



# 海吉亚医疗控股有限公司

Hygeia Healthcare Holdings Co., Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6078

Environmental, Social and  
Governance Report

# 2022



让医疗更温暖



分诊处 NURSING STATION

# 2022 Environmental, Social and Governance Report

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## 2022 Environmental, Social and Governance Report

### I. CHAIRMAN'S STATEMENT

Dear readers,

Thank you for your interest in the 2022 Environmental, Social and Governance Report (the “**ESG Report**”) of Hygeia Healthcare Holdings Co., Limited (the “**Company**”). On behalf of the board of the Company (the “**Board**”), I am pleased to present the ESG Report of the the Company together with its subsidiaries (the “**Group**”) for the year ended December 31, 2022.

Since Hygeia Healthcare started its business in 2009, it has been committed to providing one-stop comprehensive treatment services to meet the unmet needs of cancer patients in China. In the past year of 2022, the recurrence of the COVID-19 pandemic brought great challenges to domestic public health services. As a medical institution caring for the people, we paid tribute to the “angels in white” who fought in the front line and the volunteers from various regions who looked out for one another in times of crisis.

Practicing social responsibilities, fulfilling corporate commitment and gaining recognition from all walks of life are the long-term values that Hygeia has always adhered to. In 2022, Hygeia actively responded to the call for the prevention and control of COVID-19 pandemic to send medical teams to help various parts of the country to carry out the pandemic prevention work such as nucleic acid detection, fearless of wind and rain and making concerted efforts to fight against the COVID-19 pandemic. We also adhered to the guiding ideology of putting the people’s life safety and physical health first, and continued to provide charity clinics in local communities and rural areas and widely promote healthcare education to provide full-lifecycle health services to the public and accelerate the implementation of the Healthy China Action.

As the second full year after the listing on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), all employees of Hygeia remain true to their original aspiration, continue to practice the mission of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖，讓生命更健康)”, always put patient satisfaction first, and at the same time pay close attention to the rights and interests of all stakeholders, fully listen to their voices through various communication channels, and take their suggestions and feedback as an important basis for the Group to improve its operation management and sustainable development level.

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

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In 2022, Hygeia Healthcare continued to strengthen Environmental, Social and Governance (the “**ESG**”) development, and integrated various ESG concepts and policies into the daily management and operation of its hospitals. We have established an Environmental, Social and Governance Committee at the group level, which is responsible for supervising and managing the Group’s strategies, policies and performance in ESG, and promoting, monitoring and reviewing the effective implementation of ESG development strategies and related policies in combination with the Group’s ESG vision, objectives and strategies.

Looking forward, we will continue to adhere to the development idea of taking patients’ needs as the center, promote innovation in technology, products and services, make every effort to promote sustainable development, constantly consolidate the management system, and track the results of various ESG-related initiatives, so as to fulfil our ESG commitment and create sustainable and long-term value for all stakeholders.

**Zhu Yiwen**

*Chairman*

April 2023

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## II. ABOUT THE REPORT

In strict compliance with the requirement under Appendix 27–Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange and the principle of “comply or explain”, the Group is pleased to present the ESG report for the year ended December 31, 2022 (“**FY2022**”), which demonstrates the Group’s approach and performance in terms of ESG management and corporate sustainable development for FY2022. The information disclosed in this ESG report was gathered through various channels, including internal policies and data of the Group, the feedback of the implementation of ESG practices in the Group, stakeholder surveys and other relevant information. A complete content index is available at the end of the ESG report for readers’ convenience to check its completeness.

### Scope Setting

This ESG report defines the scope of information disclosure herein with operational control approach and based on the assessment on the impact of the Group’s operating entities on the society and environment in FY2022. The reporting scope of this ESG report covers the principal business operations of the Group, including hospital business<sup>1</sup> and other business. In line with the application of the materiality principle, the disclosure scope of certain performance indicators of the Group is further explained in the relevant sections. For the details of the businesses of the Group, please refer to the 2022 annual report of the Group.

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

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### Reporting Principles

As the reporting principles underpin the preparation of the ESG report, the main ESG performance of the Group in FY2022 of this ESG report has been determined and disclosed under the principles of materiality, quantitative, balance and consistency.

#### Materiality

The Group applies the principle of materiality to effectively define its reporting scope, and conducts materiality analysis to identify the key ESG issues for its business development. In FY2022, the Group continued to maintain effective communication with its stakeholders and conducted an annual survey on the ESG materiality assessment to understand their concerns, expectations and needs, enabling the Group to understand how to set up goals and policies, allocate resources in a reasonable manner and improve relevant management systems.

#### Quantitative

The application of the principle of quantitative is mainly reflected in the Group's information collection, processing and effective disclosure of various quantitative key performance indicator (KPI) data in the environmental and social aspects. The sections headed "Emissions", "Use of resources" and "Employment" in this ESG report provide a comprehensive overview of the Group's ESG performance in FY2022 by quantifying the relevant performance of the Group. The calculation methods, assumptions or conversion fraction for quantitative data are explicitly set out in the footnotes of relevant performance tables.

#### Balance

The Group's ESG report follows the principle of balance and impartially conveys truthful information about the Group's ESG performance to its stakeholders. The Group resolutely prohibits screening out favourable information, while effectively classifies, evaluates and discloses the corresponding potential risks and opportunities to which it is exposed and faced, with an aim to give the readers a fair picture of the Group's ESG level.

#### Consistency

The Group adopts a consistent method to define the scope of disclosure, and account for and disclose its ESG performance, including carbon footprint, with reference to the reporting frameworks and recommended methods such as "How to prepare an ESG Report?-Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, so as to provide valid and comparable information to its stakeholders. If there are any material changes in the disclosure scope, framework or methodology of the report, the Group shall explain clearly in the corresponding sections.

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### III. SUSTAINABILITY MANAGEMENT

Since its establishment, the Group has been committed to providing one-stop comprehensive treatment services for cancer patients in non-first-tier cities, and providing services for more cancer patients through high-level diagnosis and treatment technology and caring diagnosis and treatment services. In order to implement the concept of sustainable development in the Group and accelerate promotion of the green transformation and green development, the Group has adopted a “top-down” management strategy, where the Board is responsible for coordinating the sustainable development strategy and management issues of the Group, leading the preparation of the annual ESG report and related information disclosure, including the approval of annual ESG report and overseeing of the day-to-day implementation of ESG policies.

#### Responsibilities of the Board

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

- ESG risks**  
The Board oversees the environmental and social impact assessment during operations and decision-making process, understands the potential and actual key ESG risks exposed to the Group through materiality assessment and regular reporting from the management, evaluates the short, medium and long-term impact on the Group, and reasonably allocates resources and instructs to eliminate or control any related risks.
- ESG policies**  
The Board stays up-to-date with and studies the latest ESG-related policy changes through training and internal meetings, and evaluates their impacts on the Group's business model.
- ESG culture**  
The Board boosts understanding of sustainability across the Group through policy frameworks and creates an internal sustainability culture, to ensure that ESG indicators apply in operational processes and business development.
- ESG work**  
The Board continuously improves the Group's governance structure and management model, to ensure effective communication and efficient implementation of ESG work across the Group.
- ESG targets**  
The Board keeps an eye on the progress made by each business segment of the Group in achieving ESG targets through regular reports from the management. With reference to national policies and an in-depth analysis of the Group's business model and development vision, the Group has established relevant indicators and targets (including monitoring carbon footprints), to track the Group's performance on its sustainable development path in all aspects.

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As the highest governance organization the Group, the Board receives ESG-related trainings arranged by the company secretary every year, to ensure the understanding of sustainability-related issues such as corporate ESG risks, climate change and regulatory change in a timely and effective manner. In order to assist the functions of the Board, the Group established the environmental, social and governance committee under the Board, which is responsible for supervision and management of the strategy, policy and performance of the Group in terms of ESG and reporting to the Board to ensure the consistency of the ESG affairs and corporate strategy. The committee held at least two meetings on an annual basis to monitor and review the ESG vision, goals and the implementation of the strategy of the Group as well as the emerging trend of ESG. The Group also established an ESG group under the ESG committee, which is responsible for the implementation and execution of the concrete actions in respect of ESG.

In addition, the Board and other functional committees thereof will take into consideration ESG-related issues when reviewing and directing strategies, important action plans, risk management policies, annual budgets and business plans, setting organizational performance targets, monitoring the implementation and execution thereof, and overseeing significant capital expenditures and acquisitions.

The management of the Group is responsible for implementing the policy directives of the Board, and leading employees of various business segments to carry out daily work. The hospitals of the Group are responsible for promoting and putting various sustainable development plans into practice, implementing various ESG strategies, and continuously improving system construction through regular reviews and self-evaluation on the execution of relevant actions.

The Group integrates the concept of sustainable development into its long-term development strategy, and integrates the philosophy of sustainable development and ESG risk management model into its corporate risks management system through identifying and assessing risks relating to the sustainable development, including the quality and safety of medical services, management of supply chain, patient satisfaction, talent development, etc. The Group has set up an audit committee to provide independent opinions on the effectiveness of internal control policies, financial management procedures and risk management systems including ESG risks. The internal Audit Department is responsible for carrying out special audits on a regular basis, putting forward rectification opinions on existing problems, and supervising the implementation of subsequent rectification measures.

**Environmental:** In consideration of the environmental aspect, the Board attaches great importance to the use of corporate resources. The Group applies a standardized and modularized matrix-based management model, and supervises the use of resources, especially utility expenses, of all hospitals and subsidiaries of the Group through its General Logistics Department, while monitoring the energy consumption of the purchased large-scale medical equipment. Through a systematic data management system, the Board understands the Group's actual environmental performance to refine its operating model, and encourages employees to conserve energy and reduce emission through implementation of incentive measures.

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**Social:** In consideration of the social aspect, the Board pays great attention to corporate employment condition, corresponding occupational health and safety issues and the investment in and the effectiveness of talent training. The Board believes that harmonious employment relationship is crucial to the sustainable development of the Group, and therefore strongly advocates the organization of a series of employee activities to create a harmonious working atmosphere. The Group incentivized the outstanding employees by granting share options, enhancing their sense of achievement and mission. At the same time, the Group regularly provides special physical examinations for employees of special types of work, and encourages employees to continuously improve their scientific research ability and academic level through the Hygeia Healthcare Teaching and Researching Institute.

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

Going forward, the Group will continue to strengthen the construction of ESG, strengthen the environmental management methods through energy conservation and emission reduction and by focusing on the management and recovery of medical waste, continue to vigorously carry out public welfare activities such as charity clinics and free screening at the grassroots level, and fulfill its social responsibilities. At the same time, the Group will continue to improve and strengthen the corporate governance and the standardized management of the listed company, optimize the governance structure, safeguard the rights and interests of all stakeholders, and constantly create shared value for everyone.

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## IV. STAKEHOLDER ENGAGEMENT

The Group believes that as a responsible community member, it is necessary to establish a relationship of mutual trust and mutual respect between the Group and various stakeholders. In order to promote the Group's understanding of major stakeholders, the Group has been maintaining effective communication with its major stakeholders through various channels for many years to understand their needs, expectations and concerns, so as to take their opinions into consideration when making decisions, and at the same time balance the considerations of all parties when formulating sustainable development strategies.

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

| Type of Stakeholders   | Expectations and Concerns                   | Communication and Response                                       |
|------------------------|---|--|
| Patients and customers | — High-quality medical services             | — Improving service and product quality                          |
|                        | — Product safety and risk control           | — Strengthening the quality control mechanism                    |
|                        | — Information and privacy protection        | — Improving information security management                      |
|                        | — Satisfying the needs of patients          | — Conducting patient satisfaction surveys and tracking feedbacks |
| Employees              | — Healthy and safe working environment      | — Strengthening safety supervision                               |
|                        | — Protection of legal rights and interests  | — Complying with laws and regulations                            |
|                        | — Employee compensation and benefits        | — Optimizing the remuneration and welfare system                 |
|                        | — Development prospect and training program | — Establishing the professional training mechanism               |

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| Type of Stakeholders                  | Expectations and Concerns  | Communication and Response  |
|---------------------------------------|--|---|
| Investors/shareholders                | <ul style="list-style-type: none"> <li>— Return on investment</li> <li>— Corporate governance</li> <li>— Steady operation</li> <li>— Information disclosure</li> </ul>   | <ul style="list-style-type: none"> <li>— Improving profitability</li> <li>— Publishing corporate governance reports and related announcements on a regular basis</li> <li>— Strengthening risk control</li> <li>— General meetings and official website of the Group</li> </ul> |
| Government and regulatory authorities | <ul style="list-style-type: none"> <li>— Compliance in the course of operation</li> <li>— Integrity construction</li> <li>— Responsible marketing</li> </ul>   | <ul style="list-style-type: none"> <li>— Complying with local laws and regulations and being subject to supervision</li> <li>— Optimizing internal control system</li> <li>— Adhering to compliance publicity</li> </ul>  |
| Suppliers and hospital partners       | <ul style="list-style-type: none"> <li>— Fair and open procurement</li> <li>— Win-win cooperation among upstream and downstream players</li> <li>— Supply chain risk management</li> <li>— ESG due diligence and responsible investment</li> </ul> | <ul style="list-style-type: none"> <li>— Bid invitation</li> <li>— Supplier satisfaction surveys, telephone discussions, face-to-face meetings and on-site surveys</li> <li>— Standardized supplier management</li> <li>— Industry seminars</li> </ul>                          |
| Community                             | <ul style="list-style-type: none"> <li>— Participating in community activities and social welfare activities</li> <li>— Protecting the community environment</li> <li>— Promoting inclusive medical treatment</li> </ul>                           | <ul style="list-style-type: none"> <li>— Carrying out public welfare activities</li> <li>— Practicing green operation</li> <li>— Providing professional medical services</li> </ul>   |
| Industry associations                 | <ul style="list-style-type: none"> <li>— Promoting the industry development and progress</li> <li>— Fulfilling environmental and social responsibilities</li> </ul>  | <ul style="list-style-type: none"> <li>— Seminars</li> <li>— Standard formulation</li> </ul>  |

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Case Sharing-Hygeia Healthcare successfully held the 2021 annual general meeting

On June 28, 2022, Hygeia Healthcare successfully held the 2021 annual general meeting in Shanghai. According to the Rules Governing the Listing of Securities on the Stock Exchange, the shareholders and shareholder representatives present at the meeting duly approved 9 resolutions by poll, including reviewing the annual financial report, the directors' report and the auditors' report, declaring the final dividend, authorizing the Board to determine the remunerations of directors, appointing auditors and re-electing certain directors. The directors and management of the Company also had an in-depth communication with shareholder representatives on issues including the Group's development strategy, countermeasures to the new regulations, potential of the promotion of management capacity, and the future business planning.

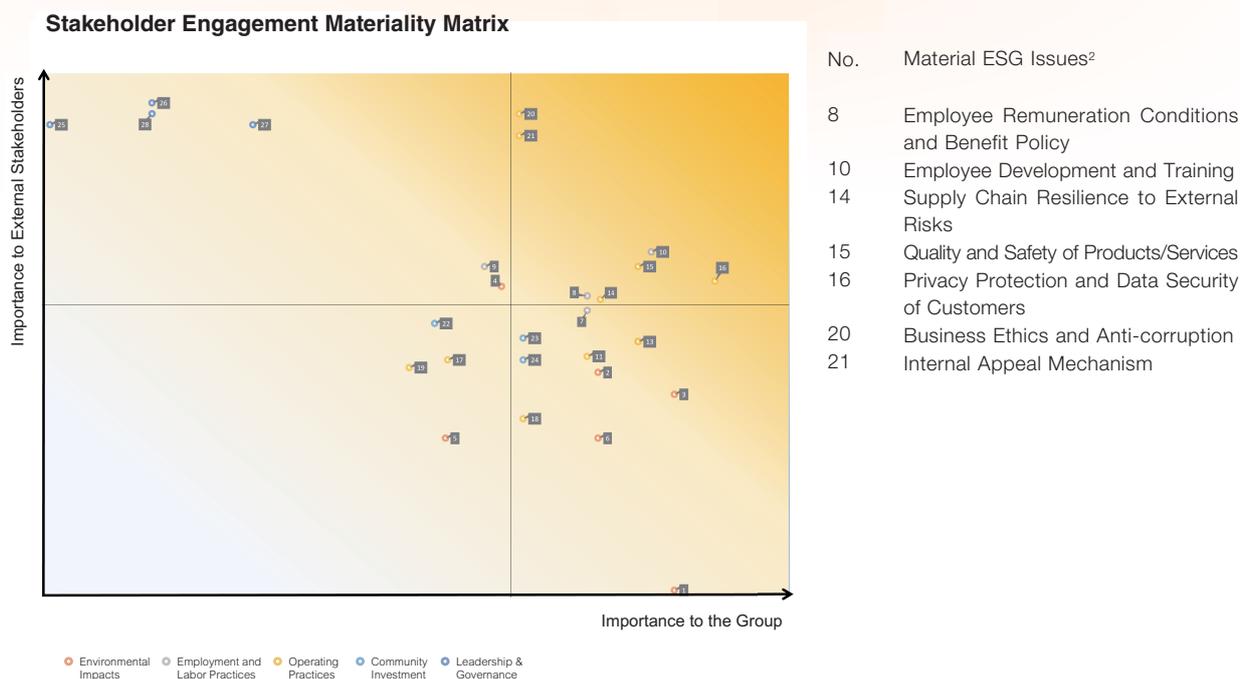
Case Sharing — Hygeia Healthcare won a number of authorized recognition

In March 2022, the Group has been selected among the “5th New Fortune Best IR of Hong Kong Listed Companies (H Share) (第五屆新財富最佳IR港股公司(H股))” List. In May 2022, the Group was also awarded the “Top 10 Most Influential Listed Companies in Medical Services in 2021 (二零二一年度最具影響力醫療服務上市公司Top 10)”, which fully demonstrates the recognition of the Group's commitments to maintaining investor relations.

**Materiality Assessment**

Generally, the Group identified material ESG-related issues through annual stakeholder survey and internal audit. In FY2022, the Group engaged a third-party agency to conduct annual materiality assessment, and invited the stakeholder representatives to conduct survey to determine the materiality of the ESG issues. The Group selected representatives of internal and external stakeholders to participate in this survey based on the influence and reliance of the stakeholders on the Group, including the Group's internal management and employees of each business segment, as well as external representatives including patients, suppliers, investors and professional organizations. Stakeholder representatives evaluated and expressed their views on 28 material issues by filling out an online questionnaire. Material issues cover various aspects such as environmental impact, employment practice, supply chain management model, product responsibility control, implementation of anti-corruption policies, community investment, leadership and governance. The Group has turned the results of this survey into a materiality matrix as shown below, which has been reviewed by the Board as the Group's materiality assessment results for FY2022. The management of the Group define the key points disclosed in this ESG report based on the feedback and suggestions from stakeholders and the results of materiality assessment and makes disclosure in different sections of this ESG report.

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

**Employee Well-being and Development Opportunities**

As a responsible employer, the Group strictly complies with the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) and other relevant laws and regulations, and implements internal systems such as the Employee Remuneration System and the Employee Welfare System to continue to attract and retain more talents. In addition, the Group is deeply aware that employees are its valuable assets, actively contributes to the realization and promotion of employees’ value, and provides employees with on-the-job training in professional knowledge and management skills through the Hygeia Healthcare Teaching and Researching Institute, providing employees with career development opportunities. Please refer to sections headed **B.1 Employment** and **B.3 Development and Training** for more details.

2 Other less important issues include: 1. Greenhouse Gas Emissions; 2. Energy Management; 3. Water Resource and Wastewater Management; 4. Solid Waste Management; 5. Mitigation of and Adaptation to Climate Change; 6. Renewable and Clean Energy; 7. Labor Rights; 9. Occupational Health and Safety; 11. Green Procurement; 12. Sound Communication with Suppliers; 13. Environmental and Social Risks Management of Supply Chain; 17. Marketing and Promotion; 18. Protection of Intellectual Property; 19. Labelling Issues Related to Products/Services; 22. Participation in Charitable Activities; 23. Promoting Local Employment; 24. Supporting Local Economic Development; 25. Adaptability and Resilience of Business Models to Environmental, Social, Political and Economic Risks and Opportunities; 26. Response to and Management of Changes in Legal and Regulatory Environment (Legal Compliance Management); 27. Capabilities of Emergency and Risk Response; 28. Systematic Risk Management (e.g. financial crisis)

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**Supply Chain Management**

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

**Quality, Health and Safety of Medical Products and Services**

Adhering to the philosophy of “making healthcare services more accessible and affordable and making life healthier”, the Group regards the patients' satisfaction as its top priority. As a patient-oriented medical service provider, the Group strives to serve patients in strict accordance with internal and industry-recognized processes. The Group established a quality control committee, and achieved effective inspection and management of medical treatment and medicine safety in all hospitals through a sound medical quality control and drug quality management mechanism. At the same time, the Group attaches great importance to the feedback from customers, often understands their ideas through service feedback and customer satisfaction surveys, and invests in research and development of advanced technologies and equipments to meet customers' needs to the greatest extent. Please refer to the section headed **B.6 Product Responsibility** for more details.

Case Sharing-Shanxian Hygeia Hospital took several measures to improve the patients' satisfaction

Shanxian Hygeia Hospital has long carried out the “special rectification activity to improve patients' satisfaction”, and provided comprehensive and attentive care for the public by setting up facilities such as president's volunteer service post, consultation guide board, health promotion display rack and convenience service box. The president of Shanxian Hygeia Hospital regularly leads the heads of each relevant functional departments to conduct in-depth supervision and guidance on the duty situation, the use of civilized language and the quality of service, and urges the timely improvement of the shortcomings found.



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### **Privacy Protection and Data Security of Patients**

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

### **Compliance with Business Ethics and Anti-Corruption**

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

### **Stakeholders Feedback**

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

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

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## V. ENVIRONMENTAL SUSTAINABILITY

The “14th Five-Year Plan” period is the first year for China to build ecological civilization and a beautiful China and realize the carbon peaking and carbon neutrality. Therefore, the Group implements the national principle of adhering to ecological priority and green development, and actively promotes resource management and recycling, so as to help the State promote economic development and protect the ecological environment. In FY2022, the Group was committed to strictly controlling its emissions and managing resource consumption, and complying with the environmental laws and regulations of the People’s Republic of China (the “PRC”) in the course of daily operation, including but not limited to:

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

This section mainly discloses the Group’s policies, practices and Quantitative data in relation to emissions, use of resources, environment and natural resources and climate change for FY2022.

## 2022 Environmental, Social and Governance Report

**A.1 Emissions**

In FY2022, the Group complied with and did not violate any laws and regulations that have significant impact to the Group in the course of daily operation, including air and greenhouse gas (GHG) emissions, discharge of pollutants into water and land, discharge of hazardous and non-hazardous wastes and noise. The Group adheres to the concept of “lucid waters and lush mountains are invaluable assets”, regulates the emissions of wastewater and waste generated during operation as well as medical radiation sources in a standardized manner through the formulation and implementation of internal policies and requirements such as the Medical Waste Management System (醫療廢物管理制度) and the Hospital Sewage Management System (醫院污水管理制度), and actively improves energy efficiency, so as to reduce the environmental impact of the Group’s operation. Each hospital of the Group has established special departments and working groups to be responsible for daily management on the potential environmental impact arising from the operation process in accordance with the requirements of the Group and regulations. In particular, the logistics departments of the hospitals are responsible for the strict supervision on and management of the transfer, classification and temporary storage of medical waste and the treatment of wastewater, with the infection management divisions in charge of the supervision thereof.

Due to the nature of the Group’s business, the waste gas emissions of the Group include sulphur oxides (“**SO<sub>x</sub>**”), nitrogen oxides (“**NO<sub>x</sub>**”) and particulate matters (“**PM**”) mainly from the use of self-owned business vehicles and the use of natural gas by the hospitals. In FY2022, the Group generated 9.7 kg of SO<sub>x</sub>, 1,170.6 kg of NO<sub>x</sub> and 155.0 kg of PM, respectively. In addition, in FY2022, the Group’s GHG emissions mainly came from the consumption of diesel fuel and gasoline fossil fuel by vehicles, the use of natural gas and indirect emissions from the electricity purchased during operation. The total GHG emissions of the Group were 25,641.5 tons of carbon dioxide equivalent (tCO<sub>2</sub>e), with an intensity of approximately 0.1 tCO<sub>2</sub>e per square meter. The Group generates a certain amount of solid waste and wastewater during its operation. In FY2022, the Group generated a total of 4,789.8 tons of solid waste, including 868.5 tons of medical waste. The Group discharged a total of 803,976.7 cubic meters of wastewater. Table 1 below summarizes the Group’s total emissions for FY2022.

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Table 1 — Total Emissions of the Group by Category in FY2022<sup>6</sup>

| Category of Emissions      | KPIs  | Unit               | Emissions in FY2022 | Intensity in FY2022 (unit/m <sup>2</sup> ) <sup>1</sup> |
|----------------------------|---|--------------------|---------------------|---|
| Air Emissions <sup>2</sup> | SO <sub>x</sub>   | kg                 | 9.7                 | 2.3×10 <sup>-5</sup>                                    |
|                            | NO <sub>x</sub>   | kg                 | 1,170.6             | 2.8×10 <sup>-3</sup>                                    |
|                            | PM  | kg                 | 155.0               | 3.6×10 <sup>-4</sup>                                    |
| GHG Emissions              | Scope 1 <sup>3</sup> (Direct Emissions)                                       | tCO <sub>2</sub> e | 1,793.4             | 4.2×10 <sup>-3</sup>                                    |
|                            | Scope 2 <sup>4</sup><br>(Indirect Emissions from Energy Consumption)          | tCO <sub>2</sub> e | 23,263.3            | 5.5×10 <sup>-2</sup>                                    |
|                            | Scope 3 <sup>5</sup><br>(Other Indirect Emissions)                            | tCO <sub>2</sub> e | 594.8               | 1.4×10 <sup>-3</sup>                                    |
|                            | GHG Reduction from Planting Trees   | tCO <sub>2</sub> e | 10.0                | —   |
|                            | Total Emissions (Scope 1, 2 and 3)  | tCO <sub>2</sub> e | 25,641.5            | 0.1   |
| Solid Waste and Wastewater | General Non-hazardous Solid Waste   | ton                | 3,921.3             | 9.2×10 <sup>-3</sup>                                    |
|                            | Medical and Other Hazardous Solid Waste                                       | ton                | 868.5               | 2.0×10 <sup>-3</sup>                                    |
|                            | Wastewater (General Non-hazardous Domestic Wastewater and Medical Wastewater) | m <sup>3</sup>     | 803,976.7           | 1.9   |

1. The emission intensity for FY2022 is calculated by dividing the amount of air, GHG or other emissions generated by the Group in FY2022 by the weighted average gross floor area of the Group in FY2022, respectively;
2. Air emissions only include air pollutants from the exhaust gas emitted by the Group during the use of the Company's business vehicles and stationary combustion in the course of the operation in FY2022. As there were no official emission factors for natural gas combustion in China in FY2021, the Group only included motor vehicle fuel consumption in the calculation of emissions in FY2021. In order to avoid underestimating the impact of the Group's emissions, the Group followed the internationalized calculation standards used by the Stock Exchange in FY2022 and therefore the stationary combustion of natural gas was included in the calculation. In addition, in FY2022, the Group enhanced the refinement of its vehicle data collection and refined the calculation of air emissions for the year accordingly;
3. The Group's emissions of scope 1 (direct emissions) only include the consumption of fossil energy in the use of business vehicles and the emissions generated from the use of natural gas;
4. The Group's emissions of scope 2 (indirect emissions from energy consumption) only include emissions from the electricity purchased;
5. The Group's emissions of scope 3 (other indirect emissions) only include waste paper disposed of in landfills, the use of electricity by government authorities to treat potable water and wastewater, and the GHG emissions generated from employees' flight travel;

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6. The scope of environmental data collection covers the operating premises of and the use of business vehicles by Shanxian Hygeia Hospital Co., Ltd., Suzhou Canglang Hospital Co., Ltd., Suzhou Yongding Hospital Co., Ltd., Chongqing Hygeia Hospital Co., Ltd., Longyan Boai Hospital Co., Ltd., Hezhou Guangji Hospital Co., Ltd., Heze Hygeia Hospital Co., Ltd., Chengwu Hygeia Hospital Co., Ltd., Kaiyuan Jiehua Hospital Co., Ltd., Anqiu Hygeia Hospital Co., Ltd. and Liaocheng Hygeia Hospital Co., Ltd.. The methodology used in the GHG emissions reporting above is based on How to prepare an ESG Report?-Appendix 2: Reporting Guidance on Environmental KPIs issued by Hong Kong Exchanges and Clearing Limited.

### **Air emissions**

The air emissions generated by the Group mainly comes from the exhaust gas emitted by vehicles in the course of operation. In FY2022, the Group mainly used diesel and gasoline as the power source for vehicles. In response to the national call for energy conservation and emission reduction, the Group strictly controls and maintains its business vehicles, including educating drivers to maintain good driving habits. Meanwhile, the Group engages third-party organizations to conduct inspections on the exhaust emissions of its boilers and sewage stations on a quarterly basis to ensure that the waste gas emissions are up to standards. The Group advocates the use of natural gas and other clean energy sources for heating in winter, ensures that gas boilers have passed the emission certifications of national environmental protection authorities, and has established an environmental inspection team, which is responsible for regularly detecting the emissions.

### **GHG emissions**

In FY2022, the Group's GHG emissions mainly came from the use of business vehicles, boiler operation and electricity purchase. In response to the national action of energy conservation and carbon reduction, the Group is committed to becoming an enterprise model of low-carbon transformation in the industry. The Group reduces the frequency of using business and private vehicles by advocating green travel, gives priority to the procurement and use of energy-saving equipment and products to improve energy efficiency. The Group also supervises and manages the use of energy resources in all hospitals under the Group through the General Logistics Department to transform to a low-carbon and environmentally friendly operation model.

In order to implement reduction of emissions from the source and reduce the relevant daily environment risk, the Group has formulated and implemented its internal measures, and related policies will be further explained in the subsection headed "Energy Resources" below.

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

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### Wastewater

Wastewater generated during the business operation of the Group includes domestic sewage and medical wastewater. The Group's hospitals constructed the sewage treatment stations in accordance with relevant national requirements and have obtained the pollutant discharge permits. In order to strictly control the sewage quality, the Group follows the standards such as the Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005) (《醫療機構水污染物排放標準(GB18466-2005)》) and the Engineering Technical Specifications for Hospital Sewage Treatment (《醫院污水處理工程技術規範》) to conduct scientific treatment of wastewater, including pre-treatment, primary intensive treatment, secondary treatment, simple biochemical treatment, disinfection treatment, etc., and ensure the wastewater discharged into the municipal pipe network only after it is tested to be up to the standard through the cooperation with third-party institutions. The sewage stations of the Group's hospitals are equipped with flow meters for monitoring, which are connected to the environmental bureau.

As the amount of wastewater depends on the amount of water used to a great extent, the Group encourages employees to pay attention to the conservation and reuse of water resources. The Group has taken specific measures to improve the efficiency of water usage and reduce the amount of water used. Specific measures will be further explained in the subsection headed "Use of Water" below.

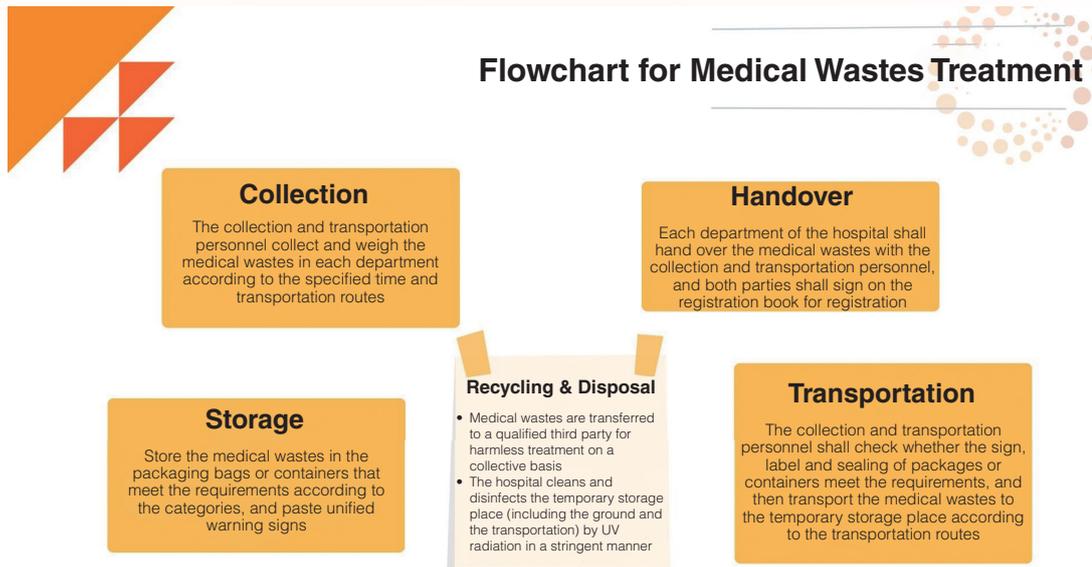
### Solid Waste

The solid waste generated by the Group mainly represents medical waste and non-hazardous waste. In order to effectively manage the safe disposal of medical waste, each hospital of the Group has established leading group for waste management to implement classification management for medical waste (including infectious waste, damaged waste, chemical waste, pathological waste, pharmaceutical waste and infectious epidemic-related waste) according to the Medical Waste Classification Catalogue (《醫療廢物分類目錄》) promulgated by the National Health Commission. The leading group is also responsible for formulating comprehensive medical waste treatment processes and emergency plans to standardize the storage, collection, handover, transportation and recycling and disposal of medical waste in wards. The medical waste, after packaged, will be recycled by qualified third-party companies on a collective basis. The infection management divisions in the hospitals are responsible for providing trainings on the knowledge of laws, professional technologies, safety protection and emergency treatment for employees engaged in medical waste treatment, so as to strengthen the professional skills and sense of responsibility of the relevant personnel in medical waste treatment. Meanwhile, the Group actively explores practicable ways to reduce medical waste, including replacing the infusion bags with plastic-reduced packaging.

The Group has adopted the sustainable waste management model, and actively responds to the national initiatives and requirements for the waste classification system by encouraging employees to reduce, recycle, reuse and classify domestic waste. General waste is managed by the property management service providers of the hospitals, placed in a centralized manner by designated persons and at designated places, and eventually collected and processed by third parties.

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In FY2022, the Group recycled approximately 140 tons of waste, including approximately 59 tons of plastic, 43 tons of glass and 38 tons of other types of waste.



**Medical Radiation**

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

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

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## A.2 Use of Resources

In FY2022, the main resources consumed by the Group were electricity, diesel, gasoline, natural gas and water as well as raw materials required for expansion and refurbishment of hospitals. In order to fully implement and promote the concept of green transformation of production and lifestyle, in FY2022, the Group continued to improve the green level of business and built an energy-saving enterprise. The Group's operation only involves the use of a small amount of packaging materials, therefore relevant matters are not material issues for the Group, so it is not disclosed in this ESG report. The Group's consumption of different resources in FY2022 is set forth in Table 2.

Table 2 – Total Consumption of Major Resources by the Group in FY2022<sup>3</sup>

| Use of Resources | KPIs                      | Unit                           | Total Amount in FY2022 <sup>1</sup> | Intensity in FY2022 (unit/m <sup>2</sup> ) <sup>2</sup> |
|------------------|---------------------------|--------------------------------|-------------------------------------|---|
| Energy           | Electricity               | Thousand kWh                   | 40,040.1                            | 0.1   |
|                  | Diesel                    | Thousand kWh (liter)           | 834.7<br>(77,986.8)                 | 2.0 x 10 <sup>-3</sup><br>(0.2)                         |
|                  | Gasoline                  | Thousand kWh (liter)           | 1,639.9<br>(169,209.4)              | 3.9 x 10 <sup>-3</sup><br>(0.4)                         |
|                  | Natural Gas               | Thousand kWh (m <sup>3</sup> ) | 6,773.3<br>(625,227.7)              | 1.6 x 10 <sup>-2</sup><br>(1.5)                         |
|                  | Total                     | Thousand kWh                   | 49,288.0                            | 0.1   |
| Water            | Water                     | m <sup>3</sup>                 | 882,510                             | 2.1   |
| Others           | Paper                     | ton                            | 64.6                                | 1.5 x 10 <sup>-4</sup>                                  |
|                  | Raw material <sup>4</sup> | ton                            | 338,195.2                           | 0.8   |

- The energy consumption in FY2022 covers the resources consumed by the operating premises of and the use of business vehicles by Shanxian Hygeia Hospital Co., Ltd., Suzhou Canglang Hospital Co., Ltd., Suzhou Yongding Hospital Co., Ltd., Chongqing Hygeia Hospital Co., Ltd., Longyan Boai Hospital Co., Ltd., Hezhou Guangji Hospital Co., Ltd., Heze Hygeia Hospital Co., Ltd., Chengwu Hygeia Hospital Co., Ltd., Kaiyuan Jiehua Hospital Co., Ltd., Anqiu Hygeia Hospital Co., Ltd. and Liaocheng Hygeia Hospital Co., Ltd. of the Group;
- The resource consumption intensity for FY2022 is calculated by dividing the amount of resources consumed by the Group in FY2022 by the weighted average gross floor area of the Group in FY2022;
- The unit conversion of energy data is based on the Energy Data Handbook (能源數據手冊) issued by the International Energy Agency and the conversion factor of total calorific value in How to prepare an ESG Report?-Appendix 2: Reporting Guidance on Environmental KPIs issued by Hong Kong Exchanges and Clearing Limited;
- Raw materials are mainly used for the renovation and expansion of the Group's hospitals, including plastic, wood, steel, soil and concrete materials.

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### Energy Resources

In FY2022, the electricity consumption of the Group mainly came from the daily lighting of hospitals and the daily operation of each business segment, including the electricity consumed by equipment and the natural gas by boilers, etc., and the energy resources consumed by business vehicles were mainly diesel and gasoline.

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

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

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### Use of Water

The water consumption of the Group mainly comes from the drinking water of patients, family members and employees for daily life, the water for cleaning and disinfection in the hospitals and the water consumed by central air-conditioners. In FY2022, the Group was not aware of any issue in sourcing water that is fit for purpose.

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

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

### Paper

The Group is committed to creating the lifestyle of low-carbon operation, and encourages and actively promotes paperless and automated office operations. In FY2022, the Group took the following measures to effectively manage paper consumption:

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

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### A.3 Environment and Natural Resources

Over the years, the Group has continuously understood and evaluated the impact of its operations on the environment and natural resources. Through risk identification, problems solving, and summarizing experience to continuously reduce the potential environmental impact of its development in a precise, scientific, legal, and systematic manner. In FY2022, the impact of the Group's operations on the environment and natural resources was mainly caused by the disposal of waste and wastewater, as well as the potential impact on the environment during the construction process of hospital projects.

In order to fulfil environmental protection responsibilities, the hospitals of the Group continue to improve the management system for energy conservation, record, track and analyse various environment-related indicators. The Group also guides and evaluates the environmental impact and energy conservation management of all the divisions across the hospitals through the implementation of the responsibility system, thereby effectively managing the environmental impact arising from the operation of the hospitals. The Group assures medical waste and medical wastewater to be disposed of in accordance with the instructions of relevant documents, and arranges dedicated personnel for monitoring. At the same time, the Group is committed to further reducing the generation of waste from the source. In addition, in order to promote the green and low-carbon transformation of operations, the Group is committed to accelerating the green upgrade of infrastructure. For example, in addition to urging employees to turn off the lights and put an end to the ever-burning lamps, the Group has also renovated lighting fixtures and replaced high-energy-consuming lamps with LED lights, so as to reduce the power consumption of lighting equipment.

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The Group clearly understands the key tasks in the Development Plan of Building Energy Efficiency and Green Buildings in the “14th Five-Year Plan” (《「十四五」建築節能與綠色建築發展規劃》). In the planning and implementation of new hospital construction projects, the Group vigorously introduces green building design elements, focuses on improving the efficiency of building energy and effectively controls building energy consumption and carbon emissions of such projects. The Group strictly follows the relevant national environmental protection laws and regulations, and strictly supervises the dust control, wastewater sewage treatment and garbage disposal during the construction process in line with the environmental protection requirements of the local government and the actual situation of the construction sites of the new hospital construction projects. For example, the Group uses enclosed and covered vehicles to transport slags, and washes the vehicles on the construction sites; and sprinkles and cleans the road surface every day.



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



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



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

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By deeply understanding that the “14th Five-Year Plan” period is the key period for China to strive for the carbon peaking by 2030 and the people’s expectation for the quality of ecological environment is getting higher and higher, the Group endeavors to keep target-oriented to continuously improve the Group’s environmental performance through performance tracking of relevant indicators.

**Targets and Actions**

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

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**A.4 Climate Change**

At the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change in Egypt in November 2022, participating countries reaffirmed the Paris Agreement's goal, and strived to limit the temperature increase to within 1.5°C of the pre-industrial level. With the acceleration of global decarbonization, the construction of ecological civilization in China has also entered a critical period to take carbon reduction as the key strategic direction, promote the synergistic interaction between pollution reduction and carbon reduction, and at the same time promote the overall green transformation of economic and social development. The Group is committed to cooperating with national policies, strictly observing the red line of ecological protection, the bottom line of environmental quality and the top line of resource utilization, and actively promoting the low-carbon and climate-adaptive business growth.

In order to identify and manage the climate risks and opportunities, the Group drew on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a framework for climate risk disclosure and reporting, so as to cope with climate risks and benefit from the opportunities brought about by the transition to a low-carbon and climate-adaptive economy.

| Type of Risk                                | Analysis on Impact   | Counter-measures and Opportunities  |
|---|--|---|
| Rising prices of GHG emissions              | With the launch of the national carbon emissions trading market, future policy requirements for carbon regulation and pricing in the medical industry may affect the Group's operating expenses                            | <ul style="list-style-type: none"> <li>• Prepare carbon assets in advance and reasonably offset the Group's carbon footprint through carbon offsetting tools and projects such as tree planting and greening</li> <li>• Keep in line with the national regulatory requirements, understand and improve all-round compliance, and capture a strong position in the market</li> </ul> |
| Fluctuations in the prices of raw materials | Significant fluctuations in raw material prices or supply shortages in the short term due to extreme weather events brought by climate change may affect the Group's procurement costs and the quality of medical services | <ul style="list-style-type: none"> <li>• Mitigate the impacts brought by temporary instability of supply chain by applying supply chain centralized procurement, etc.</li> </ul>  |

## 2022 Environmental, Social and Governance Report

| Type of Risk  | Analysis on Impact   | Counter-measures and Opportunities  |
|---|--|---|
| Stakeholders' concerns about the Group's low-carbon development                           | Stakeholders expect the Group to take proactive management measures and enhance disclosure transparency in respect of the response to climate change                                     | <ul style="list-style-type: none"> <li>Actively formulate and disclose carbon emission reduction targets and corresponding emission reduction measures</li> <li>Improve energy efficiency by using energy-saving lamps, sensor faucets, etc.</li> </ul>   |
| Increased frequency and severity of extreme weather events such as heavy rains and floods | Extreme weather events may result in operational problems such as heavy rain causing flood into the underground garage, heavy soil landslide in sewage station and other potential risks | <ul style="list-style-type: none"> <li>Optimize existing and under-construction buildings and facilities, such as equipping protective slopes with deceleration belts to garage entrances and roads to effectively prevent rainwater from flowing into the garage, and complete protective slope treatment during the construction of hospital sewage stations, etc.</li> </ul> |
| Rise of average temperature   | Prolonged high temperature and heatwave in summer lead to a sharp rise in electricity consumption, causing hidden dangers to electricity safety  | <ul style="list-style-type: none"> <li>Strengthen the inspection of high-power-consuming equipment during peak power consumption periods in summer to eliminate potential safety hazards</li> </ul>   |

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Resource conservation is included in the performance appraisal of the Group's hospitals to motivate all staff to strive to build an environment-friendly enterprise. Meanwhile, the management of the Group monitors the implementation and effectiveness of climate-related actions, and regularly submits relevant information to the Board for review. In order to get the latest climate-related information and lead the Group towards low-carbon and green development, the Board has relevant professionals and has established contacts with external experts. The Group has formulated the environmental objectives and an implementation plan related to climate change mitigation, and established a clear division of labor and governance structure. The Board is responsible for approving and supervising the quarterly project progress, and the ESG team is responsible for reviewing and evaluating the implementation and effects of emission reduction initiatives of various departments. The Group plans to invest more resources and organize more trainings in environmental protection in the future, and review, adjust and set more aggressive climate-related targets in the next five years.

## VI. SOCIAL SUSTAINABILITY

### Employment and Labor Practices

#### B.1 Employment

Adhering to the philosophy of being people-oriented, the Group acknowledges that the employees are its valuable assets, and is committed to providing employees with a working environment for self-realization and improvement to facilitate the common development of employees and the Group. As at December 31, 2022, the Group had a total of 5,816 employees, including 1,739 male employees and 4,077 female employees, all located in Mainland China.

Table 3 – Total Number of Employees of the Group by Gender, Age, Position and Employment Type as at December 31, 2022<sup>1</sup>

| Unit: Number of Employees | Age Group   |          |          |             | Total |
|---------------------------|-------------|----------|----------|-------------|-------|
|                           | 30 or below | 31 to 40 | 41 to 50 | 51 or above |       |
| Gender                    |             |          |          |             |       |
| Male                      | 553         | 587      | 285      | 314         | 1,739 |
| Female                    | 2,160       | 1,354    | 379      | 184         | 4,077 |
| Total                     | 2,713       | 1,941    | 664      | 498         | 5,816 |

|  | Employment Type |           |       | Total |
|--|-----------------|-----------|-------|-------|
|  | Full-time       | Part-time | Other |       |
|  | 5,816           | 0         | 0     | 5,816 |

| General Employees | Position             |                                 | Total |
|-------------------|----------------------|---------------------------------|-------|
|                   | Mid-level Management | Senior Management and Directors |       |
|                   | 5,120                | 621                             | 5,816 |

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

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### *Legal Compliance*

Since its establishment, the Group has complied with relevant laws and regulations for its employment policies, which have been continuously updated and revised. In FY2022, the Group had complied with relevant laws and regulations, including the following:

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

The Human Resources Department of the Group is responsible for regularly reviewing, updating and supervising the implementation of relevant employment policies within the Group. In order to ensure employees abide by laws and regulations, the Group formulated and implemented various rules and regulations and labor discipline to regulate labor safety and hygiene and operating procedures of employees. The Group urges employees to take care of the Group's property and observe professional ethics; and encourages employees to participate in the training organized by the Group to improve ideological awareness and professional skills. The rules and regulations of the Group are generally announced in the form of employee handbooks, internal websites, bulletin boards, employee meetings, and study seminars. The Group requires employees to fully study, earnestly learn about and effectively implement such rules and regulations.

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### *Recruitment and Promotion*

All hospitals of the Group independently recruit their own employees and conclude employment contracts with employees. In order to cultivate a high-level and multidisciplinary team of medical professionals, the Group is committed to continuously enriching its staff team through internal cultivation and external recruitment. At the same time, the Group has also formulated and implemented the Staff Remuneration System (《員工薪酬制度》), striving to provide employees with competitive salary and welfare benefits and attractive promotion opportunities, so as to attract and retain more talents.

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

The Group has set up four recruitment procedures, namely formulating a recruitment plan, publishing recruitment information, candidate selection and candidate employment.

- I. **Recruitment plan:** Each department director will draft an annual recruitment plan. The hiring department shall fill out a "recruitment application form" which is reviewed and signed by the department director and approved by the chief executive officer. The HR department will proceed with staff recruitment and hiring according to the demand of the hiring department.
- II. **Recruitment information:** Depending on the position, headcounts, qualification requirements and the desired candidates, the HR department will determine the manner and extent in which to publish the recruitment information. The recruitment approach includes internal referral, competitive recruitment, recruitment through the media, public recruitment and headhunter.
- III. **Candidate selection:** The HR department will conduct preliminary review on the applications of candidates to select qualified applications to the relevant departments for review. The HR department will notify candidates passing the review process for the first-round interview and arrange second-round interview for qualified candidates. Results of the second-round interview are divided into "hired", "not hired" and "transfer to another position".
- IV. **Candidate employment:** The HR department will pass on the resume and "interview record" of the hired candidate for approval. After the "interview record" is duly signed, the HR department will send an "employment notification" to the candidate and a "new employee on board notification" to the relevant department staff.

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

The Group continued to strengthen the introduction and training of talents related to oncology. In 2022, a total of 495 medical professionals were promoted to a higher level of professional titles.

At the same time, the Group continued to deepen exchanges and cooperation with external experts and strengthen the construction of expert studios. In 2022, Longyan Boai Hospital established a new chest and lung tumor expert studio to help the development of the oncology department of the hospital and better meet the diagnosis and treatment needs of tumor patients in surrounding areas.

*Compensation and Dismissal*

The Group has a sound salary system, and conducts an extensive salary survey every year in combination with the actual situation of the industry and the location of the hospital, and on this basis, improves the overall salary structure and salary level of the Group, and enhances the external competitiveness, internal fairness and incentive of the Group's salary. At the same time, the Group regularly evaluates employees at different levels through indicators such as work content, work performance, work ability and work attitude, so as to help employees complete their work better. In addition, the Group has option incentives for the core and outstanding employees.

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The Group aims to provide employees with fair and competitive salary and welfare benefits through salary survey and option incentives, and at the same time, improve the overall level of the talent team of the Group.

The Group ensures that termination of employment contracts must be reasonable and lawful and shall be strictly enforced based on internal policies. The Group strictly prohibits any unfair or unreasonable dismissal. For employees who seriously violate the Group's employment policies, the Group will terminate their employment contracts in accordance with relevant national laws and regulations and the Group's internal rules.

In FY2022, the total employee turnover rate of the Group was approximately 10.3%.

Table 4 – Employee Turnover Rate of the Group by Gender, Age and Geographical Region in FY2022<sup>1</sup>

| Unit: Employee Turnover               | Age Group   |          |          |             | Total |
|---------------------------------------|-------------|----------|----------|-------------|-------|
|                                       | 30 or below | 31 to 40 | 41 to 50 | 51 or above |       |
| Gender                                |             |          |          |             |       |
| Male                                  | 76          | 53       | 30       | 33          | 192   |
| Turnover Rate of Male Employees (%)   | 13.7%       | 9.0%     | 10.5%    | 10.5%       | 11.0% |
| Female                                | 283         | 70       | 22       | 33          | 408   |
| Turnover Rate of Female Employees (%) | 13.1%       | 5.2%     | 5.8%     | 17.9%       | 10.0% |
| Total                                 | 359         | 123      | 52       | 66          | 600   |
| Total Employee Turnover Rate (%)      | 13.2%       | 6.3%     | 7.8%     | 13.3%       | 10.3% |

| Geographical Location |                   |                        |
|-----------------------|-------------------|------------------------|
| Region                | Employee Turnover | Employee Turnover Rate |
| Mainland China        | 600               | 10.3%                  |

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

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### *Working Hours and Rest Period*

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

### *Equal Opportunities and Anti-Discrimination*

As an employer of equal opportunities, the Group is committed to fostering a work environment of fair competition, mutual respect and diversity. The Group adheres to the principle of equal employment, adopts the principles of openness, equality and competition to select the best employees, eliminates any form of discrimination in all recruitment, promotion and training decisions, and safeguards the equal rights of employees in various ways. The Group shall ensure that the designation of employees is not based on the employees' age, gender, marital status, pregnancy status, family status, disability, race, skin colour, ancestry, national or ethnic origin, nationality, religion or any other non-work-related factors. The Group encourages employees to report any incident of suspected discrimination to the Human Resources Department. The Human Resources Department will evaluate, handle, record and take any necessary disciplinary action against the responsible person(s).

### *Other Welfare and Benefits*

The Group provides employees with social insurance and housing provident fund contributions in accordance with relevant national laws and regulations. In addition, the Group also provides employees with transportation, meals and communication subsidies, annual physical examination, holiday benefits, etc., and actively organizes various activities, including employee birthday parties, departmental dinners, etc., so as to unite employees and build team spirit.

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Case Sharing — Many hospitals of the Group celebrated the “International Nurses Day”

On May 12, 2022, the 111th International Nurses Day, several hospitals of the Group held related celebrations to extend holiday greetings to nursing workers, so as to further strengthen the humanistic care for nursing staff.

Suzhou Yongding Hospital held a nursing capping ceremony, an oath ceremony and a commendation meeting, and selected the honorary titles of “Excellent Nurse”, “Advanced Individual Award for Anti-COVID-19 Pandemic” and “Loyal Dedication of Nursing Award” in 2021 to praise the nurses’ loyalty spirit.



Hezhou Guangji Hospital held the commendation meeting of “5.12” International Nurses Day, and connected the frontline anti-COVID-19 pandemic medical team by video, expressing respect and affirmation for their positive response to the call.



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At the same time, Shanxian Hygeia Hospital and Longyan Boai Hospital organized condolence activities for nurses, and Suzhou Canglang Hospital also held a celebration and commendation meeting for International Nurses Day, calling on all nurses to work hand in hand. In addition, Heze Hygeia Hospital also held a fun sports event of International Nurses Day, allowing nursing staff to further unite and provide high-quality nursing services to patients with a high sense of responsibility and mission.



### Case Sharing — Anqiu Hygeia Hospital cared for employees' children

On the International Children's Day on June 1, 2022, Anqiu Hygeia Hospital was committed to putting the hospital's "home" culture into every link by carefully preparing children's day gifts suitable for children of different ages, thus creating a warm working atmosphere and building a harmonious centripetal force.

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Case Sharing — Suzhou Canglang Hospital conducted the Spring Festival visit and condolence activity

On the occasion of the Spring Festival in 2022, the leadership team of Suzhou Canglang Hospital offered holiday condolences to the staff and patients in the hospital on the New Year's Eve and the first day of the lunar year, sending deep care and warm new year blessings.



In FY2022, the Group complied with relevant laws and regulations on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, antidiscrimination, benefits and other treatments, and other relevant laws and regulations that have a significant impact on the Group. The Group has always maintained good relationships with employees. As of the end of 2022, the Group had not encountered any strikes or any labor disputes with its employees that had or might have a significant impact on the Group's business.

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### B.2 Health and safety

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

In FY2022, the Group stringently implemented its internal policies on health and safety, including the Management System for Occupational Health and Safety Protection of Medical Personnel (《醫務人員職業健康安全防護管理制度》), the Health Management System for Radiation Workers (《輻射工作人員健康管理制度》) and the Procedures on Handling Occupational Respiratory Exposure (《呼吸道職業暴露後的處置流程》), so as to ensure the health and safety of its employees.

In order to reduce the risk of infection and injury to its employees, the Group arranges physical examination for them every year to ensure that they receive necessary immunization, while providing them with sufficient isolation gowns, uniforms, masks, gloves, face shields and other basic protective articles. The Group also takes special measures for those engaged or involved in radiation work to protect them from radiation injury.

- *Training and certificate management*

The Group requires its radiation workers to participate in the radiation safety training at or above the intermediate level organized by state-designated training institutions, and obtain the Certificate of Radiation Workers before commencing their work. The Certificate of Radiation Workers shall be reviewed each year, and the radiation workers shall apply for retraining when the validity of their training expires in 4 years.

- *Personal radiation dose monitoring*

The Group requires its employees engaged or involved in radiation work to accept personal radiation dose monitoring, and wear personal dosimeter and dose alarm, as well as protective equipment such as lead clothes, lead hat, lead apron, lead gloves and lead glasses in strict accordance with the requirements of the national environmental protection supervision authorities. The Group commissions third-party agencies to issue details of personal radiation dose every quarter, and keeps the maximum annual dose limit under 5mGy in strict compliance with the national regulations.

- *Personal radiation dose files*

The Group establishes personal radiation dose profiles for its employees engaged or involved in radiation work, which contain their basic personal information, job position, dose monitoring results, etc., and will be preserved and archived by the Administration and Personnel Department until the radiation worker reaches the age of 75 or has stopped radiation work for a period of 30 years.

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- *Radiation-related physical examination*

The Group requires its employees engaged in radiation work to take professional physical examinations provided by the designated physical examination institutions of radiation work each year, with the results evaluated comprehensively to decide if it is appropriate for them to continue their work.

By the end of FY2022, all the radiation workers in the Group's hospitals have received their physical examination.

To ensure that the Group's policies and actions are implemented properly, different special duty departments of the Group coordinate its arrangements in relation to radiation protection, with details as follows: the Technical Department is responsible for determination of appropriate protective methods against radiation and provision of trainings for the radiation workers; the Production Department is responsible for purchase of radiation protection devices, allocation of personnel, coordination and organization of on-site work and statistics of the personal radiation dose of radiation workers; the Inspection Department is responsible for verification and testing measurement of radiation protective devices; the Administration and Personnel Department is responsible for formulation of training plans and statistics of radiation allowance, as well as the collection and management of personal health files of radiation workers; and the Finance Department is responsible for payment settlement of radiation protective devices and granting of monthly radiation allowance. In addition, the Group is fully aware of the significance of enhancing its employees' safety consciousness through training so as to prevent the risks in relation to occupational health. Therefore, the Group required the medical department, nursing department and nosocomial infection department of each of its hospitals to organize their own trainings related to occupational health and safety every month. For example, in FY2022, the Group provided training on fire safety and practical fire-fighting drills for its employees to keep them prepared against the potential safety risks.

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

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Table 5 — Number and Rate of Work-related Fatalities of the Group in the Past Three Financial Years<sup>1</sup>

| Year  | FY2022 | FY2021 | FY2020 |
|---|--------|--------|--------|
| Number of work-related fatalities                               | 0      | 0      | 0      |
| Rate of work-related fatalities<br>(calculated per 100 workers) | 0      | 0      | 0      |

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

In FY2022, the Group had a total of 11 work-related accidents, with 11 employees injured and 122 working days lost due to work-related injuries. The Group has carefully reviewed and summarized the causes of those accidents, and formulated various rectification measures to prevent such accidents from recurring. In FY2022, the Group did not violate any relevant laws and regulations in relation to providing a safe working environment and protecting its employees from occupational hazards, which may have a significant impact on the Group.

#### Combating COVID-19

In view of the relapse of the COVID-19 pandemic in early 2022, the Group actively responded to the national and local pandemic control initiatives by formulating and rigidly implementing the Recommendations on Disinfecting Methods of Medical Devices and Ambient Object Surface under the Normalized Prevention and Control of COVID-19 Pandemic (新冠肺炎常態化疫情防控醫療器械及環境物體表面消毒方法推薦方案) and organizing regular training on the prevention and control of COVID-19 pandemic, including training on “Comparison of the First and Second Editions of the Technical Guidelines for the Prevention and Control of COVID-19 Infections” etc., to enhance protection of occupational safety and health during the clinical work by disseminating knowledge of COVID-19 prevention and control.

To further implement the State Council’s policy on the prevention and control of COVID-19 pandemic, the Group strove to achieve “early detection, early diagnosis, early isolation and early reporting” by requiring its medical staff, patients, their companions and visitors to wear surgical masks, measure body temperature and show their health green codes and electronic passes to our staff. Meanwhile, patients from regions of mid or high risks, those visiting the fever clinics, and inpatients and their companions were also required to take nucleic acid tests. In order to prevent infection in the hospital, the Group has adopted various measures to reduce the risk of cross-infection, such as separating passages for doctors and patients, splitting consultation in different time slots, setting up transitional wards and isolation placement and putting them into proper utilization. In line with the COVID-19 control policies such as city lockdown or static management, the Group switched most of its offline meetings and roadshows online so as to reduce the frequency of business travel and staff mobility.

As China’s combat against COVID-19 is gradually achieving significant and decisive victories by the end of 2022, the Group will continue to act in line with the national policy while adhering to the guideline known as “Putting People and Their Lives First”, so as to protect the lives and health of our people.

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### B.3 Development and Training

The Group is committed to enhancing the overall standard of its talents team by establishing a multi-level training system and on-the-job training programs, as well as providing training on professional knowledge and management skills to its staff through the Hygeia Healthcare Teaching and Researching Institute, aiming to lay a solid foundation for the Group's cultivation of multi-faced professional talents.

The Group attaches great importance to the cultivation of its staff, as per which it established the Hygeia Healthcare Teaching and Researching Institute in 2021 with the main function of constructing a training system for its staff at various levels and implementing training plans. There is an academic committee under the Hygeia Healthcare Teaching and Researching Institute, which comprises both internally-selected experts and externally-hired experts, and is primarily responsible for training and teaching its staff. Training courses are mainly divided into professional courses and management courses, covering clinical medicine, medical technology, oncology MDT, nursing, pharmacy, business analysis, management, etc. Together with the Group's Human Resources Department, the Hygeia Healthcare Teaching and Researching Institute will assess the trainees based on their attendance records, level of participation, and monthly and year-end reviews.

The Group also promulgated and implemented the Hygeia Healthcare Teaching and Researching Institute Plans (海吉亞醫療教學研究院方案) and the Assessment, Evaluation and Recruitment System for Senior Management of Hospitals (醫院高管考評及聘用制度) with the aim of promoting the joint development of the hospital and its senior management through an objective and fair evaluation of their value creation process and results as well as reasonable value allocation and appointment and dismissal thereof.

The Group's hospitals offer various orientation programs to their new employees, e.g. theoretical training such as "Laws and Regulations Relating to the Nurses Regulations" and "Nursing Safety Self-Protection", as well as technical operation training activities in respect of electrocardiogram monitoring and measurement of vital signs for our new nursing staff.

In FY2022, the Group provided over 128,000 hours of professional training to 4,680 of its employees, securing itself with a pool of highly qualified and competent talents to continuously power the further development of its hospital healthcare services.

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Table 6 — The number and percentage of the Group's employees trained by gender and employee category in FY2022<sup>1</sup>

|  |                   |                   |                                 | Total |
|--|-------------------|-------------------|---------------------------------|-------|
| Total number of employees trained                |                   |                   |                                 | 4,680 |
| Total number of employees at the end of the year |                   |                   |                                 | 5,816 |
| Percentage of employees trained                  |                   |                   |                                 | 80%   |
| Unit: Number of employees trained                |                   |                   |                                 |       |
| Gender   | Regular Employees | Middle Management | Senior Management and Directors | Total |
| Male   | 1,292             | 214               | 35                              | 1,541 |
| Percentage of total male employees trained       | 27.6%             | 4.6%              | 0.7%                            | 32.9% |
| Female   | 2,794             | 305               | 40                              | 3,139 |
| Percentage of total female employees trained     | 59.7%             | 6.5%              | 0.9%                            | 67.1% |
| Total number of employees trained                | 4,086             | 519               | 75                              | 4,680 |
| Percentage of total employees trained            | 87.3%             | 11.1%             | 1.6%                            | 80.4% |

1 Employee training data is obtained from the Group's HR Department. Training refers to the vocational training attended by the Group's employees in FY2022. The methodology used to report the above number and percentage of employees trained is based on the "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" published by the Stock Exchange.

Table 7 — The training hours per the Group's employee by gender and employee category in FY2022<sup>1</sup>

| Unit: Hour                                  |                   |                   |                                 |           |
|---|-------------------|-------------------|---------------------------------|-----------|
| Gender                                      | Regular Employees | Middle Management | Senior Management and Directors | Total     |
| Male  | 35,771.0          | 3,472.0           | 797.0                           | 40,040.0  |
| Average training hours for male employees   | 25.0              | 13.4              | 15.3                            | 23.0      |
| Female                                      | 81,974.0          | 5,282.0           | 946.0                           | 88,202.0  |
| Average training hours for female employees | 22.2              | 14.6              | 41.1                            | 21.6      |
| Total training hours                        | 117,745.0         | 8,754.0           | 1,743.0                         | 128,242.0 |
| Average training hours                      | 23.0              | 14.1              | 23.2                            | 22.0      |

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

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### Case Sharing — Suzhou Yongding Hospital holding the Cardiovascular Chronic Disease Forum in Wujiang District

In July 2022, Suzhou Yongding Hospital held a Cardiovascular Chronic Disease Forum in Wujiang District by inviting renowned experts to give lectures online, who went into in-depth analysis and discussions on such topics as “prevention and treatment of cardiovascular tumors, advanced heart failure, treatment of coronary heart disease, secondary hypertension, and stress cardiomyopathy” with impressive case sharing sessions. The forum provided a platform for the cardiovascular and internal medicine physicians of Suzhou Yongding Hospital to exchange their knowledge and experience and learn from each other, which has greatly promoted the development of the cardiology department of the hospital.

### Case Sharing — Longyan Boai Hospital offering the breast cancer screening and early detection and treatment training course

In September 2022, in order to further enhance the technical skills of breast cancer screening professionals, Longyan Boai Hospital and Fujian Maternal and Child Health Center, etc. jointly held the “Breast Cancer Screening and Early Diagnosis and Treatment Training Course in Fujian Province (Phase III)”, aiming at offering an opportunity for the experts from Fujian and other provinces to share and exchange opinions on technical and hot issues such as breast cancer prevention, early diagnosis, standardized treatment, etc.



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### B.4 Labor Standards

In FY2022, the Group complied with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and other relevant labor laws and regulations in China, prohibiting employment of child labor or forced labor. For the purpose of strictly preventing illegal employment relating to child, minors and forced labor, during the process of its internal and external recruitment, the Group carefully verified the applicants' ages with their official identification documents, such as identity cards, passports, etc. The Group maintains the personal files of its employees, including information such as the proof of age (copy of ID card) and the entry date, which are verified by the Human Resources Department every six months to prevent the employment of child labor.

Meanwhile, the Human Resources Department holds symposiums every six months for the new employees, employees who have been with the Group for three years, and those with the Group for five years to learn about their status, in order to prevent forced labor. The Group strengthened its efforts to educate its departments to enhance their awareness of conscious compliance with the PRC laws and regulations and organized training programs about preventing child labor and forced labor every six months. In addition, the Group never forces its employees to work overtime, and instead, will provide those who work overtime with compensation of corresponding time off to protect their rights.

The Group's Human Resources Department is responsible for monitoring and ensuring the compliance of the Group's policies and practices with the laws and regulations related to preventing child labor and forced labor. For those violating the Group's policies by recruiting child or forced labor without authorization, the Group will order them to cease the hiring process immediately, and impose heavy penalties on directly responsible people. For those who have caused serious consequences, committed such acts repeatedly, or committed a crime, the Group will report the case to judicial branches to investigate for criminal responsibilities of the relevant responsible people in accordance with the applicable laws and regulations.

In FY2022, the Group did not violate any laws and regulations that have a significant impact on itself in respect of preventing child labor and forced labor.

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**OPERATING PRACTICES****B.5. Supply Chain Management**

The Group is committed to maintaining a stable supply chain and actively fulfilling its environmental and social responsibilities by identifying and managing potential risks in its supply chain. In FY2022, the Group complied strictly with the Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) and other applicable laws and regulations, while formulating and implementing its internal policies such as the Drug Procurement Management System (《藥品採購管理制度》), Supplier Management System (《供應商管理制度》) and Supplier Management Procedures (《供方管理程序》), so as to regulate its supplier admission and evaluation procedures and guarantee the quality of its medical products and services.

*Supplier Admission*

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

*Supplier Evaluation*

The Group has established a list of qualified suppliers and conducts regular inspection and dynamic evaluation of their performance, such as the service level and product quality, at different stages of the project and contract execution. According to the latest ratings, the suppliers are divided into four levels, i.e. A, B, C and D, among which, level-A suppliers are excellent suppliers and preferred partners, while level-D suppliers are unqualified suppliers and will be prohibited from participating in any bidding and cooperation projects of the Group for two years, and subject to re-qualification assessment and review when bidding again. In addition, those suppliers known for material violations during their bidding and contract execution process will be included in a blacklist and banned from entering into any cooperation relationship with the Group, aiming to ensure that only high-quality suppliers are selected and those with poor performance will be eliminated, thus urging suppliers to fulfill their duties properly and maintain a responsible supply chain.

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### *Green Procurement Principles*

The Group has been trying vigorously to build a green supply chain, incorporating the concepts of environmental protection into its procurement decision-making process and prudently managing environmental risks in its supply chain. On the basis of compliance with environmental regulations, the Group gives preference to procure sustainable products, especially the Chinese medicine, and requires the procurement departments of its hospitals to prioritize local suppliers so as to minimize vehicle emissions during transportation, thus minimize the impact of its supply chain on the environment. In line with its principles of green procurement, the Group takes environmental-friendliness into serious consideration when selecting its suppliers, conducting product evaluation, order review, product acceptance, quality inspection and usage assessment, and incorporates the principles of local sourcing, quality priority, price priority and ISO14001 environmental management system qualification into its procurement criteria.

In FY2022, the Group worked with a total of 1,350 suppliers in the Mainland of China. The above supply chain management policies, supplier selection management and green procurement policies apply to all of the Group's suppliers, which are to be implemented by the procurement team and monitored by the Laboratory Department.

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**B.6 Product Responsibility**

As an oncology-focused medical group, the Group is committed to satisfying the needs of oncology patients in China, providing them with life-long medical services through strict quality control, state-of-the-art diagnosis and treatment and caring services. In line with its corporate vision known as “making healthcare services more accessible and affordable and making life healthier”, the Group complies strictly with the relevant national laws and regulations on healthcare and standards on medical diagnosis and treatment. In FY2022, the Group complied with relevant laws and regulations of the PRC in respect of health and safety, advertising, labelling and privacy matters of the medical products and services provided, including but not limited to:

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

## 2022 Environmental, Social and Governance Report

In order to strengthen the management of its medical quality and facilitate the implementation of quality responsibility, the Group has formulated and implemented a series of internal regulations, including the Administrative Measures on Work of the Quality Control Committee (《質量控制委員會工作管理辦法》), the Medical Safety (Adverse) Incident Management System (《醫療安全(不良)事件管理制度》), the Drug Traceability and Management System (《藥品追蹤溯源管理制度》), the Medical Accident Handling Mechanism and Contingency Plan (《醫療事故處理機制及應急預案》), aiming to continuously strengthen its mechanisms of medical quality control, medical incident handling and pharmaceutical quality management, and continuously improve the standard and quality of its healthcare services.

### *Medical Products and Services Quality*

Adhering to the “patient-centred” service philosophy, the Group always prioritizes patient satisfaction, ensures high medical quality and improves service quality. The Group’s quality control committee (the “**Quality Control Committee**”), is responsible for formulating and improving the quality control standard of the Group as well as assessing and monitoring the quality control results of healthcare services of its in-network hospitals. The Quality Control Committee and its professional sub-committee including the medical committee, the nursing committee, the nosocomial infection control committee and so on, are also responsible for organizing the in-network hospitals to conduct periodic self-examination on quality control and supervise the rectification of quality problems. The Group’s in-network hospitals establish 8 quality control committees, including medical quality control committee, pharmaceutical affairs management committee, blood transfusion management committee, etc., at the same time, create a hospital-departmental quality control system and a series of quality control schemes to maintain the quality and safety of medical services in all aspects. The Group organizes expert teams to conduct two on-site inspections on each in-network hospital every year, links the results of hospital self-examination and on-site inspections with performance appraisal to urge each hospital to optimize the quality of their work.

To ensure drug safety, the Group strictly implements relevant internal policies to properly manage issues such as track and trace of drugs, inspection and storage of drugs, and drug safety.

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

## 2022 Environmental, Social and Governance Report

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

The Group is in strict compliance with its emergency management policies such as Medical Safety (Adverse) Incident Management System (《醫療安全(不良)事件管理制度》), which standardize the types, levels of and reporting procedure for medical adverse incidents, as well as the post-medical accident procedures, including on-site treatments, physical evidence preservation, and follow-up measures, to ensure that the interest of patients are protected. Meanwhile, the Group formulates and implements the Drug Recall Management System (《藥品召回管理制度》) to conduct hierarchical recall of drugs with potential safety hazards that have already been sold in accordance with the prescribed procedures. Relevant departments are responsible for the information collection, management, and release of recall notices, keep detailed records and destroy recalled drugs, in accordance with regulations to ensure the drug safety of the public.

Case Sharing — Medical staff at Suzhou Yongding Hospital have received multiple awards and recognition from the government

In July and August 2022, the medical staff of Suzhou Yongding Hospital received various honors, including “Most Beautiful Doctor (最美醫師)” and “Most Beautiful Infection Control Person (最美感控人)” in Wujiang District (吳江區) in 2022, “Service Pioneer (服務先鋒)” in East Taihu Resort (Taihu New Town) (東太湖度假區(太湖新城)) in 2022, and the third prize in the Pediatric Nursing Skills Competition in Wujiang District (吳江區兒科護理技能賽) in 2022. These awards fully demonstrate the professionalism and service quality of the medical workers at Suzhou Yongding Hospital.



## 2022 Environmental, Social and Governance Report

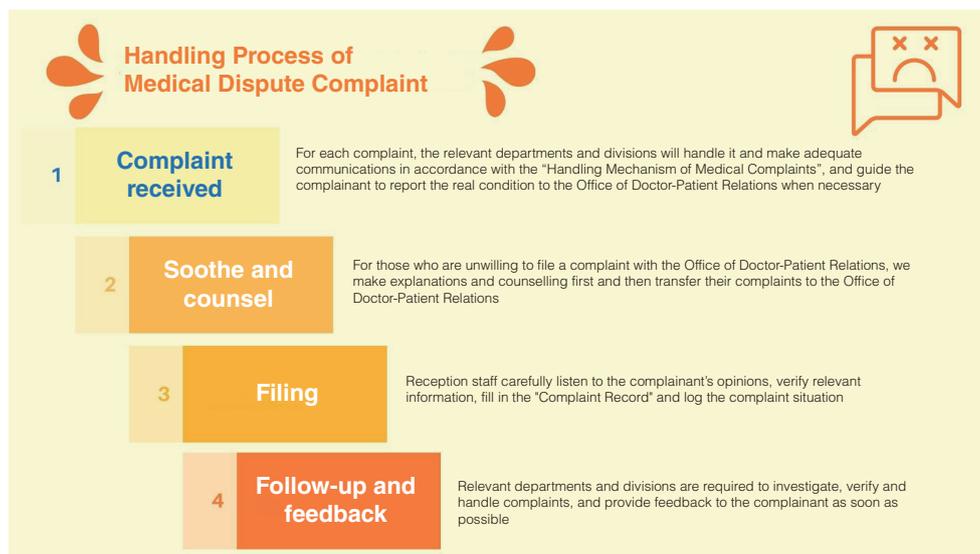
### Management on Labels and Advertisement

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

### Suggestion and Complaints

The Group stringently abides by the Measures for Complaint Management of Medical Institutions (《醫療機構投訴管理辦法》), the Regulation on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》) and other laws and regulations. The Group has implemented the Reception and Handling Process System of Patient Complaints (《患者投訴接待處理流程制度》) and other internal policies to ensure a good and efficient communication mechanism with patients. Each hospital is required to regularly report medical dispute and complaint data to the Group's Quality Control Committee, and the complaint and dispute handling group summarizes and analyzes the data. The Group arranges case sharing and experience summary activities according to various complaints cases to further improve the medical services level.

Adhering to the principles of seeking the truth, once a complaint is received, the Group will carry out a thorough investigation and actively and properly handle any negative impact unintentionally caused. Meanwhile, the Group will establish improvement plan according to issues exist and implement rectifications.



The Group has set up a satisfaction survey team that conducts quarterly satisfaction assessments for its in-network hospitals. We listen to patient feedback through telephone and paper surveys or on-site visits, and track the satisfaction of discharged patients to follow up on any issues promptly.

## 2022 Environmental, Social and Governance Report

Case Sharing

During FY2022, the Group received a total of 18 complaints regarding its hospitals, mainly in the area of doctor-patient communication, all of which have been properly addressed. To prevent the recurrence of similar issues, the Group has organized regular trainings for medical and nursing staff on patient satisfaction and doctor-patient communication skills.

*Patients' Privacy*

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

The Group's in-network hospitals have established dedicated departments and personnel in charge of managing patients' medical records in a standardized manner according to the Regulations on Medical Records Management by Medical Institutions (醫療機構病歷管理規定).

**Regularly update the management system**

Conduct regular reviews and revisions of information security management systems to ensure they meet the current information security management needs of the Group. At the same time, the Group continuously enhances its information management to ensure that no internal or external personnel can access patients' personal information or digital medical records without prior authorization. Such data can only be accessed with permission from the hospital head or executive director in charge.

**Confidentiality agreements**

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

**Daily inspection**

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

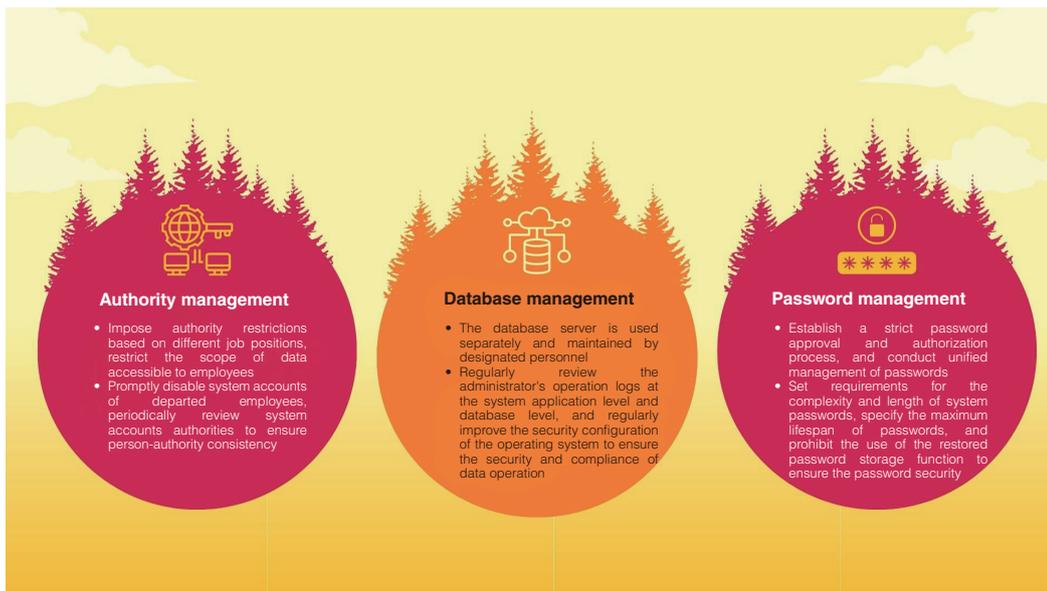
**Information security training**

Employees can only assume their positions after obtaining the "Qualification Certificate" for the required trainings, including computer operation and maintenance, information system security, and confidentiality. They are also required to receive continuing security education and lectures as well as information security training, to further strengthen information security and privacy protection awareness.

## 2022 Environmental, Social and Governance Report

### Information Security Management System

The Group's in-network hospitals strictly manage the authority and password of the information system, and ensure that the internal HIS system and the external public network of each hospital are physically separated, while all USB ports of internal network equipment are firmly prohibited to avoid data leakage. Moreover, the Group conducts daily local and remote backups of system data, as well as regular recovery tests of data backup, intensifying the defense capabilities of the information system. The Group safeguard internal information security through three major directions, including authority management, database management and password management. At present, some hospitals of the Group have passed the certification of the national information security level protection III.



## 2022 Environmental, Social and Governance Report

*Product service innovation and intellectual property rights*

The Group has maintained its focus on the oncology business, and enhanced its ability to treat critically ill oncology patients through technological innovations in oncology diagnosis and treatment. During FY2022, the Group actively pursued innovation in medical technology and services, and was awarded 20 patents by China National Intellectual Property Administration, as well as published a total of 131 articles in the field of oncology and other related disciplines in international journals (such as SCI) and domestic journals.

Case Sharing

In FY2022, the Group continued to promote the construction of internet hospitals to optimize the diagnosis and treatment process. In particular, the internet hospital of Suzhou Yongding Hospital was awarded the honorary title of the 5th "Internet+" Innovation Award in Wujiang District in 2022, and the internet hospital of Chongqing Hygeia Hospital was also successfully launched. These efforts will help to use medical resources in a more effective way to serve more patients, and provide them with comprehensive healthcare management services.



The Group has strictly complied with requirements including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and the Enterprise Intellectual Property Management (《企業知識產權管理規範》). The Group has formulated and implemented strict internal policies to fully safeguard its enterprise intellectual properties. The Group actively applies intellectual properties for newly self-developed logos, labels, product design or technologies and appoints legal advisors to provide professional legal advice on intellectual property protection. The Group appoints internal legal personnel to inspect and prevent intellectual properties being infringed, meanwhile requires its staff to safeguard commercial secrets and other proprietary intellectual properties.

During FY2022, the Group had no recalls on sold products and had not violated laws and regulations in relation to product health and safety, advertisement, labels and privacy which have a significant impact on the Group.

## 2022 Environmental, Social and Governance Report

**B.7 Anti-corruption**

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

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

The Group attaches great importance to building a culture of integrity and conducted 17 anti-corruption related training sessions in FY2022, totalling 26.5 hours, which enabled 480 general employees and 93 management and directors to gain a clear understanding of the types and forms of commercial bribery and corruption as well as the legal liabilities associated with breaking the law, thereby enhancing their awareness of anti-corruption.

Table 8 — FY2022 Anti-corruption training information of the Group

| Number of anti-corruption lecture/training (Unit: section(s)) | Total number of hours of relevant lecture/training (Unit: hour(s)) | Number of participating management personnel and directors (Unit: person(s)) | Number of participating general employees (Unit: person(s)) |
|---|--|--|---|
| 17  | 26.5   | 93   | 480   |

During FY2022, there were no corruption proceedings brought against the Group or its employees that were concluded. The Group had not violated any bribery, extortion, fraud or money laundry related laws and regulations which have a significant impact on the Group.

## 2022 Environmental, Social and Governance Report

## Community

### B.8. Community Events Investments

The Group actively performs its corporate social responsibilities by dedicating itself to promoting community development and ensuring people's well-being, aiming to play an active role in the great progress of building a "Beautiful New China".

During FY2022, the Group's strategic highlights of performing social responsibilities included caring for the disadvantaged, conducting medical public welfare activities, aiding public welfare activities and devoting itself in fighting against the pandemic. The Group actively organizes and participates in various meaningful events in the relevant field, working hard to promote the harmonious co-existence of enterprise and community.

#### Caring for the underprivileged

Case Sharing — Shanxian Hygeia Hospital visited and provided care for elderly individuals in need and underprivileged



In mid-January 2022, under the guidance of the United Front Work Department of the Shanxian County Committee (單縣縣委統戰部), Shanxian Hygeia Hospital launched the "Filial Piety Comes First, Bringing Warmth in the Cold Winter (百善孝為先·寒冬送溫暖)" campaign to visit and provide care for a number of elderly individuals in need and underprivileged, donated relief materials and helped them have a warm and joyful Spring Festival, in which the hospital won the title of "Caring Unit".

## 2022 Environmental, Social and Governance Report

Case Sharing — Liaocheng Hygeia Hospital cared for retired veterans

On September 5, 2022, the eve of the Mid-Autumn Festival, Liaocheng Hygeia Hospital, together with the Dongchangfu District Civil Affairs Bureau (東昌府區民政局) and other institutions, organized a care and warmth contribution event with the theme of “Mid-Autumn Festival Support for Veterans (中秋擁軍)”. Volunteers visited several households of anti-Japanese war veterans in Daokoupu Street (道口鋪街道) to get to know their living conditions and physical health, express gratitude for their contributions in defending the motherland and protecting the people, and deliver Mid-Autumn Festival mooncakes, cooking oil and other caring supplies to help them enjoy a warm and peaceful festival. During the event, Liaocheng Hygeia Hospital was awarded the title of “Charitable Hospital with Love (愛心慈善醫院)”.



## 2022 Environmental, Social and Governance Report

Case Sharing — Anqiu Hygeia Hospital held a Dragon Boat Festival care event

On June 3, 2022, the day of the Dragon Boat Festival, the elderly care department of Anqiu Hygeia Hospital held a “Warm Dragon Boat Festival, Zongzi Across the Hospital (濃情端午、粽情四海)” zongzi-making activity, where nursing staff and elderly patients of the department made zongzi together. On the same day, the hospital leadership team, along with doctors and nurses from ward one, delivered “Zongzi of Love (愛心粽)” to patients, expressing the hospital’s humanistic care for patients through the delivery of care and concern from medical staff.

Case Sharing — Chengwu Hygeia Hospital spread warmth during the festivals

On January 31, 2022, the leadership of Chengwu Hygeia Hospital accompanied officials from the County Civil Affairs Bureau to visit the elderly apartments, various clinical and medical technology departments and wards to express their warm regards to the elderly residents, inpatients, and frontline staff on duty, as well as extend new year’s greetings and best wishes to them. The hospital will continue to promote the traditional virtues of respecting and caring for the elderly, and further enhance its overall strength and medical service level.



## 2022 Environmental, Social and Governance Report

**Carrying out medical public welfare activities**

Adhering to the corporate philosophy of “making healthcare services more accessible and affordable and making life healthier”, the Group attaches great importance to carrying out medical charity activities. In FY2022, the Group’s in-network hospitals completed 370 charity clinics activities and held 282 health lectures related to oncology prevention and treatment, deeply cultivating community health education.

Case Sharing — Shanxian Hygeia Hospital launched a large-scale community charity clinic called “Two Years of Diagnosis throughout the Community (兩年遍診)”

On November 18, 2022, Shanxian Hygeia Hospital, in collaboration with the Shanxian Natural Resources and Planning Bureau (單縣自然資源和規劃局), carried out a large-scale volunteer charity clinic and education event at the Nanhuayuan Community Service Center (南華苑社區服務中心), providing free medical consultations and promoting health knowledge to the community. Medical staff conducted physical examinations for the elderly, assessed their health status, carefully explained the health issues they were facing and provided reasonable advice. Shanxian Hygeia Hospital actively participated in social welfare activities, leveraging its advantages in the medical industry, and further enhanced the community’s knowledge of disease prevention and treatment through charity clinics.



## 2022 Environmental, Social and Governance Report

Case Sharing — Heze Hygeia Hospital has held various free healthcare service events

To care for the health of children and the elderly in the community, Heze Hygeia Hospital has conducted various free healthcare services targeting children and the elderly in 2022.

From June 4 to 5, Heze Hygeia Hospital held the national “Love Your Eyes Day (愛眼日)” and the 4th Traditional Chinese Medicine Pediatric Tuina Free Healthcare Service Event for the prevention and control of myopia among children and adolescents. On October 15, it also held a free healthcare service event for children with short stature and early puberty, providing free bone age testing for children.



In addition, to pay attention to the physical and mental health of the elderly, Heze Hygeia Hospital held a free healthcare service event called “Serving People’s Health Action (服務百姓健康行動)” on September 14. The hospital also held the opening ceremony of the “Memory Impairment Clinic (記憶障礙門診)” with a large-scale free healthcare service event from October 15 to 22, to support the national “Respect for the Elderly Month (敬老月)” campaign.



## 2022 Environmental, Social and Governance Report

### Case Sharing — The free medical consultations and free disease-screening charity activity conducted by Hezhou Guangji Hospital

In order to implement the “2030 Planning Outline for Healthy China” and promote the construction of “Healthy Hezhou”, Hezhou Guangji Hospital conducted free medical consultation activities during various festivals in 2022, including the National Day Golden Week, Children’s Day and summer holidays. Meanwhile, in mid-April 2022, Hezhou Guangji Hospital actively participated in the 28th National Cancer Prevention and Treatment Publicity Week, launching various forms of educational activities such as online live broadcast, free medical consultations in local communities and science seminars under the theme of “Cancer Prevention and Treatment at an Early Stage”, to widely disseminate health knowledge on cancer prevention and fighting against cancer, and enhance the correct understanding of cancer and scientific prevention and control in the whole society.



In addition, Hezhou Guangji Hospital also conducted free screening for anal and bowel diseases during Father’s Day, and offered free specialist consultations for 20 persons per day. Meanwhile, to safeguard women’s health, Hezhou Guangji Hospital also launched a free screening public benefit activity for breast and thyroid tumours from November 29, 2022 to February 28, 2023.

## 2022 Environmental, Social and Governance Report

Case Sharing — Liaocheng Hygeia Hospital launched the free shuttle service for patients and specialists

To further facilitate the public's access to the hospital, Liaocheng Hygeia Hospital has launched a free shuttle service for patients and specialists since August 4, 2022. The lane starts from the railway station and passes through a number of stations, providing a convenient travel service for patients to visit the hospital and demonstrating Liaocheng Hygeia Hospital's social responsibility and commitment.



## 2022 Environmental, Social and Governance Report

### Case Sharing — Suzhou Yongding Hospital launched a series of welfare activities named “Warm Rehabilitation without Loneliness”

In order to further popularize the knowledge of childhood autism and help families with autism patients to pay early attention and conduct intervention, Suzhou Yongding Hospital launched the “Warm Rehabilitation without Loneliness” online welfare seminar on September 12, 2022, inviting several experts in rehabilitation medicine to give talks on the topic. It also held a practical activity called “Walk for Health” on September 15, during which the main symptoms and diagnostic problems of autism were explained clearly, and the questions of patients’ families were answered affectionately.



## 2022 Environmental, Social and Governance Report

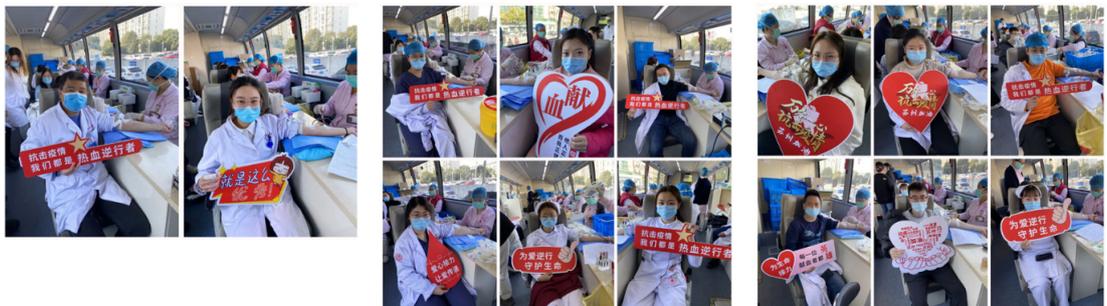
*Contributing to charity*Case Sharing — Chongqing Hygeia Hospital held welfare activity to care for women

On March 8, 2022, Chongqing Hygeia Hospital carried out a series of public welfare activities called “Love You, Love Health” to care for female health, including health lectures, free healthcare service and holiday gifts for female workers of Fuxing Temple Community Service Center (復興寺社區服務中心), Xueshan Community Service Center (學善社區服務中心), Sixian Shuren Primary School (思賢樹人小學), Gaoqiao Primary School (高橋小學), Chongqing Fuli Holiday Inn Hotel (重慶富力假日酒店) and other units.

In order to enhance the health awareness of female and benefit the majority of women in the high-tech zone, Chongqing Hygeia Hospital not only continued to carry out public health lectures and free healthcare service, but also specially presented Goddess welfare card to celebrate the 3·8 Women’s Day by providing various free or discounted examination services.

Case Sharing — Suzhou Canglang Hospital held the 2022 blood donation charity activity

On February 25, 2022, Suzhou Canglang Hospital launched a blood donation activity. A total of 91 people donated a total of 26,000 ml of blood in the activity. Blood donation is an annual activity held at Suzhou Canglang Hospital to spread the love and harmony between doctors and patients and disseminate positivity with empathy.



## 2022 Environmental, Social and Governance Report

### Case Sharing — The charity donation activities conducted by hospitals under the Group

In mid-June 2022, Heze Hygeia Hospital and Chengwu Hygeia Hospital responded to the government’s call for the “One Day Donation” activity to promote the traditional Chinese virtue of being charitable and helping the poor and needy. The hospital’s leadership team took the lead in making donations, followed by the cadres and staff of all departments, who actively responded by making donations to help improve the lives of patients with serious illnesses and particularly disadvantaged people.



## 2022 Environmental, Social and Governance Report

*Devoting in fighting the pandemic with one heart*

Case Sharing — Many of the Group's in-network hospitals have added COVID-19 traditional chinese medicine clinic

To keep up with changes in the pandemic prevention and control situation and meet the public's demand for medical treatment, Suzhou Yongding Hospital's Traditional Chinese Medicine Pandemic Prevention Clinic (蘇州永鼎醫院中醫防疫門診), Suzhou Canglang Hospital's COVID-19 Traditional Chinese Medicine Rehabilitation Clinic (蘇州滄浪醫院新冠中醫康復門診), and Shanxian Hygeia Hospital's Traditional Chinese Medicine Pandemic Prevention Clinic (單縣海吉亞醫院防疫中醫門診), etc., were successively opened in December 2022, providing targeted traditional chinese medicine and herbal medicine prevention and treatment plans for patients.

## 2022 Environmental, Social and Governance Report

## VII. MAJOR HONORS AND AWARDS OF THE YEAR

As of January 1, 2023, the Group, its in-network hospitals and medical professionals have obtained the following honors and awards:

| No. | Award  | Awarded Time  |
|-----|--|---------------|
| 1   | Heze City Advanced Entity of Service Innovation Among Private Hospitals for 2021   | January 2022  |
| 2   | Heze City Advanced Entity of Service Innovation Among Private Hospitals  | January 2022  |
| 3   | Heze City Outstanding Group in Internal Security and Safety Work   | January 2022  |
| 4   | Heze City Caring Charity Entity  | January 2022  |
| 5   | Heze City Economic Development Contribution Award for 2021   | February 2022 |
| 6   | Advanced Entity in Women and Children's Health Work in Shan County, Heze City  | February 2022 |
| 7   | Heze City Advanced Entity in Medical Insurance   | February 2022 |
| 8   | Hezhou City Advanced Entity of Adverse Reaction/Event Monitoring of Drugs, Medical Devices and Cosmetics in 2021   | February 2022 |
| 9   | Hezhou City Outstanding Young Chinese Medicine Practitioner  | February 2022 |
| 10  | Pingguo City Certificate of Merit for Prevention and Control of COVID-19 Pandemic  | February 2022 |
| 11  | Kaiyuan City the "13th Five-Year Plan" Advanced Group in Helping Disabled People   | March 2022    |
| 12  | Dongxing City Certificate of Merit for Prevention and Control of COVID-19 Pandemic   | March 2022    |
| 13  | Hezhou City the Most Beautiful Female Medical Worker   | April 2022    |
| 14  | The Third Prize for the Team in the Heze Region of the 2022 Nursing Vocational Skills Competition of Shandong Provincial Nursing Association   | May 2022      |
| 15  | The First "Super Angel" Competition of the Nursing Section of the Urology Branch of the Chinese Medical Association in 2022  | May 2022      |
| 16  | The Third Obstetric Critical Care Communication Competition named "Diqi Hope — Smart Care for the Newborn", the "Outstanding Nurse" Award in the Sub-Competition in Hezhou, Guangxi in 2022      | June 2022     |
| 17  | The Third Obstetric Critical Care Communication Competition named "Diqi Hope — Smart Care for the Newborn", the "Outstanding Supervisor" Award in the Sub-Competition in Hezhou, Guangxi in 2022 | June 2022     |
| 18  | Heze City Top 10 Army-supporting Enterprises   | July 2022     |
| 19  | Heze City Advanced Entity in Blood Donation in Greeting the 20th National Congress   | July 2022     |
| 20  | Hezhou City Honorary Title of "Ru Zi Niu" Healthcare Worker  | July 2022     |
| 21  | A plaque written with "Having Courage in Fighting the Pandemic and Warming People's Hearts Against the Odds" was awarded by an institution in Jiangzhou District, Chongzuo City                  | August 2022   |
| 22  | Hezhou City Outstanding Performance in the Annual Assessment of Municipal Medical Insurance Designated Medical Institutions  | August 2022   |
| 23  | Hezhou City the 5th "Chinese Doctors' Day" Recognition   | August 2022   |

## 2022 Environmental, Social and Governance Report

| No. | Award   | Awarded Time   |
|-----|---|----------------|
| 24  | Hezhou City the 30-year Practicing Medicine Recognized on Doctors' Day  | August 2022    |
| 25  | Beihai City Certificate of Merit for Prevention and Control of the COVID-19 Pandemic                          | August 2022    |
| 26  | Hezhou City Outstanding Department Head Recognized on the Doctors' Day  | September 2022 |
| 27  | Hezhou City Outstanding Departmental Team Recognized on the Doctors' Day                                      | September 2022 |
| 28  | Hezhou City Outstanding Doctor Recognized on the Doctors' Day   | September 2022 |
| 29  | Liaocheng City Special Contribution Award in the Skills Competition of Family Doctor Contracting Service Post | September 2022 |
| 30  | 2022 Liaocheng City Caring Enterprise   | November 2022  |

## 2022 Environmental, Social and Governance Report

## VIII. LIST OF INDUSTRY ASSOCIATIONS PARTICIPATED

As of December 31, 2022, the Group, its in-network hospitals and medical professionals have participated in the following industry associations:

| No. | Name of Society and Association   | Level or Position of Membership                       | Related Hospitals of the Group |
|-----|---|---|--------------------------------|
| 1   | Heze Private Hospital Association   | Member  | Chengwu Hygeia Hospital        |
| 2   | Shanxian Banma Volunteer Rescue Association   | Co-construction unit                                  | Shanxian Hygeia Hospital       |
| 3   | Shanxian New Social Stratum Personnel Association   | Strategic partner member, standing vice chairman unit | Shanxian Hygeia Hospital       |
| 4   | Heze Practice Base for "Patriotic Struggle and Meritorious Services"  | Member  | Shanxian Hygeia Hospital       |
| 5   | Heze Private Hospital Association   | Member  | Shanxian Hygeia Hospital       |
| 6   | Shandong Ophthalmic Medical Union   | Director unit   | Shanxian Hygeia Hospital       |
| 7   | Cardiovascular Surgery Department of Shanghai Renji Hospital  | Member of cardiovascular surgery base                 | Shanxian Hygeia Hospital       |
| 8   | Heze Huxi Spinal Surgical Disease Institute   | Member  | Shanxian Hygeia Hospital       |
| 9   | China Children's Growth and Development Whole Process Management Demonstration Center   | Member  | Shanxian Hygeia Hospital       |
| 10  | Shandong Stroke Prevention and Treatment Center   | Member  | Shanxian Hygeia Hospital       |
| 11  | China Grassroots Chest Pain Center  | Member  | Shanxian Hygeia Hospital       |
| 12  | Heze Private Hospital Association   | President unit  | Heze Hygeia Hospital           |
| 13  | New Association of Luxi New District of Heze City   | Innovative practice base                              | Heze Hygeia Hospital           |
| 14  | The 2nd Committee of the Professional Committee of Clinical Examination Management of Guangxi Hospital Association                          | Committee member                                      | Hezhou Guangji Hospital        |
| 15  | The 1st Committee of the Professional Committee of Renal Dialysis of the Association of Guangxi Non-public Medical Institutions Association | Vice chairman, committee member                       | Hezhou Guangji Hospital        |
| 16  | The 1st Committee of the Blood Purification Center Branch of Guangxi Hospital Association   | Committee member                                      | Hezhou Guangji Hospital        |
| 17  | The 1st Professional Committee of Critical Care Nursing of Hezhou Medical Association   | Vice chairman, committee member                       | Hezhou Guangji Hospital        |
| 18  | The 1st Professional Committee of Intravenous Therapy Nursing of the Nursing Society of Hezhou Medical Association                          | Committee member                                      | Hezhou Guangji Hospital        |

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| No. | Name of Society and Association   | Level or Position of Membership             | Related Hospitals of the Group |
|-----|---|---|--------------------------------|
| 19  | Stomatology Branch of Hezhou Medical Association  | Standing committee member, committee member | Hezhou Guangji Hospital        |
| 20  | The 2nd Thoracic and Cardiovascular Surgeons Branch of Guangxi Medical Doctor Association                                 | Committee member                            | Hezhou Guangji Hospital        |
| 21  | The 2nd Pain Physicians Branch of Guangxi Medical Doctor Association  | Committee member                            | Hezhou Guangji Hospital        |
| 22  | The 6th Committee of the Painology Branch of Guangxi Medical Association  | Committee member                            | Hezhou Guangji Hospital        |
| 23  | The 4th Professional Committee of Oncology Interventional Therapy of Guangxi Anti-Cancer Association                      | Committee member                            | Hezhou Guangji Hospital        |
| 24  | The 8th Committee of the Physical Medicine and Rehabilitation Branch of Guangxi Medical Association                       | Committee member                            | Hezhou Guangji Hospital        |
| 25  | The 1st Committee of the Health Screening Profession of Guangxi Non-public Medical Institutions Association               | Committee member                            | Hezhou Guangji Hospital        |
| 26  | The 1st Professional Committee of the Intravenous Therapy Nursing of the Nursing Society of Hezhou Medical Association    | Vice chairman, committee member             | Hezhou Guangji Hospital        |
| 27  | The 2nd Committee of the Nursing Branch of Chinese Non-public Medical Institutions Association                            | Committee member                            | Hezhou Guangji Hospital        |
| 28  | The 2nd Professional Committee of Incontinence Care for Stoma Wounds of the Nursing Society of Hezhou Medical Association | Vice chairman, committee member             | Hezhou Guangji Hospital        |
| 29  | The 1st Professional Committee of Surgical Nursing of the Nursing Society of Hezhou Medical Association                   | Vice chairman, committee member             | Hezhou Guangji Hospital        |
| 30  | Guangxi Medical Doctor Association  | Member                                      | Hezhou Guangji Hospital        |
| 31  | The 2nd Perinatal Doctors Branch/Professional Committee of Guangxi Medical Doctor Association                             | Specialist member                           | Hezhou Guangji Hospital        |
| 32  | The 2nd Perinatal Doctors Branch of Guangxi Medical Doctor Association  | Committee member                            | Hezhou Guangji Hospital        |
| 33  | Jiangsu Medical Association   | Member                                      | Suzhou Yongding Hospital       |
| 34  | Liaocheng Health Commission   | Member                                      | Liaocheng Hygeia Hospital      |
| 35  | Liaocheng Young Volunteers Association  | Member                                      | Liaocheng Hygeia Hospital      |

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## IX. REPORTING DISCLOSURE INDEX

## ESG REPORTING GUIDE INDEX OF THE STOCK EXCHANGE

| Aspects                 | ESG Indicators     | Descriptions  | Sections  | Pages  |
|-------------------------|--------------------|---|-----------|--------|
| <b>A. Environmental</b> |                    |   |           |        |
| A1: Emissions           | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.<br><i>Note:</i> Air emissions include NO <sub>x</sub> , SO <sub>x</sub> , and other pollutants regulated under national laws and regulations.<br>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.<br>Hazardous wastes are those defined by national regulations. | Emissions | 15     |
|                         | KPI A1.1           | The types of emissions and respective emissions data.   | Emissions | 16     |
|                         | KPI A1.2           | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Emissions | 17     |
|                         | KPI A1.3           | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Emissions | 17     |
|                         | KPI A1.4           | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Emissions | 17     |
|                         | KPI A1.5           | Description of emissions target(s) set and steps taken to achieve them.   | Emissions | 18, 26 |
|                         | KPI A1.6           | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.  | Emissions | 19, 26 |

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| Aspects                                   | ESG Indicators     | Descriptions   | Sections                              | Pages  |
|---|--------------------|--|---------------------------------------|--------|
| A2: Use of Resources                      | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials.<br><i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. | Use of Resources                      | 22     |
|   | KPI A2.1           | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).   | Use of Resources                      | 21     |
|   | KPI A2.2           | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Use of Resources                      | 21     |
|   | KPI A2.3           | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Use of Resources                      | 22, 26 |
|   | KPI A2.4           | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.   | Use of Resources                      | 23, 26 |
|   | KPI A2.5           | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Use of Resources                      | 21     |
| A3: The Environment and Natural Resources | General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources.  | The Environment and Natural Resources | 24     |
|   | KPI A3.1           | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | The Environment and Natural Resources | 24     |
| A4: Climate Change                        | General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.   | Climate Change                        | 27     |
|   | KPI A4.1           | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.   | Climate Change                        | 27     |

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| Aspects                               | ESG Indicators     | Descriptions   | Sections                       | Pages |
|---------------------------------------|--------------------|--|--------------------------------|-------|
| <b>B. Social</b>                      |                    |  |                                |       |
| <b>Employment and Labor Practices</b> |                    |  |                                |       |
| B1: Employment                        | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare. | Employment and Labor Practices | 30    |
|                                       | KPI B1.1           | Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.  | Employment and Labor Practices | 29    |
|                                       | KPI B1.2           | Employee turnover rate by gender, age group and geographical region.   | Employment and Labor Practices | 33    |
| B2: Health and Safety                 | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.  | Employment and Labor Practices | 38    |
|                                       | KPI B2.1           | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.  | Employment and Labor Practices | 40    |
|                                       | KPI B2.2           | Lost days due to work injury.  | Employment and Labor Practices | 40    |
|                                       | KPI B2.3           | Description of occupational health and safety measures adopted, and how they are implemented and monitored.  | Employment and Labor Practices | 38    |

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| Aspects                      | ESG Indicators     | Descriptions   | Sections                       | Pages |
|------------------------------|--------------------|--|--------------------------------|-------|
| B3: Development and Training | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i> | Employment and Labor Practices | 41    |
|                              | KPI B3.1           | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).   | Employment and Labor Practices | 42    |
|                              | KPI B3.2           | The average training hours completed per employee by gender and employee category.   | Employment and Labor Practices | 42    |
| B4: Labor Standards          | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.  | Employment and Labor Practices | 44    |
|                              | KPI B4.1           | Description of measures to review employment practices to avoid child and forced labor.  | Employment and Labor Practices | 44    |
|                              | KPI B4.2           | Description of steps taken to eliminate such practices when discovered.  | Employment and Labor Practices | 44    |
| <b>Operating Practices</b>   |                    |  |                                |       |
| B5: Supply Chain Management  | General Disclosure | Policies on managing environmental and social risks of the supply chain.   | Operating Practices            | 45    |
|                              | KPI B5.1           | Number of suppliers by geographical region.  | Operating Practices            | 46    |
|                              | KPI B5.2           | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.  | Operating Practices            | 45    |
|                              | KPI B5.3           | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.   | Operating Practices            | 45    |
|                              | KPI B5.4           | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.  | Operating Practices            | 46    |

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| Aspects                    | ESG Indicators     | Descriptions  | Sections            | Pages |
|----------------------------|--------------------|---|---------------------|-------|
| B6: Product Responsibility | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Operating Practices | 47    |
|                            | KPI B6.1           | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Operating Practices | 53    |
|                            | KPI B6.2           | Number of products and service related complaints received and how they are dealt with.   | Operating Practices | 50    |
|                            | KPI B6.3           | Description of practices relating to observing and protecting intellectual property rights.   | Operating Practices | 53    |
|                            | KPI B6.4           | Description of quality assurance process and recall procedures.   | Operating Practices | 48    |
|                            | KPI B6.5           | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | Operating Practices | 51    |
| B7: Anti-corruption        | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.  | Operating Practices | 54    |
|                            | KPI B7.1           | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | Operating Practices | 54    |
|                            | KPI B7.2           | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.  | Operating Practices | 54    |
|                            | KPI B7.3           | Description of anti-corruption training provided to directors and staff.  | Operating Practices | 54    |

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| Aspects                  | ESG Indicators     | Descriptions   | Sections  | Pages |
|--------------------------|--------------------|--|-----------|-------|
| <b>Community</b>         |                    |  |           |       |
| B8: Community Investment | General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community | 55    |
|                          | KPI B8.1           | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).   | Community | 55    |
|                          | KPI B8.2           | Resources contributed (e.g. money or time) to the focus area.  | Community | 55    |