



New Century Healthcare Holding Co. Limited

新世紀醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1518



2022

Environmental, Social and  
Governance Report





# Contents

ABOUT THIS REPORT . . . . .	2
1. BOARD STATEMENT . . . . .	3
2. ESG GOVERNANCE . . . . .	4
2.1 ESG Governance Framework . . . . .	4
2.2 Communication with Stakeholders . . . . .	4
2.3 Material Issues Assessment . . . . .	6
3. LIVING UP TO OUR COMMITMENT AND CARING FOR PATIENTS. . . . .	7
3.1 Premium Medical Services . . . . .	7
3.2 Serving Patients Wholeheartedly. . . . .	10
3.3 Protection of Patient Privacy. . . . .	13
3.4 Intellectual Property Rights and Trademarks . . . . .	14
3.5 Advertising Management . . . . .	15
4. ENVIRONMENTAL PROTECTION WITH GREEN DEVELOPMENT . . . . .	16
4.1 Emission Reduction . . . . .	16
4.2 Resources Conservation. . . . .	17
4.3 Environmental Performance . . . . .	18
4.4 Climate Change . . . . .	21
5. CARING FOR EMPLOYEES WITH WARMNESS. . . . .	22
5.1 Employment and Labour Management . . . . .	22
5.2 Health and Safety . . . . .	27
5.3 Development and Training . . . . .	28
6. WORKING TOGETHER AND SHARING RESPONSIBILITY. . . . .	30
7. BEING HONEST AND RIGHTEOUS, ABIDING BY THE LAW . . . . .	31
8. GIVING BACK TO THE SOCIETY WITH UNSELFISHNESS . . . . .	32
8.1 Inclusive Medical Resources . . . . .	32
8.2 Promotion of Industry Exchange. . . . .	34
8.3 Voluntary Public Welfare Activities . . . . .	35
APPENDIX. . . . .	37
SEHK's Environmental, Social and Governance Reporting Guide Content Index . . . . .	37





# Environmental, Social and Governance Report



## ABOUT THIS REPORT



### Reporting Content

This report is the 2022 Annual Environmental, Social and Governance (“ESG”) Report released by New Century Healthcare Holding Co. Limited (hereinafter referred as “New Century Healthcare, “we” or the “Company”, and together with its subsidiaries, collectively as the “Group”) (SEHK stock code: 1518). This report aims to communicate the philosophy and management practices on ESG of New Century Healthcare and to help our stakeholders in understanding of and communication with us.

### Reporting Period

This report covers the period from 1 January 2022 to 31 December 2022 (the “Year” or “Reporting Period”). It may include matters beyond this time frame to ensure the continuity of information.

### Reporting Scope

Unless otherwise stated, the scope of the disclosure in this report includes the ESG performance of business segments, branches and subsidiaries directly operated and managed by New Century Healthcare.

### Information Notes

The data in this report is derived from the Group’s internal documents, information statistics, surveys on and interviews with stakeholders, etc. The Group’s emissions and energy use indicators are calculated and measured according to national regulations or international standards. The amounts of currencies involved in the report are denominated in RMB, unless otherwise specified.

### Basis of Preparation

This report has been prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide (the “Guide”) to the Listing Rules of The Stock Exchange of Hong Kong Limited based on the principles of materiality, quantitative, balance and consistency, and reported the ESG-related issues and data in compliance with the “Comply or Explain” provision contained in the Guide.

“Materiality”: Key stakeholders and the ESG issues of their concern have been identified in preparing this report and targeted disclosures have been made in this report based on the relative importance of such issues of their concern.

“Quantitative”: This report presents the environmental and social KPIs in a quantitative manner, and the basis, methods, assumptions and/or calculation tools for measurement of the KPIs in this report as well as the sources of conversion factors used are described in relevant sections.

“Consistency”: This report uses the same statistical methodology as used in the Group’s 2021 ESG Report.



# Environmental, Social and Governance Report (Continued)



## Reporting Language

This report is made in both traditional Chinese and English. In case of any discrepancies, the traditional Chinese version shall prevail.

## 1. BOARD STATEMENT

The Group attaches great importance to its business sustainability and establishes a sound ESG working mechanism, endeavoring to create long-term and stable social, environmental and corporate value. As the highest decision-making body in charge of ESG matters, the board of directors (the “Board”) takes full responsibility for the Group’s ESG strategy and reporting.

The Board incorporates ESG matters into the Group’s governance structure, oversees and manages the Group’s ESG matters, and regularly monitors and reviews the effectiveness of management approach, including reviewing the Group’s ESG performance and adjusting corresponding action plans.

Emphasizing on the identification and determination of ESG risks, the Group has concluded the results of analyzing the material issues of New Century Healthcare and developed relevant strategies to incorporate sustainable development factors into its strategic plans, business models and other decision-making processes, according to the ESG issues of stakeholders’ concern. The Group also attaches great importance to the work related to ESG information disclosure. The annual ESG report is prepared by the ESG Task Team, and finally reviewed by the Board to ensure the truthfulness and effectiveness of information disclosure.

The management reports to the Board on the Group’s ESG development direction for the next year and in the future, covering the environmental goals on energy conservation, future opportunities and challenges of the Company arising from climate change, and the Group’s responses. The Group has set environmental goals related to its business operations. The Board supervises and regularly reviews the achievement of the goals, monitoring and learning from the sustainable development trend in the industry, so as to constantly adjust and promote the implementation of sustainable development of the Group.

This report was reviewed and approved by the Board of the Group on 28 March 2023.



# Environmental, Social and Governance Report (Continued)



## 2. ESG GOVERNANCE

### 2.1 ESG Governance Framework

Based on its strengths in pediatric specialization and comprehensiveness, the Group has developed comprehensive pediatric, obstetrics and gynecology integrated medical business and is committed to providing quality mid-to-high-end medical services to children and women. Meanwhile, we keep emphasizing on sustainability, pay attention to the environmental impact of our business, and endeavor to improve our ESG performance, striving to actively fulfill our corporate social responsibility while ensuring the interests of all stakeholders.

We strictly comply with relevant national and regional laws and regulations, and integrate the concept of sustainable development throughout our business operations and management, so as to reduce the adverse impact on the environment while achieving the Group's business objectives. We will consolidate our management foundation and build a highly recognised brand, creating sustainable value together with our stakeholders.

We have established a multi-level and cross-departmental ESG responsibility system, and the Board is responsible for the Group's ESG work and information disclosure. We have also formed an ESG Task Force, which consists of the heads of relevant departments, to facilitate the implementation of specific ESG tasks.

### 2.2. Communication with Stakeholders

We fully understand and actively respond to the expectations and needs of all stakeholders.

Major stakeholders	ESG issues concerned	Main communication channels
Shareholders and investors	Medical quality and responsibility Anti-corruption Labour standards Talent attraction Emissions Response to climate change	Regular reports Timely announcements, circulars and press release General meetings Corporate website
Employees	Labour standards Talent attraction Development and training Health and safety Emissions	Training and meetings Performance appraisals Emails, notices and circulars Team building activities

# Environmental, Social and Governance Report (Continued)



Major stakeholders	ESG issues concerned	Main communication channels
Customers	<ul style="list-style-type: none"> <li>Medical quality and responsibility</li> <li>Community investment</li> <li>Environment and natural resources</li> <li>Privacy and data security</li> </ul>	<ul style="list-style-type: none"> <li>Feedback survey</li> <li>Face-to-face meetings and visits</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Medical quality and responsibility</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Regular communication</li> <li>Regular review</li> </ul>
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Anti-corruption</li> <li>Medical quality and responsibility</li> <li>Labour standards</li> <li>Emissions</li> <li>Response to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Routine reports and tax payments</li> <li>Compliance supervision</li> </ul>
Academic and research institutions	<ul style="list-style-type: none"> <li>Collaboration in advancing clinical study</li> <li>Medical quality and responsibility</li> <li>Protection of intellectual property rights</li> </ul>	<ul style="list-style-type: none"> <li>Academic exchange</li> <li>Conference forum</li> </ul>
Community	<ul style="list-style-type: none"> <li>Emissions</li> <li>Use of resources</li> <li>Environment and natural resources</li> <li>Labour standards</li> </ul>	<ul style="list-style-type: none"> <li>Community events</li> <li>Public benefit activities</li> <li>Daily operations</li> </ul>



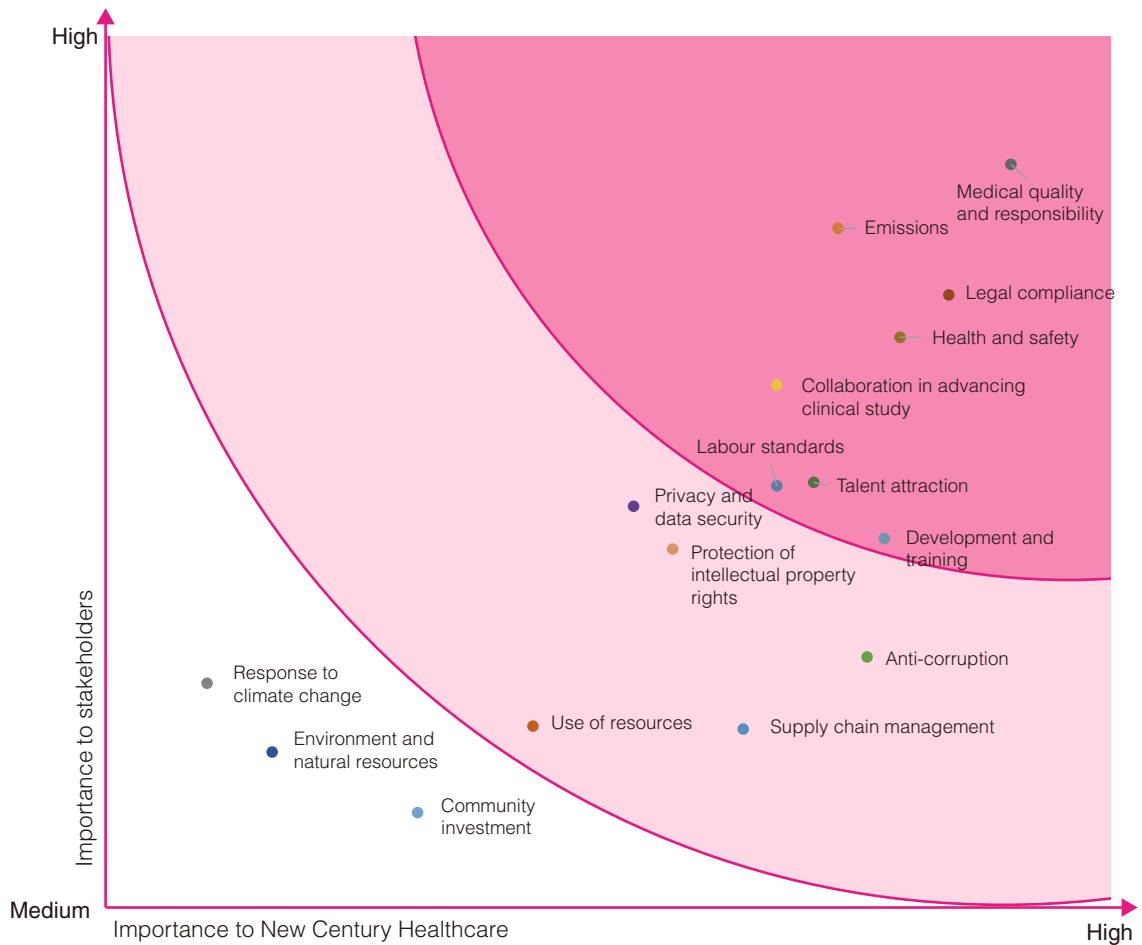
# Environmental, Social and Governance Report (Continued)



## 2.3 Material Issues Assessment

In line with the characteristics of the Group's business and based on the communication with stakeholders, we understand the expectations of various stakeholders on our ESG issues, identify and determine the importance of the issues concerned by stakeholders, so as to ensure that ESG information is disclosed in a more accurate and comprehensive manner and to respond to stakeholders' concerns.

Based on the analysis and identification of material ESG issues, the most important issues for the Group at this stage include medical quality and responsibility, emissions, legal compliance, health and safety, collaboration in advancing clinical study, labour standards, talent attraction and development and training.







# Environmental, Social and Governance Report (Continued)



## 3. LIVING UP TO OUR COMMITMENT AND CARING FOR PATIENTS

As a provider of quality mid-to-high-end medical services, New Century Healthcare is committed to providing high quality medical services and comprehensive ancillary services to patients, with the service objective of “Innovation, Compassion, Alignment, Reliability and Excellence”. We carefully listen to the views and suggestions from patients and actively resolve their problems and issues. We protect the privacy and intellectual property rights of our stakeholders by various means to safeguard the legal rights and interests of patients and medical players. In the informationization era when information is disseminating immediately, the Group places importance on promoting its business and medical features to a reasonable and maximum extent, striving to enhance its brand awareness and attracting more potential customers. During the Reporting Period, our hospitals formulated and updated 18 core systems, including: (1) First Consultation Responsibility System, (2) Three-tier Wards Round System; (3) Consultation System; (4) Hierarchical Nursing System; (5) On-duty and Shift Handover System; (6) Difficult Cases Discussion System; (7) Patients with Critical Diseases Rescue System; (8) Preoperative Discussion System; (9) Death Case Discussion System; (10) Check System; (11) Operation Safety Verification System; (12) Hierarchical Operation Management System; (13) New Technologies and Projects Approval System; (14) Critical Value Reporting System; (15) Medical Records Management System; (16) Hierarchical Antibiotics Management System; (17) Clinical Blood Utilization Review System; and (18) Information Security Management System.

### 3.1 Premium Medical Services

The Group strictly abides by and implements laws and regulations, such as the Law of the PRC on Basic Medical and Healthcare Promotion, the Law of the PRC on Medical Practitioners, the Law of the PRC on Maternal and Infant Health Care, the Drug Administration Law of the PRC, the Regulations on Pharmacy Administration of Medical Institutions, the Regulations on Handling Medical Malpractice, the Medical Quality Management Measures and Measures for the Management of Prescriptions, and actively provides high-quality, humanized and integrated premium medical services to the general public.

#### *Medical Quality*

The Group focuses on medical quality management and has established medical care related committees at the hospital level, mainly including: Quality Assurance Committee (“QAC”), Infection Control Committee (“ICC”), Medical Committee (“MC”), Nursing Committee (“NC”), Pharmaceutical Affair and Pharmacotherapeutics Committee (“PAPC”), Emergency Room Committee (“ERC”), Operating Room Committee (“ORC”), Medical Records Committee (“MRC”) and Blood Utilization Review Committee (“BURC”). These committees meet regularly to review and assess the quality of medical services, establish hospital rules and regulations and oversee and improve the implementation of such medical rules and regulations, thus ensuring patients are provided with high quality and safe medical services. QAC and ICC set quality control indicators and infection control indicators respectively, which are announced at the Administrative Staff Council (“ASC”) meeting on a monthly basis.





## Environmental, Social and Governance Report (Continued)



We enhance the quality of our medical services by various means, particularly focusing on the review and management of prescriptions. Depending upon the actual circumstances of hospitals, we have formulated relevant systems and processes to regulate the Group's drug and prescription management system. All prescriptions that are issued by hospitals and clinics of the Group are pre-reviewed by pharmacists, including reviewing whether the diagnosed diseases match the required drugs, whether the usage and dosage of drugs are appropriate, and whether the frequency of medication is correct. The total amount of drugs prescribed should comply with relevant national laws and regulations while ensuring the treatment of diseases. Pharmacists report to QAC immediately after any problem is identified, to ensure appropriate, effective and safe medication. Pharmacists of the Group provide one-to-one medication guidance to patients, reminding them of possible adverse drug reactions after taking the medication and responses, and follow up the patients with ADR (Adverse Drug Reaction) reported, so as to ensure the safety of their medication.

As an international medical group focusing on providing quality medical services for children and women, we have PIVAS (Pharmacy Intravenous Admixture Services) and supporting medical service system, which are equipped with advanced equipment and technologies and adopt a sound operating model, ensuring the clinical intravenous medication is safe, effective, economical and appropriate.

### *Quality of Nursing Care*

All medical institutions of the Group have established NCs to improve the nursing care management system which is in line with international nursing standards. We also formed a nursing team with extensive clinical experience covering the pediatrics, obstetrics and gynecology businesses. We attach great importance to the education on our nursing professionalism and organize regular trainings, to continuously improve the quality of nursing care and ensure the safety of patients, thus providing quality and warm nursing care services to our patients.

### *Pharmaceutical Quality*

All medical institutions of the Group have established PAPC to strictly control the quality of drugs provided to patients, practising the pharmaceutical service concept of "using good and right drugs". Based on clinical needs, the adjustment of drug formularies of hospitals are subject to the approval by the Hospital's PAPC. The Group keeps improving the pharmaceutical management system to ensure the safety and efficacy of medication for patients.



# Environmental, Social and Governance Report (Continued)



The Group has developed internal management systems and processes such as Pharmacy Management System and Hospital Prescription Management System, including pharmaceutical selection, approval, procurement, acceptance, storage, deployment, dispensing, medication consultation, near-expiration medication management and expired drug management, to ensure that patients use drugs duly and monitor the whole process on pharmaceutical quality.

The Group has a Drug Recall System in place. If it is found that there is any potential quality problem with drugs, the potential medication risks will be minimized according to the recall paths and measures in relation thereto. During the Reporting Period, the Group did not have any recalls due to health and safety reasons.

## *Online Diagnosis and Treatment*

The medical institutions of New Century Healthcare with online hospital and diagnosis and treatment qualifications which have been approved by the National Health Commission include Beijing New Century Children's Hospital, Beijing New Century Women's and Children's Hospital and Chengdu New Century Women's and Children's Hospital. During the COVID-19 pandemic in 2022, New Century Healthcare provided diversified medical services through its online platform for patients, so that its patients could receive an online medical consultation service from professional doctors in real time, prescriptions and drug delivery services without leaving home.

## *Teleconsultation Service*

Several hospitals and clinics under the New Century Healthcare provide medical services technically supported by specialists to pediatric patients and obstetrics and gynecology patients at all hospitals and clinics within its network through a remote platform for sharing the information on doctors online and offline. The teleconsultation service is mainly for pediatric consultations and consultations on intrauterine abnormal fetal growth in obstetrics.

Respiratory specialists, endocrinologists, surgical oncology specialists, neonatal surgical specialists and obstetrics specialists in the field of pediatrics diagnosed and treated patients through teleconsultation, which was well recognized by doctors and patients.



# Environmental, Social and Governance Report (Continued)



## *Remote Imaging Diagnosis Platform*

With the development of New Century Healthcare, our patients have higher demand for services, and expect to be provided more convenient, accurate, professional, intelligent and technological imaging examination and diagnostic services. To this end, New Century Healthcare has established a remote pediatrics imaging diagnosis platform in 2022, which connects the hospitals and clinics of the Group to the platform. On this imaging platform, diagnosis reports are issued by means of information technology remotely, and 24/7 imaging diagnosis services are provided by the pediatric imaging professional team. The imaging data are connected among the hospitals and clinics of New Century Healthcare, so that patients' imaging information and records can be shared in any of the hospitals and clinics within the Group, and the doctors on the platform can access the historical records on the same screen at any time. The imaging platform provides 3D image calculation and post-processing functions, which enables any terminal to use 3D images.

The provision of children's imaging reports that meet the unified quality standards has improved the ability of medical imaging centres to treat difficult diseases, so that more accurate, professional, intelligent and technological imaging examination and imaging diagnosis reports are provided for the patients of New Century Healthcare. The imaging platform performs radiological examinations, CT and MR examinations for the customers of hospitals and clinics of New Century Healthcare, and shortens the time waiting for reports and diagnosis, thus buying valuable time for treatment of patients.

### 3.2 Serving Patients Wholeheartedly

The Group is constantly improving its service quality and making every effort to provide quality medical services focusing on satisfying our patients and their families. We have been consistently improving and refining our service management system to enhance our business services while safeguarding the legal interests of both doctors and patients.



## *Improvement of Daily Service Quality*

### ➤ *Membership services*

By adopting the concept of family doctors, the Group has established the New Century Healthcare Doctor Panda Club, which allows professional pediatric general practitioners and healthcare doctors to provide more comprehensive and continuous medical and healthcare services to children. As one of the key strategic systems of New Century Healthcare, we have always strived to create a more convenient and comfortable consultation experience for our patients by providing a comprehensive “four-in-one” membership service management model, that means: each member of the New Century Healthcare Panda Club is assigned a family doctor, a healthcare doctor, a VIP account manager and an online service consultant. Together, they provide professional health guidance and continuous diagnosis and treatment services for the members and are loyal healthcare stewards for them. As of the end of the Reporting Period, the New Century Healthcare Panda’s membership system served more than 100,000 member families in aggregate.

### ➤ *Inpatient visiting service*

The Group provides a personalised inpatient visit service, where we offer thoughtful visiting gifts to children of different ages according to their characteristics, and actively communicate with patients for handling guarantee letters, pre-authorisation, etc., face-to-face. Through our inpatient visit service, we win the trust from patients, enhance their consultation experience and increase the communication with patients.





## Environmental, Social and Governance Report (Continued)



### ➤ *Online patient education*

In response to patients' needs and media habits, the Group has established an Internet communication matrix to promote medical knowledge more generally through online live lectures, scientific short videos and other means, so that patient education covers a more comprehensive and extensive range of departments and people. During the Reporting Period, the Group launched the Doctor IP project, allowing patients to "talk" to experts without leaving home.

### ➤ *Quality customer service*

We are committed to providing quality and comprehensive customer services by fully understanding our patients' needs and continuously improving our communication methods. We listen carefully to and analyse their real thoughts, as well as actively communicate with relevant departments and request feedback from patients. Meanwhile, the Group carries out daily supervision over the medical service process to understand the staff's service attitude, to identify problems and rectify the same in a timely manner, so as to ensure high quality medical services are provided.

### ➤ *Complaints and handling*

The Group strictly complies with the requirements of laws and regulations such as the Regulations on the Administration of Medical Institutions, the Regulations on Handling Medical Malpractice, the Regulations on the Handling of Petition Letters and Visits and the Measures on Handling of Health-Related Petitions, to improve the complaint management system and the medical incidents handling system. The Customer Relations Committee discusses and handles the complaints and opinions regarding the establishment of the rules and regulations of hospitals, standardizes the Group's complaint handling process and actively handles complaints. QAC discusses and reports the medical incidents identified to the Executive Committee ("EC") for approval, discussion and handling.

The Group has a complaint warning mechanism in place. We maintain effective contact with patients and their family members at all times to address patients' unmet or ignored needs before they complain, and to provide them with precise, professional and warm services.

The Group has diversified complaint channels. Patients may submit their complaints through on-site feedback, visits, 400 telephone numbers, emails, satisfaction feedback on its official website and municipal hotlines, among others. During the Reporting Period, the Group had around 75 effective complaints on its products and services, 100% of which were resolved.



## *Patient Satisfaction Survey*

The Group collects the inputs from patients regularly, and issues patient satisfaction questionnaires to both outpatient and inpatient, which involve in relevant departments of hospitals, including but not limited to medical care, medical technologies, environmental services, customer services, restaurants and etc. Patients may anonymously score the services provided by the departments involved in the consultation process and make specific comments or praise thereon. The staff in charge collect and collate these comments and investigate the same with the departments involved. Patients may also choose to make their comments and suggestions in real names, in such event we will contact them for a return visit and explain how we handle the issues. Meanwhile, each of the Group's medical institutions compiles a monthly satisfaction report regularly and submits it to the hospital's executive management at ASC.

### 3.3 Protection of Patient Privacy

With great importance to the protection of personal privacy, the Group improves the management system, implements relevant measures in a timely manner and protects patients' personal privacy by various means.

#### *Improving the System Framework*

The Group strictly abides by laws and regulations, such as the Law of the PRC on Personal Information Protection, the Data Safety Law of the PRC, the Cybersecurity Law of the PRC, the Law of the PRC on Medical Practitioners, the Administrative Measures for the Clinical Application of Medical Technologies and the Archives Law. It has formulated internal management systems, including the Privacy Protection System for Internet Diagnosis Patients, the Data Security Protection System for Internet Diagnosis Business, the Confidential Information Grading and Authorization System, and the Information System Asset Management System, forming a complete system framework on protection of information privacy. Meanwhile, the Group has updated its internal systems in a timely manner in line with the changes in external legislation and law enforcement standards, respecting patient privacy and committing to fulfill its responsibility for privacy data confidentiality.

All medical institutions of the Group have established MRC to regulate the management system. We establish case files and take safe, scientific and standardised measures to manage the confidentiality of published information on cases, ensuring that case records are complete, accurate and safe.



# Environmental, Social and Governance Report (Continued)



## *Protection of Information Security*

The Group is committed to establishing a secure patient personal information management system that protects the privacy of users from various aspects, details of which are as follows:

- **Network security:** Using firewalls to physically isolate the intranet from the extranet, with the access to patients' private data only authorised on the intranet;
- **Application security:** The system servers adopt a highly available deployment structure with an EDR (Endpoint Detection and Response) virus protection system to improve the risk resistance of the server host and avoid the leakage of patients' private data resulting from attacks on the system as far as possible;
- **Data security:** Conducting intrusion detection through the intrusion prevention system function of firewalls to block external risks in a timely manner; using a bastion host to configure database management system, to conduct a security audit on managers, record database access and operation logs and make regular backups, to ensure the security of privacy data;
- **Operation and maintenance security:** Strictly restricting its data system accounts and the authority thereto, removes expired and redundant accounts, disables or locks the system default accounts, and sets the minimum authority for different administrators to the reasonable extent. It formulates security policies through the bastion host and activates the act audit function to monitor, record and analyze the operation and maintenance comprehensively, thus reducing the possibility of exposure of users' privacy data;
- **Grade certification:** The unified information management standard established has obtained the Grade 3 Hierarchy Protection Certification and has a complete data security management system.

### 3.4 Intellectual Property Rights and Trademarks

The Group strictly abides by the laws and regulations, such as the Trademark Law of the PRC and the Patent Law of the PRC, to regulate its intellectual property management system and avoid the infringement of intellectual property rights of other parties while protecting its own intellectual property rights.



## 3.5 Advertising Management

The Group has been consistently implementing the laws and regulations, such as the Advertising Law of the PRC and the Measures for the Administration of Medical Advertisements, to ensure the truthfulness of its external advertising contents, focusing on promoting its outstanding medical service features and strong capabilities on medical service innovation. We endeavour to accumulate operational knowledge and collect market information to attract more potential customers to a reasonable and maximum extent, so as to enhance our brand awareness. During the Reporting Period, the Group did not have any material non-compliance with advertising-related laws and regulations.





# Environmental, Social and Governance Report (Continued)



## 4. ENVIRONMENTAL PROTECTION WITH GREEN DEVELOPMENT

A good ecological environment is the foundation for human existence and development, and a key driving force for sustainable development of the society nowadays. Actively responding to the requirements and calls of the dual carbon plan of the country, the Group accelerates the energy conservation and emission reduction and promotes the concept of green office, meanwhile actively addresses climate change risks and identifies opportunities arising from climate change, practising the concept of green development unswervingly.

### 4.1 Emission Reduction

The Group strictly complies with the laws and regulations, including the Environmental Protection Law of the PRC, the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the PRC, the Law on the Prevention and Control of Water Pollution of the PRC, the Discharge Standard of Water Pollutants from Medical Institutions, the Regulations on the Management of Medical Waste, the Measures for the Management of Medical Waste from Medical and Health Institutions and the Implementation Measures for the Classification of Domestic Waste and Medical Waste from Medical and Health Institutions in Beijing. It has formulated the systems including the Management System for Energy Conservation and Emission Reduction and the Management System for Waste Classification, and developed an emergency response plan for abrupt environmental events, to improve its environmental protection management system.

#### *Greenhouse Gas*

As an outstanding healthcare service provider, the Group actively responds to the call to reduce carbon emissions in the world and strives to reduce its carbon footprint. The Group's greenhouse gas (GHG) emissions are mainly indirect emissions produced from the purchase and use of electricity. During the Reporting Period, the total GHG emission emitted by the Group's operation amounted to 5,019 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq), including 874 tonnes of direct emissions (Scope 1) and 4,145 tonnes of indirect emissions (Scope 2). The major source of GHG emission was from the consumption of purchased electricity.

#### *Medical Waste*

The Group generates a certain amount of medical waste during its business operations. We improve our waste disposal process and the medical waste management. The medical waste generated by the Group is mainly produced by clinical departments, mainly including infectious waste, damaging waste and recyclable waste. For inevitable medical wastes, medical staff will place them into the medical waste bins in the trash disposal room on each floor for temporary storage. The medical wastes are collected and sealed by the staff transporting the wastes on a daily basis, and then treated harmlessly by a qualified company.



## *Hazardous Waste*

The main hazardous waste generated by the Group's business operation is sludge from sewage stations, waste lead-acid batteries, waste paint buckets, waste fluorescent tubes, waste gloves and rags produced during maintenance, etc.. The Environmental Services Department stores the wastes centralized and temporarily upon receipt of the information on the generation of hazardous waste by relevant departments, which are then treated harmlessly by a qualified company.

## *Non-hazardous Waste*

The Group attaches importance to the management of non-hazardous waste. Non-hazardous waste is mainly generated in public areas, office areas and hospital areas, where special rubbish bins are provided. The non-hazardous waste is collected and centrally deposited by cleaning staff in appropriate rubbish bins for temporary storage and is then transferred and treated by a qualified company in accordance with agreements.

## *Wastewater*

The Group emphasizes on wastewater management and has obtained a drainage permit and a discharge permit. Our discharged wastewater, which is free of radioactive substances after treatment, meets the discharge standards.

## 4.2 Resources Conservation

The Group implements the laws and regulations such as the Energy Conservation Law of the PRC, the Regulations on Urban Water Supply of the PRC, the Regulations on the Supply and Use of Electricity, the Regulations on the Management of Urban Gas and the Provisional Regulations on the Monitoring and Management of Energy Conservation, incorporates the green and low-carbon concept into its daily corporate operations and encourages its staff to implement the measures in relation to energy conservation and emission reduction.

The Group has implemented environmental protection measures during its daily work in the office buildings and business operation scenarios, to create a safer, greener and more environmentally friendly office environment. During its operations, the Group focused on paper saving, such as actively promoting paperless office, using electronic medical records, and replacing tissues and toilet rolls in the changing rooms with tray paper, etc.. In respect of resources recycling, the Group promoted the use of biodegradable packaging materials, and strictly implemented waste separation to ensure the reuse of recyclable resources to the maximum extent. It has implemented the office concept of water and electricity conservation in its daily operation, by introducing infra-red shower technology, using sensor taps, promoting to set the air-conditioning at a constant temperature of 26 degrees Celsius as well as using LED lighting and replacing all existing lamps requiring maintenance with energy-saving lamps of lower wattage. The Group has also reduced the consumption of fuels in its daily office, by giving priority to new energy vehicles for travel, and using air-source hot water units, etc. The gas boiler in the office areas was replaced with an air-source hot water unit during the Reporting Period, saving almost 10,000m<sup>3</sup> of gas as compared to that for the same period in 2021.



## Environmental, Social and Governance Report (Continued)



The Group is committed to engaging all staff in environmental protection practices, focusing on the promotion of daily energy conservation and encouraging its staff to implement energy saving and emission reduction from themselves, such as encouraging them to travel by a low-carbon means and implement the “Clean Your Plate Campaign”, thus to enhance their environmental awareness of energy saving.

### 4.3 Environmental Performance

Attaching great importance to resources conservation and reduction of emissions, the Group is committed to reducing environmental pollution and the consumption of non-renewable resources during its business operations. To this end, the Group has set a series of environmental performance targets to govern its green and compliant operation performance.

#### *Environmental performance targets for 2027*

**Carbon reduction target:**

Based on data in 2022, the Group will reduce GHG emissions per unit of revenue by 5% by 2027

**Energy conservation target:**

Based on data in 2022, the Group will reduce electricity consumption per unit of revenue by 2% by 2027

**Water conservation target:**

Based on data in 2022, the Group will reduce tap water consumption per unit of revenue by 2% by 2027

**Waste reduction target:**

From 2022 onwards, 100% of the hazardous waste (medical waste) generated from the Group's operations will continue to be disposed of compliantly

# Environmental, Social and Governance Report (Continued)



## Emissions<sup>1</sup>

Indicators	Unit	2022
<b>Total GHG emissions<sup>2</sup></b>	tonnes (CO <sub>2</sub> eq)	5,019
GHG intensity	tonnes/RMB'000 (CO <sub>2</sub> eq)	0.008
<b>Direct emissions (Scope 1)</b>	tonnes (CO <sub>2</sub> eq)	874
Natural gas	tonnes (CO <sub>2</sub> eq)	290
Petrol	tonnes (CO <sub>2</sub> eq)	49
Diesel	tonnes (CO <sub>2</sub> eq)	4
Fluoride refrigerants	tonnes (CO <sub>2</sub> eq)	531
<b>Indirect emissions (Scope 2)</b>	tonnes (CO <sub>2</sub> eq)	4,145
Purchased electricity	tonnes (CO <sub>2</sub> eq)	4,145
<b>Hazardous waste</b>	tonnes	105
Hazardous waste intensity	tonnes/RMB'000	0.00017
<b>Non-hazardous waste<sup>3</sup></b>	tonnes	423
Non-hazardous waste intensity	tonnes/RMB'000	0.00066
<b>Total wastewater discharge</b>	cubic metres	32,424
Wastewater discharge intensity	cubic metres/RMB'000	0.05
<b>Total exhaust gas<sup>4</sup></b>	cubic metres	1,981
Ammonia content	kg	0.0052
Hydrogen sulfide content	kg	0.00024

<sup>1</sup> The data covers major subsidiaries of the Group operating in Mainland China.

<sup>2</sup> GHG includes carbon dioxide, methane and nitrous oxide mainly from purchased electricity, fluoride refrigerants, natural gas and fuels. GHG accounting is presented in terms of carbon dioxide equivalent, based on the 2019 China Regional Grid Baseline Emission Factors for Emission Reduction Projects published by the Ministry of Ecology and Environment of the PRC and the 2019 Refinement to the 2006 KIPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC) for accounting.

<sup>3</sup> Non-hazardous waste involved in the Group's operations mainly includes domestic waste and kitchen waste.

<sup>4</sup> In view of the operating characteristics, the Group's exhaust gas is mainly the gas generated in the medical wastewater treatment process. The exhaust emitted from business vehicles are not included in the scope of disclosure due to their minimum amount.





# Environmental, Social and Governance Report (Continued)



## Use of Resources

Indicators	Unit	2022
<b>Total energy consumption<sup>5</sup></b>	kWh	7,789,542
Energy intensity	kWh/RMB'000	12
<b>Direct energy consumption</b>	kWh	1,639,805
Petrol energy consumption	kWh	190,251
Diesel energy consumption	kWh	16,424
Natural gas energy consumption	kWh	1,433,130
<b>Indirect energy consumption</b>	kWh	6,149,737
Purchased electricity consumption	kWh	6,149,737
<b>Water consumption</b>	cubic metres	56,525
Water consumption intensity	cubic metres/RMB'000	0.09
<b>Packaging materials used<sup>6</sup></b>	tonnes	3
Intensity of packaging materials used	tonnes/RMB'000	0.00001
<b>Paper used</b>	tonnes	17

<sup>5</sup> Total energy consumption is calculated based on the consumption of electricity, petrol, diesel and natural gas as well as conversion factors specified in the national standard named General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589–2020).

<sup>6</sup> The packaging materials used are mainly bags provided for patients in the hospitals.



# Environmental, Social and Governance Report (Continued)



## 4.4 Climate Change

In recent years, the climate change has been increasingly becoming a major challenge to the social sustainable development, and how to address climate change has become an important issue for companies to maintain sustainable development. As a responsible company, New Century Healthcare actively identifies, assesses and addresses the impact of climate change on its business with reference to the Guidance on Climate Disclosures (TCFD) framework.

The climate change risks identified and responses are shown in the table below:

Type of risks		Potential risk identification and assessment	Responses
Transition risk	Policy and legal risk	International and domestic laws, regulations and policies related to climate change have been developed or improved successively, and there will be climate-related laws, regulations and policies in more regions in the future, which will increase the Group's compliance cost of operations.	Keep updating ourselves and understanding the latest climate-related laws, regulations and policies in force where we operate to ensure that our products and services meet the compliance requirements.
	Market risk	The increasing concerns on environmental standards and climate change in the market will increase the costs of product design and R&D, and the operating cost will increase, such as electricity price, prices of other energies, labour cost and etc..	Encourage employees and customers to reduce carbon emissions in their operations; conduct more refined energy management, set energy use targets and improve energy utilization efficiency; and increase the proportion of clean energies used.
	Reputational risk	With the in-depth implementation of the green development concept, if the Group's operations have a damaging impact on the climate, it may lead to loss of customers and employees and other impacts.	Implement environmental concept during operations, and actively carry out energy saving and emission reduction, to create an environmentally friendly corporate image; disclose the efforts made and the achievements, and introduce future targets and plans to stakeholders.



# Environmental, Social and Governance Report (Continued)



Type of risks	Potential risk identification and assessment	Responses
Physical risk Acute risk	Physical risks, including the extreme weather conditions caused by climate change such as typhoons, droughts, floods, extreme cold or heat, may threaten our normal business operation.	Pay close attention to the forecasts on extreme weather events provided by the climate department, release reminders and make contingency plans; establish an immediate and effective emergency rescue and disaster relief mechanism, striving to protect the personal safety of the staff and patients in hospitals.
Chronic risk	Climate change results in an increase in the incidence of certain diseases.	Actively improve our medical technologies to enhance our competitive advantages.

## 5. CARING FOR EMPLOYEES WITH WARMNESS

### 5.1 Employment and Labour Management

New Century Healthcare regards people as its most valuable treasure and resource. We strictly comply with relevant local laws and regulations, including but not limited to the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Promotion Law of the PRC, the Implementation Measures on Paid Annual Leave for Employees of Enterprises, and Regulations of the State Council on Working Hours for Employees, to standardise employees' recruitment, remuneration and benefits, and fully protect the legitimate rights and interests of employees. We respect the differences among employees in age, gender, race and religion, and provide each employee with competitive remuneration and benefits, a healthy and safe working environment, as well as a smooth promotion and development channel.



## *Recruitment and Dismissal*

New Century Healthcare provides equal and fair employment opportunities for its employees and does not discriminate them due to their origin, religion and other factors. We conduct recruitment in an open, unbiased and fair manner, and select outstanding candidates based on their work attitude, individual growth potential, work experience and business knowledge. In order to maintain the stability of our human resource structure, we regularly hire professionals through various recruitment channels and determine their positions and whereabouts based on their professional skills and calibre. Based on relevant requirements of laws and regulations, we sign formal labour contracts with all recruits, specifying the terms to protect their legitimate rights and interests. In respect of dismissal, we have developed the Dismissal Management System and specify relevant terms in the contracts to effectively safeguard and protect employees' legitimate rights and interests and carry out dismissal in compliance with laws and regulations. During the Reporting Period, the Group had 1,246 full-time employees.

The Group complies with the Law on the Protection of Minors of the PRC and the Provisions on Prohibition of Child Labour. In the recruitment process, the personnel in charge will identify candidates under the working age and will not employ them if there is any abnormality. During the Reporting Period, the Group was not aware of any non-compliance with the laws and rules on child and forced labour.

## *Compensation and Rest Periods*

New Century Healthcare has established an annual compensation system and a complete performance appraisal system according to its business attributes. The standard working system and comprehensive working hours system are implemented according to the positions and job types, and each department schedules shifts according to the working hours and business situation in the month, so as to scientifically arrange the working hours of employees.

We adopt a standard working hours system for non-frontline staff, apply for comprehensive working hours for frontline staff in accordance with national requirements, and set the salary range for each position based on the market survey to ensure equal pay for the same jobs.

The Group complies with national regulations on statutory holidays and annual leave, and extends the Chinese New Year holiday, if appropriate. Employees are also entitled to annual leave, maternity leave and marriage leave. For employees who have served the Group for five years, additional bonus leave is granted.





## Environmental, Social and Governance Report (Continued)



### *Welfare and Care*

New Century Healthcare is aiming to establish a positive work culture and create an environment where the welfare of employees can be improved. Employee benefits include endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund, etc.

In order to enhance respect on and caring for our staff and increase their sense of belonging, we organize activities such as birthday parties for employees on a quarterly basis to enrich their minds and lives and enhance their capabilities of exchange, communication and cooperation with each other. Meanwhile, we also pay great attention to the care of female employees, and create a good workplace environment for female employees by organizing events such as “HAPPY TIME FOR WOMEN”.

The Group attaches importance to employees’ feedback and has a smooth communication channel in place, encouraging employees from all departments and at all levels to put forward reasonable opinions or suggestions for the Group. In addition to communicating with their direct supervisors, employees may also lodge complaints with the Human Resources Department and request it to engage in the investigation and coordination to resolve the issues concerned.



## *Promotion and Development*

New Century Healthcare has always emphasized on providing development opportunities for its employees. In terms of employee promotion, the Group has a clear mechanism for personnel selection and promotion in place, meanwhile makes an appropriate adjustment to positions, departments and job responsibilities of employees based on business development, work requirements, work attitude and the results of performance appraisal. We fully motivate the initiative and enthusiasm of our employees at work and encourage internal transfers. Where there are vacancies in the medical institutions within the Group, the Group will first consider whether it is possible for internal transfer and promotion of employees, creating a good working atmosphere in which employees make the best use of their talents.

New Century Healthcare encourages doctors, nurses and technicians to apply for title promotion, creates conditions to provide opportunities for employees to promote their titles, and expands the career development room for doctors, nurses and technicians. The Group provides a comprehensive and multi-level model of continuing education for doctors, nurses and technicians, including medical lectures at the Group level, medical and nursing ward rounds at each hospital level, academic lectures and training organized by professional medical associations, as well as sending doctors, nurses and technicians of New Century Healthcare for further study and training in Grade 3A hospitals. During the Reporting Period, doctors, nurses and technicians of the Group participated in various continuing education and training including medical ward rounds and academic training for more than 60,000 class hours in total, and over 100 articles were published in domestic medical journals.

During the Reporting Period, a total of 82 doctors, nurses and technicians of New Century Healthcare were promoted in title, of whom 10 were promoted to senior title, 42 promoted to intermediate title and 30 promoted to junior title.



# Environmental, Social and Governance Report (Continued)



## Employment-related KPIs

Indicators	Secondary classification	Indicators	Unit	Data
Total number of employees	Total number of employees		persons	1,246
	By gender	Male	persons	214
		Female	persons	1,032
	By age group	Below 30	persons	241
		30 to 50 (excluding)	persons	871
		50 or above	persons	134
	By geographical regions	Mainland China	persons	1,241
		Regions of Hong Kong, Macau and Taiwan	persons	3
		Other countries and regions	persons	2
		By category	Doctor	persons
	Nurse		persons	357
	Pharmaceutical and medical technician		persons	115
	Employee turnover rate <sup>8</sup>	Overall turnover rate	Administrative staff <sup>7</sup>	persons
By gender			%	24
		Male	%	23
By age group		Female	%	25
		Below 30	%	29
		30 to 50 (excluding)	%	23
By geographical regions		50 or above	%	24
		Mainland China	%	24
		Regions of Hong Kong, Macau and Taiwan	%	40
	Other countries and regions	%	0	

<sup>7</sup> The administrative staff are all staff other than doctors, nurses and pharmaceutical and medical technicians.

<sup>8</sup> The formula for calculation of employee turnover rate: total number of employees leaving in 2022/(total number of employees at the end of 2022 + number of employees leaving in 2022).



## 5.2 Health and Safety

### *Health Management*

Being highly concerned about the health of its employees, New Century Healthcare strictly abides by the Law on the Prevention and Treatment of Occupational Diseases of the PRC and other laws and regulations, as well as national occupational health standards, to implement the measures for prevention of occupational diseases, and control and eliminate the hazards from occupational diseases at source, by consistently adhering to the main principle of “Safety Priority Focusing on Prevention”. If an employee is injured or feels unwell at work, he/she shall report the same immediately to his/her direct supervisor and be diagnosed and treated by a designated doctor for employees. If necessary, appropriate medical treatment will be adopted immediately. In addition, the Group has an established process for reporting medical problems in order to reduce the medical expenses of employees.

During the lockdown period due to the pandemic in the year, we arranged for psychological counselling for our employees and issued articles on psychological counselling in our group on a regular basis, which has encouraged our employees and well relieved their anxiety.

### *Safety Management*

Being highly concerned about the safety of its employees, all medical institutions of New Century Healthcare have established Safety and Risk Committee and Disaster Committee (“DC”) to effectively manage the utility system and the surrounding environment and to prevent, reduce and control the losses employees and patients may suffer from, so as to provide a safe working environment for its employees, thus minimising the occurrence of work-related injuries.

The Group and its medical institutions organise fire drills for its employees, and check to ensure water and electricity safety, etc. on a regular basis. In order to activate the emergency system once there is an emergency, DC has also been established and a unique code system has been created. The hospital has a first aid team on each shift. Once an emergency occurs, the hospital broadcasts the code via radio and the first aid team will arrive within five minutes.

Our medical codes represent pediatric emergency, adult emergency and acute and severe case. In addition, we also have 6 non-medical codes, which represent child/patient loss, natural disaster warning, fire, bomb threat, threat with weapons and threat without weapons, respectively.





# Environmental, Social and Governance Report (Continued)



Each of the Group's hospitals conducts drills for different coloured codes on a monthly basis, and staff badges are printed with code explanations to ensure that all departments and divisions well understand the code emergency system. Thanks to this sophisticated system, we are able to respond to real cases represented by the codes as soon as they occur in hospitals, minimising the risks and protecting the safety of each and every patient, family member and employee in hospitals.

## *Work-related injuries and fatalities KPIs*

Indicators	Unit	2022	2021	2020
Number of work-related fatalities	persons	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work-related injury	days	0	/	/

### 5.3 Development and Training

In order to enhance the corporate management of New Century Healthcare, achieve the common development of employees and the company and improve the overall professional quality and ability of employees to satisfy the needs of corporate development for various talents, we have established a sound training mechanism to systematize, standardise, regularise, stabilise and innovate the training, and to intensify the training appraisal, and developed the New Century Healthcare Training Management System to ensure the training effectiveness.

The Continuing Education Training of New Century Healthcare is a training that has always been maintained since its establishment. We emphasize on the training on professional knowledge, academic level and technical skills of doctors, nurses and technicians.

A joint medical ward round is conducted once a month at each hospital of the New Century Healthcare. Experts in the field are invited to engage in the ward rounds for acute and severe cases, difficult cases and rare cases treated in the hospital, from which our doctors, nurses and technicians learn advanced theoretical knowledge and treatment techniques.

# Environmental, Social and Governance Report (Continued)



New Century Healthcare conducts training in five categories, namely new employees training, academic training, public training, professional training and management training. In particular, public training includes service, etiquette, communication, product information and etc, and professional training includes medical care, nursing, medical techniques, administration and information technology.

New employees training is conducted both online and offline based on the OMO (Online-Merge-Offline) training model. Online training focuses on basic knowledge that an employee should understand. Through online learning and online operation, new employees are motivated to join the Company and make full use of their job transition time to gain a preliminary understanding of various departments of the Company. Offline training focuses on corporate culture, medical features and team integration, which promotes the understanding and cooperation among new employees, increases their motivation and attention as well as enhances their recognition of the Group's corporate culture, so as to help them understand the medical and service features of New Century Healthcare.

## *Training-related KPIs*

Types of indicators	Secondary classification	Indicators	Unit	Data	
Number of employees trained and percentage	Total number of employees trained		persons	1,246	
		By gender	Male	persons	214
			Female	persons	1,032
			Percentage of male employees	%	17
	By category	Percentage of female employees	%	83	
		Top management	persons	30	
		General staff	persons	1,216	
		Percentage of top management	%	2	
		Percentage of general staff	%	98	
Average training hours completed by employees	Average employee training hours		hours	59	
		By gender	Male	hours	31
	Female		hours	65	
	By category		Top management	hours	64
		General staff	hours	59	



# Environmental, Social and Governance Report (Continued)



## 6. WORKING TOGETHER AND SHARING RESPONSIBILITY

New Century Healthcare attaches importance to supply chain management and regards suppliers as its key partners. Abiding by relevant laws and regulations, it has formulated rules and regulations to carry out comprehensive and routine daily management of suppliers, striving to achieve win-win cooperation.

The Group has developed more than ten internal systems, including the Supplier Assessment Management System, the Pharmaceuticals Procurement System, Pharmaceuticals Management System, Pharmaceuticals Acceptance System and Disinfection Products Purchase Inspection and Acceptance System, to regulate the procurement process and strictly select suppliers with relevant qualifications, so as to ensure the procurement quality and the safety and effectiveness of clinical use. When selecting suppliers, the Group will make comprehensive assessments in respect of their product categories, prices, certification, equipment, service and other areas after requesting the certifications of suppliers according to national requirements. After selecting suppliers, the Group will keep monitoring them to ensure that the products and services supplied meet the standards.

We take into account the environmental and social risks of our suppliers in our supply chain management process, and give priority to suppliers of products that meet national standards and have no adverse effects on patient health. In terms of prohibition of commercial bribery, New Century Healthcare also has clear and stringent rules in place. The contracts signed with suppliers include a clause stating business ethics on the compliance with regulations and prevention of corruption and bribery, and specify the prohibition of all kinds of commercial bribery and the consequences including contract termination, payment of liquidated damages and reporting. We also have a supplier reporting email to effectively mitigate various risks in the supply chain management process.

### Supplier-related KPIs<sup>9</sup>

Indicators	Unit	Data
Total number of suppliers	suppliers	30
Number of suppliers in North China	suppliers	27
Number of suppliers in West China	suppliers	3

<sup>9</sup> The statistical scope of suppliers is limited to suppliers with procurement amount of RMB1 million or more.



# Environmental, Social and Governance Report (Continued)



## 7. BEING HONEST AND RIGHTEOUS, ABIDING BY THE LAW

New Century Healthcare strictly abides by the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery, and prohibits the acts of commercial bribery, official embezzlement, misappropriation of funds and fraud.

We have developed the rules and regulations including the Anti-fraud Management System, specifying related whistle-blowing process. Once corruption is identified, the person identifying the same shall immediately report and submit relevant materials to the Internal Control and Audit Department. After the investigation on fraud cases, the Internal Control and Audit Department is required to put forward its opinions on the handling of or accountability for confirmed fraud acts. According to the management authority, the fraud acts committed by non-senior management members are reported to the Group's EC and those by senior management members are reported to the Board, for approval. The opinions on the handling of or accountability for significant fraud cases shall be reported to the Audit Committee. The system also specifies a whistleblower protection mechanism. Staff involved in the whistle-blowing are prohibited from disclosing the information about the whistleblower or showing the report letter to the reported person. They should evade themselves if they have an interest in the reported person. If a whistleblower suffers from retaliation, he or she may file a complaint with the Internal Control and Audit Department, which will investigate and pursue responsibilities.

New Century Healthcare encourages real-name or anonymous whistle-blowing. Employees and all parties who have direct or indirect business relationships with the Group may report the information about actual or suspected fraud, including the complaints and reported information about any violation of professional ethics, through various means such as report hotline, e-mail and letters as follows:

Report hotline: 010-85249862/9862

E-mail: [business.conduct@ncich.com.cn](mailto:business.conduct@ncich.com.cn)

Correspondence address: 8 Xinyuan Nan Road, Liangmaqiao, Chaoyang District, Beijing

In order to avoid any conflict of interest, and following the hospitals' objective to treat all patients and suppliers on a fair and unbiased basis and to provide high-quality medical services, we have further established a "No Gift" system, under which, no employee shall accept any gift in any form and with a value exceeding RMB100 provided by suppliers, patients or their families.

Meanwhile, highly emphasizing on the anti-corruption education, the Group conducts anti-corruption training for its employees when new employee training and an internal audit are carried out, helping new employees to understand the Group's anti-corruption system so as to build up legal awareness. It also includes anti-corruption related contents in the Employee Handbook, such as prohibiting the acceptance of gifts and accountability. The Group regularly conducts separate anti-corruption training for its directors and senior management members to enhance their anti-corruption awareness. Through various education measures and means, the Group has effectively helped employees to avoid risks and established New Century Healthcare's corporate reputation and image.





# Environmental, Social and Governance Report (Continued)



## Anti-fraud related KPIs

Indicators	Unit	Data
Internal corruption cases	cases	0
Number of employees trained on anti-corruption	persons	174
Number of anti-corruption trainings	times	10

## 8. GIVING BACK TO THE SOCIETY WITH UNSELFISHNESS

In order to better assume our social responsibility, we carry out voluntary public welfare activities such as offline volunteer consultations and teleconsultations, organize industry seminars and medical knowledge popularization, and actively take anti-pandemic responsibility, contributing the corporate strength of New Century Healthcare to both inside and outside of the industry and all walks of life.

### 8.1 Inclusive Medical Resources

#### *Offline Volunteer Medical Consultation Service*

In order to better assume our community responsibilities and allow the community residents to enjoy the quality medical services of New Century Healthcare, we hold health lectures and charitable medical consultations at the hospitals, clinics and the community, to provide quality medical services to patients. Covering a wide range of departments such as pediatric surgery, ophthalmology, respiratory medicine, stomatology, dermatology, child health, gastroenterology and ENT, we give back to the society and patients with quality services. During the Reporting Period, the Group organised a total of more than 20 volunteer medical consultations.



## *Hemophilia Treatment Center*

The Hemophilia Treatment Center of Chengdu New Century Women's and Children's Hospital, being the first one in Southwest China, is also the only hemophilia treatment center of private hospitals across China up to now. The hospital undertakes the construction guidance, homogeneous management, treatment of patients with difficult diseases, training of medical staff and patient education for hemophilia treatment centers at all levels in Sichuan Province.

In 2022, we continued to further carry out relevant work, carried out remote diagnosis and treatment via an Internet platform, to provide treatment guidance for a patient with long lasting "thigh muscle false tumor" in Meishan Welfare House, and guided and helped Mianyang Xishan Community Health Service Center, the Hematology Department of Dazhou People's Hospital, and the Hematology Department of West China Second University Hospital to apply for hemophilia treatment center. In addition, we expanded and improved the Hemophilia MDT (Multi-Disciplinary Treatment) Group, setting a benchmark for hemophilia treatment centers in China, and also organized one or two training sessions for hemophilia medical personnel in Sichuan province and nationwide on a monthly basis. More than 24 training sessions were held during the Reporting Period. We emphasized on patient education. During the Reporting Period, more than 10 patient education sessions were held both online and offline, among which the "Nuohe Accompanies with Love (諾和同行易愛相伴)" event that was organized jointly with Beijing Hemophilia Home attracted more than 10,000 patients all over the country.

## *Online Consultations*

Striving to break through geographical restrictions, New Century Healthcare provides a medical consultation service for patients near their homes, offering diagnosis and treatment services by medical experts nationwide and green channels for teleconsultation. Relying on online consultation segment of the Internet platform, we carry out charitable online consultation activities for the general public to protect the health of people online by leveraging our own professional advantages and integrating our own experts and doctors.



# Environmental, Social and Governance Report (Continued)



## 8.2 Promotion of Industry Exchange

By holding academic conferences, New Century Healthcare has continuously accumulated clinical treatment experience, and learnt the latest medical research results and cutting-edge development, striving to provide comprehensive and professional medical services to patients.

### *New Century Healthcare 11th Academic Conference*

In June 2022, New Century Healthcare held the 11th Academic Conference, which was convened online with 900 experts, scholars and medical practitioners from various regions including Beijing, Chengdu, Qingdao, Suzhou, Tianjin and Shenzhen participating. The renowned specialists in the medical field in China have been invited to give academic lectures, and doctors, nurses and technicians and the staff of Internet medical products from the entities of New Century Healthcare shared academic papers and reports in respective fields focusing on pediatrics, obstetrics and gynecology.

### *The 13th WFH HTCCNC Hemophilia Conference*

Chengdu New Century Women's and Children's Hospital sponsored and organized the 13th Hemophilia Conference. The conference was an academic event at a high level in the field of hemophilia in China, which invited well-known specialists and scholars in the field to communicate and discuss the hot topic on diagnosis and treatment of hemophilia and new progress, and to share the clinical study achievements and disease management experience of hemophilia centers both at home and abroad, through various means such as lectures, experience exchange and focus discussion.

### *The 6th Safe Childbirth Seminar*

New Century Healthcare actively responds to the "Three Children Policy" in China and discusses the hot topics on maternal and infant safety in the medical field, as well as sets up an exchange platform for academic discussions. We organised the 6th Safe Childbirth Seminar to provide a platform for academic exchange in obstetrics and gynecology. The pandemic could not stop the enthusiasm of maternity medical and nursing personnel for pursuing knowledge. By combining online and offline methods, the seminar invited a total of 16 frontline renowned obstetrics specialists nationwide to share their views on the special topics of new technologies, methods, guidance and process to promote the clinical management of safe deliveries.



## 8.3 Voluntary Public Welfare Activities

### *Facilitating Pandemic Prevention and Control*

New Century Healthcare fulfills its social responsibility by actively undertaking the nucleic acid test sampling task assigned by the District Health Commission. It supported nucleic acid testing for 245 times with 2,507 persons participating, and completed the nucleic acid test sampling for 1,403,701 persons.

During the Reporting Period, the Group supported the COVID-19 vaccination by sending a total of 43 doctors and 44 nurses from BNC Women's and Children's Hospital of the Group to help the COVID-19 vaccination by turns. They worked around 61 sites for 224 days in aggregate and vaccinated 59,047 doses. In addition, the hospital dispatched a total of 10 medical teams to the centralized quarantine sites for support, including 26 doctors and 19 nurses.

### *Focusing on Children's Physical and Mental Wellbeing*

New Century Healthcare recognizes that children's health cannot be divorced from the coordinated development in all aspects. We attach great importance to children's physical and mental wellbeing and help them grow up happily. By organizing public welfare activities for children, we have uninterruptedly held customer benefit activities with characteristics, and built a platform for children to show themselves to stimulate their expressiveness:

- Holding the "June 1 Cloud Live Concert" to collect children's talent show across the country, and broadcast them live on the official video account of New Century Healthcare. At this Children's Day event, not only did the children enjoy themselves, parents were also delighted with the growth of their children, with over 10,000 people viewing the event online;
- Our 16th anniversary celebration featured a special "Panda Gold Record Ranking" campaign, encouraging parents to upload their children's talent videos for netizens to vote, with a number of prizes and benefits, which encouraged children to give full play to their potential and stimulated their enthusiasm for performance;
- Holding the "Children's Day Special Activity" to donate books to Hope Primary Schools as gifts given to the children of the Project Hope, and also holding a clay shaping competition, giving the clay shapes to employees as gifts. The combination of both gifts symbolizes the transmission of love and hope;
- Holding the "Occupational Experience of Little Doctor Panda" event, which provided children with high simulated equipment props to simulate the hospital environment, so that children could learn through lively activities, enhance the attention to their own health, and cultivate their sense of responsibility from occupational experience.





## Environmental, Social and Governance Report (Continued)



### *Enhancing the Medical Knowledge Base of Patients*

New Century Healthcare has enhanced health knowledge promotion among the general public and disseminated high quality medical and health knowledge in the form of lectures and high quality medical information from a professional perspective by innovative communication methods. A total of more than 100 lectures were held during the Reporting Period, covering almost 30,000 persons.

- **Children healthcare themed lectures:** Holding lectures with the pediatric healthcare related topics, covering various contents such as vaccines, child growth and development, physical fitness and eyesight, to popularise children healthcare knowledge in all aspects. We organised lectures on scientific child vaccines to enhance parents' knowledge on the prevention of diseases in young children and to raise the awareness of parents of newborns on taking vaccinations for children aged 0–3. We also provided a one-stop service to those parents who demanded;
- **Lectures on protecting children's eyesight:** Holding lectures on how to protect eyesight for primary and middle school students during online classes, including how to prevent myopia, information on true or pseudo myopia and ok lens, to impart myopia related knowledge to parents, and answer different questions raised by them;
- **Popular scientific lectures on women's health:** Holding popular scientific lectures on gynecological diseases, to explain the cervical cancer causes, risk factors and prevention mainly focusing on gynecological inflammation and cervical disease, emphasizing the importance of HPV vaccination, regular screening and early diagnosis and treatment of cervical cancer, and promoting women to develop good living habits and healthy diet hygiene practices, so as to protect them scientifically from diseases.



## APPENDIX

### SEHK's Environmental, Social and Governance Reporting Guide Content Index

Mandatory Disclosure		Sections
Governance Structure	<p>A statement from the Board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the Board's oversight of ESG issues;</li> <li>(ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues, including risks to the issuer's businesses; and</li> <li>(iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</li> </ul>	ESG Framework Board Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if stakeholder engagement is conducted, a description of key stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption, where applicable, should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes, if any, to the calculation methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About this Report
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change</p>	About this Report





# Environmental, Social and Governance Report (Continued)



“Comply or explain”		
Aspects	KPIs	Sections
A2 Use of Resources	General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection with Green Development — Resources Conservation
	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).	Environmental Protection with Green Development — Environmental Performance
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection with Green Development — Environmental Performance
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection with Green Development — Environmental Performance Environmental Protection with Green Development — Resources Conservation
	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.	Environmental Protection with Green Development — Environmental Performance Environmental Protection with Green Development — Resources Conservation
	A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Protection with Green Development — Environmental Performance
A3 The Environment and Natural Resources	General Disclosure  Policies on minimising the issuer’s significant impact on the environment and natural resources.	Environmental Protection with Green Development
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection with Green Development





# Environmental, Social and Governance Report (Continued)



## “Comply or explain”

Aspects	KPIs	Sections
A4 Climate Change	<p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p> <p>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.</p>	<p>Environmental Protection with Green Development — Climate Change</p> <p>Environmental Protection with Green Development — Climate Change</p>
B1 Employment	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>Caring for Employees with Warmness — Employment and Labour Management</p> <p>Caring for Employees with Warmness — Employment and Labour Management</p> <p>Caring for Employees with Warmness — Employment and Labour Management</p>



# Environmental, Social and Governance Report (Continued)

“Comply or explain”		
Aspects	KPIs	Sections
B2 Health and Safety	General Disclosure	Caring for Employees with Warmness — Health and Safety
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
	B2.1 Number and rate of work-related fatalities occurred for each of the previous three years, including the reporting year.	
B2.2 Lost days due to work injury.	Caring for Employees with Warmness — Health and Safety	
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for Employees with Warmness — Health and Safety	
B3 Development and Training	General Disclosure	Caring for Employees with Warmness — Development and Training
	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	
	<i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer.	
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
B3.2 The average training hours completed per employee by gender and employee category.	Caring for Employees with Warmness — Development and Training	



# Environmental, Social and Governance Report (Continued)



## “Comply or explain”

Aspects	KPIs	Sections	
B4 Labour Standards	General Disclosure	Caring for Employees with Warmness — Employment and Labour Management	
	Information on:		
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.		
B5 Supply Chain Management	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees with Warmness — Employment and Labour Management	
	B4.2 Description of steps taken to eliminate such practices when discovered.	Caring for Employees with Warmness — Employment and Labour Management	
	General Disclosure	Working Together and Sharing Responsibility	
	Policies on managing environmental and social risks of the supply chain.		
B5.1	Number of suppliers by geographical region.	Working Together and Sharing Responsibility	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Working Together and Sharing Responsibility
		B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Working Together and Sharing Responsibility



# Environmental, Social and Governance Report (Continued)



“Comply or explain”		
Aspects	KPIs	Sections
B6 Product Responsibility	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Living up to Our Commitment and Caring for Patients
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Living up to Our Commitment and Caring for Patients — Premium Medical Services
	B6.2 Number of products and service related complaints received and how they are dealt with.	Living up to Our Commitment and Caring for Patients — Serving Patients Wholeheartedly
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Living up to Our Commitment and Caring for Patients — Intellectual Property Rights and Trademarks
	B6.4 Description of quality assurance process and recall procedures.	Living up to Our Commitment and Caring for Patients — Premium Medical Services
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Living up to Our Commitment and Caring for Patients — Protection of Patient Privacy



# Environmental, Social and Governance Report (Continued)



## “Comply or explain”

Aspects	KPIs	Sections
B7 Anti-corruption	General Disclosure	Being Honest and Righteous, Abiding by the Law
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to bribery, extortion, fraud and money laundering.	
	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.	Being Honest and Righteous, Abiding by the Law
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Being Honest and Righteous, Abiding by the Law
	B7.3 Description of anti-corruption training provided to directors and staff.	Being Honest and Righteous, Abiding by the Law
B8 Community Investment	General Disclosure	Giving Back to the Society with Unselfishness
	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.	
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
	B8.2 Resources contributed (e.g. money or time) to the focus area	Giving Back to the Society with Unselfishness