



ClouDr Group Limited

智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 9955



Environmental, Social and Governance Report

2023

* For identification purpose only

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1. ABOUT THE REPORT

PRESENTATION OF THE REPORT

This Environmental, Social and Governance (hereinafter referred to as “ESG”) report is presented electronically in both Traditional Chinese and English.

CURRENCY

Unless specified, the monetary amounts are presented in Renminbi (RMB) in this report.

REPORTING SCOPE

The aim of this report is to provide information regarding the ESG-related performance of ClouDr Group Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”, “**ClouDr**” or “**we**”) from January 1, 2023 to December 31, 2023 (“**Reporting Period**”). In determining the components included in the report, the Group’s senior management has considered the extent of different business activities’ impact on the Group’s policy, financial, environmental and social performance.

SOURCE OF INFORMATION

The information and data conferred in this report primarily derive from the Company’s database, internal statistical reports, and public information, including annual reports of the Company and media releases.

REFERENCE AND PRINCIPLES

This report references the United Nations Sustainable Development Goals (UN SDGs) and the ESG Reporting Guide set out in Appendix C2 (formerly Appendix 27) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”). The four disclosure principles of materiality, quantitative, balance, and consistency are also considered in this report.

Materiality: The Board and the senior management reviewed and confirmed the material ESG issues via conducting interviews on sustainable development issues with some key customers and suppliers, and the identified material issues were used as the focus for the preparation of this report. The process was undertaken after communication with our stakeholders and with reference to other sources, including: 1) the material topics for manufacturing; 2) media reports on ESG-related topics in the industry and 3) the results of the Group’s materiality assessment for 2022.

Quantitative: This report describes the criteria and methods for calculating the relevant data, as well as the associated assumptions. Key performance indicators (“**KPI(s)**”) are provided to establish benchmarks where practicable.

Consistency: The relevant disclosure and statistical methods of the ESG report are consistent with those used in the 2022 ESG report without any significant changes.

CONTACT THE GROUP

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to the community and achieving sustainable growth. The Group welcomes comments from stakeholders on our environmental, social and governance policies and performance. Our ESG report can be accessed on www.cloudr.cn, and relevant comments may be sent by email to cloudrir@91jkys.com.



2. STATEMENT OF THE BOARD

The board of directors (the “**Board**”) is responsible for evaluating the Group’s environmental, social and governance risks, and ensuring that necessary internal control and risk management frameworks are in place and operating efficiently. The Board is dedicated to incorporating environmental and social aspects into its daily operations and believes that environmental, social, and governance risks are essential to the effective operation of the Group. In order for us to continuously create value for our stakeholders, the Group’s corporate governance is essential for ensuring that the ESG topic of the Group is well-considered and incorporated into the business agenda. As the Group’s highest governance body, the Board sets the direction of our business strategy as well as the management of our business activities, along with a well-established governance structure in place to govern our corporate behavior. The Board is ultimately in charge of ensuring that the internal control system and ESG risk management are effective.

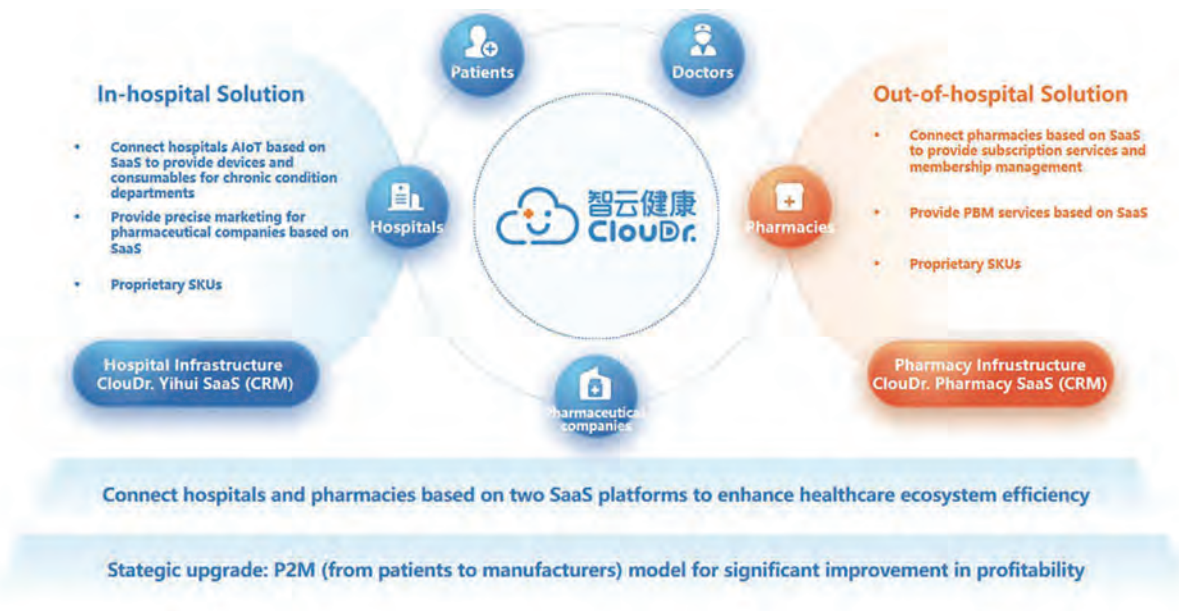
The Board advises management to regularly assess the key risks and uncertainties the Group faces, participates in the development of risk management strategies, and continuously evaluates the suitability of pertinent risk assessments and strategies. The Board also regularly evaluates the system’s operational effectiveness and whether it includes crucial control measures for significant ESG issues. The Group has designated specific staff members to be in charge of gathering all pertinent data for each aspect of the ESG report and preparing it with the assistance of outside experts. Each department provides the Board with regular updates, helps identify and assess risks, such as supply chain management, hazardous wastes from the near-validity drugs, which are related to the Group’s businesses, and evaluates the efficiency and suitability of internal control mechanisms. Aside from looking at labor practices, environmental, health and safety, and other environmental, social, and governance issues, assigned employees will also assess the Group’s performance.



3. ABOUT THE GROUP

We are the largest digital chronic condition management solution provider in China, in terms of numbers of SaaS (Software as a Service) installations in hospitals and pharmacies, each as of December 31, 2023, and numbers of online prescriptions issued through our services in 2023. As an industry pioneer and leader, the Company has its roots in serving and digitizing major participants in the value chain, including hospitals, pharmacies, pharmaceutical companies, patients and doctors.

Our integrated in- and out-of-hospital solutions connect hospitals and pharmacies based on our hospital SaaS and pharmacy SaaS to enhance the efficiency of the healthcare ecosystem.



Our integrated in-hospital solution provides: 1) a comprehensive chronic condition management solution to hospitals, including hospital SaaS and proprietary AIoT (Artificial Intelligence of Things) devices, sales of medical devices and consumables which can be connected to our hospital SaaS through AIoT devices; 2) sales of proprietary stock keeping units (SKUs) by leveraging our extensive SaaS network in hospitals and our existing sales forces and 3) targeted marketing services to pharmaceutical companies.

Our integrated out-of-hospital solution consists of pharmacy solution and individual chronic condition management solution.

Our pharmacy solution includes 1) pharmacy SaaS; 2) pharmacy supplies and 3) sales of proprietary SKUs based on our SaaS network in pharmacies. The pharmacy SaaS enables in-store, real-time online consultation and prescription services, identifies pharmacy supplies sales opportunities based on the insights generated from prescription services, and provides new retail and inventory management functions to empower pharmacies to improve operational efficiencies.

Our individual chronic condition management solution connects doctors and patients, who are acquired primarily through in-hospital solution and pharmacy solution, and provides high-quality and trust-worthy medical services and health insurance brokerage services.



3. ABOUT THE GROUP

During 2023, for environmental aspects, we have encouraged serials of measures such as virtual conferencing to reduce the need for travel, renovating existing hazardous waste storage facilities, replacing aluminium-plastic packaging machine, and replacing office bottled water with direct drinking water systems. Our internet hospital has issued more than 170mm online prescriptions which not only help millions of people acquire medical services but also save energy and resources from issuing paper prescriptions and patients commuting to hospitals. Our SaaS systems also help reduce paper usage from our customers by digitalizing their working process and documentation.

For social aspects, we value our employees and are committed to providing a safe and inclusive workplace. We also provided additional training for our employees to ensure that they have the necessary skills and knowledge to perform their jobs safely and effectively. Guided by the core values of “Customer First, Pursuit of Excellence, Value Creation, and Service to Society,” we always place customers at the center and focus on meeting their needs in the chronic disease management industry. We have implemented serials of policies and procedures to ensure that we are conducting our business in a manner that we are responsible for our product and our suppliers are aligned with our governance criterions. We are also committed to giving back to our communities. For instance, we offered multiple rounds of free online healthcare services and joined hands with hospitals and pharmacies across the country to extend high-quality medical and health services to the “last mile”; we donated medical products to certain communities and disaster-stricken areas through our service capabilities.

Moving forward, we will continue to work towards our mission of chronic disease management and digitalization of healthcare services while integrating ESG principles. With the rising demand for and value of chronic disease management and digitalization of the healthcare industry, we will remain committed to the long-term development of medical and health services in the country. We will continue to work towards our ESG goals in the coming years and make a positive impact on the world around us.



4. HONORS AND AWARDS

January 2023

The Company was awarded the “2022 Digital Transformation Star” from the Health Knowledge Bureau

February 2023

The Company was ranked among the “Top 10 Enterprises for Digital Economic Innovation and Development in Yu Hang”

May 2023

The invention patent “A Confidential Customer Information Management System and Method for Medical Institutions” (Patent No.: ZL202010183729.2) was awarded the “China Patent Excellence Award”

November 2023

The Company was awarded the “Outstanding Service Provider for China’s Medical Digitalization in 2023” by the E-Pharmacy Research Institute

The “Shumin Pharmacy Smart SaaS Consultation System” was awarded the “Most Influential Internet of Things Innovation List for 2023” by Fortune

The “ClouDr Medical SaaS System” received the Excellent Award at the 3rd “Golden Ruyi Award • Selection of Excellent Digital Medical Solutions”

The Company was ranked among the “Top 50 Smart Enterprises in China in 2023” by the Entrepreneur Black Horse

December 2023

The Company was awarded “Top 100 Excellent Case Companies of Digitization in the Yangtze River Delta” at the 5th China Yangtze River Delta Digital Economy Conference

The Company was awarded the “Leading Enterprise in Digital Healthcare” at the Capital Annual Meeting 2023 by China Business Network

The Company was awarded the “Annual Outstanding Digital Technology Enterprise” by Glorun

The Company was awarded the “Top 10 Internet Medical Enterprises in China in 2023” at the CHS 2023 China Health Industry List

The Company was awarded the “2023 Hangzhou Headquarters Enterprise” plaque

The Company was recognized as a special recommended case for Internet-assisted economic and social digitization transformation by the China Internet Association

The Company was awarded the “Snowball’s 100 Best Growing Listed Companies”



5. ENVIRONMENTAL ASPECT

Overview

We adhere to laws and regulations such as the “Environmental Protection Law of the PRC,” “Law of the PRC on Energy Conservation,” and “Good Supplying Practice” and formed our ESG Policy to manage potential ESG risks related to air and greenhouse gas emissions, discharges into water and land, generation of waste and climate-related issues. We support green operations and encourage carbon reduction behaviors among our employees and leadership team. Our online medical services and electric prescriptions help the whole nation to realize massive savings from carbon emissions and paper usages. We manage medical wastes with the utmost care and work to establish an environmentally friendly company.

Our ESG Policy requests our board, management team and Government Affairs department actively follow the laws, regulations, guidance, industry best-practice updates about ESG management and environment and nature resource and climate-related issues to identify potential significant impact on our business operation and build mitigation plans. To our best knowledge, there was no material non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, nor have we identified any material climate-related issues. The resource used by the Group were mainly electricity and water. Given the Group’s business nature, the Group believes that the impact directly exerted by its business operation on the environment and natural resources and climate was insignificant at this moment. In addition, following guidance from our ESG Policy, our management team will review and evaluate risks and impacts related to the environment and natural resources and climate-related issues on a yearly basis.

In 2023, our total electricity consumption was 2,665 megawatt hour (MWh), which was 1.75 MWh per employee, representing a significant increase compared to 0.34 MWh per employee in 2022, due to the inclusion of electricity consumption from the factory and its related subsidiaries that we consolidated in 2023. We aim to reduce the electricity consumption per employee by 5% within five years by providing more training and tips for employees, implementing energy-saving measures such as using LED lights in the office and reducing air conditioning usage, and planning to use photovoltaic power generation in the factory to improve energy efficiency.

The water resources used by the Group, excluding the factory, for operation mainly come from municipal running water supply and we have no issue in sourcing water that is fit for the purpose. Because our offices are rented and water resources are provided in shared public areas, we have no statistical data on water consumption and we are unable to set water efficiency targets. The annual water consumption of the factory is 7,500 tons, mainly for the use of production and employee living.

In 2023, the total packaging materials used for product delivery were approximately 32 tons, averaging 13 grams per package. This represents a decrease of about 45% compared to the previous year, primarily due to a decrease in the number of products requiring packaging. The average weight per package decreased by about 6% compared to the previous year, mainly due to the adoption of more efficient packaging methods. We aim to explore more efficient packaging methods and environmentally friendly packaging materials to further reduce the use of packaging materials per package by 5%.



5. ENVIRONMENTAL ASPECT

Green operation

In 2023, our carbon dioxide equivalent emissions were approximately 1,489 tons, which was 0.98 tons per employee (Note: Our office emission is mainly indirect energy emissions (category 2) caused by outsourced electricity. The emissions from our production facility resulted from the use of electricity, water, and steam in the production process, leading to process emissions of greenhouse gases (Category 1). The calculation is checked according to the ESG Guide of Hong Kong Stock Exchange and the Guidelines for Accounting Method and Reporting of Greenhouse Gas Emission from Enterprises issued by the Ministry of Ecology and Environment of the People's Republic of China).

In terms of target setting, we aim to reduce 5% of the carbon dioxide emissions per employee within five years, and we aim to further manage the greenhouse gas emissions such as better utilize the office electricity by turning off lights in a more timely manner and clean and replace facilities in the factory on a regular basis.

Green operation and management in offices

We are committed to sustainability as part of our corporate strategy, and we strive to cultivate a sustainable mindset among our employees and work environment. We have conducted a series of campaigns that aim to reduce waste and carbon emissions of both our Company and our employees, including trash-sorting in all of our offices, water reduction, and carbon emission reduction.

We are also committed to carbon mitigation measures and will continue to explore ways to further improve energy efficiency. In our offices, we have internal policies for when and how air conditioners are to be used, based on temperature and time.

Our ESG Policy encouraged a series of measures to promote environmental-friendly operations in our offices and daily operations. Below are some of the examples:

- We ask our employees to be mindful of the environment when consuming office supplies, such as using double-sided or multiple pages printing and only printing when necessary or re-use paper where practicable;
- We use OA system to digitalize the most of business review processes and internal control processes to promote a paperless office environment and reduce paper consumption;
- In order to maximize office efficiency and minimize energy waste, we use leased offices to maximize office utilization by sharing workspaces for multiple functional teams, advocate for an open office environment and set no separate office even for most of our senior management team;
- During the peak period of the epidemic outbreak, we encouraged our employees to work from home to reduce transportation commuting and used virtual conferencing to reduce travel;
- We strictly implement the standard of 26°C for air conditioning in summer and 22°C in winter to reduce energy consumption;
- We encourage our employees to commute green by taking more public transportation such as subway;



5. ENVIRONMENTAL ASPECT

- We do not allow employees to use high-power electrical appliances such as heaters and hot water kettles in the office;
- We request employees to turn off display in a timely manner when leaving the workstation and the lighting and air conditioning should be turned off when leaving office or meeting room;
- We sort daily operation wastes in accordance with local regulations and then hand over to a qualified third-party company for disposal; and
- We have established several protocols in our offices in effort to reduce water-usage. For example, we have administrative staff regularly check status of water supply facilities to ensure no water waste and we placed signs to remind our employees to reduce their water usage.

Green operation and management at production facility

Our group owns a production facility located in Nanjing, primarily engaged in pharmaceutical manufacturing. The production facility obtained Good Manufacturing Practice (GMP) certification from the China National Medical Products Administration in July 2005, successfully passed GMP inspections by the Therapeutic Goods Administration (TGA) of Australia in July 2007, and passed GMP inspections by the Irish Medicines Board (IMB) in June 2009.

The waste generated during the production process mainly consists of waste gas, wastewater, and solid waste. In accordance with the laws of the People's Republic of China on the prevention and control of atmospheric pollution, water pollution, and solid waste pollution, as well as relevant industry standards, our group has established a Waste Management System to systematically control the generation, collection, storage, and transfer of waste, wastewater, and solid waste.

The waste gas generated by our group is mainly dust removal waste gas from the tablet workshop, collected by hood and then enters the dust removal machine for efficient filtration to meet emission standards.

The wastewater generated by our group is treated at the on-site sewage treatment plant and then transferred to the sewage treatment plant after meeting the discharge standards. The sewage network at our production base has been constructed for separate rainwater and sewage, with rainwater discharged through rain outlets into the park's rainwater network.

The solid waste generated by our group mainly includes packaging waste, production waste, and employee domestic waste. All solid waste is stored in designated hazardous waste storage areas and, when reaching a certain quantity, is handed over to qualified disposal units for proper treatment to avoid secondary pollution.



5. ENVIRONMENTAL ASPECT

Online electric prescriptions and digitalization services

In 2023, our internet hospitals issued close to 190 million online prescriptions which not only helped millions of people acquired medical services but also saved energies and resources from issuing paper prescriptions and patients commuting to hospitals.

Our SaaS systems have been installed in approximately 2,700 hospitals and more than 219,000 pharmacy stores which also help to reduce paper usage from our customers and improve their working efficiency by digitalizing their working processes and documentations.

All these efforts can help saving energies and resource consumption among the value chain of healthcare services.

Medical wastes management

Our hazardous materials mainly include waste electronic items generated from daily office use and near-validity medical products. In 2023, based on our supply chain related data, we have 15.59 tons of hazardous and waste materials which were handed over to qualified professional institutions for scrap. The non-hazardous wastes mainly include waste paper, cardboard boxes and garbage generated from daily office, which are handed over to the property company for unified classification and treatment. However, because we use shared office building and office wastes processing is included in property service, we have no statistical data on non-hazardous wastes quantity.

In term of the disposal of dangerous waste products with special management regulations, we have formulated the “Management System for Near-Expiration and Non-conforming Drugs and the Management System for Drug Returns” in accordance with the “Good Supplying Practice of Medicines (GSP)”, formulated different treatment methods according to the nature of the drugs, regularly concentrated on cleaning up and destroying substandard drugs, strictly controlled the treated wastewater, waste residue, outsourced packaging and other waste, and prevented potential risks such as personal injury incidents and environmental pollution incidents caused by drug leakage. Drugs with a near-expiration period shall be returned to their suppliers or handed over to qualified professional institutions for unified processing according to management regulations.

In terms of the target setting, we aim to reduce the hazardous and non-hazardous wastes by 5% in 5 years. We will more rigorously manage the turnover of our products to further reduce the volume of near-validity medical products.



6. SOCIAL ASPECT

6.1 Employment and labor standard

ClouDr adheres to the principles of fairness and justice in the employment of its staff. The Company does not discriminate based on gender, age, ethnicity, nationality, marital or reproductive status, religious beliefs, political stance, or any other factor. Our Human Resources Management Policy also includes corresponding regulations to manage discriminatory behavior. Additionally, the Company provides suitable job positions for disabled individuals. As at December 31, 2023, the Group had a total of 1,522 employees across 96 cities in China, female employees represented 49% of the total workforce. In our senior management team, the female senior management represented 60% of the total senior management team.

ClouDr strictly complies with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare such as the Labor Contract Law of the People's Republic of China, Contract Law of the People's Republic of China, and other laws and regulations. The Company prohibits the employment of individuals under the age of 18 and sets strict screening procedures during recruitment and hiring. The Company respects and safeguards the legal rights and interests of each employee. The Human Resources Management Policy specifically outlines employee rest and leave arrangements and holiday benefits. In case of any non-compliance in relation to employment of child labor, we will settle all their salaries, terminate the labor contract with them, and take remedial measures such as escorting the child labor to the guardian office. Meanwhile, employees who hire child labor in violation of regulations will be held accountable in accordance with the law. During the Reporting Period, there were no incidents of child labor or forced labor. Moreover, the Company has established "ClouDr Female Care Ambassadors" and a "Female Employee Care Emailbox" to provide more care and assistance to the female employees.

As at December 31, 2023, the Group had a total of 1,522 employees, comprising 469 employees in Hangzhou, 144 employees in Shanghai, and 909 employees in other offices in China. The Group also had over 3,000 flexible staffing as of December 31, 2023 to support business development activities mostly in lower tier cities.



6. SOCIAL ASPECT

Below is an overview of our full-time employee employment and employee turnover during the Reporting Period:

Indicator		Unit	2023	
Full-time employee employment	Total number of full-time employees	Person	1,522	
	By gender	Female employees	%	49
		Male employees	%	51
	By age	Above 50 years old	%	6
		40–49 years old	%	19
		30–39 years old	%	46
		Below 30 years old	%	29
	By region	South region	%	11
		North region	%	5
		East region	%	81
West region		%	4	
Full-time employee turnover	Total number of full-time employees leaving office	Person	724	
	Full-time employee turnover rate	%	48	
	By gender	Female full-time employees	%	38
		Male full-time employees	%	57
	By age	Above 50 years old	%	24
		40–49 years old	%	29
		30–39 years old	%	49
		Below 30 years old	%	62
	By region	South region	%	61
		North region	%	75
East region		%	44	
West region		%	41	



6. SOCIAL ASPECT

6.2 Health and safety

ClouDr cares about the occupational safety and health of its employees. The Company complies with laws and regulations such as the Occupational Disease Prevention and Control Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, and provides a safe and comfortable working environment for all employees. Our Human Resources Management Policy highlight the importance of the health and safety of our employee, and ensure a series of actions to protect employees' health and safety. For instance, the policy clearly stated to reimburse the regular health condition checkup fees of our employees, and to provide health kits in the workplace to ensure the safety and health of employees, and avoid occupational hazards. There have been no work-related deaths or work-related injuries in the past. During the Reporting Period, there were no cases of work-related fatalities and work-related injuries.

We provide supplementary commercial insurance for employees to offer comprehensive medical protection. The Company arranges regular physical examinations for employees to help them effectively cope with diseases and unexpected risks. The Company also actively encourages employees to have a healthy lifestyle and work-life balance. To promote employees' physical and mental health, the Company regularly organizes team-building activities with diverse forms of entertainment to facilitate communication and interaction among employees.

Our production base strictly adheres to the Production Safety Responsibility System, which clearly defines the safety responsibilities of all departments and positions at all levels. For managers at all levels, safety should be the first priority and a direct responsibility system for safety management should be implemented. For employees at all levels, all workers must be responsible for production safety in their respective workplaces. At the same time, the production base has a production safety committee, which is responsible for leading the Company's overall production safety and making decisions on the Company's safety management and other major production safety issues. We have purchased employment injury insurance for all employees. In case of any work-related injuries and fatalities, the human resource administration department will analyse the causes of them from the perspective of labour use. It will then propose preventive measures and take recommended actions seriously regarding the individuals responsible for the accidents. In addition, it will coordinate with relevant departments to handle properly the aftermath of the work-related injuries and fatalities. The two work-related injuries that occurred in 2023 were both related to minor bruises and sprains, and both employees returned to work within a week.

Below is an overview of the health and safety condition of our employees during the Reporting Period:

	Indicator	Unit	2021	2022	2023
Health and safety	Number and rate of work-related employee deaths	%	0	0	0
	Number of workdays lost due to employee work-related injury	Day	0	0	6



6. SOCIAL ASPECT

6.3 Employee recruitment and management provisions

The Group's explicit guidelines for hiring and employment practices are as follows: The Company's human resources demand strategy is implemented by the human resources department, and the recruitment process can be carried out by combining internal and external approaches. When submitting a human resource requirement plan, each department must include the job functions of the desired position, the requirements for the candidate, and the person to whom they report.

We choose high potential talents in accordance with the "ClouDr Value", and we are confident that individuals who fit the "ClouDr Value" are capable of performing well in ClouDr for a variety of positions with high development potential.

ClouDr Value

Behavior Value (行為目標)	Strong execution
	Effective collaboration
	Courageous innovation
	High say-do ratio
	Honesty and trustworthy
Task-based Value (業務目標)	Vary by functions and teams

Campus recruiting, social recruitment, internal recruitment, and other recruitment methods are the Group's primary methods of hiring. The Group's hiring policies are as follows: Open recruitment to choose the most qualified candidates; internal employees must have priority under equal circumstances.

6.4 Employee compensation, benefit and activities

The Group will offer employees a compensation and welfare structure that is fair on the inside and competitive externally in the industry to ensure the long-term growth of ClouDr Group Limited. In order to maintain its sustainable competitiveness, the Group will also routinely gather and analyze pertinent compensation data in the target markets. The two types of compensation are cash income and non-cash income. Cash income includes items such as base salaries, bonuses, and so forth. Non-cash income includes items such as social insurance and provident funds, internal company benefits, and so forth. Since the employees joined, the Group has paid their social insurance and provident fund.

Employees receive full compensation for their yearly vacation and full pay for their sick leave when it comes to holiday pay. Employees must be paid for additional sick days based on 80% of the local province's minimum salary for the current year (specific rules that apply only in particular places must be followed). The whole day's pay will be taken out for personal leave. Additionally, the Company will pay the employees' basic salaries throughout their maternity leaves, paternity leaves, maternity check leaves, paternity leaves, paternity leaves, family planning leaves, and public holidays.



6. SOCIAL ASPECT

6.5 Talent development and training

ClouDr considers talent development and training as a key task for the Company's growth. The Company continually optimizes and perfects its training system to promote the continuous growth of talents. We believe that the Company's efforts to attract and cultivate talent demonstrate its commitment to investing in its workforce, which can ultimately contribute to the company's long-term success and sustainability.

The Company's training system comprehensively covers courses for different groups, such as the "New Employee Induction Training" and "Middle and Senior Managers Induction Workshop" for new employees, the "New Manager Training Camp" for frontline managers, the "Advanced Leadership Program" for middle and senior managers, as well as corresponding external training courses, and the "ClouDr Employee Charging Station" and "ClouDr Learning Day" to enhance the general skills of all staff.

In 2023, 1,045 of our full-time employees (including the departed employees) attended various types of employee development training sessions, details are as below:

	Indicator	Unit	2023	Percentage of employees trained
By gender	Total number of full-time employees trained		1,045	69%
	Total number of female full-time employees trained		533	71%
	Total number of male full-time employees trained		512	66%
By employee type	Total number of ordinary full-time employees trained	person	986	68%
	Total number of middle management employees trained		49	78%
	Total number of senior management employees trained		10	100%
	Indicator	Unit	2023	
By gender	Total training hours of full-time employees		4,846	
	Average training hours of full-time employees		4.6	
	Total training hours of female full-time employees		2,407	
By employee type	Total training hours of male full-time employees		2,454	
	Total training hours of ordinary full-time employees		3,773	
	Total training hours of middle management employees	Hour	907	
By gender	Total training hours of senior management employees		165	
	Average training hours of female full-time employees		4.5	
	Average training hours of male full-time employees		4.8	
By employee type	Average training hours of ordinary full-time employees		3.8	
	Average training hours of middle management employees		18.5	
	Average training hours of senior management employees		16.5	

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6. SOCIAL ASPECT



While enhancing employees' skills, the Company also provides a smooth career development channel for employees and motivates them to develop comprehensively through promotions, job rotations, and other methods. In the meanwhile, the Company continues to increase its efforts in technology innovation and talent cultivation, actively attracting chief scientists, and successfully obtained a bronze medal through the evaluation of the post-doctoral workstation, which improves the overall talent development level.



6. SOCIAL ASPECT

6.6 Anti-corruption

We comply with laws and regulations such as the United Nations Convention Against Corruption and Interim Provisions on Banning Commercial Bribery. We have in place an anti-bribery and anti-corruption policy to safeguard against any corruption within our Company, which mainly refers to the United Nations Convention Against Corruption. The policy explains potential bribery and corruption conduct and our anti-bribery and anti-corruption measures. Improper payments prohibited by the policy include bribes, kickbacks, excessive gifts or facilitation payment, or any other payment made or offered to obtain an undue business advantage. In particular, we issued our policy relating to anti-bribery and anti-corruption in January 2021, which provides guidance for staff behavior, and the identification, monitoring and reporting of bribery and corruption events. We keep accurate books and records that reflect the substance of transactions and asset dispositions in reasonable detail. We specifically require that the employees submit all reimbursement requests related to entertainment related fee or gifts presented to third parties on behalf of us in accordance with our expense expenditure policy, and specifically record the reason for the expenditure. These expenses should be recorded in the financial system and marked as promotional gift expenses or entertainment expenses as appropriate. In addition, we require our employees to report and obtain pre-approval of all business courtesy expenses with a value of more than RMB300 per capita or equivalent for our review and supervision. We also require that the payment must not be used for any purpose other than those described in the supporting document. Misleading or incomplete entries in our books and records are not acceptable and subject to disciplinary actions. The payment made in violation of the expense approval process, cash management system or reimbursement system is strictly prohibited. Our finance department regularly monitors the effectiveness and supervises the implementation of the policy, and report to our board of directors the applicability, appropriateness and effectiveness of the policy periodically. Any improvement measures determined by our board of directors should be implemented as soon as possible. In addition, we regularly provide anti-bribery and anti-corruption trainings to all of employees. Our legal and compliance department keeps the training records. Furthermore, we have implemented robust internal control policies with regard to third parties for our business operations, including our customers and suppliers.

We also have a dedicated Anti-Money Laundering Policy. The policy contains the definition and regulatory requirement on the money laundering, and the detailed internal management procedures to identify and protect money laundering, including the payment methods which we do not accept due to the money laundering risk considerations, the red flags of money laundering, the internal training rhythms and internal audit requirements and so on.

During the Reporting Period, there was no material anti-corruption or anti-money laundering concerns raised or identified, and to the best of the knowledge of us, there was not any claims from any third party against us on the anti-corruption or anti-money laundering.

Employee education

We requires all employees to sign an “Integrity Declaration” annually to ensure that their business dealings do not conflict with the interests of the Company and to confirm compliance with relevant laws and regulations.

Employees must also conduct self-monitoring in real-time and regularly receive training from the Company’s compliance department. The content of the training include anti-corruption areas such as improper payment, reimbursement standards, channels to raise compliance concerns, etc. The training records and assessment results are included in KPI evaluations.



6. SOCIAL ASPECT

To regulate employee hospitality behavior, we has established standards for entertainment, hospitality, and gift-giving based on relevant laws and regulations, business characteristics, and benchmarking against similar companies in the market. These guidance is documented in our Employee Expense Management Policy and Employee handbook and will be updated regularly. Exceeding the standard is generally not allowed, and in special circumstances, approval from the highest level of the Company is required.

Corruption report and investigation

Our internal Legal Team also offered a 2-hour annual training on anti-corruption for Directors and the senior management team 2023, to deepen the awareness of of the directors and the senior management team regarding their duty to fight against corruption.

We welcome every employee to communicate with the Company in a timely manner when they encounter integrity concerns about themselves or others.

We provide the highest level of confidentiality for all employee feedback to ensure that relevant information is not leaked. Each employee can contact the compliance department through email at compliance@91jkys.com to raise compliance related concerns anonymously, and the management takes any compliance concerns seriously.

For issues raised by employees, the internal audit team and compliance committee will analyze them one by one with high confidentiality and execute relevant inspection procedures if necessary. As of December 31, 2023, there was no compliance cases raised by employees or compliance related litigation.

During the investigation of fraud and improper business activities, the internal control and internal audit personnel of the Company shall promptly report to the organization management under the following circumstances:

- (1) It can be reasonably believed that fraud and improper business activities have occurred and require in-depth investigation;
- (2) Fraud and improper business activities have resulted in significant misrepresentations in financial statements disclosed to the public; and
- (3) Evidence of criminal clues has been found and should be transferred to judicial authorities for processing.

	Indicator	Unit	2023
Anti-corruption	Number of anti-corruption lawsuits	Cases	0
	Signing rate of Employee Integrity Declaration letter	%	100



6. SOCIAL ASPECT

6.7 Supply chain management

Relying on our leading supply chain capabilities and continue effort on enhancing supply chain management system, we has built a mature and effective supplier access and management mechanism. Through a comprehensive supply chain system, we help the development of the industry and promote the improvement of environmental, social and governance capabilities of our supplier partners.

In cooperation with business suppliers, we established an on boarding process that conducts reviews on the needed licenses and qualifications of all suppliers to ensure they all meet the relevant requirements and revisions of national policies and regulations. Suppliers with excellent product quality, reasonable prices, good reputation and good discipline will be included into our qualified supplier database. We also place a strong emphasis on the supply chain's sustainable development and closely monitor the environmental and social performance of our suppliers. In addition to the attention on the quality, operations, products and quality assurance, we also understand the environmental, social, and ethical issues related to our suppliers' businesses and have established minimum standards for pertinent issues to determine whether our suppliers have complied with applicable laws and regulations and other required standards in terms of environmental pollution, health and safety, forced labor, and child labor. We perform negative news search and sample based onsite review during the supplier onboarding process to monitor the ESG aspects of our suppliers. Through the above review process and regular inspections of the environmental and social performance of the suppliers, we minimise the potential environmental and social risks in the supply chain.

We are committed to achieve our shared sustainable development goals with suppliers. We require our suppliers to abide by national and local environmental protection laws, and encourage them to adopt energy-saving and emission-reducing production methods. Products and services that are provided by using renewable energy and environmental-friendly materials shall be given priority.

The whole procurement process and all procurement activities are managed in a standardized manner. We have formed Know Your Suppliers processes ("KYS") and competitive bidding policy and drive procurement process standardization by applying OA system and investing on comprehensive supply chain management systems. We have set up comprehensive supplier inspection and monitoring criteria, focusing on the integrity of supplier qualifications, operational compliance, cost and delivery quality. Our relevant team actively monitors the cooperation status and performance indicators of suppliers and conducts on-site inspections of suppliers' operating sites if necessary. In addition, we provide training on employee responsibility, supplier screening, and anti-fraud for employees involved in the procurement process. As of December 31, 2023, we onboarded 1,255 new suppliers, including 330 indirect sourcing suppliers and 925 direct suppliers; total number of suppliers amounted to 2,595, including 1,703 direct suppliers and 892 indirect sourcing suppliers.

Indicator		Unit	2023	
Supplier management	Total number of suppliers	Company	2,595	
	By supplier type	Direct supplier	Company	1,703
		Indirect supplier	Company	892
	By region	Suppliers from mainland China	Company	2,564
		Suppliers from Hong Kong, Macau and Taiwan and overseas suppliers	Company	31
		Percentage of suppliers who went through the KYS onboarding processes	%	100



6. SOCIAL ASPECT

6.8 Product responsibility

We care about the quality and safety of medical and healthcare products and services to our customers and patients, and we aim to bring digital healthcare to every household. We strictly abide by the relevant laws and regulations and actively keep aligning our internal policies with the requirements of the state and society. By implementing and operating a well-established quality and safety management system, conducting a solid inspection of management processes, products and services in a routine manner, we highly care about the health of our customers and patients, and ensure the products and services that we provide to the greatest extent.

We have a customer service team to handle products and services relating to the customer's complaints. We also built standard processes for the customer complaints by different types of complaints and owners.

We are also committed to protecting data privacy and security. We have established and maintain a strict platform-wide policy on data collection, processing and usage. We sometimes collect data from our online platform users, which are strictly limited to personal information and other data that are necessary for us to provide services to our users. We obtain prior consent from users for all user data we collect, and have adopted stringent policies to ensure that our collection and usage of data is in compliance with the relevant laws and regulations. We do not monetize any of the data we collect. The registration processes require the user to provide consents to allow us to collect, process and use data necessary for providing our services. To ensure the confidentiality and integrity of our data, we maintain a comprehensive and rigorous data security program. We conduct back up of our operating data on a regular basis offline and in separate and various secured data back-up systems to minimize the risk of data loss. We back up our data on a daily basis in various distributed secured data storage systems to minimize the risk of data loss. We also conduct frequent reviews of our back-up systems to ensure that they function properly and are well maintained. Our detailed protocol for operation and maintenance management, monitor and alert mechanisms, network security management and disaster recovery ensures our operating continuity. We have also established a business continuity plan in case of catastrophic events, such as natural or unnatural disasters that could lead to various business interruptions, such as power failures, network failures, or server power outages. In addition, our maintenance team closely and constantly monitors for common technical issues and the usage of resources such as central processing units and memory and alerts our technical team of unusual technical difficulties. In addition, we have set up an emergency response team to annually conduct disaster recovery drills on important systems and continuously improve our systems. Our back-end security system is capable of handling malicious attacks to safeguard the security of our platform and to protect the privacy of our users.

During the Reporting Period, there were no products recalled by the Group due to safety and health reasons. In addition, no complaints were received about the products and services delivered that could have a material impact on the Group's operations. Furthermore, there had been no material cybersecurity and data protection incidents with respect to data or personal information theft, leakage, damage or loss, or any claim from any third party against us on the ground of infringement of such party's right to data protection as provided by any applicable laws and regulations in mainland China, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of us, threatened against or relating to us.



6. SOCIAL ASPECT

Intellectual Property Management

We have designed and adopted strict internal procedures to ensure the protection of our intellectual property rights.

In accordance with these procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our customers and suppliers. Our legal department as well as business operation teams examine the contract terms and review all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

We also have in place detailed internal procedures to ensure that our in-house legal department reviews our products and services, including upgrades to existing products, for regulatory compliance before they are made available to the general public. Our in-house legal department is responsible for obtaining any requisite governmental pre-approvals or consent, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines and ensuring all necessary application, renewals or filings for trademark, copyright and patent registration have been timely made to the competent authorities

Product and Service Compliance Management

1. *Online Hospitals and Medical Services*

We operate several online hospitals and we provide strong medical services to our customers and patients to improve the efficiency of healthcare services. We implemented internal management policies and procedures to strictly follow a series of relevant laws of regulations including below:

“Measures for the Administration of Internet Diagnosis and CI Treatment (for Trial Implementation),” “Measures for the Administration of Online Hospitals (for Trial Implementation),” “Rules for the Regulation of Internet Diagnosis and Treatment (Draft),” “Specifications for the Administration of Remote Medical Services (for Trial Implementation),” “Law on Licensed Medical Practitioners of the PRC,” “Notice on Further Promoting the Development and Standard Administration of Online Healthcare Services by the National Health Commission Office,” “State Council’s Opinions on Promoting the Development of ‘Internet Plus Health Care’” and other relevant regulations.

2. *Internet Information and Technology*

We fully understand and support the compliance of internet information and technology. We invested and worked with relevant experts from the industry and government to ensure the information on our platform are secured and well protected. We also provided a series of trainings to employees to promote the culture and ensure the solid execution. We implemented internal management policies and procedures to strictly follow a series of relevant laws of regulations including below:

“Cybersecurity Law of the PRC,” “Data Security Law of the PRC,” “Personal Information Protection Law of the PRC,” “Administrative Measures for National Health Medical Big Data Standard, Safety, and Service (for Trial Implementation),” “Information Security Technology — Personal Information Security Specification (2020 Version),” and other relevant regulations.



6. SOCIAL ASPECT

3. Medication and Health Product Management

We provide medication and health products to our pharmacy customers and online customers. We pay great attention to the safety of those products to ensure the healthcare condition of our customers and patients. We implemented internal management policies and procedures to strictly follow a series of relevant laws of regulations including below:

“Food Safety Law of the PRC,” “Drug Administration Law of the PRC,” “Product Quality Law of the PRC,” “Good Supply Practice for Pharmaceutical Products,” “Measures for the Administration of Pharmaceutical Operation License,” “Administrative Measures for the Supervision and Administration of Circulation of Pharmaceuticals,” “Measures Regarding the Administration of Drug Information Service Over the Internet,” “Regulations on the Administration of Drugs Containing Stimulants,” “Administrative Measures for Toxic Drugs for Medicinal Use,” “Notice on the Implementation of Categorized Administration of Prescription Drugs and Non-Prescription Drugs,” “Notice of the State Food and Drug Administration (SFDA) on Further Strengthening the Administration of Purchase and Sales of Oral Compound Preparations Containing Narcotic Drugs and Tramadol,” “Notice of the SFDA and the National Health and Family Planning Commission (NHFPC) on Strengthening the Administration of Compound Codeine Oral Liquid Preparation,” “Notice on Strengthening the Supervision and Administration of Certain Compound Preparations Containing Special Drugs,” “Notice of the SFDA, the Ministry of Public Security, and the NHFPC Announcing the Catalogs of Narcotic Drugs and Psychotropic Drugs,” “Notice of the SFDA, the State Administration of Traditional Chinese Medicine, the National Health Commission, the National Healthcare Security Administration on Ending the Trials of Traditional Chinese Medicinal Granula,” “Regulation on the Control of Narcotic Drugs and Psychotropic Drugs,” “Notice of the SFDA on the Cancellation of Registration Certificates for Medicinal Products,” “Regulation on the Supervision and Administration of Medical Devices,” “Regulation on the Administration of Precursor Chemicals,” “Narcotics Control Law of the PRC,” “Measures for the Administration of Radioactive Pharmaceuticals,” and other relevant regulations.

4. Internal Control System

In terms of compliance, we formulated a total of 125 management regulations and operating procedures, including the Qualified Supplier Management System, the Good Supply Practice Management System, the Internet Hospital Management System, and the Data Management System.

Product and Service Responsibility Management

Through our well-established internal control system and product safety policies, we maintain and monitor the safety and quality of our products and medical services. We rigorously control the risks during the delivery of our healthcare and medical services in order to improve the quality, customer satisfaction and medical service effectiveness. Consequently, we improve the service quality by ensuring the appropriate online medical consultation and prescription services.



6. SOCIAL ASPECT

1. **Healthcare Service Quality and Safety**

The expertise and service quality delivered by our internet hospitals is vital to optimizing patients' experience. Therefore, we continuously monitor the risks associated with the healthcare service, and strictly comply with the risk control policy to achieve efficient risk governance, and eventually guarantee the patients' experience and safety.

(a) *Doctor onboarding control and governance mechanism*

We follow a strict qualification evaluation process, quality inspection procedure, and medical service quality control and assurance mechanism.

First, doctors have to hold a registered qualification certificate (except for those still in the training period) before they register on our platform. Those doctors with prescriptive authority also need to provide such certificate. Through real-name authentication, face recognition, verification on qualification certificates and professional titles, we ensure that all the registered doctors meet the qualification requirements. We also follow the requirements of National Health Commission of the People's Republic of China, we register our doctors and put on records with National Health Commission for the multi-sited doctors.

Second, to ensure the effectiveness of the medical services, every prescription processed by our platform will be evaluated by professional pharmacists.

Third, we construct a strict risk control and medical service quality evaluation system. We provide standard trainings to our doctors and conduct regular reviews and evaluations of the professional service provided by them.

(b) *Internet Hospital Management*

We operate several Internet Hospitals, and we strictly follow regulations to ensure the compliance and safety. We have a dedicated team for the internet hospital management including license compliance management, daily operating management and data security management. We periodically review the "Internet Hospital Management" policies and management procedures, and highly responsive to the newly launched regulations and users' feedback. We keep strengthening the compliance monitoring and management.

(c) *Quality control of online medical services*

We provided nearly 190 million online prescriptions in 2023. We highly care about the safety and effectiveness of our online medical services. For every online prescription, we ensure the safety by implementing robust control systems including the doctor management procedures, AI-powered double quality control which is supported by the ClouDr Core Medical Engine, and daily review mechanism.



6. SOCIAL ASPECT

2. Healthcare Products Quality and Safety

In 2023, we ensured our products such as medical devices, consumables and drugs are safe and qualified by deploying various quality management policies and procedures. We have a dedicated supply chain team to manage the suppliers onboarding, the product quality and safety, the inventory management, and scrap control management.

(a) *Suppliers onboarding control and governance mechanism*

We only partner with the suppliers with robust compliance manner and high quality standard. We have a robust Know Your Supplier process to understand the potential suppliers and evaluate the risks. On a regular basis, we refresh the background check of our suppliers to ensure the compliance.

(b) *Product quality and safety control*

We implement robust quality and safety control procedures in our supply chain. The Quality Control team performs inspections on every batch of products before accepting to our warehouse. The Quality Control team also performs regular check on the products approaching expiration date to ensure every products sold to our customers and patients are with high quality and safety condition.

(c) *Scrap control management*

For the products which are expired or unqualified, our Quality Control team initiates scrap process. We only partner with professional medication scrap companies to scrap the medication to ensure the compliance and safety of environment and society.

6.9 Responsibilities to customers

As the largest digital chronic condition management solution service provider in China, we serve a large number of To-B customers and To-C individual users/patients, including approximately 2,700 hospitals which installed our hospital chronic condition management SaaS system, more than 219,000 pharmacies which installed our pharmacy SaaS system, more than 100,000 registered doctors and approximately 31 million registered users.

Hospitals

With substantial rising demand for healthcare, China's healthcare industry is undergoing unprecedented supply-side reforms, and the digital systems can support to uplift the healthcare industry efficiency.

ClouDr. Yihui, our hospital SaaS is designed to digitalize chronic condition management to improve hospitals' operational efficiency and treatment effectiveness. It facilitates hospitals in creating and maintaining EMR for their chronic condition patients. It can connect to in-hospital medical AIoT equipment. Because *ClouDr. Yihui* acts as a "plug-in" or extension of existing Hospital Information System ("HIS") and laboratory information systems ("LIS"), it can work seamlessly with hospitals' current systems without the need of major revisions to hospitals' systems. With that, our hospital SaaS can replace the manual work previously required by the doctors and nurses, and reduce the manual error risks and associated diagnosis risks.



6. SOCIAL ASPECT

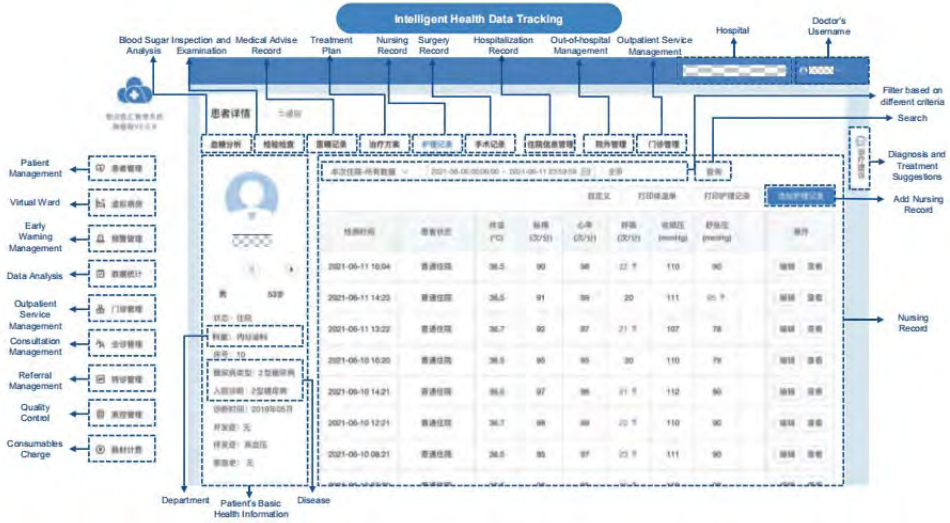
Real-time Information Integration



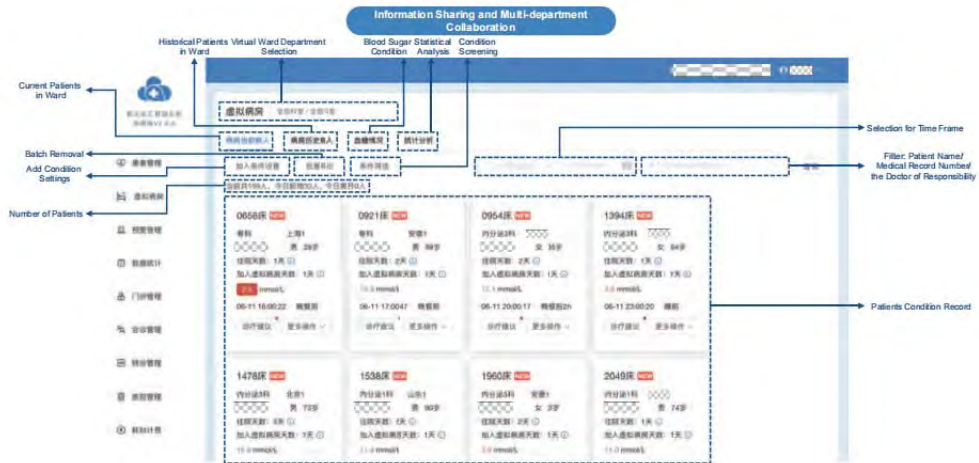
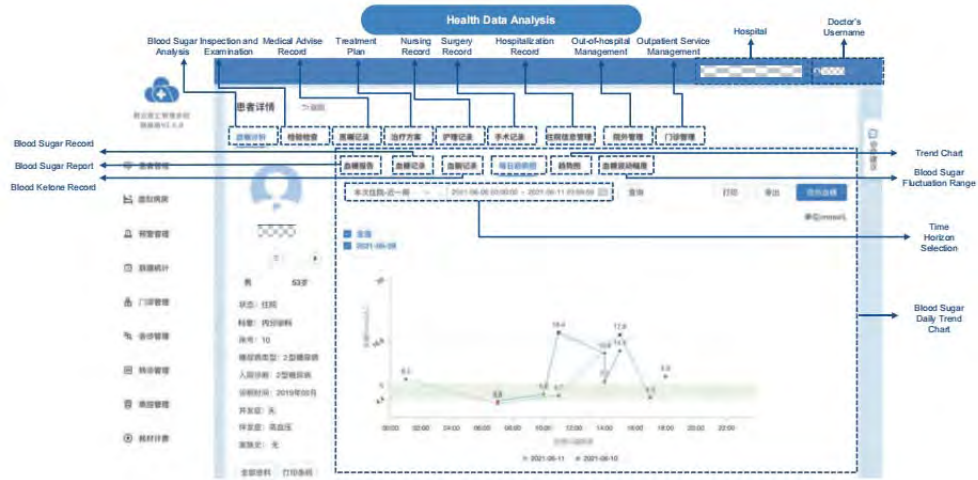
Our patented AIoT device

Medical staff checks patient's blood sugar level with our AIoT devices

Doctor reviews patient's statistics in real-time on ClouDr. Yihui



6. SOCIAL ASPECT



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Retail Pharmacies

As part of the China healthcare industry unprecedented supply-side reforms, a series of regulations promotes the growth of out-of-hospital healthcare capabilities, and one of those are outflow of prescribed drugs from hospitals to pharmacies. Retail pharmacies now are allowed to sell prescribed drugs with qualified prescriptions. We provide online consultation and prescription services to retail pharmacies through our Pharmacy SaaS. In 2023, our online internet hospitals generated nearly 190 million online prescriptions, and the majority of them are generated in the partnered retail pharmacies. More than 99% of the walk-in patients can get remote medical services in the pharmacies within 180 seconds. The SaaS product and internet hospitals support the healthcare industry supply-side reforms and empower retail pharmacies to enhance medical service capabilities.

Communities

With the national target of “Healthy Community 2030”, we proactively participated community activities and partnered with communities in multiple cities to build the “ClouDr. Healthcare Stations” which offer free online consultation services to residents in the communities through our platform. We have also set up AI-empowered robots in these stations to allow residents to connect their own medical devices for better consultation results.

6.10 Community investment and participation

Social welfare initiatives, in our opinion, are not only the Company’s required social responsibility but also essential to its long-term development. We insisted on the continuous development of public welfare undertakings and strives to fulfill social responsibilities. In 2023, the Group has spent more than 3.5 million RMB on the public donation, the free public medical services, and the support to the postdoctoral research workstation and so on.

Spring Festival Returning Home Free Clinic Service

During the 2023 Spring Festival, to thoroughly implement the deployment arrangements for epidemic prevention and control by the central and provincial/municipal committees, to assist in scientifically and efficiently carrying out epidemic prevention and control work, and to ensure that people returning home can have a healthy, safe, joyful, and peaceful Chinese New Year, the Company collaborated with high-quality medical experts from public hospitals nationwide and 185,000 pharmacies to launch online Spring Festival returning home medical services, including online free consultations, medication consultations, health education, drug delivery and etc., aiming to strengthen the “health line” for rural revitalization through practical actions and improve the happiness, satisfaction, and sense of security of returnees.



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Autism spectrum disorder popular science seminar

To further guide the national scientific movement, support and assist disabled persons via popular science, enhance the health awareness of disabled persons, and create a good social atmosphere of respect, care, and assistance for disabled persons, the Company, together with Xinhua News Agency Semi-Monthly Talks, Wu Jieping Medical Foundation, Yuhang District Association for Science and Technology, and Yuhang District Federation of Disabled Persons, jointly created the “Healthy Yuhang Talks” health popularization activity. In the first phase, it invited Jia Meixiang, a well-known domestic autism spectrum disorder expert and chief physician of Peking University Sixth Hospital, to hold a special health popularization activity on the theme of “Lighting Up the ‘star’ World, Let Love Not Be Alone” for children with autism spectrum disorder. Through face-to-face communication and clearing-up confusion and doubts between experts and families of children with autism spectrum disorder, it not only increased the awareness of families about children with autism spectrum disorder and their rehabilitation education but also raised public attention and understanding of children with autism spectrum disorder.



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Live up the Hangzhou Asian Para Games by providing digital health management services

The Company actively supported the Hangzhou Asian Para Games and, based on the health needs of special groups, utilized its own advantages to realize technology for good and promote the integration of the disabled and non-disabled, in line with the theme of the Asian Para Games, “Hearts Connected, Dreams Shine.” During the conference, at the Yuhang District High-Tech Assistive Device Exhibition Experience Center, the all-in-one digital health management service provided by the Company was highly recognized by the China Disabled Persons’ Federation, the inspection group of the Asian Para Games, and relevant disabled persons.

The ClouDr AI triage and diagnosis robot, set up at the Yuhang District High-Tech Assistive Device Exhibition Experience Center and based on the Internet Hospital platform of the Company, can help disabled persons who are not convenient to go out communicate online with experts from tertiary hospitals and realize convenient online video consultations, follow-ups, and medication purchasing needs. It can also dynamically collect health data by connecting various home health monitoring devices to form digital health files, automatically generate detailed chronic disease intervention plans through the ClouDr AI chronic disease management system, and provide patients with scientific intervention guidance on lifestyle, nutrition, exercise, medication, etc. After leaving the ClouDr AI triage and diagnosis robot, disabled persons can still obtain online health services such as health popularization, online medical care, chronic disease management, and health management through the ClouDr Health APP, realizing self-service daily health management without leaving home.



6. SOCIAL ASPECT

In the way of being cutting-edge, intelligent and heart-warming, the Company effectively “eliminated” some medical barriers for disabled persons, opened up a “green channel” for medical treatment for disabled persons, and enabled disabled persons to enjoy convenient and efficient digital health management services at home, truly experiencing the convenience and “barrier-free” brought by medical technology.



Donated medicines through the China Charity Federation to aid Gansu and launched online charity consultation services to support the earthquake-stricken areas

Following the 6.2 magnitude earthquake in Jishishan County, Linxia Prefecture, Gansu Province in 2023, the Company promptly launched its emergency response to the disaster and immediately teamed up with the China Charity Federation to donate a large quantity of medical supplies and rush them to Gansu. The donated medical supplies included drugs for colds, fever reduction, cough relief, antiviral treatment, anti-inflammatory and pain relief, and etc., covering medications for adults and children. They were used to provide emergency rescue work in the severely affected areas of Gansu and to ensure the health and safety of the affected people. In addition, relying on its own resource advantages, the Company promptly launched a 7*24-hour free online consultation service, joining forces with doctors and experts from public hospitals across the country to provide free online consultation, medication advice, health popularization and other medical and healthcare services for the people in the disaster-stricken areas. This enabled the affected people to seek medical advice and medication anytime and anywhere, helping them overcome the difficult times.



6. SOCIAL ASPECT



APPENDIX: CONTENT INDEX FOR REPORTING GUIDE

Environmental, Social and Governance Reporting Guide		Report content
A: Environmental		
A1 Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Aspect — Overview
A1.1	The types of emissions and respective emissions data.	Overview; Green operation
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Green operation
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Medical wastes management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Medical wastes management
A1.5	Description of emission target(s) set and steps taken to achieve them.	Green operation
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.	Medical wastes management
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green operation
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).	Green operation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green operation
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green operation
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 Aspect — Overview
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Aspect — Overview
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Aspect — Overview
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Aspect — Overview
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.	Environmental Aspect — Overview
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.	Environmental Aspect — Overview



APPENDIX: CONTENT INDEX FOR REPORTING GUIDE

Environmental, Social and Governance Reporting Guide		Report content
B: Social		
B1 Employment		
General	(a) the policies; and	Employment and labor standard
Disclosure	(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.	
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment and labor standard
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and labor standard
B2 Health and Safety		
General	Information on:	Health and safety
Disclosure	(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 in each of the past three years including the reporting year.	Health and safety
B2.2	Lost days due to work injury.	Health and safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and safety
B3 Development and Training		
General	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent development and training
Disclosure		
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent development and training
B3.2	The average training hours completed per employee by gender and employee category.	Talent development and training



APPENDIX: CONTENT INDEX FOR REPORTING GUIDE

Environmental, Social and Governance Reporting Guide		Report content
B4 Labour Standards		
General	Information on:	Employment and labor standard; Employee recruitment and management provisions
Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and labor standard; Employee recruitment and management provisions
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and labor standard; Employee recruitment and management provisions
B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and labor standard; Employee recruitment and management provisions
Operating Practices		
B5 Supply Chain Management		
General	Policies on managing environmental and social risks of the supply chain.	Supply chain management
Disclosure		
B5.1	Number of suppliers by geographical region.	Supply chain management
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.	Supply chain management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
B6 Product Responsibility		
General	Information on:	Product responsibility
Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	Product responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Management
B6.4	Description of quality assurance process and recall procedures.	Product responsibility
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product responsibility



APPENDIX: CONTENT INDEX FOR REPORTING GUIDE

Environmental, Social and Governance Reporting Guide		Report content
B7 Anti-corruption		
General	Information on:	Anti-corruption
Disclosure	(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.	Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8 Community Investment		
General	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 investment and participation
Disclosure		
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment and participation
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community investment and participation

