowledge by means of internal regular meetings and irregular meetings such as sharing sessions. In 2022, the Company invited external industrial experts to provide "trainings on regulations related to clinical trials of medical devices", which focused on 11 topics including Medical Equipment Specification for the Quality Control of Clinical Trial, Submission and Review of Ethical Materials for IVD Projects and Precautions for Initiating IVD Project Research Centers, in order to deepen employees' understanding of the laws and regulations related to clinical trials and clinical quality control, and further improve the quality of the Company's clinical trials.

During the reporting period, there was no incident that violated against medical ethics occurring during the research and development of the Company.

## Intellectual Property Protection

In order to refrain from infringing on the intellectual property rights of others, and also resolutely defend our own intellectual property rights, the Company has developed such internal systems as *Intellectual Property Management Measures* and *Intellectual Property Reward Policy* under the *Copyright Law of the People's Republic of China*, *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and other relevant laws and regulations, and established a complete intellectual property management system. The Company assigned special personnel responsible for intellectual property management and cooperated with domestic and foreign law firms, to conduct application and maintenance of intellectual property rights. During the reporting period, the Company has applied for 17 patents and obtained 3 patents. A total of 33 patents have been granted to the Company.

For internal management of intellectual property rights, the Company has formulated the *Intellectual Property Reward Policy* and *Confidentiality Management Policy*, encourage R&D and technical personnel to apply for patents and copyrights, and clarify confidentiality requirements to strengthen the protection of the Company's business secrets. The Company has signed a *Non-Disclosure Agreement* with all employees, to improve employees' confidentiality consciousness and prevent the leakage of the Company's business secrets.

In 2022, there was no infringement of intellectual property rights of others by the Company, nor was there any litigation case arising from the above-mentioned matters.

## 3.2 High Standard of Quality Management

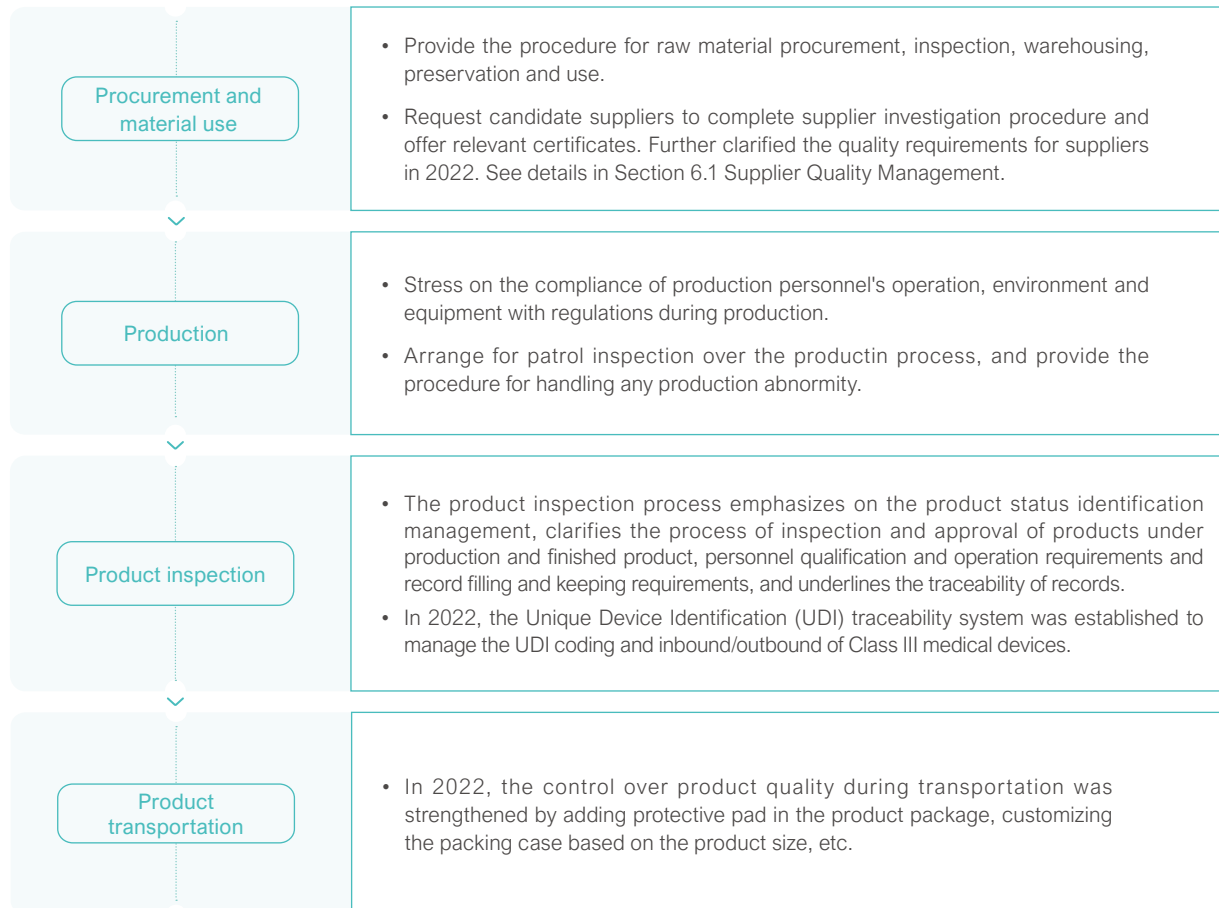
### Quality Management System

The Company constantly improves and optimizes its quality management system in strict accordance with the requirements of laws, regulations and industry standards such as the *Product Quality Law of the People's Republic of China*, *Regulations for the Supervision and Administration of Medical Devices*, *EN ISO 13485:2016 Medical Devices - Quality Management Systems – Requirements for Regulatory Purposes*, *Good Manufacturing Practice for Medical Devices*, etc.

In 2022, the Company incorporated Environment Health Safety (EHS) management, biosafety management and software product quality management in its quality management system. By the end of the reporting period, the Company has obtained In Vitro Diagnostic reagent and medical device CE certification, ISO 13485 medical device quality system certification and ISO 9001 quality management system certification, and received corresponding certificates.

The Company developed the *Quality Control Procedure*, to clarify the requirements for the whole-process product quality monitoring, from raw materials, the production process, to the finished products, and carry out product quality control from the perspectives of personnel, institution, raw materials, methods, environment and facilities.

### Product Life-cycle Quality Control



The departments related to the Company's quality management system formulate the quality goals, conduct internal review on the quality management system regularly to assess the completion of these goals, and adopt corrective and preventive measures against the uncompleted quality goals. Moreover, the Company formulates the training plan at the beginning of the year, shares the new laws and regulations released with relevant departments through trainings during the implementation of the plan, and explains and publicizes the institutional documents for quality management system operation regularly and before the documents take effect. In 2022, the Company organized 3 times of quality management system internal review, which determined that all quality goals had been accomplished. The Company has carried out 59 trainings on quality management in total, involving 635 employees.

### Product Recall Mechanism

The Company has developed internal documents such as *Product Recall Management Specification* in accordance with the *Regulations for the Supervision and Administration of Medical Devices*, *Good Manufacturing Practice for Medical Devices* and *Measures for the Administration of Recall of Medical Devices*, so as to regulate the investigation and recall management procedures in the event of product defects. When the Company receives information about product defects, relevant departments shall verify and confirm the information, report to CEO of the Company, and determine whether to recall and the level of recall based on the evaluation results.

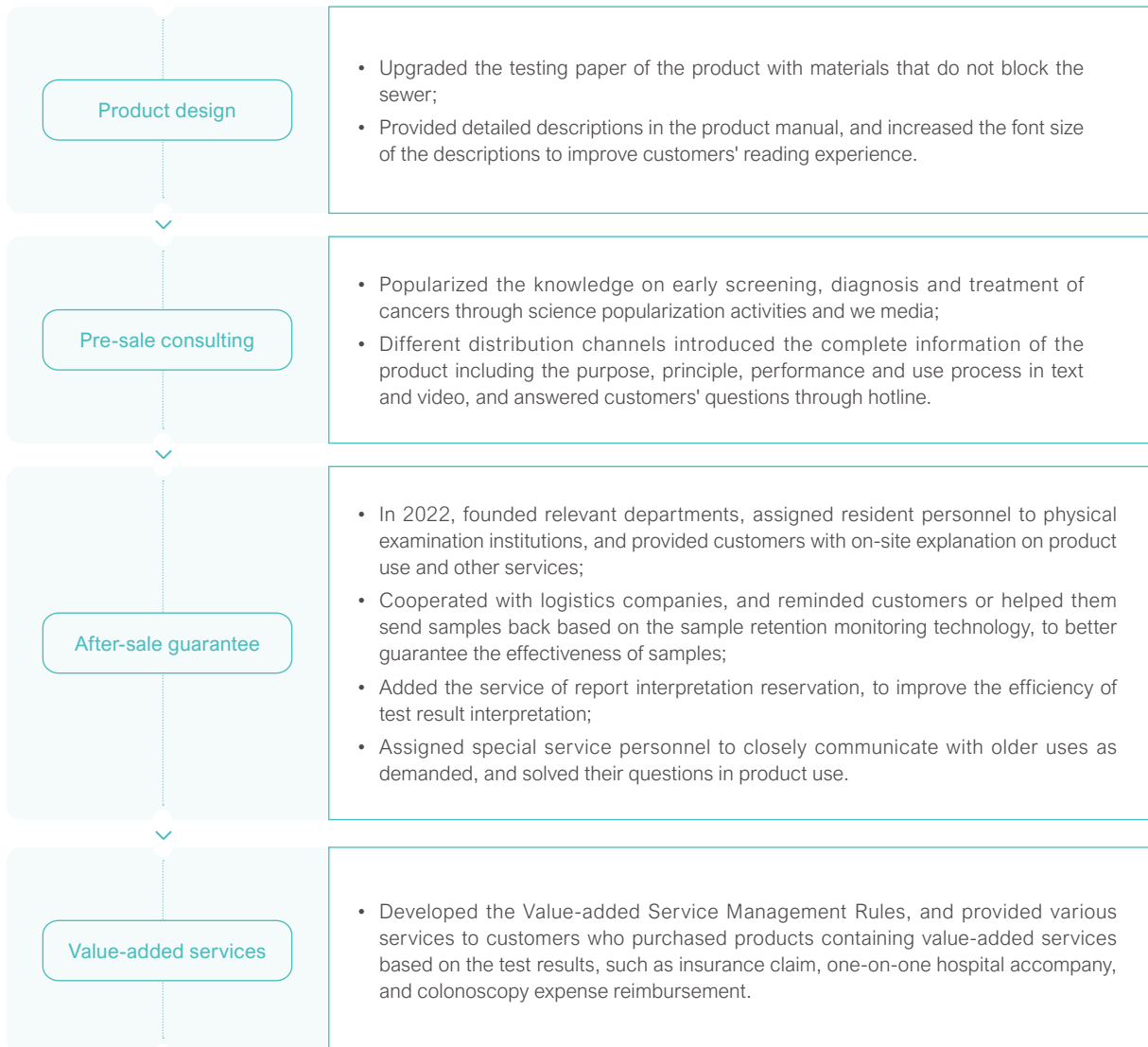
In addition, the Company launches a product recall simulation campaign once every three years, to improve the execution of the active recall when the product appears to be hazardous or potentially hazardous. Since the production and sales of the products, NHH has strictly followed the quality management system of medical device production, and there has been no need to recall the products for safety and health reasons.

## 3.3 Excellent Customer Services

### Customer Services

Adhering to the goal of customer satisfaction, the Company upholds the policy of “Dedication, Passion, Teamwork, Sincerity, Innovation”, strengthens the service quality and improves Customers’ experience. Considering the home testing characteristics of the Company’s early stage cancer screening products, as well as the service demand of different channels including hospitals, physical examination institutions and the Internet, we strive to provide customers with complete and excellent pre-sale consulting and after-sale guarantee service in the whole process of product design, sales and use.

#### Measures for Product Life-Cycle Service Quality Improvement



The Company actively builds customer communication channels. If customers have any comments or feedback on our products or services, they can contact us via our customer service hotline 400-826-2300. After having received customers' complaint or feedback, we will conduct investigation, analysis and handling in accordance with our internal systems such as *Complaint Handling Control Procedure*, *Standard Operating Procedure for Complaint or Feedback Handling* and other related policies.

We also investigate on customer satisfaction through electronic questionnaire, thus to understand customers' unsatisfactory points, develop and improve corresponding measures, and solve customers' questions and meet their demands. In 2022, our goal in customer service quality was a customer satisfaction greater than or equal to 90% and timely handling rate of customer complaints reaching 100%. By the end of the reporting period, the annual average customer satisfaction was 99.12%, and 100% customer complaints had been handled timely, demonstrating the accomplishment of the Company's quality goal in 2022.

## Information Security and Customer Privacy Protection

In strict accordance with *Personal Information Protection Law of the People's Republic of China* and *Regulations of the People's Republic of China for Safety Protection of Computer Information Systems*, the Company practically ensures the Company's information security and protects customers' privacy from being violated. In 2022, in addition to the internal systems already established including *Management Policy for Operation and Maintenance Guarantee of Information System*, *Management Policy for Daily Computer Use* and *Management Policy for Customer Privacy Information Confidentiality*, the Company formulated the *Confidentiality Management Policy*, to further strengthen the Company's management over customer privacy protection.

In terms of data security, according to the provisions of the *Management Policy for Server and Information Data Security*, the Company makes daily synchronized backups of information on the archive servers and the data backup servers, as well as making daily snapshot backups of systems and data with the help of AliCloud ECS (Elastic Compute Service) servers on a daily basis. We record all database backups on CD quarterly, and designate a person to keep the backup data in a dedicated place. In addition, pursuant to the *Management Policy for Data Backup and Disaster Recovery*, we set up disaster recovery plans for hardware, software and AliCloud data respectively, and assess the risk management system of the Company's information system at least once a year. By the end of the reporting period, the Company had obtained the ISO 27001 information security management system certification and acquired corresponding certificates.

In terms of privacy protection, the Company strictly complies with laws and regulations, and never discloses or publishes customers' privacy or infringes customers' privacy in other means. In 2022, the Company intensified the control over field permissions by refining the division of system information field permissions, and reviewed the matching between relevant employee positions and permissions every quarter, thus to improve the Company's ability of privacy protection. Moreover, the Company also carried out information security and privacy protection trainings for new employees.

During the reporting period, there was no leakage of confidential information and customer privacy in the Company, nor was there any litigation case arising from the abovementioned matters.

## Responsible Marketing

The Company attaches importance to the compliance of marketing, and assures the authenticity and accuracy of product marketing information. In 2022, the Company updated the *Management Policy for Advertising and Publicity Compliance*, to clarify the responsibilities of relevant internal departments, improve the double-audit management process of the publicity materials, and confirm that the publicity materials put into the market comply with objective medical facts, *Advertisement Law of the People's Republic of China* and other regulatory requirements.

The Company organizes responsible marketing trainings for internal employees, to promote the compliance of employees' marketing efforts. In 2022, the Company carried out 10 trainings that covered responsible marketing including Cavalry Training Camp and Nuo Xing Program, involving 372 sales staff members from all major regions.

During the reporting period, there was no violation against the regulations on marketing and label use and the principle of voluntariness, nor was there any litigation case arising from the abovementioned matters.

# Employee Care and Talent Development

## 4.1 Employee Rights and Benefits

### Protection of Employee Rights and Benefits

The Company strictly follows the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Special Provisions on Labor Protection of Female Employees*, and the *Provisions on Prohibition of Child Labor*, and attaches importance to the protection of employee rights and benefits. During the reporting period, there were no cases of child labor or forced labor in the Company.

<p>Providing equal opportunities and eliminating discrimination</p>	<ul style="list-style-type: none"> <li>• Our <i>Code of Corporate Responsibility and Business Ethics</i> states that: we will provide equal opportunities for all employees and will treat them on the basis of merit in employment, promotion, recruitment, transfer, training, compensation and occupational health; we are dedicated to maintain diversity and will not dismissal against them (on the grounds of race, color, age, gender, sexual orientation, place of birth, disability, union membership, political views or religious beliefs).</li> </ul>
<p>Adhering to legal employment</p>	<ul style="list-style-type: none"> <li>• We adhere to legal employment and refuse to use child labor and forced labor.</li> <li>• We carry out due diligence against employees before they are hired, and ensure that all our employees reach legal employment age.</li> </ul>
<p>Protect employees' basic rights and benefits</p>	<ul style="list-style-type: none"> <li>• We will pay social insurance contributions (including basic pension insurance, basic medical insurance, unemployment insurance, work injury insurance and maternity insurance) and housing accumulation fund for our employees.</li> <li>• We provide employees with marriage leave, maternity leave, prenatal checkup leave and paternity leave in accordance with the law.</li> </ul>

### Employee Benefits and Care

The Company provides employees with various benefits such as welfare leave, annual leave, commercial insurance, accident insurance, annual physical examination, birthday gifts, etc., to enhance employee well-being and working enthusiasm. In 2022, we distributed gift boxes featuring the Company's cultural characteristics to employees during the Dragon Boat Festival and the Mid-autumn Festival, which included a "family letter" from CEO of the Company to employees' families, to raise employees and their families' recognition of the Company's culture.

In the meantime, the Company stresses on employees' physical and psychological health, and promotes employees' work-life balance through recreational activities such as sports association and family day. For example, we set up the badminton and basketball club, and alternated sports activities every week. In October 2022, we held the Family Day activity, "Be with New Horizon Family", in Beijing and Hangzhou, and invited employees' families to look at the working environment of the Company such as laboratories, and organized diversified recreational activities including flying saucer, curling, hurdle race and fishing.

The Company pays close attention to the protection of female employees' rights and benefits. We set up baby care rooms and prepare flowers for female employees on March 8 Women's Day. In the meantime, the Company takes the initiative to support employees and their families in difficulty, and help them tide over difficulties. We will reduce the workload of sick employees, and offer their families with appropriate working opportunities and relevant labor guarantee.

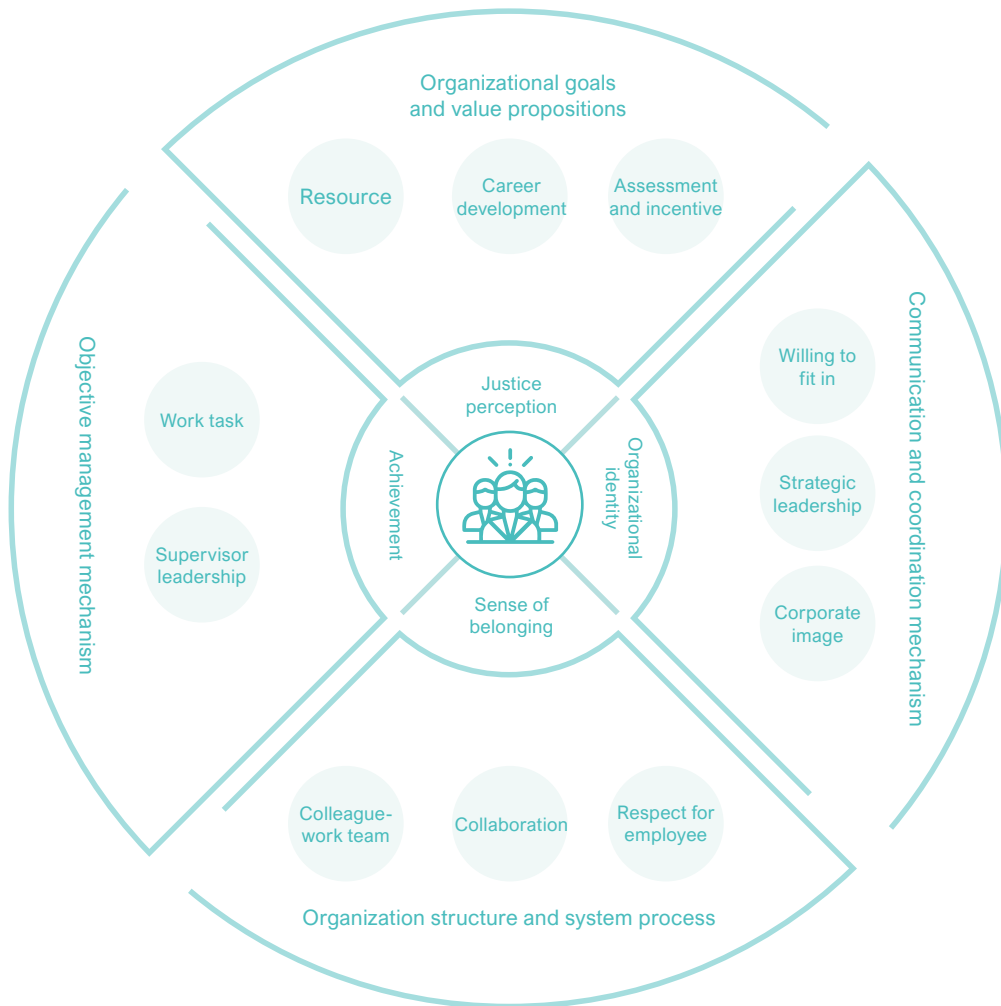
## Communication with Employees

The Company thinks highly of the communication with employees, to understand and satisfy employees' needs. According to the Company's *Staff Handbook*, employees' complaints can be directly reported to their line managers, higher-level managers of HR leaders. We also encourage employees to propose suggestions or innovative proposals to immediate supervisors for the sake of the Company's improvement.

In the meantime, we encourage employees to feedback their opinions and appeals to the Company via the internal platform, internal group chat and company e-mail. We also hold the department communication meetings and all-staff communication meetings regularly to actively understand employees' real ideas and requests, and try to solve their needs and questions. In 2022, the Company had held 4 department communication meetings and 1 all-staff communication meeting, to involve all employees of the Company in the communication.

In addition, the Company holds the employee organizational dynamics (work engagement) investigation every year, which involves more than 70 issues from 4 major dimensions to understand employees' evaluation of the Company. The Company also makes improvements and action plans based on data analysis to further improve employees' work engagement.

### Research model



## 4.2 Occupational Health and Safety

### Occupational Health and Safety Management

Sticking to the occupational health and safety policy, “safety and prevention first; comprehensive governance involving all employees; scientific management for sustainable development”, the Company strictly abides by the *Safety Production Law of the People's Republic of China*, the *Fire Prevention Law of the People's Republic of China*, and the *Laboratory Safety Production Regulations*, and has established a perfect occupational health and safety management system to safeguard employees' health and safety. By the end of the reporting period, the Company has been approved by ISO 45001 occupational health and safety management system certification, and acquired corresponding certificates.

The Company founded the EHS Management Committee and Accident Emergency Leading Group, with CEO of the Company as the group leader, and department heads and safety officers as the members. The Committee is responsible for formulating EHS management policies, organizing EHS trainings, launching comprehensive and special EHS examination and investigation of various hidden dangers, and supervising responsible departments to correct the hidden dangers, thus to improve employees' EHS awareness and skills, and guarantee the production and operation safety of the Company. In the meantime, the Committee is also responsible for developing emergency plans for various accidents, organizing accident emergency drills regularly, and strengthening the Company's emergency management ability.

In 2022, the Company modified or added part of occupational health and safety systems to regulate the Company's daily management. For an instance, the Company has changed 5 systems including the *Control Procedure for Goal, Indicator and Management Proposal*, and added 2 documents including the *Emergency Plan for Forklift Accidents* and *Safe Operating Procedures for Lifts*.

The Company has adopted several measures to lower EHS risks and guarantee employees' occupational health and safety.

<p>Production process and equipment</p>	<ul style="list-style-type: none"> <li>Identify the EHS risks of the process and equipment, and employ corresponding risk prevention measures. For example, for the process and equipment generating noise, reduce the noise through engineering measures such as adopting shock-absorbing means and adding sound-absorbing materials; and for equipment exposed to hand nipping risks, mount the safe door and interlocks, and set up a program by which the equipment will shut down automatically when the safe door is open.</li> </ul>
<p>Goods storage and operation</p>	<ul style="list-style-type: none"> <li>Place hazardous chemicals in special warehouses and safety cabinets for storage;</li> <li>Chemicals that may easily produce toxin or lead to explosion shall be accepted, stored, reviewed and used by two people, and managed with two locks.</li> </ul>
<p>Production process</p>	<ul style="list-style-type: none"> <li>Identify the EHS risks of the production process, post the risk notification cards for relevant positions, and provide relevant employees with personal protective equipment.</li> </ul>
<p>Workplace</p>	<ul style="list-style-type: none"> <li>Employ qualified occupational hazard factor detection unit every year to identify occupational hazard factors in the workplace and conduct detection for relevant positions;</li> <li>Take corresponding measures for employees in relevant positions, such as providing trainings, releasing protective equipment, and requiring physical examination before, during and after the work in these positions.</li> </ul>



In 2022, in order to enhance employees' awareness and skills of occupational health and safety, the Company carried out 15 EHS trainings, covering such topics as EHS Safety knowledge, Management Requirements for Hazardous Chemicals that May Produce Toxin or Lead to Explosion, Fire Safety Knowledge Training and Safety of Special Equipment, involving 285 employees from different departments. In order to improve employees' ability of accident prevention and emergency response, we carried out the hazardous chemical accident drill, sterilizer accident drill, forklift accident drill and fire-fighting drill, which cover employees from relevant positions or all staff members.

The main occupational disease risk of the Company was the noise at the welding and filling positions in 2022. Therefore, we equipped employees exposed to noise with hearing protection equipment such as earplugs and earmuffs.

In addition, the Company organizes safe production inspection once a month, which focuses on field environment, electrical equipment, fire safety, wearing of labor protection equipment and on-site storage of chemicals, and requires all departments to timely correct the problems discovered. The Company carries out a "safety production month" activity once a year to strengthen safety production inspection and check hidden dangers at the work site. In 2022, the Company had 0 fatal occupational injury accident and 0 occupational disease, and discovered 290 hidden dangers without hidden risk of major accidents. By the end of the reporting period, the Company has corrected 287 hidden dangers, raising the hidden danger correction rate to 99%.

## Laboratory Biosafety Management

The Company has established a complete laboratory biosafety system in strict accordance with the *Biosafety Management Regulation of Laboratories for Micro-organisms*, *Laboratories - General Requirements for Biosafety*, *Regulations on the Administration of Medical Wastes* and other laws and regulations as well as industrial requirements, in order to guarantee employees' health and safety and the safe and smooth operation of laboratories.

The Company founded the Biosafety Committee, with CEO of the Company as the Director, relevant department heads as the Deputy Director, and the biosafety leader and supervisor of each laboratory as the members. The Committee is responsible for implementing the biosafety management system, establishing the management system of effective operation and constant improvement, and assuring the compliance of laboratories with safety requirements. The laboratory biosafety management of the Company covers all laboratories of the Company, including 2 R&D labs, 3 testing labs and 1 quality inspection lab.

The Company organizes internal and external biosafety trainings regularly, and carries out biosafety self-inspection and emergency drills, to improve laboratory personnel's biosafety consciousness and guarantee personnel and environmental safety. In 2022, the Company introduced 12 employees to the biosafety trainings given by Hangzhou Municipal Health Commission, and all employees passed theoretical trainings and exams and obtained the *Qualification Certificate for Biosafety Posts in Pathogenic Microbiology Laboratories in Zhejiang Province*. In addition, the Company held 4 internal trainings, covering the Catalog of Medical Wastes (2021), Knowledge on Laboratory Biosafety and Basic Operating Procedures for Laboratory Biosafety. 75 employees had participated in the trainings, including all employees from relevant positions such as R&D, inspection and quality control.

## Hazardous Chemical Management

By formulating internal policies such as *Hazardous Chemical Management Policy* and *Hazardous Chemical Warehouse Management Policy*, the Company put forward requirements for standardized operation of hazardous chemical purchase, transportation, acceptance, storage, requisition, use and disposal. Relevant departments of the Company regularly carry out special inspection on hazardous chemicals, daily inspection and anti-theft and anti-robbery drill, to assure policy implementation and standardized management.

In 2022, 35 types of hazardous chemicals were used in the R&D, inspection and quality control laboratories, compared to only 19 in 2021. The Company strictly implemented the specifications and requirements for hazardous chemicals, and chose a qualified third party to dispose the hazardous wastes of the Company.



## 4.3 Employee Development and Retention

### Employee Training

Talents constitute the core resources that drive the long-term and sustainable development of the Company. Attaching importance to the cultivation and development of employees, we have established a comprehensive staff training system, including the "Hui Program" series, internal general skills and science training for employees, and professional skills training at each department and external certification trainings.

In addition, we encourage employees of relevant positions to obtain the Good Clinical Practice (GCP) training certificate, PCR work license and other relevant qualification certificates, and reimburse the training and examination fees. We also support employees to upgrade their educational level, and, for an instance, allow employees studying for a Master of Business Administration (MBA) to arrange their work more flexibly.

<p>"Hui Program" series</p>	<ul style="list-style-type: none"> <li>• Yaohui Program: aiming to help executives of the Company to advance in leadership</li> <li>• Shenghui Program: aimed at the development of middle management team and personal development</li> <li>• Xuhui Program: introduction to leadership for new managers</li> <li>• Xinhui Program: new employee orientation training uniformly organized by the HR Department</li> </ul>
<p>Internal general skills and science training for employees</p>	<ul style="list-style-type: none"> <li>• Chang Xiang Hui: An internal sharing platform of the Company, where all departments offer general skill trainings and professional knowledge popularization for all employees</li> </ul>
<p>Professional skills training at each department and external certification trainings</p>	<ul style="list-style-type: none"> <li>• "Cavalry Training Camp" and "Nuo Xing Program" training for employees from the sales department</li> <li>• "Nuo Xiao Ying Program" for employees from the operation department</li> <li>• "Yan Zhi Ku" training for employees from the R&amp;D department</li> <li>• Provide R&amp;D, production and inspection personnel with EHS knowledge trainings and professional skill trainings such as laboratory equipment operation and special equipment operation.</li> </ul>

In 2022, the Company had provided dozens of trainings of different types online, offline or online-offline combined. More than 1,400 employees participated in the trainings, raising the training coverage to 93.53%. These trainings helped new employees grow from a student to a worker, and improved the knowledge, general skills, business competence and occupational skills of new and old employees.

During the reporting period, the Company focused on the trainings of “Management by Objective” and “Target Selection” for middle-level managers. In the management by objective training, we helped employees sort out the overall performance management cycle, and improve team performance management, to achieve performance objectives and better results. In the target selection training, we helped employees know well the interview process and improve interview skills, to promote the quality of the Company’s talent team.

## Employee Promotion and Development

The Company has formulated the *Rank Management System, Standards and Processes for Post Competition Defense*, and other systems, specifications and procedures, providing employees with a dual-channel promotion management system in terms of management and professionalism.

In 2022, the Company further clarified its values as “Sincerity, Passion, Execute, Create, Coordination”, five dimensions. To drive employees to practice the Company’s values in their daily life and work, the Company strengthened the evaluation of employees’ values in assessment. Three behaviors for assessment are incorporated in each dimension as one of the important factors for employee promotion.

For regular employees of the Company, we have formulated the *Performance Management and Bonus Policy*, which specifies the accounting and payment method of monthly, quarterly and annual floating performance bonus for employees. Moreover, we attract and retain key talents by means of salary adjustment, equity incentive and provision of development plans.



# Environmental Protection and Green Development

## 5.1 Environmental Management System

Strictly complying with national and local laws, regulations, policies and standards including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on Environmental Impact Assessment*, the Company has developed internal policies such as *Office Environment Management Policy* and *Work Environment and Pollution Control Procedure*, to conduct environment management over the office, production and storage areas.

We have established a comprehensive environmental management system. The EHS Committee of the Company is responsible for supervising responsible departments to implement environmental protection. In 2022, the Company updated the *Control Procedure for Goal, Indicator and Management Proposal* and other policy documents, to facilitate the Company's control over and implementation of environmental management company wide and further improve the Company's environmental management. By the end of the reporting period, the Company has acquired ISO 14001 environmental management system certification.

The Company actively identifies the environmental impacts associated with its business operations, including resource use and pollutant emissions. During the reporting period, the Company did not have any major incidents that violated relevant environmental protection laws and regulations and affected the environment and natural resources.

### Resource Use

Energy: electricity

Water resource: municipal water

Raw materials: antigens, antibodies and chemical reagents, etc.

Packaging: plastic and cardboard



### Emissions


Greenhouse gases (GHGs)

Wastewater: production and testing sewage and domestic sewage

Hazardous waste: medical waste, empty chemical reagent bottles and reagents, medical waste liquids and others

Non-hazardous waste: production solid waste and domestic solid waste

The Company sets the environmental management goals of 2025 as follows: (compared to 2019)



Reducing comprehensive energy consumption density by **15%**  
 Reducing water consumption density by **20%**  
 Reducing the GHGs emission density by **20%**  
 Lowering the non-hazardous waste discharge density by **60%**  
 Lowering the hazardous waste discharge density by **20%**

Since the release of above goals, the Company has applied multiple measures to increase the resource utilization efficiency and lower the GHGs and waste discharge density (see details in Section 5.2-5.4). The environmental management and resource utilization of the Company during the reporting period are listed in the table below. Based on the rise of the Company's operating revenue and performance optimization in environmental density indicators, the 2025 environmental management goals have been achieved this year. The Company will maintain the effective measures for environmental management to guarantee the accomplishment of goals in future years.

Indicator	Unit	2019	2022	Change
Comprehensive energy consumption density	MWh/ RMB 10,000	0.17	0.05	Decrease 71%
Water consumption density	cubic meters/RMB 10,000	0.57	0.18	Decrease 68%
GHGs emission density	tons of CO <sub>2</sub> equivalent/RMB 10,000	0.14	0.03	Decrease 79%
Non-hazardous waste discharge density	ton/RMB 10,000	0.0019	0.0003	Decrease 84%
Hazardous waste discharge density	ton/RMB 10,000	0.0035	0.0014	Decrease 60%

## 5.2 Resource Conservation

### Energy Use

The energy consumed by the Company directly or indirectly is electrical energy used in production and testing, and there is no consumption of energy such as natural gas, gasoline and coal or use of official vehicles for the time being. We have adopted several measures to save energy, reduce loss and improve energy utilization efficiency. In the office, we control the setting of the air-conditioning temperature, and advocate energy conservation among employees. In terms of production, we purchase energy-saving equipment, conduct equipment maintenance and overhaul regularly, and arrange for production rationally. Moreover, we perform anomaly detection and give internal reminders against energy utilization.

### Water Use

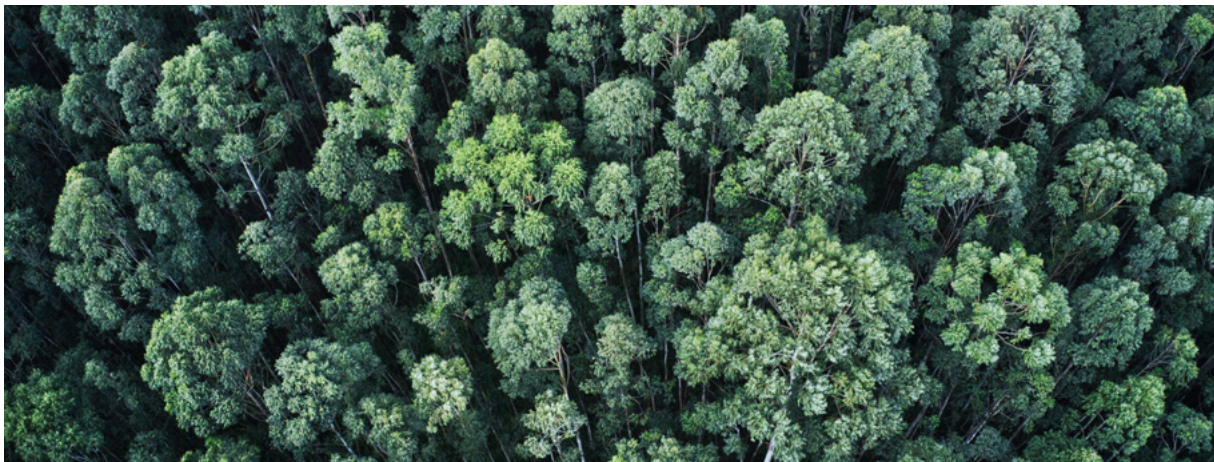
The water source of the Company is municipal water, as well as the circulating water processed by the purified water circulation system, so there is no problem in obtaining the water required for production and operation. We save water at the source and during the whole operation process, such as using sensor faucet in the restroom and cleaning the office area with circulating water. The Company also arranges special personnel to regularly check the leaks of the Company's sink and water pipes, and timely discovers and repairs the leak if any.

### Material and Packaging Use

The main raw materials of the Company are antigens, antibodies and chemical reagents, and packaging is mainly made of plastic and cardboard. By means of applying recyclable packages, upgrading warehousing management system and other means, the Company saves resources at the source and improves the recycling of materials in operation, to increase the utilization efficiency of materials and packaging resources.

In 2022, the Company intensified the recycling and use of logistics package. For the products sent to local consumers in Hangzhou, the Company used recyclable packing cases provided by logistics suppliers to reduce the usage of packages. For the temperature control box used in cold-chain transportation, the Company strengthened its recycling.

In addition, the Company carried out digital and intelligent upgrading of the warehousing management system, refined the control and management over materials and finished products by optimizing the inboard/outboard process, multi-owner management and anomaly pre-warning in warehouse management, and improve inventory utilization.

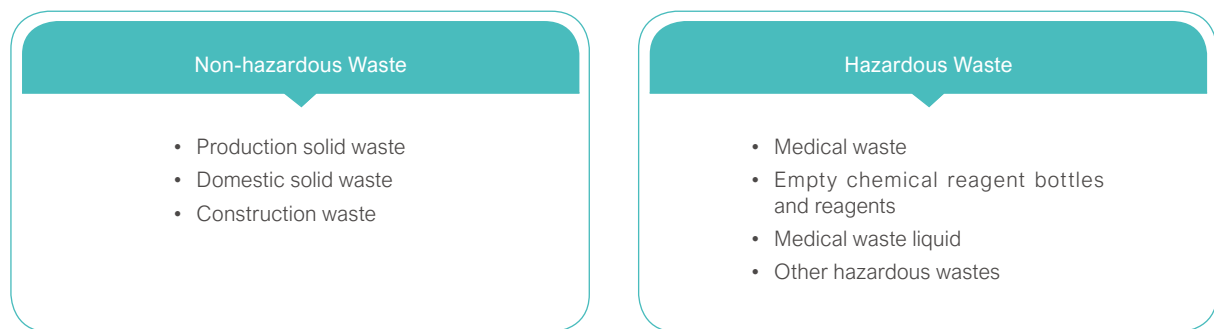


## 5.3 Reduction of Pollutant Emissions

### Waste Management

The Company generates non-hazardous wastes including domestic solid waste, production solid waste and construction waste during office work, production and office building extension, and generates hazardous wastes including medical wastes in production, test and R&D.

#### Category and Specific Types of Company Wastes



In terms of non-hazardous wastes, pursuant to the requirements of the park, the Company delivers its production solid waste and domestic solid waste to the property management company of the park for collection and unified disposal, and delivers its construction waste to a qualified third party for disposal. Moreover, the Company adopts proactive measures to reduce non-hazardous waste. For example, the Company advocates and implements paperless operation and double-sided printing of documents. On the production line and in the laboratory, the Company uses automatic monitoring equipment for environmental factors to reduce the use of paper records. For the logistics, the Company has gradually increased the coverage of express tracking scanning recorder (express PDA), and started to apply the electronic shipping list and picking list since 2022.

In terms of hazardous waste, the Company has formulated the *Hazardous Solid Waste Management Policy*, *Emergency Treatment for Accidental Leakage of Hazardous Waste* and other internal policies according to regulatory requirements of *Regulations on Management of Medical Wastes* and *National Catalogue of Hazardous Wastes (2021 version)*. Medical waste, empty chemical reagent bottles and reagents as well as medical waste liquids should be collected at fixed points, and temporarily stored at the Company's medical waste temporary storage place, and the EHS department will contact qualified third-party disposal units for regular recycling and disposal. In order to ensure the safety of hazardous wastes during storage, the Company shall place all hazardous wastes collected in appropriate containers or packaging, label them with corresponding "Hazardous Waste Label" and adopt measures to prevent spillage. The temporary storage site should be ventilated, cool and away from open fire.

### Wastewater Management

The wastewater discharged from the Company's production activities is mainly production testing sewage and domestic sewage, and does not involve exhaust gas emissions. We strictly abide by the *Water Pollutant Discharge Standard for Medical Institutions* and *Comprehensive Pollutant Discharge Standard for Urban Sewage Treatment Plants* and other regulations in wastewater disposal, testing and up-to-standard discharge. The Company utilizes the sewage treatment equipment to treat the production testing sewage, and discharges it to the municipal sewage pipeline after reaching the water quality standard for water pollutant discharge of medical institutions. Domestic sewage is discharged by the domestic sewage pipe network in the park in a unified way.

## 5.4 Addressing Climate Change

In order to help achieve the national goal of "carbon dioxide peaking · carbon neutrality" and contribute to global sustainable development, we are committed to coping with climate change, identifying the risks and opportunities of climate change related to the Company, assessing their impact on the Company, and undertaking comprehensive risk management and climate performance improvement efforts. Considering the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board (FSB), the Company established the climate change management system in four aspects: governance, strategy, risk management, indicator and goal.



### Climate Issues Governance

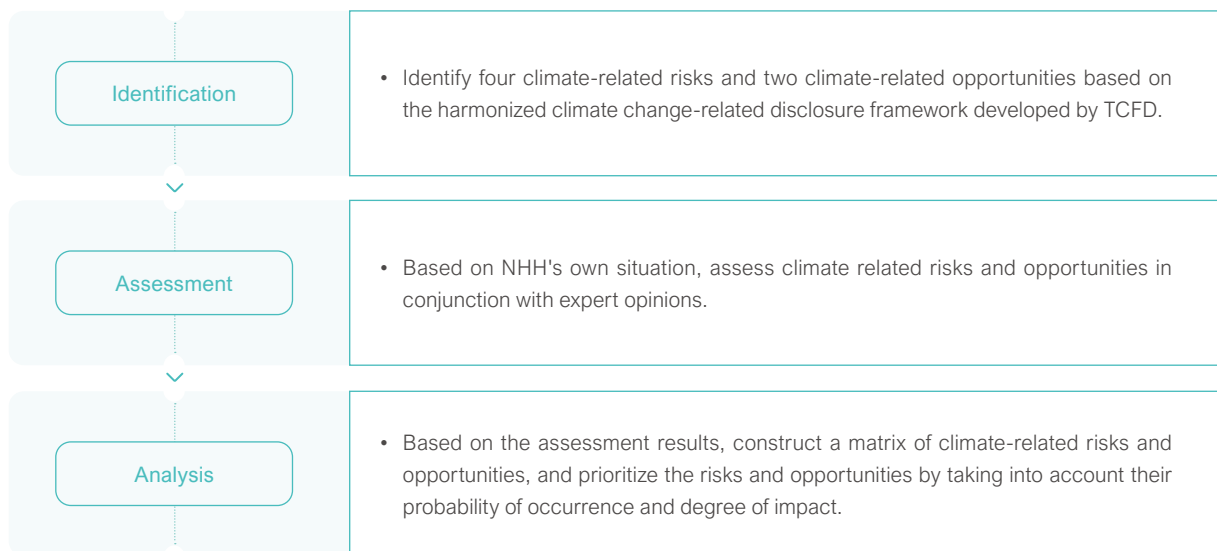
The Board of Directors is fully responsible for climate governance at NHH, while ESG Executive Working Group is responsible for formulation and implementation of ESG to ensure that the Company has an appropriate and effective climate risk governance system. ESG Executive Working Group identifies and ranks key climate issues, evaluate the impact of such risks and opportunities on the Company, and make recommendations to the Board of Directors on risk response.



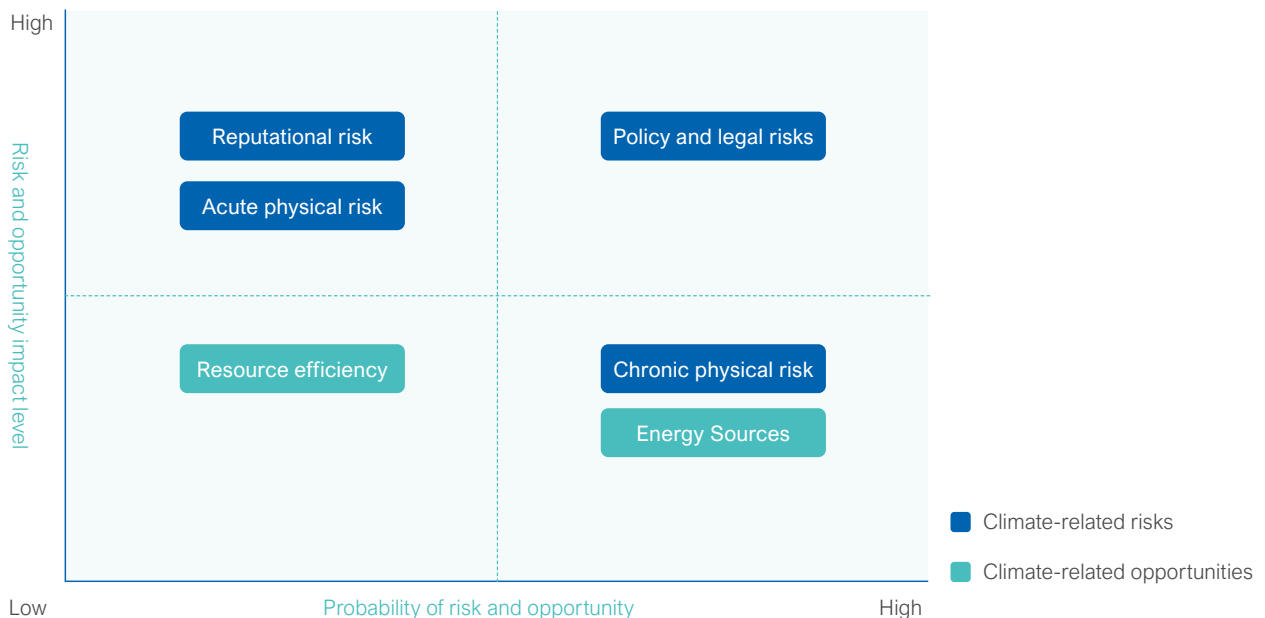
## Climate Strategy

The identification of climate change-related risks and opportunities is the basis for the Company's climate issue management. Through the identification, evaluation and analysis of risks and opportunities, the Company has identified the key climate change-related risks and opportunities related to its operations, and has continuously improves its management accordingly to minimize the impact of its operations on climate and the environment. The analysis process and results are shown in the figure below.

### Analysis Process of Climate Related Risks and Opportunities



### Matrix of Climate Related Risks and Opportunities



## Climate Risk and Opportunity Management

As far as climate risks in concerned, the Company identifies policy and legal risks, reputation risks, chronic entity risks and acute entity risks. In the aspect of climate opportunities, the Company identifies opportunities for energy sources and resource efficiency. According to the identified key climate risks and opportunities, the Company evaluates its potential operational and financial impact and plans to integrate climate-related risks and opportunities into the Company's overall risk management system.

### Financial Impact Analysis of Climate Risks

Types	Specific Description	Potential Financial Impact
Policy and legal risks	If the Company fails to meet the requirements of climate-related policies or laws in environmental management, and is investigated for legal responsibility, regulatory measures or disciplinary action, etc., this will lead to property loss or loss of business reputation.	Operating revenue ▼
Reputational risk	In the low-carbon policy environment, stakeholders expect the Company to take proactive management actions and improve transparency in information disclosure in response to climate change, and failure to respond to stakeholders' demands will have an impact on the Company's reputation.	Operating revenue ▼ Operating cost ▲
Chronic physical risk	Long-term natural pattern shifts such as sea level rise and persistent high temperatures that may result from climate changes may affect the Company's operations.	Operating cost ▲ Value of fixed assets ▼
Acute physical risk	Drastic climate changes such as typhoons and floods will give rise to extreme weather or natural disasters that may affect the Company's normal operations.	Operating revenue ▼ Operating cost ▲ Value of fixed assets ▼

### Financial Impact Analysis of Climate Opportunities

Types	Specific description	Potential Financial Impact
Energy sources	The GHGs emissions during the operating stage of the Company mainly come from outsourcing power. At present, China's strong support for green energy may significantly reduce the Company's future energy expenditure, and help the Company achieve its carbon emission reduction target.	Operating cost ▼
Resource efficiency	Process upgrades drive efficiency in the use of resources, including energy, water and raw materials, and this may effectively reduce the operating cost.	Operating cost ▼

## Climate Goal and Key Governance Actions

The Company has carried out calculations based on continuous annual GHGs emissions data and set quantitative climate targets: Reduce GHGs emissions per unit of operating revenue by 20% in 2025 compared to that in 2019.

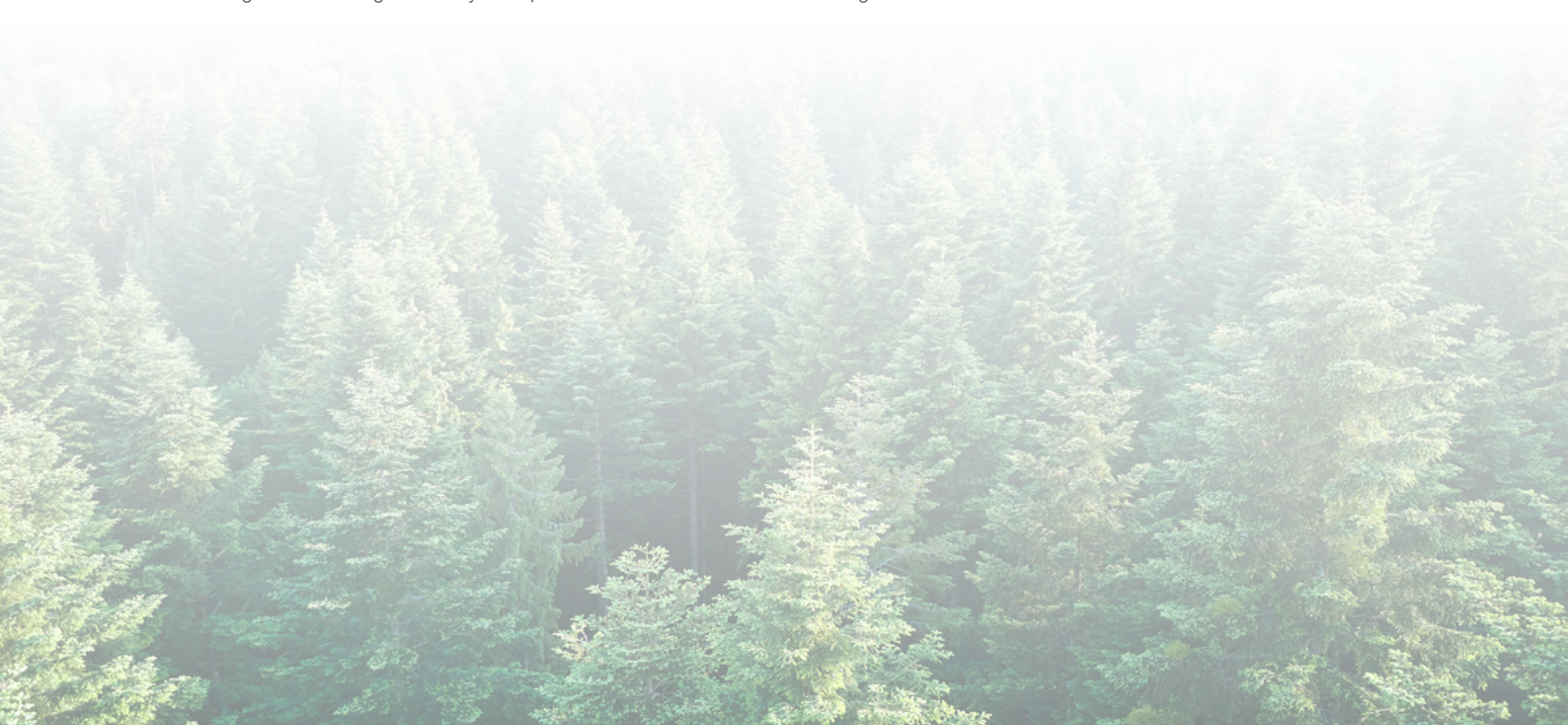
The Company has developed appropriate countermeasures to clearly manage climate issues, including:

- Establishing and continuously improving an environmental management system and regularly tracking environment-related policies;
- Communicating climate changes as a priority issue to stakeholders through channels such as ESG reporting;
- In the future, planning to establish a relatively perfect emergency management scheme for extreme weather, and conducting regular emergency drills and training for natural disaster accidents.

The Company's main source of GHGs emissions has been identified as the use of electrical energy. To reduce electrical energy use and GHGs emissions, the Company undertakes the following actions, including:

- Developing the *Office Environment Management Policy* to clarify the specification for the use of air conditioners and equipment to reduce office energy consumption;
- Enhancing employee awareness of resource conservation through daily communication, setting water and electricity conservation banners, etc.;
- Encouraging and promoting green office initiatives;
- Carrying out statistical management of data on water and electricity consumption to identify abnormalities in a timely manner;
- Purchase energy-saving equipment, and conduct equipment maintenance and overhaul regularly.

In 2022, the Company's GHGs emission per unit of operating revenue was 0.03 tons of CO<sub>2</sub> equivalent/RMB10,000, having declined significantly compared to 2021 and reached the goal.



# Responsible Procurement

## 6.1 Supplier Quality Management

Our main suppliers can be divided into three categories: production suppliers, non-production suppliers and fixed asset suppliers. Strictly abiding by the *Regulations for the Supervision and Administration of Medical Devices* and *Operation and Management Measures for Medical Devices*, the Company formulated the *Procurement Control Procedure*, *Supplier Evaluation and Selection Standard*, *Bidding Management Procedure*, *Supplier Review Policy* and other internal policies, to strengthen supplier quality management.

During supplier evaluation and admission, the Company clarifies the principles for supplier evaluation, and evaluates suppliers from four major dimensions, quality assurance ability, technical competence, business and after-sale service, to further advance the procurement quality of the Company. For suppliers failing the evaluation, we may help suppliers improve themselves based on practical conditions and needs.

For the warehousing of materials from suppliers, we have signed the *Quality Agreement* with key material production suppliers, which agrees on the supplier's quality assurance system, quality control of the production process, control of material quality and disposal of non-conforming products, to comprehensively guarantee the quality of our products. After the arrival of the purchased products, they are inspected by our Quality Compliance Department according to the *Quality Control Procedure*, and the non-conforming materials are handled according to the provisions of the *Non-conforming Product Control Procedure*.

The Company conducts regular review on suppliers. By means of questionnaire and field investigation, the Company reviews the suppliers' production environment, process, production, quality control, storage and transportation conditions and other factors that may affect the quality and safety of purchased materials. In case of any non-conforming factor discovered in the review, we will inform the supplier and request the supplier to make corrections.

## 6.2 Supplier Social and Environmental Risk Management

We are aware that the social and environmental behaviors of suppliers will affect the risks in our operation activities, and therefore attach increasing importance to the supplier social and environmental risk management.

The Company formulated the *Environment Health and Safety Management System - Stakeholder Safety Management Policy* to reduce the EHS risks of stakeholders including suppliers. In the meantime, we also developed the *Code of Conduct for Suppliers*, which sets clear requirements for suppliers in terms of ESG, such as labor standards, working hours and remuneration, freedom of association, EHS, environment, anti-corruption and ethics. By the end of the reporting period, 80% suppliers of the Company have signed this Code.

At the stage of supplier evaluation and admission, the Company gives priority to suppliers certified to ISO 14001 environmental management system and ISO 45001 occupational health and safety management system, and includes the certification requirements in the *Supplier Questionnaire* that suppliers are required to provide. During the regular supplier evaluations, we incorporate the scoring results into our procurement decisions to prompt suppliers to use environmentally friendly products and services.

# Healthcare Ecosystem and Healthy Society Enablement

## 7.1 Promoting Development of Healthcare Ecosystem

### Enhancing Product Accessibility

We hope to convert the cutting-edge early stage cancer screening technology into products, and commercialize the innovation of early cancer screening technology, thus to benefit more people.

In 2022, the multi-targets fecal FIT-DNA detection technology of the Company's product ColoClear<sup>®</sup> was included in the *Guidelines for Holistic Integrative Management of Cancer (CACA)*. By the end of the reporting period, this technology has been incorporated in all national guidelines for clinical treatment of colorectal cancer, including the *Guidelines for Screening, Early Diagnosis and Early Treatment of Colorectal Cancer in China (2020, Beijing)*, *2021 CSCO Guidelines for Diagnosis and Treatment of Colorectal Cancer* and *Guidelines for Holistic Integrative Management of Cancer (CACA)*. It is the only molecular detection technology that is lawfully applied to the screening of high-risk population of colorectal cancer, which may provide the early stage cancer screening method to more high-risk people.

In June 2022 and January 2023, the Company joined hands with partners to successfully release ColoClear<sup>®</sup> and UU Tube<sup>®</sup> in Hong Kong market. In March 2023, the Company also joined hands with partners to launch the commercialization of CerviClear<sup>™</sup> and jointly promote the release of CerviClear<sup>™</sup> in Hong Kong. In the meantime, we were planning to explore market opportunities in Southeast Asian countries or regions. The accessibility of the Company's products has been further improved worldwide upon the release in Hong Kong and overseas market, helping more people foresee and prevent the risk of cancer.

In 2022, the delivering amount of ColoClear<sup>®</sup>, Pupu Tube<sup>®</sup> and UU Tube<sup>®</sup> reached 806,000, 7.963 million and 3.551 million respectively, having risen by 21% and 37% on a YOY basis (no YOY increase of UU Tube<sup>®</sup> since it was marketized in 2022); the sales income was RMB 360 million, 200 million and 210 million respectively, having risen by 266.2% and 73.7% on a YOY basis (no YOY increase of UU Tube<sup>®</sup> since it was marketized in 2022). The increase of the sales of company products not only suggested that we had helped more people complete cancer screening independently and foresee and prevent the risk of cancer, but also indicated that the shortage of social medical resources had been alleviated to a great extent, benefiting more people seeking medical services.

In addition, we continue to support and invest in national livelihood projects. We have participated in the national cancer center city early diagnosis and early treatment programs since 2019 by supplying Pupu Tube<sup>®</sup> to the government at a lower cost, which covered 11 provinces, municipalities or autonomous regions including Guangdong, Zhejiang, Xinjiang and Hebei. By the end of the reporting period, we have provided 910 thousand Pupu Tube<sup>®</sup> products to the government. Since 2020, we actively took a part in the livelihood projects in Zhejiang Province, and supported the government to provide screening services to the high-risk population of colorectal cancer aged 50 to 74 in Zhejiang Province, having improved the early diagnosis rate and treatment rate. By the end of the reporting period, we have supplied a total of 2.3 million Pupu Tube<sup>®</sup> products to all 11 prefecture-level cities in Zhejiang Province.

## Empowering Grassroots Medical Care

We are concerned with the development of grassroots medical care. We empower grassroots medical care and improve early screening and prevention at the grassroots through trainings or other means, upon the cooperation with several partners.

Since 2021, we have cooperated with PICA Medical Technology (Shanghai) Co., Ltd. and PICA Medical Technology (Chongqing) Co., Ltd. to drive the promotion and popularization of early stage intestinal cancer screening at the grassroots. In 2022, we launched the gastrointestinal cancer and disease screening campaign against the grass-roots people in 3,792 grassroots medical institutions in 284 cities, 30 provinces nationwide, and supplied a total of 1.8 million Pupu Tube<sup>®</sup> products and 100 thousand UU Tube<sup>®</sup> products.

## Promoting Technological Progress of the Industry

While being dedicated to the R&D of early stage cancer screening technology and the innovation of product commercialization, we actively organize and participate in industry exchange activities, and join hands with the industry to promote basic and clinical cancer diagnosis and treatment research.

In 2022, as a co-sponsor, we assisted the Helicobacter Pylori Group from the Digestive Diseases Branch, Chinese Society of Gastroenterology, in holding 10 tour lectures nationwide, the *Sixth National Report on the Consensus of Helicobacter Pylori Infection*. The lecture centered on the diagnosis of Helicobacter pylori (Hp), treatment of Hp, relation between Hp and gastric cancer, clinical application of fecal antigen detection technology, Hp infection and gastrointestinal micro-ecology, and prevention, control and diagnosis with family as a unit, introduced the latest Hp scientific research results worldwide to Chinese gastroenterologist, and regulated on the standard process of Hp detection and diagnosis. In 2022, we have supported or participated in several industry academic conferences, where we released our latest research achievements in early screening of cervical carcinoma, early stage colorectal cancer screening, graded diagnosis and treatment of colorectal cancer and new markers for pan-cancer screening, to promote the knowledge popularization and technology development related to early stage cancer screening.

### Academic Conferences that the Company Supported or Participated in 2022



- **May:** The 8<sup>th</sup> Jinling Health Management Forum
- **May:** The 10<sup>th</sup> West Lake International Medical Forum
- **June:** The 5<sup>th</sup> Tianfu Health Forum Cancer Prevention and Treatment Summit
- **August:** The 9<sup>th</sup> 301 Health and the 11<sup>th</sup> National Physical Examination Center Director Summit Forum
- **November:** The 25<sup>th</sup> National Congress of Clinical Oncology and 2022 CSCO Annual Meeting
- **November:** 2022 Chinese Congress on Oncology (CCO)
- **December:** The 5<sup>th</sup> Healthy China Forum

## 7.2 Improving National Health Awareness

In order to popularize the knowledge on early stage cancer screening and improve national health awareness, we carried out science popularization and education through the Publicity Day campaign, Science Popularization in China<sup>1</sup> we media and other means.

<p>Science Popularization on the Publicity Day</p>	<ul style="list-style-type: none"> <li>• In 2022, we carried out science popularization focusing on cancer prevention and early treatment on China Early Cancer Screening Day (April 15), National No-Hp Day (May 15) and World Digestive Health Day (May 29), to enable more people to understand the value of early stage cancer screening.</li> </ul>
<p>Co-sponsor the Science Popularization in China of "Prevention, Screening, Diagnosis, Treatment, Nursing and Management" of Colorectal Cancer</p>	<ul style="list-style-type: none"> <li>• The Science Popularization in China focused on establishing colorectal cancer screening science education base in public medical institutions, and providing precise knowledge to colorectal cancer patients, their families and relevant high-risk populations in a timely and effective manner.</li> <li>• By the end of the reporting period, the Company has authorized 66 colorectal cancer screening science education bases, cultivated 172 colorectal cancer science popularization experts, held 166 patient education meetings and involved 4,980 people.</li> </ul>
<p>Communicating Medical Knowledge Through We Media</p>	<ul style="list-style-type: none"> <li>• In 2022, we published 434 science popularization articles and over 70 science popularization videos at the official we media account, to contribute to the popularization of medical knowledge of cancer prevention, etc.</li> </ul>

<sup>1</sup> Jointly sponsored by Colorectal Cancer Professional Committee of Chinese Medical Doctor Association and Colorectal Cancer Professional Committee of China Anti-cancer Association, academically supported by Chinese Journal of Colorectal Disease (Electronic Edition) and co-sponsored by NHH.



## Key Quantitative Performance

### Environmental Performance

#### Environmental compliance

Performance Indicator	Unit	2020	2021	2022
Number of incidents in which penalties were imposed for exceeding pollutant standards or violating emissions regulations	pcs	0	0	0

#### Wastewater discharge

Performance Indicator	Unit	2020	2021	2022
Industrial wastewater discharge <sup>1</sup>	cubic meters	800	1,000	1,664
Chemical oxygen demand (COD) emissions	kg	50.00	60.00	49.90
Ammonia nitrogen (NH <sub>3</sub> -N) emissions <sup>2</sup>	kg	2.00	2.65	2.13
Suspended solids (SS) emissions <sup>2</sup>	kg	32.00	41.00	74.00

1 Data description: The industrial wastewater discharge in 2022 has increased compared to the previous year, mainly due to the rise of output in 2022.

2 The units of NH<sub>3</sub>-N emissions and SS emissions in 2021 ESG report were wrong, and have been corrected in this report.

#### Amount of hazardous waste generated<sup>3</sup>

Performance Indicator	Unit	2020	2021	2022
Total hazardous waste	ton	32.98	56.55	106.73
Amount of medical waste generated	ton	29.18	53.57	97.96
Amount of empty chemical reagent bottles and reagent generated	ton	2.30	2.26	7.35
Amount of medical waste liquid generated	ton	1.50	0.71	1.42
Amount of hazardous waste generated per unit of operating revenue <sup>4</sup>	ton/RMB10,000	0.0047	0.0027	0.0014
Hazardous waste generated per capita	ton/person	0.11	0.08	0.14

3 Data description: The amount of hazardous waste generated in 2022 has increased compared to the previous year, mainly due to the rise of output in 2022. Among them, the growth rate of the empty chemical reagent bottles and reagent generated is significantly higher than other categories of hazardous waste, which is mainly associated with the higher delivery amount of ColoClear<sup>®</sup> of the Company. The delivery amount of ColoClear<sup>®</sup> has risen sharply in 2022.

4 Data description: The amount of hazardous waste generated per unit of operating revenue has declined on a year-on-year basis, mainly because of the increase of operating revenue in 2022.



Amount of non-hazardous waste generated<sup>5</sup>

Performance Indicator	Unit	2020	2021	2022
Total non-hazardous waste	ton	18.90	16.60	21.32
Amount of production solid waste generated	ton	15.10	12.60	15.32
Amount of domestic solid waste generated	ton	3.80	4.00	6.00
Amount of non-hazardous waste generated per unit of operating revenue <sup>6</sup>	ton/RMB10,000	0.0027	0.0008	0.0003
Amount of non-hazardous waste generated per capita	ton/person	0.06	0.02	0.03

5 Data description: The amount of non-hazardous waste generated in 2022 has increased compared to the previous year, mainly due to the rise of output in 2022.

6 Data description: The amount of non-hazardous waste generated per unit of operating revenue has declined on a year-on-year basis, mainly because of the increase of operating revenue in 2022.

Energy and GHGs<sup>7</sup>

Performance Indicator	Unit	2020	2021	2022
Power consumption	MWh	2,108.19	3,177.69	4,104.70
Power consumption per unit of product <sup>8</sup>	kWh/pcs	0.246	0.245	0.172
Power consumption per unit of operating revenue <sup>9</sup>	MWh/RMB10,000	0.30	0.15	0.05
Power consumption per capita	MWh/person	6.96	4.47	5.53
Total GHGs emissions <sup>10</sup>	tons of CO <sub>2</sub> equivalent	1,230.98	1,846.24	2,340.91
GHGs emissions per unit of operating revenue <sup>9</sup>	tons of CO <sub>2</sub> equivalent/ RMB10,000	0.17	0.09	0.03
GHGs emissions per capita	tons of CO <sub>2</sub> equivalent/ person	4.06	2.60	3.15

7 Data description: The data caliber is Hangzhou New Horizon Health Technology Co., Ltd., Hangzhou Nuokang Medical Examination Lab Co., Ltd., Beijing New Horizon Xincheng Health Technology Co., Ltd., Beijing Nuohan Medical Examination Lab Co., Ltd. and Guangzhou Nuohui Medical Examination Lab Co., Ltd. The data caliber of corresponding performance for 2019-2021 disclosed in 2021 report only covered Hangzhou New Horizon Health Technology Co., Ltd. and Hangzhou Nuokang Medical Examination Lab Co., Ltd. This report retrospectively adjusts the relevant data for 2020 and 2021 disclosed in this report according to the latest caliber. The power consumption and total GHGs emissions have increased mainly due to the output rise in 2022.

8 Data description: Power consumption per unit of product = total power consumption in production/ total output. The relevant performance disclosed in 2021 report was calculated based on the power consumption of automation equipment. This report adjusted relevant data for 2020 and 2021 disclosed in this report accordingly.

9 Data description: The power consumption per unit of product and GHGs emissions per unit of operating revenue have dropped compared with the previous year, mainly as a result of the increase in operating revenue in 2022.

10 Data description: Total GHGs emissions, GHGs emissions per unit of operating revenue and GHGs emissions per capita include Scope 1 and Scope 2 emissions, where Scope 1 emissions are zero. For Scope 2 emissions, this report is based on the relevant documents of the Ministry of Ecology and Environment, People's Republic of China. The grid emission factor used in the calculation of the 2020 data is 0.5839 tons of CO<sub>2</sub>/MWh, which is derived from the *Notice on the Public Solicitation of Comments on the Accounting Methods and Reporting Guidelines for Corporate Greenhouse Gas Emissions for Power Generation Facilities (Revised 2021 Draft)*. The grid emission factor used in the calculation of the 2021 data is 0.5810 tons of CO<sub>2</sub>/MWh, which is derived from the *Notice on Key Work Related to Management of Greenhouse Gas Emissions Reporting by Corporate in 2022*. The grid emission factor used in the calculation of the 2022 data is 0.5703 tons of CO<sub>2</sub>/MWh, which is derived from the *Notice on Relevant Work of Management of Greenhouse Gas Emissions Reporting by Power Generation Industry Corporate from 2023 to 2025*.

Water consumption<sup>11</sup>

Performance Indicator	Unit	2020	2021	2022
Total water consumption	cubic meters	7,730.92	8,547.79	13,790.11
Municipal water supply	cubic meters	7,730.92	8,547.79	13,790.11
Water consumption per unit of operating revenue <sup>12</sup>	cubic meters/ RMB10,000	1.10	0.40	0.18
Water consumption per capita	cubic meters/person	25.51	12.02	18.59

11 Data description: The data caliber is Hangzhou New Horizon Health Technology Co., Ltd., Hangzhou Nuokang Medical Examination Lab Co., Ltd., Beijing New Horizon Xincheng Health Technology Co., Ltd., Beijing Nuohan Medical Examination Lab Co., Ltd. and Guangzhou Nuohui Medical Examination Lab Co., Ltd. The data caliber of corresponding performance for 2019-2021 disclosed in 2021 report only covered Hangzhou New Horizon Health Technology Co., Ltd. and Hangzhou Nuokang Medical Examination Lab Co., Ltd. This report retrospectively adjusts the relevant data for 2020 and 2021 disclosed in this report according to the latest caliber. The total water consumption has increased mainly due to the output rise in 2022.

12 Data description: The water consumption per unit of operating revenue has declined on a year-on-year basis, mainly because of the increase of operating revenue in 2022.

Packaging<sup>13</sup>

Performance Indicator	Unit	2020	2021	2022
Total usage of packaging materials for finished products	ton	25.30	54.45	77.60
Amount of packaging materials used per unit of operating revenue for finished products	ton/RMB10,000	0.0036	0.0026	0.0010
Packaging material used per capita	ton/person	0.08	0.08	0.10

13 Data description: The usage of packaging materials in 2022 has grown compared to the previous year mainly due to the output rise in 2022.

## Employment and Labor Routine Performance

## Employment compliance

Performance Indicator	Unit	2020	2021	2022
Total number of penalties imposed on the Company for violation of employment-related laws and regulations	times	0	0	0
Number of penalties imposed for violation of laws and regulations related to employee recruitment and termination	times	0	0	0
Number of penalties imposed for violation of laws and regulations related to employee working hours and leave	times	0	0	0
Number of penalties imposed for violation of laws and regulations related to employee promotion and equal opportunity	times	0	0	0
Number of penalties imposed for violating employee anti-discrimination and diversity-related laws and regulations	times	0	0	0
Number of penalties imposed on the Company for violation of labor guidelines	times	0	0	0

## Employee employment

Performance Indicator	Unit	2020	2021	2022
Total number of employees <sup>14</sup>	person	303	711	742
Number of male employees	person	165	411	375
Number of female employees	person	138	300	367
Number of full-time labor contract employees	person	291	689	720
Number of full-time dispatched employees	person	1	1	1
Number of part-time employees	person	11	21	21
Number of employees below 30	person	128	280	317
Number of employees aged 30 to 50	person	171	426	412
Number of employees above 50	person	4	5	13
Number of grassroots employees	person	280	667	695
Number of middle and senior management	person	20	40	43
Number of core management (C-level)	person	3	4	4
Number of mainland employees	person	303	711	740
Number of employees from Hong Kong, Macao, Taiwan and overseas <sup>15</sup>	person	0	0	2
Number of R&D personnel	person	27	80	93
Proportion of R&D personnel	%	8.91	11.25	12.53

14 Data caliber: The "Total number of employees" in this report includes only the Company's full-time labor contract employees, full-time dispatched employees, and part-time employees, and doesn't not include outsourced employees.

15 Data description: Since the Hong Kong R&D center was founded by the Company in 2022, the number of employees from Hong Kong, Macao, Taiwan and overseas has increased compared to the previous year.

## Employee turnover

Performance Indicator	Unit	2020	2021	2022
Employee turnover rate <sup>16</sup>	%	20.47	18.74	27.68
Male employee turnover rate	%	22.17	21.86	33.04
Female employee turnover rate	%	18.34	14.04	21.24
Turnover rate of full-time labor contract employees	%	20.05	18.46	26.83
Turnover rate of full-time dispatched employees	%	0.00	0.00	50.00
Part-time employee turnover rate	%	31.25	27.59	47.50
Turnover rate of employees below 30	%	16.88	15.15	25.76
Turnover rate of employees aged 30 to 50	%	22.97	20.96	29.69

Performance Indicator	Unit	2020	2021	2022
Turnover rate of employees above 50	%	20.00	16.67	0.00
Turnover rate of mainland employees	%	20.47	18.74	27.73
Turnover rate of employees from Hong Kong, Macao, Taiwan and overseas	%	0.00	0.00	0.00

16 Calculation formula: Turnover rate of a category of employees = number of employees lost of a category / (number of employees of a category + number of employees lost of a category) \* 100%. Data description: The employee turnover rate in 2022 rose compared to the previous year, mainly because the number of new employees and interns hired by the Company in expansion has increased, resulting in the increase of unstable new employees.

### Employee health and safety

Performance Indicator	Unit	2020	2021	2022
Number of employee deaths due to work-related injuries	person	0	0	0
Percentage of employee deaths due to work-related injuries	%	0	0	0
Working days loss due to workplace injury	day	0	0	0

### Employee training

Performance Indicator	Unit	2020	2021	2022
Coverage of employees receiving training <sup>17</sup>	%	95.71	94.80	93.53
Male employee training coverage	%	96.97	97.32	96.00
Female employee training coverage	%	94.20	91.33	91.01
Grassroots employee training coverage	%	95.36	95.45	93.53
Middle and senior management employee training coverage	%	100.00	100.00	93.02
Core management (C-level) training coverage	%	100.00	100.00	100.00
Training hours per employee <sup>18</sup>	hour	15.21	20.54	20.80
Training hours per male employee	hour	15.45	21.35	21.68
Training hours per female employee	hour	14.93	19.43	19.89
Training hours per grassroots employee	hour	15.26	20.78	21.01
Training hours per middle and senior management employee	hour	16.00	18.00	18.60
Training hours per core management (C-level) employee	hour	6.00	6.00	7.50
Employee equity incentive ratio <sup>19</sup>	%	0.00	23.91	22.00

17 Calculation formula: Training coverage rate for a category of employees = number of employees of a category trained / number of employees of a category \* 100%.

18 Calculation formula: Training hours per employee of a category = total number of hours of employees of a category has been trained / number of employees of a category.

19 Calculation formula: Employee equity incentive ratio = number of employees receiving equity incentive / total number of employees \* 100%.

## Supply Chain Performance

### Total number of suppliers<sup>20</sup>

Performance Indicator	Unit	2020	2021	2022
Total number of suppliers	/	179	220	315
Suppliers from Mainland China	/	139	170	239
Hong Kong, Macao, Taiwan and overseas suppliers	/	40	50	76
Total number of direct suppliers	/	38	43	50
Total number of dealers	/	7	6	5
Total number of manufacturers	/	31	37	45

20 Data description: "Total number of suppliers" includes the total number of source suppliers and direct suppliers. The number of all types of suppliers in 2022 has increased compared to the previous year mainly due to the increase of product pipelines in 2022.

### New suppliers<sup>21</sup>

Performance Indicator	Unit	2020	2021	2022
Total number of new suppliers in 2022	/	4	7	11
New suppliers screened using environmental criteria	/	0	1	2
New suppliers screened using social criteria	/	4	6	10

21 Data caliber: including direct suppliers, excluding source suppliers.

### Supplier evaluation and monitoring<sup>22</sup>

Performance Indicator	Unit	2020	2021	2022
Total number of suppliers evaluated for environment, labor, ethics, etc.	/	2	3	4
Number of suppliers identified as having actual and potential significant negative environmental and social impacts	/	0	0	0
Number of suppliers receiving anti-corruption training	/	0	28	35
Percentage of suppliers that signed the supplier code of conduct	%	0	65	70

22 Data caliber: including direct suppliers, excluding source suppliers.

## Product and Customer Service Performance

### Product liability compliance

Performance Indicator	Unit	2020	2021	2022
Total number of penalties imposed on the company for violation of laws and regulations related to product liability	pcs	0	0	0
Number of violations of regulatory and voluntary codes related to health and safety of products and services	pcs	0	0	0
Number of violations of regulatory and voluntary codes related to marketing (including advertising, promotion and sponsorship)	pcs	0	0	0
Number of violations of regulatory and voluntary codes related to product and service information and labeling	pcs	0	0	0
Number of violations of regulatory and voluntary codes related to customer privacy protection	pcs	0	0	0

### Product complaints and recalls<sup>23</sup>

Performance Indicator	Unit	2020	2021	2022
Total number of complaints received by the Company about products and services <sup>24</sup>	pcs	13	3	8
The total number of complaints received by the Company about product quality	pcs	0	0	0
Customer complaint handling rate	%	100	100	100
Percentage of products sold that had to be recalled due to safety and health issues	%	0	0	0

<sup>23</sup> Data description: "Complaints" are defined as the incidents where users complain about products and services and request a refund or compensation through the Company's customer service hot line 400-826-2300 or online.

<sup>24</sup> Data description: The total number of complaints received by the Company in 2022 have increased compared to the previous year, mainly due to the rise of product sales in 2022.

## Anti-Corruption Performance

### Corruption litigation cases

Performance Indicator	Unit	2020	2021	2022
Number of corruption incidents reported by employees	pcs	0	0	0
Number of corruption lawsuits that have been filed by regulators against the Company and its employees and have been concluded	pcs	0	0	0

## Anti-corruption training

Performance Indicator	Unit	2020	2021	2022
Anti-corruption related training coverage for employees	%	99.01	95.17	93.53
Training hours per employee for anti-corruption related training	hour	0.50	1.43	1.50
Anti-corruption related training coverage for directors	%	100.00	100.00	100.00
Training hours per director for anti-corruption related training	hour	2.00	2.00	2.00

## Social Welfare Performance

## Community welfare

Performance Indicator	Unit	2020	2021	2022
Total amount of community investment <sup>25</sup>	RMB10,000	467	420	455
Amount of investment in education support	RMB10,000	200	102	210
Amount of investment in healthcare	RMB10,000	267	318	245

<sup>25</sup> Data description: The Company's investment in education support in 2022 includes: donation of RMB 2 million to Peking University Education Foundation and RMB 100 thousand to Tsinghua University. The Company's investment in healthcare included: donation of RMB 2.45 million to Beijing Huaxia Cancer Institution.

Employee volunteers<sup>26</sup>

Performance Indicator	Unit	2020	2021	2022
Number of employees participating in volunteer activities	person-time	0	124	102
Total hours of employee volunteer activities	hour	0.00	496.00	408.00
Employee volunteer activity hours per capita	hour	0.00	0.70	0.55

<sup>26</sup> Data description: As the Company organized fewer volunteer activities, the number of employees participating in volunteer activities and total hours in 2022 have decreased compared to the previous year.

## Economic Performance

## Economic Performance

Performance Indicator	Unit	2020	2021	2022
Operating revenue	RMB10,000	7,056.70	21,276.10	76,496.00
Amount of R&D investment	RMB10,000	2,533.50	5,890.30	8,790.00

## Appendix 1: Glossary of Terms

In order to help stakeholders better understand this report, the English abbreviations of the terms mentioned in this report are explained in the table below in alphabetical order.

English Abbreviations	Explanation
CEO	Chief Executive Officer
CFO	Chief Finance Officer
DNA	Deoxyribonucleic Acid
ECS	Elastic Compute Service
EHS	Environment Health and Safety
ESG	Environment, Social and Governance
FIT	Fecal Immunochemical Test
FSB	Financial Stability Board
GCP	Good Clinical Practice
Hp	Helicobacter Pylori
IVD	In Vitro Diagnosis
MBA	Master of Business Administration
Multi-omics	Multi-omics
NGS	Next Generation Sequencing
PANDA	Pan-cancer Early Detection in China
PCR	Polymerase Chain Reaction
PDA	Personal Digital Assistant
RNA	Ribonucleic Acid
STAR-Seq	Simultaneous DNA-RNA co-library sequencing
TCFD	Task Force on Climate-related Financial Disclosures
UDI	Unique Device Identification



## Appendix 2: List of Laws, Regulations, Policies and Standards

In order to help stakeholders better understand the compliance of the Company's operation activities, the laws, regulations, policies and standards the Company abide by are listed by field in the table below. There was no violation against laws or regulations by the Company during the reporting period.

Fields	Name of Laws, Regulations, Policies and Standards
Corporate Governance	<i>Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Appendix XIV Code on Corporate Governance Practices to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, etc.</i>
Internal Control System Construction	<i>Audit Law of the People's Republic of China, China's Internal Auditing Standards, Basic Norms of Enterprise Internal Control, Supporting Guidelines for Enterprise Internal Control, etc.</i>
Anti-corruption and Anti-commercial Bribery	<i>Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on the Prohibition of Commercial Bribery, Anti-Money Laundering Law of the People's Republic of China, etc.</i>
R&D Innovation	<i>Regulations for the Supervision and Administration of Medical Devices, Measures for the Supervision and Administration of Medical Device Production, ISO 13485: 2016 Medical Devices - Quality Management Systems – Requirements for Regulatory Purposes, ISO 14971: 2019 Medical Devices - Application of Risk Management to Medical Devices, etc.</i>
R&D Ethics	<i>The Declaration of Helsinki, Measures for Ethical Review of Biomedical Research Involving Human Subjects, Medical Equipment Specification for the Quality Control of Clinical Trial, etc.</i>
Intellectual Property Protection	<i>Copyright Law of the People's Republic of China, Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China, etc.</i>
Quality Management	<i>Product Quality Law of the People's Republic of China, Regulations for the Supervision and Administration of Medical Devices, EN ISO 13485:2016 Medical Devices - Quality Management Systems – Requirements for Regulatory Purposes, Good Manufacturing Practice for Medical Devices, Measures for the Supervision and Administration of Medical Device Production (Order 53), Measures for the Supervision and Administration of Medical Device Operation (Order 54), Regulations on Management of Instructions and Labels of Medical Devices (Order 6 by State Administration for Market Regulation), Management Measures for Registration and Filing of In Vitro Diagnostic Reagents, IVDR EU2017-746 In Vitro Diagnostic Medical Device Regulations, etc.</i>
Product Recall	<i>Regulations for the Supervision and Administration of Medical Devices, Good Manufacturing Practice for Medical Devices, Measures for the Administration of Recall of Medical Devices, etc.</i>
Information Security and Customer Privacy Protection	<i>Personal Information Protection Law of the People's Republic of China, Regulations of the People's Republic of China for Safety Protection of Computer Information Systems, etc.</i>
Responsible Marketing	<i>Advertisement Law of the People's Republic of China, etc.</i>
Protection of Employee Rights and Benefits	<i>Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China, Special Provisions on Labor Protection of Female Employees, Provisions on Prohibition of Child Labor, etc.</i>
Occupational Health and Safety Management	<i>Safety Production Law of the People's Republic of China, Fire Prevention Law of the People's Republic of China, Laboratory Safety Production Regulations, etc.</i>
Laboratory Biosafety Management	<i>Biosafety Management Regulation of Laboratories for Micro-organisms, Laboratories - General Requirements for Biosafety, Regulations on the Administration of Medical Wastes, etc.</i>
Environmental Management	<i>Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on Environmental Impact Assessment, Regulations on Management of Medical Wastes, National Catalogue of Hazardous Wastes (2021 version), etc.</i>
Supplier Management	<i>Regulations for the Supervision and Administration of Medical Devices, Measures for the Supervision and Administration of Medical Device Operation (Order 54), etc.</i>

## Appendix 3: Index of The Stock Exchange of Hong Kong Limited ESG Reporting Guide

Part B: Mandatory Disclosure Requirements	
Mandatory Disclosure	Report sections
Governance structure	1.2 Environmental, Social and Governance (ESG) Management
Reporting Principles	Reporting Principles
Reporting Boundary	Scope of Report
Part C: "Comply or explain" Provisions	
Subject Areas, Aspects, General Disclosures and KPIs	Report sections
<b>A. Environment</b>	
Aspect A1:Emissions	5.1 Environmental Management System 5.3 Reduction of Pollutant Emissions
A1.1	Key Quantitative Performance
A1.2	Key Quantitative Performance
A1.3	Key Quantitative Performance
A1.4	Key Quantitative Performance
A1.5	5.3 Reduction of Pollutant Emissions
A1.6	5.3 Reduction of Pollutant Emissions
Aspect A2:Use ofResources	5.2 Resource Conservation
A2.1	Key Quantitative Performance
A2.2	Key Quantitative Performance
A2.3	5.2 Resource Conservation
A2.4	5.2 Resource Conservation
A2.5	5.2 Resource Conservation
Aspect A3:The Environment and Natural Resources	5.1 Environmental Management System
A3.1	5.1 Environmental Management System
Aspect A4:Climate Change	5.4 Addressing Climate Change
A4.1	5.4 Addressing Climate Change
<b>B. Social</b>	
<b>Employment and Labour Practices</b>	
Aspect B1:Employment	4.1 Employee Rights and Benefits
B1.1	Key Quantitative Performance
B1.2	Key Quantitative Performance

Subject Areas, Aspects, General Disclosures and KPIs	Report sections
Aspect B2:Health and Safety	4.2 Occupational Health and Safety
B2.1	Key Quantitative Performance
B2.2	Key Quantitative Performance
B2.3	4.2 Occupational Health and Safety
Aspect B3:Development and Training	4.3 Employee Development and Retention
B3.1	Key Quantitative Performance
B3.2	Key Quantitative Performance
Aspect B4:Labour Standards	4.1 Employee Rights and Benefits
B4.1	4.1 Employee Rights and Benefits
B4.2	No violation discovered
<b>Operating Practices</b>	
Aspect B5:Supply Chain Management	6.1 Supplier Quality Management 6.2 Supplier Social and Environmental Risk Management
B5.1	Key Quantitative Performance
B5.2	6.1 Supplier Quality Management Key Quantitative Performance
B5.3	6.2 Supplier Social and Environmental Risk Management
B5.4	6.2 Supplier Social and Environmental Risk Management
Aspect B6:Product Responsibility	3.3 Excellent Customer Services
B6.1	Key Quantitative Performance
B6.2	3.3 Excellent Customer Services Key Quantitative Performance
B6.3	3.1 Product Development and Innovation
B6.4	3.2 High Standard of Quality Management
B6.5	3.3 Excellent Customer Services
Aspect B7:Anti-corruption	2.2 Compliance and Business Ethics
B7.1	2.2 Compliance and Business Ethics Key Quantitative Performance
B7.2	2.2 Compliance and Business Ethics
B7.3	Key Quantitative Performance
<b>Community</b>	
Aspect B8: Community Investment	7.1 Promoting Development of Healthcare Ecosystem 7.2 Improving National Health Awareness
B8.1	Key Quantitative Performance
B8.2	Key Quantitative Performance



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