



朝聚眼科
CHAOJU EYE CARE

Chaoju Eye Care Holdings Limited

Incorporated in the Cayman Islands with Limited Liability
Stock Code:2219



2021

Environmental, Social and Governance (ESG) Report

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About the Report >>

Scope of the Report

The scope of this report covers Chaoju Eye Care Holdings Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group", "we"). Unless otherwise specified, the scope of this report is consistent with that of the consolidated financial statements of the Company's 2021 annual report.

Company names and their abbreviations in the Report

Full names	Abbreviations
Baotou City Chaoju Eye Hospital Co., Ltd. * (包頭市朝聚眼科醫院有限公司)	Baotou Hospital
Chaoju (Inner Mongolia) Eye Hospital Co., Ltd. * (朝聚(內蒙古)眼科醫院有限公司)	Hohhot Hospital
Hulunbuir Chaoju Eye Hospital Co., Ltd. * (呼倫貝爾朝聚眼科醫院有限公司)	Hulunbuir Hospital
Chaoju (Chifeng) Eye Hospital Co., Ltd. * (朝聚(赤峰)眼科醫院有限公司)	Chifeng Hospital

* The English translation of the Chinese names denoted in this report is for illustration purpose only. Should there be any inconsistencies, the Chinese name shall prevail.

Note: The above table only lists subsidiaries that appear in the Report, but not the complete list of subsidiaries of the Group.

Time Range

This report is an annual report covering the period from January 1, 2021 to December 31, 2021. Some information that goes beyond this scope has been explained where it is involved.

Basis of the Report

This report is prepared with reference to the *Environmental, Social and Governance Reporting Guide* ("ESG Guide") (the version that has taken effect from January 1, 2022) set out in *Appendix 27* to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("Listing Rules").

Reporting Principles

This report follows the reporting principles of the ESG Guide, including:

■ The Principle of Materiality

According to this principle, this report identifies key issues to be addressed through stakeholder engagement and materiality analysis, and highlights matters related to environmental, social and governance ("ESG") matters that may have a significant impact on investors and other stakeholders.

■ The Principle of Quantification

According to this principle, this report discloses key quantitative performance indicators, explains the meaning of these indicators, and provides the basis for calculation and assumptions.

■ The Principle of Balance

According to this principle, the contents of this report reflect objective facts, and disclose indicators involving both positive and negative information.

■ The Principle of Consistency

According to this principle, this report explains the meaning of the disclosed ESG quantitative performance indicators, and describes the basis for their calculation and assumptions. The indicators are consistent as far as possible across different reporting periods to reflect trends in performance.

Data Description

The data and cases in this report are derived from the original records or financial reports of the actual operations of the Group.

The financial data in this report are denominated in RMB. In the event of any discrepancy between the financial data and the Company's annual report, the annual report should prevail.

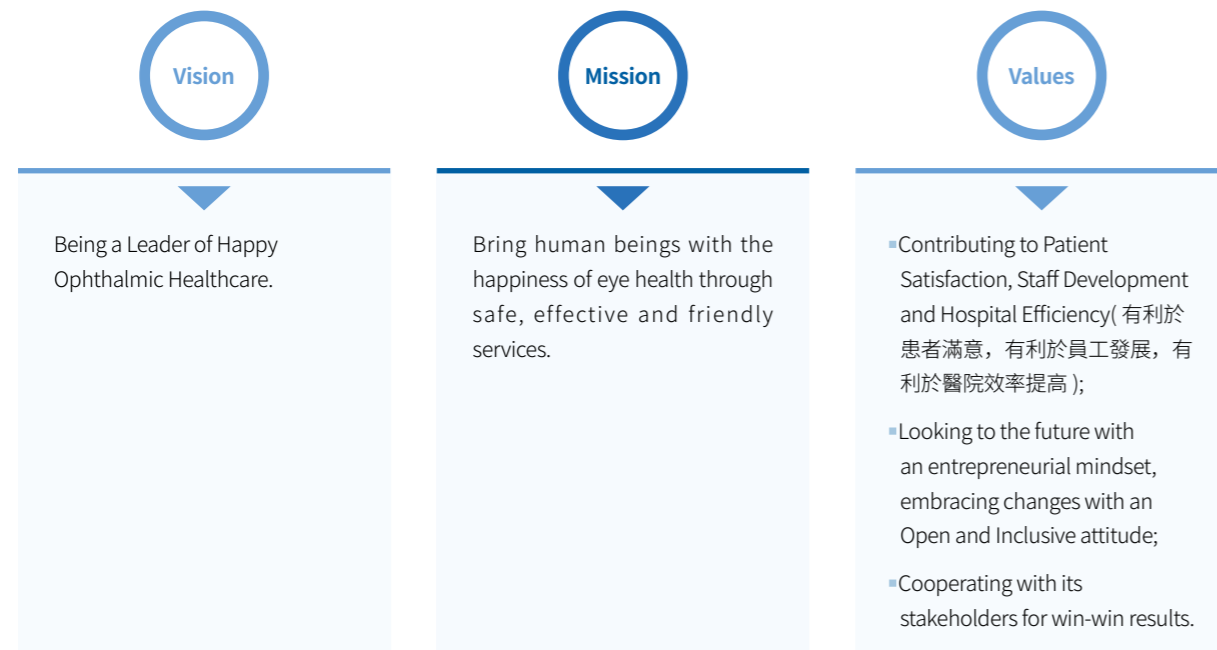
Reliability Guarantee

The Board of Directors of the Company (the "Board") warrants that the contents of the report are free from misrepresentations, misleading statements, or material omissions.

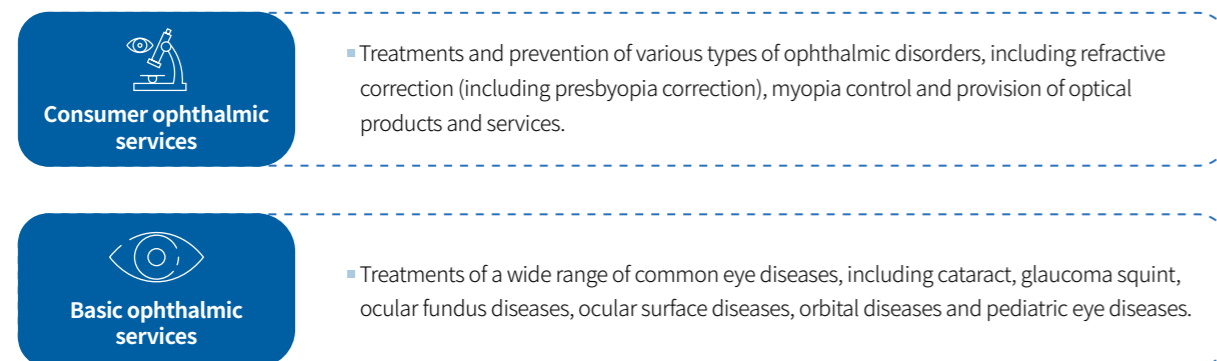
About Chaoju Eye Care >>

1.1 Corporate Profile

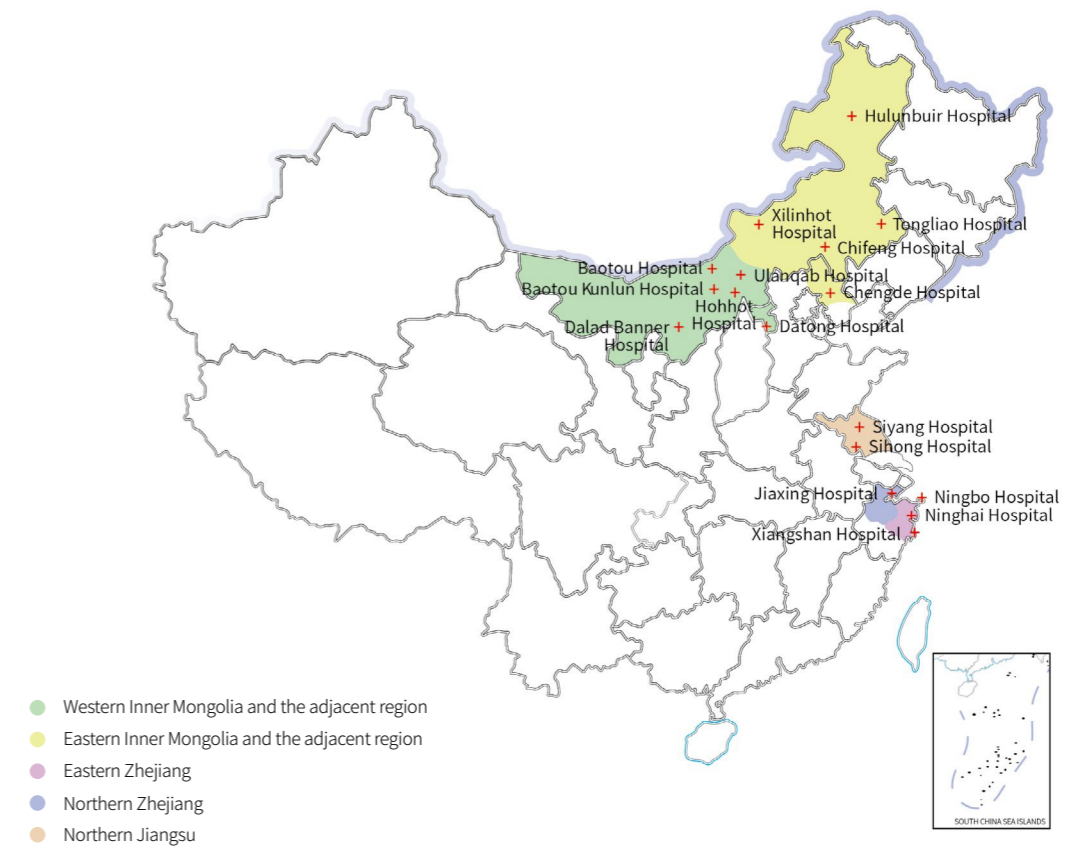
The Group is a leading ophthalmic medical service group in North China with a strong reputation nationwide. The Group adheres to the vision of "Being a Leader of Happy Ophthalmic Healthcare" (成爲全球快樂眼健康引領者) and has been providing its patients with safe, reassuring, joyful and pleasant ophthalmic medical services since its inception.



With the Group's high-caliber medical professionals as well as equipment and technology, the Group provides patients with consumer ophthalmic services, basic ophthalmic services and other medical services and products related to ophthalmic healthcare, and pays sustained attention to the development of ophthalmic healthcare.



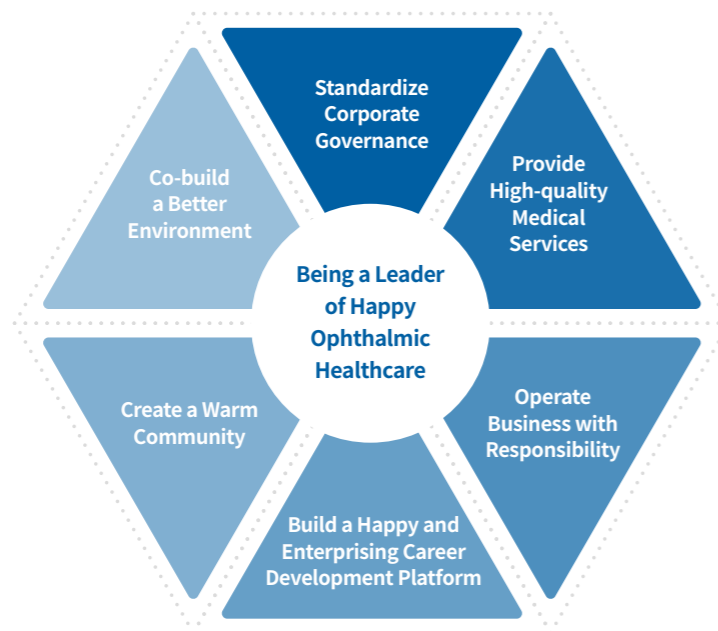
As of December 31, 2021, the Group established a network consisting of 17 ophthalmic hospitals and 24 optical centers , spanning across five provinces and autonomous region in China.



1.2 ESG Management

ESG Management Vision and Strategy

In 2021, adhering to the vision of "Being a Leader of Happy Ophthalmic Healthcare", the Group continued to focus on the development and value growth in the ophthalmology sector, identified six key areas related to our own operational development. Moreover, we have established and executed the ESG strategies for the high-quality development of the Group.



Key areas	ESG management strategies
Standardize Corporate Governance	<ul style="list-style-type: none"> Promote stable and sound corporate governance Create transparent and proactive information disclosure Optimize risk management and internal control systems
Provide High-quality Medical Services	<ul style="list-style-type: none"> Improve medical service quality and safety, and create a culture of medical quality Protect patients' rights and interests, and enhance the patient satisfaction Provide patients with safe and reliable medicines Improve the management of discipline construction, and work together with the industry to improve medical technologies

Key areas	ESG management strategies
Operate Business with Responsibility	<ul style="list-style-type: none"> Create culture of business ethics Adhere to responsible marketing, ensure the legal compliance and authenticity of medical advertising Attach importance to information security and privacy protection Promote the sustainable development of the supply chain
Build a Happy and Enterprising Career Development Platform	<ul style="list-style-type: none"> Protect the legitimate rights and interests of employees Provide a safe and healthy working environment for employees Create a multi-layered employee training system, and promotion and development channels
Create a Warm Community	<ul style="list-style-type: none"> Participate in the development of community health service systems Respond to and meet the needs of society
Co-build a Better Environment	<ul style="list-style-type: none"> Improve environmental management Participate in actions on coping with climate change

ESG Management Framework

The Group attaches great importance to ESG management, and sets up a top-down ESG governance framework and management mechanism. The Board is responsible for the ESG issues of the Group by supervising and assessing the management of the Group's ESG matters. Each functional department carries out the ESG work and reports the ESG progress to the Board regularly. The Group plans to establish an ESG Committee in 2022 to better formulate and implement the Group's ESG management strategies for a good ESG management.

ESG Responsibilities of the Board

- Assess and determine the ESG related risks and opportunities of the Group;
- Guide and review the identification and ranking of material ESG issues of the Group;
- Supervise and approve the Group's ESG strategies; and
- Examine and approve the information disclosed in the ESG reports of the Company.

There are certain challenges in the disclosure of some ESG performance targets, as the Group's ophthalmic hospitals and optical centers are distributed in many provinces and autonomous region. The Group plans to put forward quantitative performance targets in terms of energy use, water resource utilization and greenhouse gas emissions in order to achieve continuous improvement of the Group's ESG management and performance.

ESG Issue Management

The Group is committed to establishing communication mechanisms with stakeholders, which are defined as individuals or groups that affect or are affected by our operations, such as government and regulatory authorities, shareholders and investors, patients and employees. The Group communicates with stakeholders through websites, media, conferences, reports, events, and other channels, trying to know and meet their expectations and demands. The Group also incorporates the issues of concern of stakeholders into the Group's operation and decision-making process in an effort to enhance the Group's operational management capabilities and sustainable development capabilities.

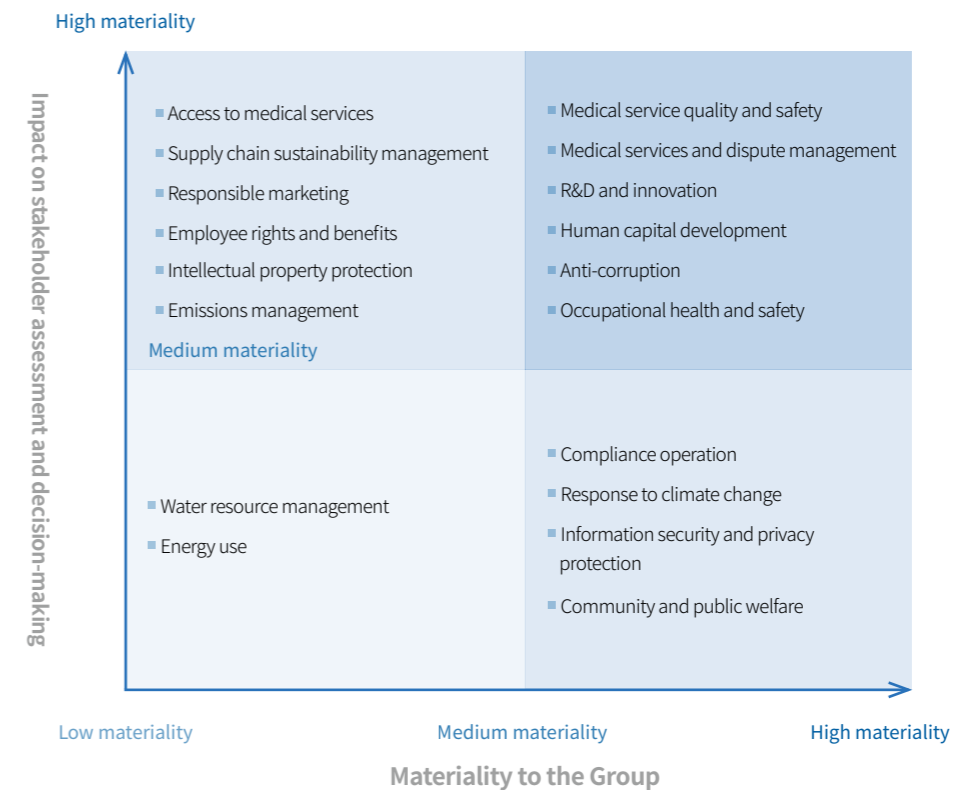
Key Stakeholders	Issues of Concern	Communication and Response
Shareholders and Investors	Economic performance, corporate governance, compliance operation, anti-corruption, risk management, intellectual property protection	Shareholders' meetings, financial reporting, anti-corruption management, etc.
Patients	Medical service quality and safety, medical service and dispute management, responsible marketing, information security and privacy protection, R&D and innovation	Medical service quality management system, customer satisfaction survey, information security management system, customer privacy protection measures, scientific research innovation
Government and Regulatory Authorities	Compliance operation, response to climate change, Medical service quality and safety, medical services and dispute management, anti-corruption	Institutional investigations, official correspondence, policy implementation, information disclosure, etc.
Employees	Human capital development, occupational health and safety, employee rights and benefits	Employee activities, employee handbook, employee training, employee assessment and promotion, etc.
Suppliers	Supply chain sustainability management, compliance operations, anti-corruption	Supplier management system, transparent and fair procurement
Community Public	Emissions management, energy use, water resource management, community and public welfare, anti-corruption, access to medical services	Community voluntary clinics, knowledge lectures, social welfare projects, strengthened environmental management, etc.

In 2021, the Group followed "The principle of materiality" in the ESG Guide issued by The Stock Exchange of Hong Kong ("SEHK") to conduct material issue analysis based on our own business and operating characteristics.

Material Issue Analysis Procedures



Matrix of material issues



Standardize Corporate Governance >>

2.1 Corporate Governance

Governance Framework










The Group strictly abides by *the Companies Act (2021 Revision) of the Cayman Islands*, *the Company Law of the People's Republic of China* (《中華人民共和國公司法》), Listing Rules and other relevant laws and regulations, and has formulated *the Memorandum and Articles of Association* (hereinafter referred to as "Articles of Association"), *the Terms of Reference of the Nomination Committee of the Board* (the "Nomination Committee"), *the Terms of Reference of the Remuneration Committee of the Board* (the "Remuneration Committee"), *the Terms of Reference of the Audit Committee of the Board* (the "Audit Committee"), and other management systems to regulate corporate governance. Besides, the Group has also established a corporate governance framework composed of Shareholders' meeting, the Board and its committees, and senior management.



The Group convenes the shareholders' meetings and board meetings to guarantee successful operations of the Group according to the Articles of Association. The shareholders' meeting and the Board carry out management and decision-making according to the normative operating rules and internal systems, and the committees of the Board perform their duties to further achieve standardized management and benign development.

The Company has adopted a board diversity policy (the "Board Diversity Policy") which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance the effectiveness of the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a number of factors when selecting candidates to the Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

Composition of the Board and Convening of Meetings in 2021

Composition of the Board	Convening of Meetings
 12 Directors in the Board	 2 times for the Board
 4 executive Directors	 2 times for the Audit Committee
 4 non-executive Directors	 1 time each for the Remuneration Committee and the Nomination Committee
 4 independent non-executive Directors	 A total of about 12 proposals and reports were deliberated, reviewed, or adopted
 3 female Directors	

Information Disclosure

Adhering to fairness, the Group performs its obligations in information disclosure in strict accordance with laws and regulations, as well as relevant provisions of the Securities and Futures Commission (SFC) and SEHK. The Group also establishes management systems such as *the rules regulating information disclosures* and *the Management System for Internal Information Transmission* to standardize the information disclosure, and discloses information that has a significant impact on the decision-making of shareholders and other stakeholders proactively and timely in an effort to enhance the Group's transparency and to safeguard the legitimate rights and interests of investors and shareholders.

In 2021, the Company disclosed information on the Group's operating results, financial status, and major decisions in a timely, accurate and standardized manner, with no violations of the Listing Rules and the Articles of Association of the Company.

2.2 Comprehensive Risk Management and Control

The Group is committed to building a comprehensive risk management system featuring "complete system, clear procedure, checks and balances of power and smooth operation", so that the Board, the Audit Committee, the management, the executives and all employees can work together in the risk management to accurately identify, carefully assess, dynamically monitor and timely respond to risks such as liquidity risk, market risk and reputation risk in operation.



The Group has established a sound risk management procedure, requiring all relevant departments to accurately identify, carefully assess, dynamically monitor and timely respond to risks within the scope of their duties, and perform their responsibility of risk control.



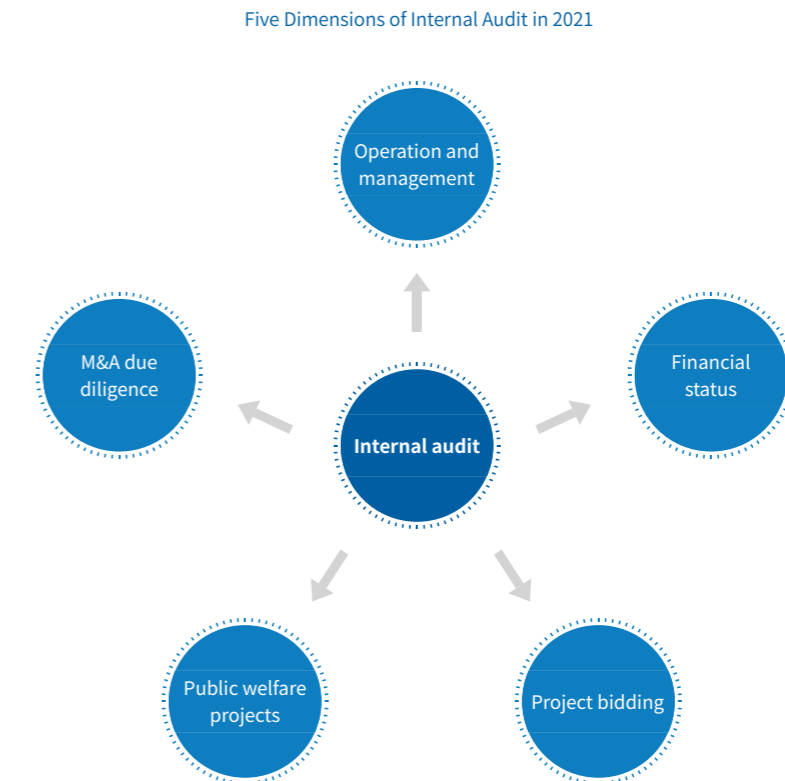
Besides, we continue to advance the development of risk culture, convey the concept of risk control to all employees via the release of posters, improve the risk prevention and control awareness of all employees, and implement risk control related measures in the actual work to improve the level of risk prevention and control.

2.3 Effective Internal Control

Internal control is a cornerstone for risk management. Guided by the risk management, the Group establishes a sound internal control system, formulates *the Management System for Decision-making on Major Matters* and other management systems in strict accordance with the regulatory requirements such as the *Corporate Governance Code*, attempting to improve the internal control system and suit the development of the Group, to standardize the Group's operations and investment behaviors, and thus to enhance the Group's overall risk prevention ability.

In order to regularly inspect the Group's operation and management process and implement the internal control, the Group conducts audit through internal audit departments, gives play to its role in comprehensive internal supervision, and promotes the Group's compliance operations for the steady development.

In 2021, the internal audit department of the Group conducted an internal audit on the operation and management, financial status, project bidding, public welfare projects, and M&A due diligence of the affiliated hospitals and optical centers, and made reasonable assessments on their authenticity, rationality and legality, providing useful and reliable audit information for management and guarantying the safety of business operations.



Provide High-Quality Medical Service >>

3.1 Medical Quality and Safety

Medical Quality Management System

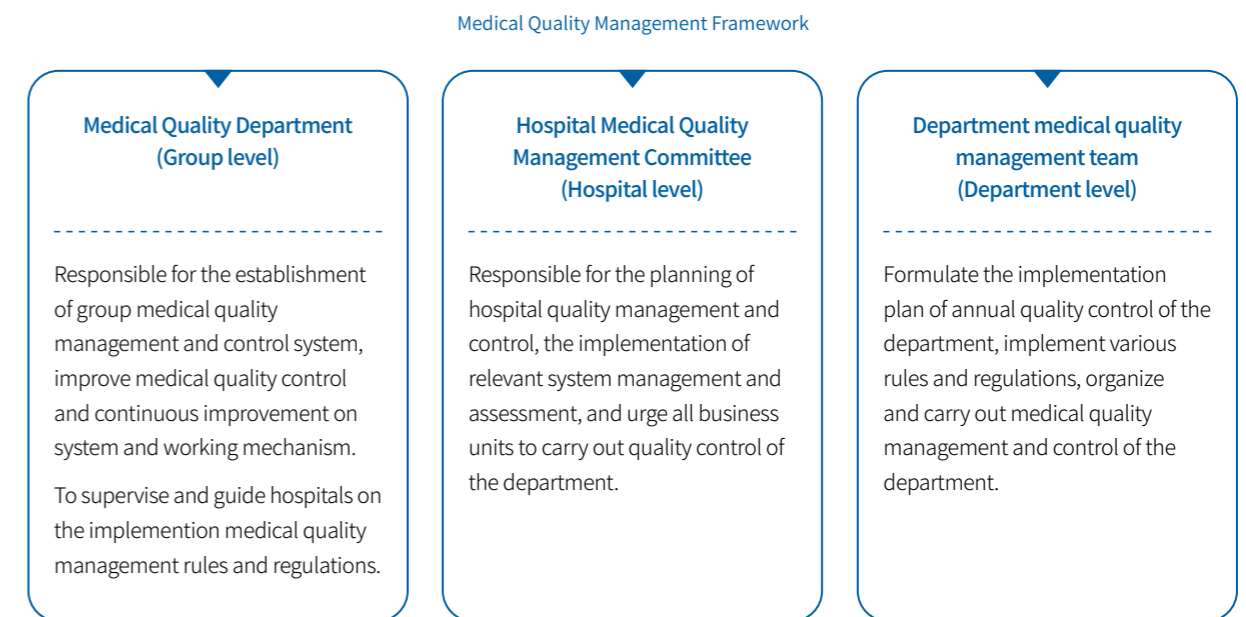
The Group is principally engaged in the (i) provision of in-patient and out-patient ophthalmic medical services in the PRC; and (ii) sales of optical products in the PRC. The Group adheres to the concept of happy service, providing friendly, high-quality, full-cycle eye health services and continuously improves the level of medical quality management to effectively ensure the safety and stability of the Group's medical services, which further enhances our market competitiveness while providing patients with high-quality medical services.

The Group strictly abides by the *Measures for the Administration of Medical Quality* (《醫療質量管理辦法》), and other applicable laws and regulations, establishes a sound medical quality management system, and continuously guarantees the medical quality and safety of the Group through the medical quality control procedure, medical quality control team, continuous supervision and improvement, and medical quality culture construction.



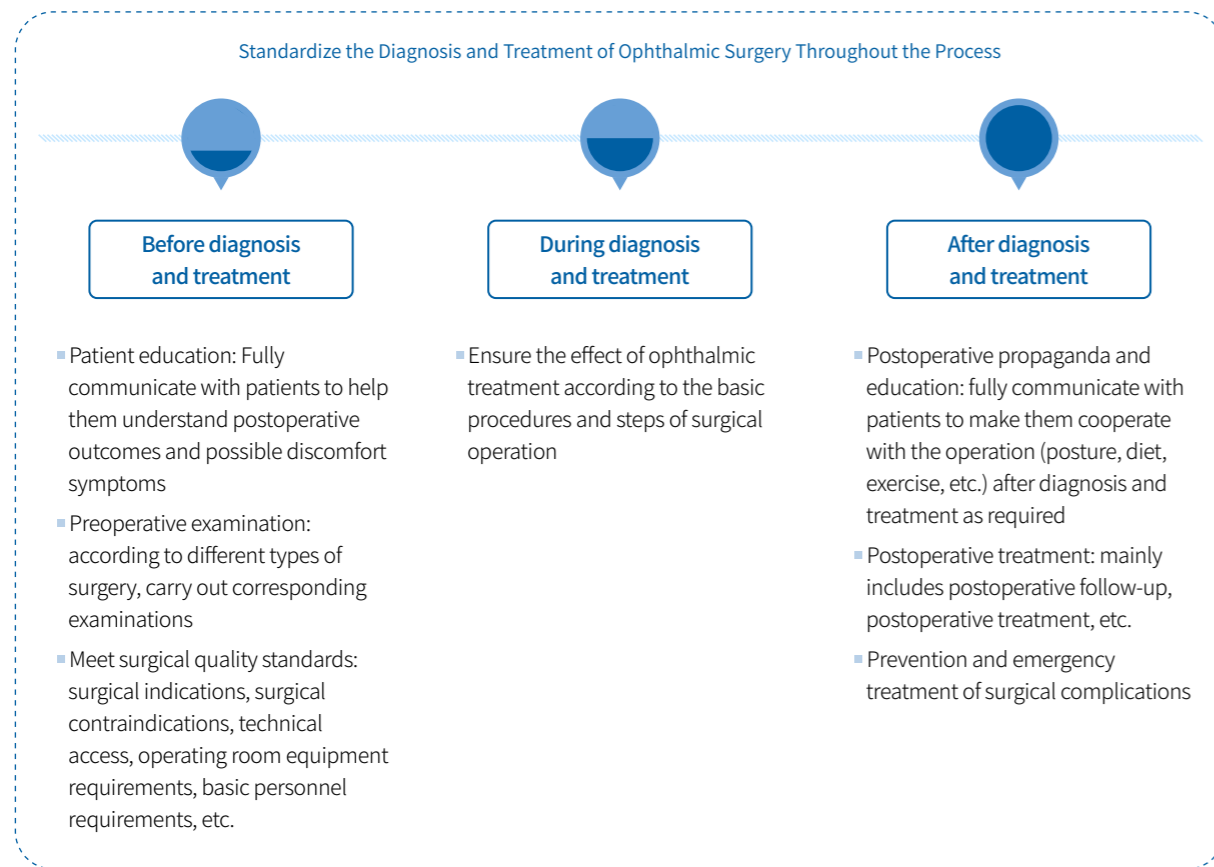
The Group formulated *Medical Quality Management Measures*, *Medical Safety (Adverse) Event Reporting and Management System*, guide the affiliated hospitals of the Group to strengthen the development of core systems for medical quality and safety, so as to ensure medical quality and medical safety. Besides, we formulated ten patient safety goals, and asked all affiliated hospitals of the Group to strengthen the management of patient safety goals, set up a "patient safety goals" management leading group, allocated the goals, implemented them into ordinary course of medical work, and reduced safety problems and medical risks in hospital management and medical work.

The Group has established a medical quality management framework at three levels: the Group, the hospitals and the departments. The Group also continuously promotes the development of medical quality control to provide patients with high-quality medical services.



In terms of ensuring the quality of purchased medical supplies, the Group has formulated management systems such as the *Administrative Measures for the Procurement, Acceptance and Warehousing of Medical Materials according to the relevant provisions of the Regulation on the Supervision and Administration of Medical Devices* (《醫療器械監督管理條例》). These documents clearly require management for the procurement, acceptance and warehousing of drugs, instruments, medical equipment and consumables, and other medical supplies used in the human body alone or in combination, and the implementation of relevant reward and punishment system.

The structure of the eye is complex and delicate, and ophthalmic surgery has high requirements on the doctor's clinical level, operation standards and medical devices. In terms of treatment plan control, the Group has formulated improved ophthalmology-related diagnosis and treatment specifications, surgical treatment standards, technical operation specifications and other technical documents, including *Cataract Phacoemulsification Operation Standards*, *Primary Angle-Closure Glaucoma Diagnosis and Treatment Specifications*, *Corneal Transplantation Surgery Specifications*, etc., so as to improve the quality of diagnosis and treatment to ensure the treatment effect through standardizing the clinical diagnosis and treatment behavior of ophthalmologists before, during and after the process of diagnosis and treatment.



In addition, for cases of certain complexities in diagnosis and treatment, the Group has formulated *the Implementation Plan for the Intractable Diseases Consultation Center and the Difficult Cases Discussion System* to strengthen the management of complicated cases consultation, standardize the discussion of complicated cases, strengthen the communication between disciplines and between doctors, improve the clinical diagnosis thinking and skills of medical staff, enhance the quality of medical services, and help patients get accurate diagnosis and effective treatment on time.

In order to better manage the consultation of complicated cases, the Group has set up a consultation center for intractable diseases, determining the specific time for expert consultation according to the disease conditions and requirements of the patient, and managing the consultation process. Moreover, we plan to establish remote consultation centers in a standardized manner to improve the accessibility of high-quality eye care services and protect the eye health of more patients.

1. Data source: Ke, Yao, Yanan, et al. The incidence of postoperative endophthalmitis after cataract surgery in China: Chinese Journal of Ophthalmology, 2013.

Take Effective Measures to Keep the Incidence of Endophthalmitis Low

The Group has effectively reduced the incidence of endophthalmitis by strengthening management of personnel, facilities and equipment, environment, supervision and quality control, etc., and by communicating with well-known medical institutions in China to exchange medical technology and experience. In 2021, the incidence of postoperative infectious endophthalmitis after cataract surgery in our group was 0.008%, lower than that in large ophthalmic institutions in China (0.033%¹).

Medical Safety Adverse Event Management

Medical safety adverse events refer to any factors and events that may affect the diagnosis and treatment results of patients, increase the pain and burden of patients, and may cause medical disputes or medical accidents in clinical diagnosis and treatment activities and hospital operations, as well as those that may affect the normal operation of medical work and the personal safety of medical staff. The Group has formulated the *Medical Safety (Adverse) event Reporting and Management System* to standardize the reporting and management of medical safety adverse events, promote the continuous improvement of medical quality, and guarantee medical safety.

The Group divides medical safety adverse events into Grades I – IV, and formulates corresponding management requirements according to different grades of medical safety adverse events. The Group adheres to the mandatory reporting management of Grade I and Grade II events, and the encouraging reporting management of Grade III and Grade IV events. In view of medical safety adverse events, we have formulated a sound treatment process to eliminate the impact of adverse events in a timely manner and continuously improve the quality and safety of medical care.

Building of Medical Quality Culture

In order to comprehensively improve the medical service of medical staff, the Group and its affiliated hospitals regularly carry out trainings for medical staff on medical and health laws and regulations related to diagnosis and treatment to strengthen the construction of medical quality culture. In 2021, the Group and its hospitals carried out multiple trainings related to the medical service quality and safety to different types of employees, including the content related to the prescription review specifications and prescription comments of medical institutions, the use and management of anesthetic drugs and psychotropic substances in medical institutions, the analysis and countermeasures of drug safety hazards for ophthalmic patients, and the safe injection.

Medical Quality and Safety Training in 2021

Types of training	Training contents	Types of employees covered
Group level	Regulations relevant to the legitimated practices of medical institutions, clinical laboratory "SOP documents" and quality control management, electronic medical record writing specifications, medical imaging quality control management, surgical grading management, etc.	The quality directors, the members of the Medical Administrative Department, and the directors of related departments of each hospital
	Analysis and countermeasures of potential drug safety hazards for ophthalmic patients, safe injection, how to well perform secondary quality control, pre-consultation check in specialized hospitals, etc.	The quality directors, the members of the Hospital-Acquired Infection Control Department and the Nursing Department, and the head nurse of related departments of each hospital
Hospital level	Basic knowledge of ophthalmology, knowledge of emergency first aid, core system, etc.	Doctors, medical technicians of each hospital

Types of training	Training contents	Types of employees covered
Hospital level	Basic knowledge of ophthalmology, ophthalmic nursing practice specifications, emergency drills, etc.	Nurses of each hospital

Hospital-Acquired Infection Prevention

Hospital-acquired infection (nosocomial infection) management is a crucial management link for medical staff in their medical practice. The Group has established a sound quality control system for hospital-acquired infection and strictly complies with it, so as to prevent accidental contamination of the skin, eyes, mucous membranes by infectious substances in the diagnosis, treatment, experimentation and nursing work, or puncture of the skin by needles and other sharp objects containing infectious blood, body fluids, etc., thus causing iatrogenic infections to medical staff and other patients.

The Group formulated management systems such as *the Hospital-Acquired Infection Management and Control Manual*, established an organizational framework for the management of infection in the Group and hospitals, and standardized the management of hospital-acquired infections from top to bottom. The hospitals affiliated to the Group have established a three-level hospital-acquired infection management system, involving the Hospital-acquired Infection Committee, the Hospital-acquired Infection Control Department, and the Hospital-acquired Infection Control Team. The Hospital-acquired Infection Management Committee should make decisions on controlling hospital-acquired infection. The Hospital-acquired Infection Control Department and the Hospital-acquired Infection Control Team should implement relevant decisions to effectively manage the infection control situation in hospitals.

In addition, the affiliated hospitals regularly carry out hospital-acquired infection training for employees to further enhance the awareness of medical staff in the prevention and control of hospital-acquired infection. For newly recruited medical staff, the training on basic knowledge of hospital-acquired infection is carried out every six months; for the medical and nursing technicians, laborers, marketing and other personnel, the comprehensive management knowledge of hospital-acquired infection is carried out once a month, including hand hygiene, medical waste, disinfection and isolation, etc.; for the care workers, cleaners, security guards and other personnel, training is carried out every six months to help employees strengthen their own protection and improve the hospital-acquired infection prevention and control capabilities.

During the COVID-19 pandemic, in order to further improve the prevention and control of COVID-19 infection, and the prevention hospital-acquired infections and occupational exposure of hospital personnel, the affiliated hospitals of the Group have improved internal prevention and control system and procedures, strengthened the infection control management of outpatient, emergency departments and ward, provided protective equipment for staff in various positions and strengthened the management of hospital-acquired infection to continuously ensure medical safety.

Measures for the Prevention and Control of COVID-19 in the Group



3.2 Medical Services Quality

Patient Satisfaction Management

The Group adheres to the core values of "Contributing to Patient Satisfaction, Staff Development and Hospital Efficiency", attaches importance to the improvement of patient satisfaction, and formulates systems such as *Hospital Service Quality Management Measures* and *Service Adverse Event Management System* to promote the continuous development of hospital service work, amelioration of service level, and improvement of patient satisfaction.

The Group has established a service management committee directly led by the chief executive officer of the Company, which is responsible for the formulation of service policies, goals, and assessment indicators. At the same time, the Medical Quality Department is responsible for the implementation of service management, and the Service Manager carries out service supervision on the development and improvement of service work in each hospital. Each of the affiliated hospitals has formed a service improvement team headed by the director of the hospital to carry out the planning, service innovation and daily supervision of hospital service work, promoting the continuous improvement of hospital service quality.

In order to provide patients with better diagnosis and treatment services, and reduce the occurrence of service adverse events, the Group has formulated the *Service Adverse Event Management System*, which clarifies the reporting of hospital service adverse events reporting process, improves the efficiency of hospital service adverse event reporting and handling, timely discovers the service defects in hospitals, and continuously improves service quality.

In the process of daily hospital visits, patients can feedback on their experience and complaints to the hospital through various methods including satisfaction surveys, on-site inspections, and publicized complaint channels. Each hospital strictly abides by the process of handling service adverse events. After understanding the service needs of patients, each hospital carries out investigation and analysis of risks in the service process, proposes specific remedial measures, solves problems for patients, timely introduces new policies and regulations, and continuously improves the continuous improvement of the service system.

In addition, the hospitals affiliated to the Group carry out hospital-wide service training every year, hold monthly service quality meetings, and each department holds a weekly department quality meeting to comprehensively promote the continuous improvement of the service system.

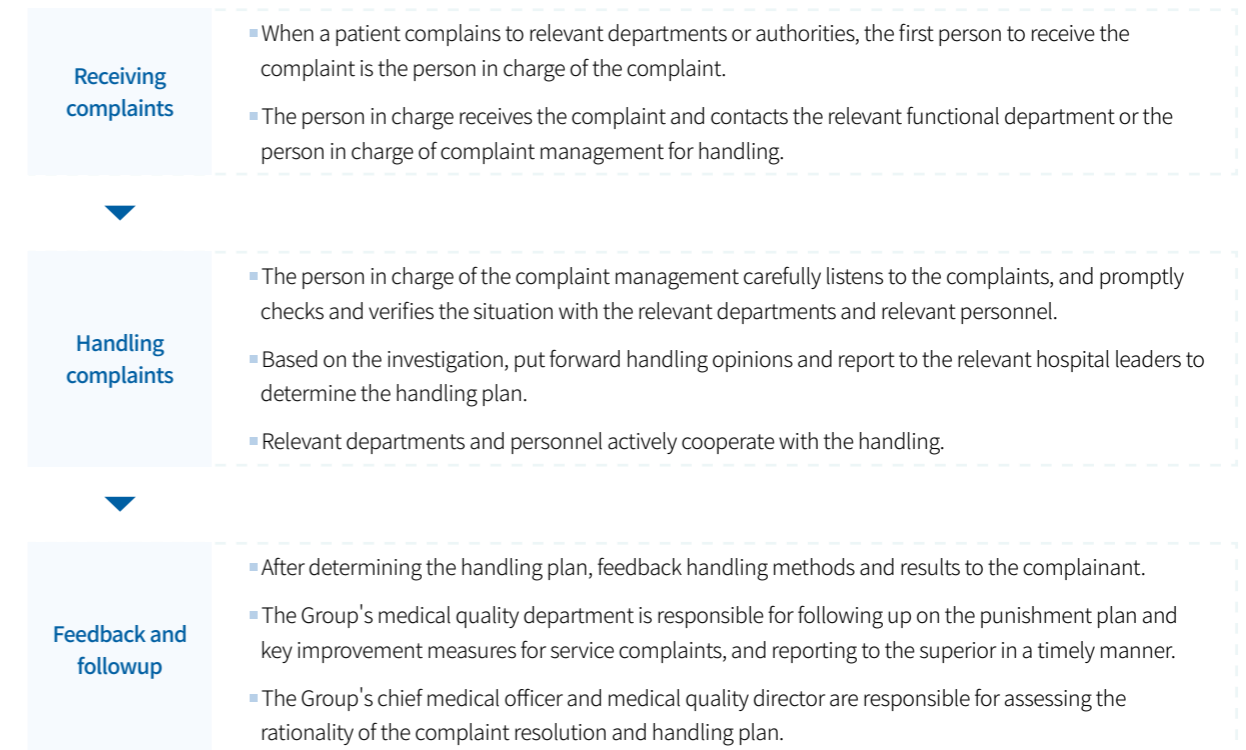
Protection of Patient Rights and Interests

In order to fully protect the rights and interests of patients, the Group has opened a variety of complaint channels, including letters, phone calls, visits, online channels, etc., to ensure the timely handling of different types of complaints and protect the rights and interests of patients.

According to *the Regulation on the Prevention and Handling of Medical Disputes* (《醫療糾紛預防和處理條例》), *the Measures for the Administration of Medical Quality* and other laws and regulations, the Group has formulated systems such as *the Measures for the Prevention and Management of Medical Disputes*, *the System for Patient Return Visits*,

and *the Hospital Complaint Management System* to regulate the handling of medical disputes, avoid the occurrence of medical disputes, and safeguard the rights and interests of patients. In 2021, the Group was not penalized for violating any laws and regulations related to medical services. The Group follows up and handles patients' inquiries and complaints in a timely manner according to the relevant systems, and the handling rate is 100%.

Complaint Handling Procedure



Patient Education

The hospitals affiliated to the Group help more patients understand the prevention and treatment of myopia, eye diseases, ophthalmic surgery and other contents through popular science articles, live broadcasts, videos, offline activities, etc., and strengthen the communication between doctors and patients. In 2021, we have made full use of the Internet and hold various public welfare patient education activities covering more than 3 million people.

Patient Education in 2021 (Cases)

Activities	Descriptions
"All Chaoju, SMILE - Colorful Winter Olympics, Race Against the Clock"(全朝聚, 全飛秒——睛彩冬奧, 爭分奪秒) SMILE live broadcast	<ul style="list-style-type: none"> Details:To remove glasses for athletes, sports enthusiasts and people from all walks of life who are troubled by glasses, the whole process of SMILE surgery was shown through the live broadcast of surgery, allowing the audience to get close to and understand the surgery.

Activities	Descriptions
"Challenge zero growth in the glasses degree, Chaoju Eye Care has a high trick"(挑戰度數零增長朝聚眼科有高招) live broadcast	<ul style="list-style-type: none"> Details: The live broadcast was pre-warmed through online media and offline channels, and the hospital and myopia prevention and control center were displayed in an all-round way. During the live broadcast, we invited myopia prevention and control experts to answer questions about myopia prevention and control for parents.
"Winning the college entrance examination, extra points to the dream"(贏戰高考為夢加分) 2021 college application online expert meeting	<ul style="list-style-type: none"> Details: We invited well-known college application experts to teach college entrance examination candidates how to apply for colleges, and the Group's refractive experts explained the vision requirements of various majors of the college application and the vision requirement of conscription, as well as myopia surgery-related explanations.

3.3 Drug Quality and Safety

Whole Process Management of Preparations

Baotou Hospital is the one-and-only ophthalmic hospital in Inner Mongolia with a preparation room to produce hospital-made traditional Chinese medicine capsules and eye drops. It is also one of the few medical service providers in China that are qualified to produce 0.01% atropine sulfate eye drops to be prescribed within the respective hospitals to control myopia among adolescents.

Baotou Hospital strictly abides by the *Pharmaceutical Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Pharmacopoeia of the People's Republic of China 2020* (《中華人民共和國藥典(2020版)》) and other relevant regulations, technical guidelines and quality standards. It has formulated regulations such as the *Standard Management Procedure for Batch Quality Evaluation and Release in Preparation Room*, the *Standard Operating Procedure for Handling Unqualified Materials in Preparation Room*, and the *Standard Operating Procedure for Handling Unqualified Finished Products in Preparation Room*. Besides, it has established a quality management system covering the whole life cycle of the drug. During the reporting period, there were no incidents in the Group in which products were subject to product recalls for safety and health reasons, nor were there any litigation cases arising from the above matters.

Baotou Hospital has established standard operating management procedures for quality evaluation and release from raw materials and excipients, packaging materials, and intermediates to finished products, so as to ensure the quality level of drugs in the whole process. During the production process, Baotou Hospital randomly samples the finished products. Before approval and release, the quality evaluation of each batch of drugs is carried out to ensure that the drugs and the production process are meeting the registration and system requirements. After all production records and quality records meet the requirements, they are handed over to the relevant personnel in the inspection room to make a conclusion that they agree to the release of the batch of finished products, and then the products can be released and put into use.

Furthermore, Baotou Hospital has formulated the *Corrective and Preventive Actions Management System* to identify promptly potential risks and take preventive actions to make the quality of the products meet the quality standards. Baotou Hospital has established a quality management team to establish and maintain a corrective and preventive action (CAPA) system, and to approve, change and follow up on CAPA work.

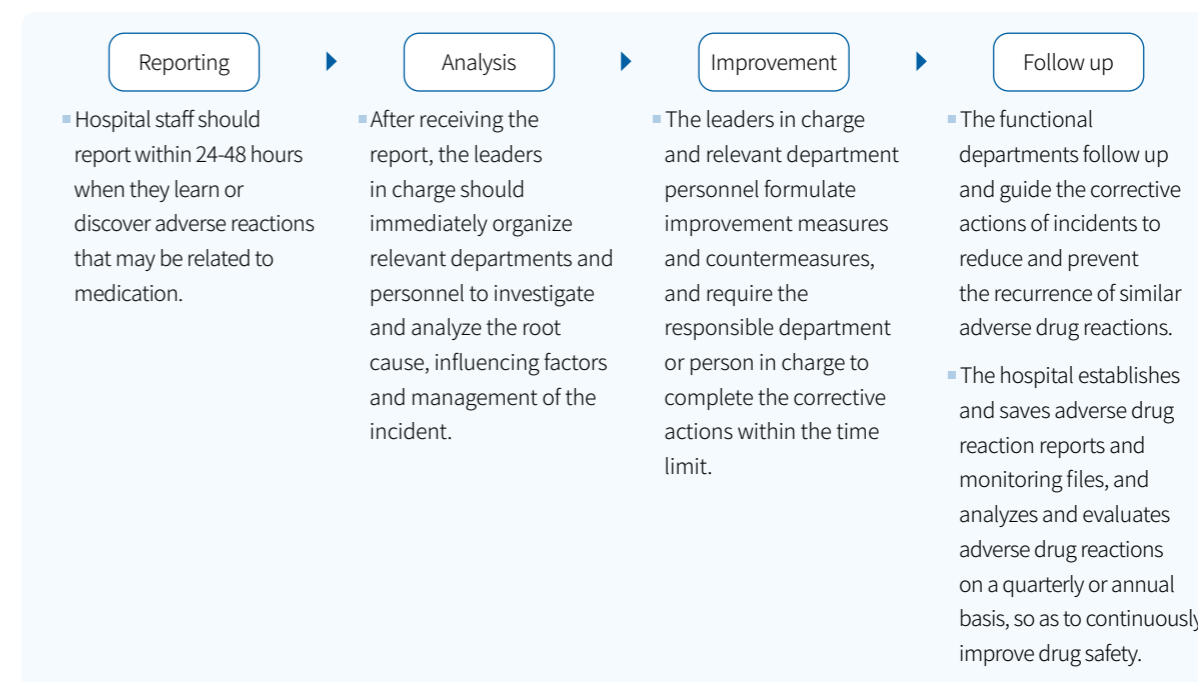
Corrective and Preventive Action Procedure

Formulation and Implementation	<ul style="list-style-type: none"> According to the results of the investigation and analysis, the responsible person should formulate the corrective and preventive actions required to eliminate the causes of non-conformity.
Supervision and Validation	<ul style="list-style-type: none"> The quality management team supervises and inspects the implementation of corrective actions and validates their effectiveness within a limited time; Validators evaluate the effectiveness of corrective actions.
Adaptability Review for Procedural Documents	<ul style="list-style-type: none"> After the completion of the corrective and preventive actions, the quality management team organizes a adaptability review for the procedural documents related to corrective and preventive actions.
Confirm Corrective Measures	<ul style="list-style-type: none"> Identify the rationality and effectiveness of the implementation of corrective actions according to the conditions for confirming the completion of all corrective actions in the <i>Corrective and Preventive Actions Management System</i>, and avoid the recurrence of similar problems.

Management of Adverse Drug Reactions

According to the relevant provisions of laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Provisions for Adverse Drug Reaction Reporting and Monitoring* (《藥品不良反應報告和監測管理辦法》), the Group has formulated the *Adverse Drug Reaction Monitoring and Reporting System* based on the characteristics of ophthalmic hospitals to standardize the reporting and monitoring of adverse drug reactions, control timely and effectively drug risks, and ensure the safety of public medication.

Adverse Drug Reaction Handling Process



Product Recall System

To fulfill the responsibility for patient safety, the Group has formulated the "Drug Recall Management System" to regulate the management of drugs found in clinical practice in each hospital and have been confirmed to have quality problems by the authoritative drug testing authorities. Upon receiving notification of an emergency drug recall, the hospitals of the Group will recall the designated products in a timely manner and conduct them to a designated location for storage. After testing, the staff of the preparation room will issue the opinions based on clinical feedback and test results. The drugs are recalled due to quality problems will be destroyed under the supervision of the staff of the preparation room, and products involving other product batches will also be treated at the same time, and every procedure of drug recall will be recorded.

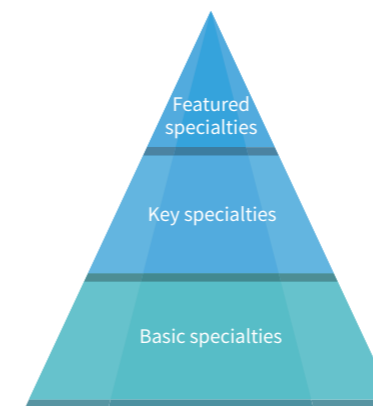
3.4 R&D and Innovation

Discipline Construction

The Group believes that the level of discipline construction directly reflects the medical quality, technicality, academic status, and comprehensive competence of the hospital. In order to standardize the discipline construction of affiliated hospitals, promote the development of clinical technology, clinical scientific research and talent echelon construction of each hospital, and achieve the development goal of "Being hospitals with brand influence, featured specialties and influential experts" (醫院有品牌、專業有特色、專家有影響). The Group has formulated *the Discipline Construction Management System* to promote the scientific planning of discipline development and strengthen the development and progress of medical science and technology in medical practice.

The Group has established a sound discipline construction management framework and effectively managed the discipline construction work. At the Group level, we build the Discipline Construction Committee, which takes charge of the overall discipline planning and construction of the Group, formulates the discipline construction system, and guides and deliberates the discipline development and talent training of each hospital. The Committee has set up various specialty groups, which are responsible for the development planning of the specialty, the formulation of technical specifications or guidelines, talent training, professional training, and the promotion of new technologies. In addition, the hospitals affiliated to the Group have set up hospital discipline construction committees and various professional disciplines to study and formulate matters related to the planning and management of hospital disciplines.

The Group adheres to the construction of discipline echelons as the core. Based on the existing professional direction of ophthalmology, the Group focuses on the improvement of medical technology level and talent training, builds scientific research platforms as the carrier, promotes each hospital to position the discipline and professional development direction according to its own strategic goals, and builds a discipline construction system at three levels of basic specialties, key specialties and featured specialties to give full play to the role of demonstration and technical radiation, thus vigorously promoting the development of the overall ophthalmology discipline of the Group.



Discipline Construction System

Featured specialties: Special ophthalmology specialties with outstanding features, good basic conditions, and development potential.

Descriptions: Aim to construct domestic leading and international first-class disciplines, strive to develop featured technologies, and promote the gathering of outstanding talents.

Key specialties: Ophthalmology specialties with high incidence, good basic conditions, and strong competence.

Descriptions: Aim to construct provincial and municipal and cross-regional key specialties, cultivate first-class discipline leaders and academic backbone groups at the municipal, provincial, and national levels.

Basic specialties: General ophthalmology specialties with a high incidence.

Descriptions: Aim to construct municipal advantageous majors, and improve the comprehensive diagnosis and treatment level of doctors.

The Group focuses on the development of ophthalmology, is committed to improving clinical research capabilities, formulates management systems such as *the Academic Research Paper System* and *Scientific Research Project Application and Approval System*, and encourages medical staff in hospitals to continuously carry out scientific research work and continue to explore medical technology innovation by publishing papers and applying for scientific research projects. In 2021, the Group published a total of 36 papers, including 8 SCI papers, 7 papers in core journals and 21 papers in general journals. The Group also applied for 2 provincial-level projects and 3 municipal-level projects.

Intellectual Property Management and Protection

The Group strictly abides by *the Civil Code of the People's Republic of China* (《中華人民共和國民法典》), *the Patent Law of the People's Republic of China* (《中華人民共和國專利法》), *the Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), *the Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》) and other relevant laws and regulations. The Group has established an intellectual property-related management system to standardize its own intellectual property management and prevent infringement of the intellectual property rights of others. The Group clarifies that the hospital is the unit on which the owner of the intellectual property rights is based during the contract period, and the ownership of relevant works and patents belongs to the individual and the hospital. In 2021, the Group was not punished by the relevant authorities for infringing the intellectual property rights of others.

The Group attaches great importance to scientific research and innovation, encourages employees to participate in R&D and innovation and to declare patents in a timely manner, so as to protect their own R&D achievements and intellectual property rights, and help the Group's innovative development. In 2021, employees of the Group applied for and obtained 2 design patents and 2 utility model patents.

Promote the Development of the Industry

The Group actively participates in the activities of industry associations and enhances intra-industry communication and exchanges through ophthalmology academic conferences, such as the National Ophthalmology Annual Conference and the Academic Group Conference. Study groups of the Discipline Construction Committee of the Group have hosted many academic conferences and promotion conferences on new technologies and new projects, carrying out academic exchanges and promotion. In 2021, the Group has submitted a total of 142 articles to academic conferences and professional journals.

In addition, the Group works together with the industry to develop and progress by participating in the formulation of industry standards and publishing professional books. In 2021, experts from the Group's glaucoma study group participated in the formulation of *the Operational Code for Penetrating Schlemm Tuboplasty Surgery (2020)* as members of the expert group that formed the norms, and the functional inspection study group as the chief editor has published the book titled *Concise Ophthalmology B-mode Ultrasound Examination and Eye Biometry*.

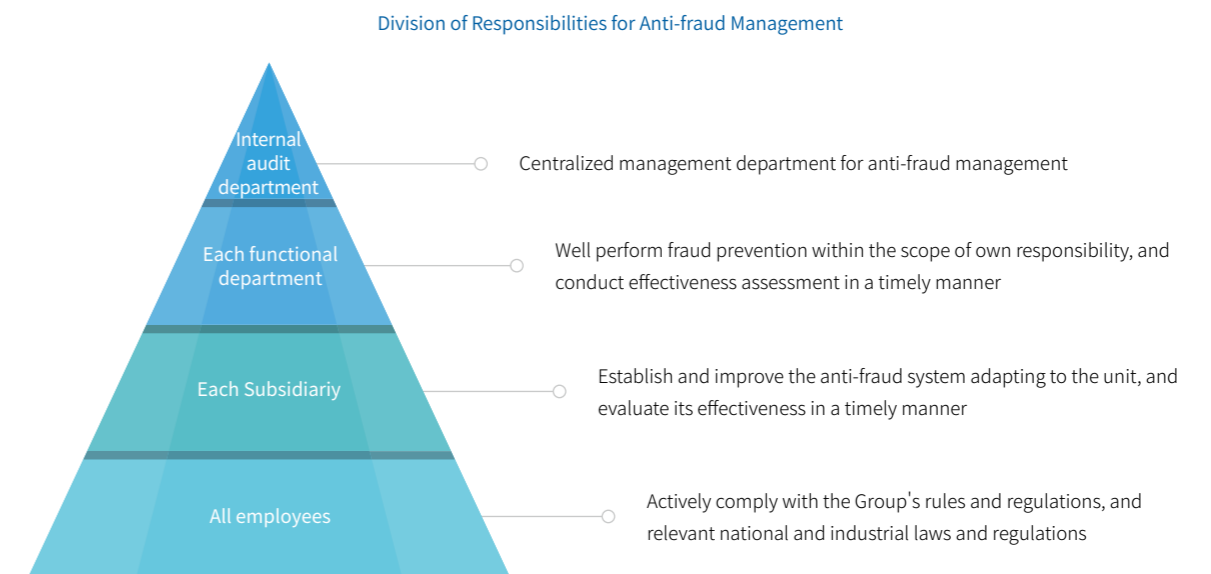
Operate Business with Responsibility >>

4.1 Business Ethics and Anti-Fraud

Anti-fraud Management System

Adhering to the business philosophy of "upholding justice and pursuing one's own interests with emphasis on the former" (義利統一, 以義為先), the Group has zero tolerance to acts violating business ethics. In strict accordance with *the Law of the People's Republic of China Against Unfair Competition* (《中華人民共和國反不正當競爭法》) and *the Nine Principles of Honest Practice of Medical Institution Staff* (《醫療機構工作人員廉潔從業九項準則》), the Group establishes and improves the anti-fraud control and supervision mechanism to prevent the risk of fraud.

The Group has also formulated *the Measures for the Administration of Anti-Fraud Work* to clarify the division of responsibilities for the management of anti-fraud work, including the prevention, reporting, investigation, and training of fraud.



In daily work, the Group standardizes professional behaviors of all employees, especially the middle and senior managements, and urges all employees to strictly abide by professional ethics, laws and regulations as well as company rules and regulations to prevent behaviors that damage the interests of the Group and shareholders.

The Group also extensively informs stakeholders, including external stakeholders such as customers, suppliers, regulators, and shareholders, of the anti-fraud related systems, and proactively conveys relevant information and requirements of its anti-fraud work. In terms of procurement, the Group signs *the Anti-Commercial Bribery and Anti-Fraud Agreement* with all suppliers and issues *the Integrity and Self-Discipline Notification Letter* to suppliers to convey the concepts and principles of anti-corruption and anti-fraud.

Any person who has been found committing fraudulent acts will be held accountable according to the seriousness. For the improper economic benefits obtained in violation of regulations, we will order a refund and compensation. In the event of serious fraud and suspected crime, we will transfer it to the judicial authorities for handling. In 2021, there was no incident of corruption, bribery, extortion, fraud and money laundering, nor did there be any litigation cases arising from the above matters.

Supervision and Reporting Management

In order to standardize the management of complaints and reports, employees and various stakeholders of the Group may report to us violations of professional ethics and actual or suspected fraud through reporting lines, emails, letters, etc. The Group handles reports in four steps: accepting registration, organizing investigations, approving and reporting, and giving feedback on results.

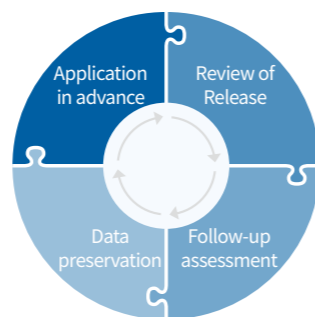
Furthermore, the Group fully protects the rights of the person, property, work, and reputation, democratic right and other legitimate rights, and interests of whistleblowers and complainants. The Group also prohibits any illegal discrimination or retaliation, or hostile measures against employees involved in the investigation. For those who disclose information of whistleblowers or complainants in violation of regulations or retaliate against whistleblowers or complainants, the Group will give corresponding administrative sanctions according to the seriousness of the circumstances, and may even terminate the labor contract. Those who violate the criminal law will be transferred to the judicial authorities for handling.

Integrity Culture Construction

The Group attaches great importance to the building of an integrity culture. It carries out anti-fraud related training and publicity to board of directors and employees in various forms such as training lectures and poster publicity, and the contents include relevant laws and regulations, anti-fraud work system, professional ethics code, among others. In 2021, the Group provided special trainings on anti-corruption, anti-bribery and anti-fraud for all employees, covering the concept and form of corruption, anti-corruption, integrity system, etc.

4.2 Responsible Marketing

The Group carries out marketing activities utilizing online promotion, media advertising and other means to enhance its brand influence. Pursuant to national laws and regulations such as the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and the *Measures for the Administration of Medical Advertisements* (《醫療廣告管理辦法》), we have formulated systems such as the *Management System for Sales Activities* and the *Management System for Advertisements and*



Marketing Activity Management Procedures

Content Publicity to strengthen marketing management and ensure that marketing activities are carried out legally.

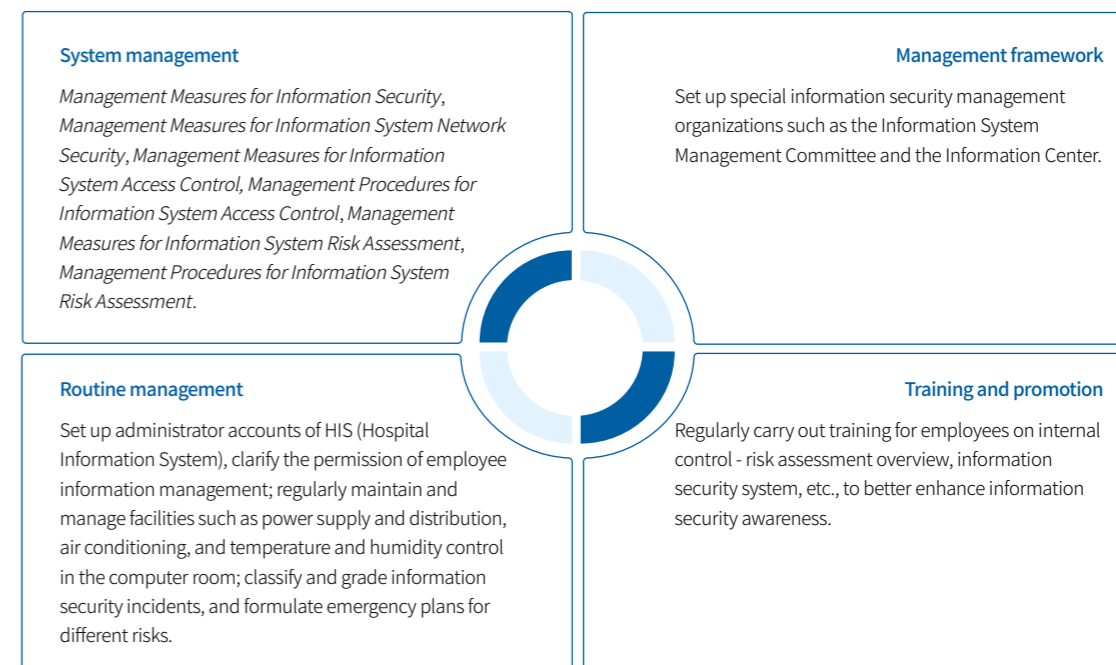
The Group has established sound marketing management procedures in terms of departmental management responsibilities, activity management rules, etc., to ensure the compliance of the marketing activities of the Group and its affiliated hospitals, and improve the efficiency and effectiveness of marketing activities.

For the publicity that is categorized into medical advertising, we fill in the management documents such as the *Medical Advertisement Approval Form* as required, submit them to the relevant departments for review. We also apply to the local health administrative department for the approval of the *Medical Advertising Review Certificate* in a timely manner to ensure the legal compliance of medical advertising.

4.3 Information Security and Privacy Protection

Information Security Management

The Group establishes a sound information security management system in strict accordance with laws and regulations such as the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》) and the *Data Governance Standard of Medical Institutions* (《醫療機構數據治理規範》) to keep improving the level of information security management.



The Group regularly carries out information internal audit to timely discover the security risks of informatization and protect the security of its information systems. In 2021, the internal audit department of the Group carried out information internal audits at the Group headquarters and 17 hospitals in seven aspects, including change management, access control management, computer room management, network security management, data backup management, office computer management and data quality management to strengthen the security management of information systems.

Privacy Protection

The Group formulates the *Patient Privacy Protection System* in strict accordance with the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》) to regulate medical behaviors of medical staff and respect and protect the privacy rights of patients. In the process of providing medical services for patients, the hospitals affiliated to the Group value the protection of patient privacy and strictly regulate the behaviors of medical staff. In 2021, the Group had no incidents of infringement of patient privacy and loss of patient information.

4.4 Supply Chain Management

The Group's suppliers can be divided into material suppliers and service suppliers. Specifically, material suppliers are subdivided into those that supply administrative materials, devices, optometry products, and pharmaceuticals. The Group has formulated the *Supplier Management Measures* to perform the lifecycle standardized management for the development, access, cooperation, evaluation, grading, assessment, and elimination of suppliers.

The Group establishes long-term and healthy cooperation with suppliers while upholding the supplier management principle of "strict access, quantitative evaluation, fault exit, dynamic management" (嚴格准入、量化評價、過失退出、動態管理). In terms of supplier access, we conduct qualification audits for suppliers with cooperation intentions, and then we determine whether to conduct on-site audits based on specific business characteristics and needs. In the process of supplier access management, institutions or organizations with environmental or social risks in terms of environment and employee protection are excluded from the Group's supplier list.

In the routine management, the Group and its subsidiaries adopt both routine management and annual assessment for cooperative suppliers and conduct dynamic assessment and evaluation to urge suppliers to improve their product quality and service capabilities. For suppliers who perform poorly, the Group will inform them of problems, and urge their rectifications, and even terminate the cooperation.

The Group attaches great importance to green procurement, giving priority to suppliers with environmental protection qualifications to reduce the adverse impact on the environment. For example, the Group has incorporated green and environmental protection indicators such as power saving, energy saving and eye protection into the optometry lamps procurement standards.

In addition, the Group actively cooperates with suppliers to develop together. We continue to improve their medical service capabilities by inviting suppliers to carry out trainings for employees in equipment use and operation, communicate and discuss problems encountered in the process of providing medical services for patients for joint development.

Invite refractive equipment suppliers to conduct training

In May 2021, the Group invited refractive equipment suppliers to carry out the training on *the Use and Operation of Refractive Equipment* for the equipment management personnel. On the training, the suppliers introduced the basic knowledge of lasers, SMILE surgery, excimer laser, etc., and conducted in-depth discussions on general problems, refractive equipment operation issues, etc., to solve the doubts of medical staff and better provide medical services for patients.

Build a Happy and Enterprising Career Development Platform



5.1 Protection of Employees' Rights and Interests

Employee Employment Management

The Group persists to create a diverse and inclusive workplace for employees, and protects the legitimate rights and interests, health and safety of employees for a joint development with them. The Group standardizes the management and protection of employees' rights and interests pursuant to the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other laws and regulations.

The Group adheres to the principle of "combining both ability and political integrity, taking ethics and morality as the first, open selection and recruitment, internal first then external, and merit-based recruitment" (德才兼備, 以德為先, 公開選聘, 先內後外, 擇優錄用), and follows the rule of equal employment. Moreover, the Group has established a fair, just and open selection and employment mechanism, in which all kinds of discrimination based on differences in gender, age, region, education, religious belief, nationality, race, sexual orientation, and disability are not allowed. The Group prohibits the use of child labor or forced labor by means of violence, threats, illegal restriction of personal freedom and other forms. In 2021, there were no incidents of child or forced labor in the Group.

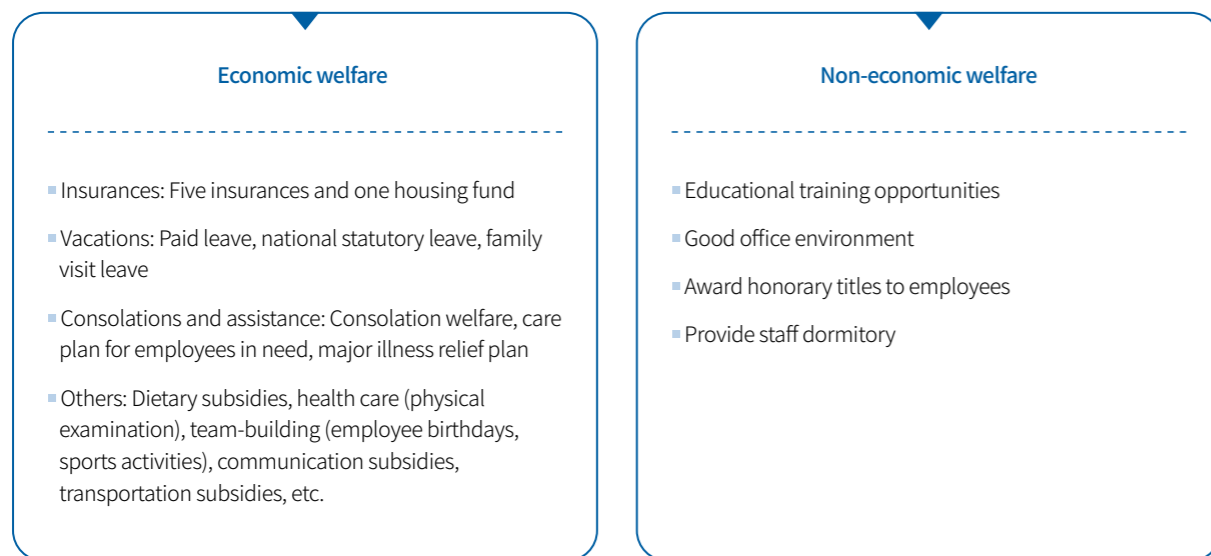
Types	Descriptions
Recruitment and dismissal	<ul style="list-style-type: none"> Recruitment: In the recruitment process, candidates are required to show their ID card for verification to ensure that they meet the minimum working age requirements stipulated by law; we truthfully inform the workers of their work content, working conditions, work location, occupational hazards, work safety conditions, labor remuneration, and other situations that the employees need to know. Dismissal: According to the <i>Measures for the Administration of Employee Relations</i>, the labor relationship is terminated by resignation, persuasion for dismissal, dismissal, voluntary separation, and no renewal of the labor contract upon expiration, so as to standardize the management of the termination of the labor relationship.
Salary and promotion	<ul style="list-style-type: none"> Salary: According to the <i>Measures for the Administration of Employee Compensation</i>, we provide salaries that are at an average or slightly higher level in the industry and market, and provide some levels of employees with salaries that are superior to the industry and market. Promotion: Combine the results of employee performance evaluation, employee training and employee ability evaluation as the criteria for employee promotion.

Types	Descriptions
<p>Working hours and vacations</p>	<ul style="list-style-type: none"> ▪ Working hours: According to the <i>Employee Attendance Management Measures</i>, we implement the national standard working hour system, i.e., 8 hours per day and 40 hours per week. Hospitals and optometry companies eligible for flexible working hour system have applied to the labor department for filing. ▪ Vacations: According to the <i>Employee Attendance Management System</i>, employees are provided with national statutory leave and personal leave, sick leave, marriage leave, bereavement leave, maternity leave, artificial abortion leave, paternity leave, paid annual leave, and family visit leave.

Employee Rights and Welfare

The Group provides a variety of benefits for employees and gives greetings to employees in illness and childbirth to create a warm corporate atmosphere, attracting, motivating, and retaining talents, and enhancing employee cohesion and sense of belonging.

Employee Benefits Overview



Moreover, the subsidiaries of the Group have established labor unions according to the actual situation to protect the legitimate and equal rights of employees and build a harmonious and stable labor relationship. For example, Baotou Hospital signed the *Collective Contract*, the *Special Collective Contract for Labor Safety and Hygiene*, and the *Special Collective Contract for the Protection of Special Rights and Interests of Female Workers* with the labor union.

Employee Health and Safety

The health and safety of employees is the foundation of sustainable development. The Group engages in ophthalmic medical services and production of hospital-made pharmaceuticals, so we value the protection of employees' health and safety through occupational health and work safety management. In 2021, the Group was not penalized for violating any laws and regulations related to occupational health and safety.

The Group has formulated systems such as the *Occupational Health Management System* in an effort to enhance employees' awareness of occupational disease prevention and ensure their occupational safety through measures such as occupational hazard factors detection, occupational health notification, labor protection equipment, physical examination and training. There were no work-related fatalities occurred in the group in the past three years.

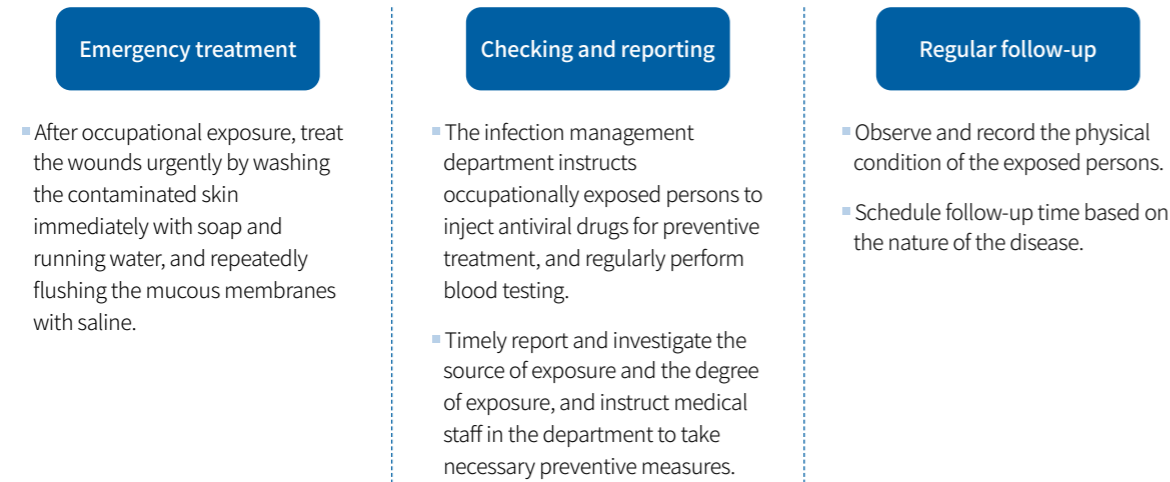
Occupational Health Management Measures



For occupational exposure, the Group has formulated systems such as *Occupational Exposure Reporting and Management System*, *Occupational Exposure Protection System* and *Sharp Injury Treatment Plan*. Besides, the Groups also asks all its affiliated hospitals to set up infection management departments and allocate management personnel according to regulations to standardize the preventive measures for occupational exposures and treatment measures after occupational exposure.

In our daily work, the Group and its affiliated hospitals conscientiously implement safe operations for the prevention and treatment of occupational exposures and provide personal protective measures for employees. We also develop comprehensive emergency procedures for occupational exposures to protect the health and safety of our employees.

The Group's Occupational Exposure Emergency Treatment Procedures



In terms of ensuring work safety, the Group improves the safety management mechanism in strict accordance with the *Law of the People's Republic of China on Work Safety* (《中华人民共和国安全生产法》) and other laws and regulations to achieve the goal of "zero accidents and zero injuries" (零事故、零伤害) and ensure the health and safety of employees. The Group has formulated management systems such as the *Compilation of Work Safety Systems*, periodically reviews the status of work safety, and corrects problems in a timely manner to ensure work safety.

Overview of Work Safety Management

Safety risk management	Identify and analyze the sources of danger in production and business activities, products, and services, evaluate their risk degree and grade them, and formulate safety control measures based on the risk level according to the <i>Safety Risk Grading Control Work System</i> .
Safety emergency management	Prepare emergency plans covering work safety, safety protection, fire protection, elevators, and pressure steam sterilizers, and train relevant personnel and regularly organize plan drills to ensure the targeting and effectiveness of emergency plans.
Risk investigation and governance	Carry out regular risk investigation according to the <i>Accident Risks Investigation and Governance System</i> ; once the risk is found, the rectification must be implemented within the specified time, and the completion of rectification should be reviewed and assessed in time.
Safety training and education	Formulate practical safety training materials for each position based on specific situations and carry out targeted safety education and training.

5.2 Employee Training and Development

Employee Training System

The Group sets up the *Group Training Management System*, the *Implementation Rules for the Group Headquarters' Empowerment Training* and other systems, establishes and improves the training system, and organizes training on general knowledge, professional knowledge, skills and leadership for employees through centralized lectures, talks, exchange meetings, case studies, distance education and other means, so as to systematize and institutionalize the training of employees and ensure the effective implementation of the Group's talent strategy. Moreover, the Group and its subsidiaries have formulated the Annual Training Plan according to their own staff training needs and in combination with the annual work priorities, with purposes of improving the quality of training, and meeting the needs of employees' own development.

The Group's Training System

Types of training	Training programs	Descriptions	
General training	Orientation training for new employees	<ul style="list-style-type: none"> Training object: All new employees Training contents: Chaoju culture, group development overview, ophthalmology common knowledge, relevant laws and regulations, etc. 	
	Vocational competence training for ordinary employee	<ul style="list-style-type: none"> Training object: In-service employees Training method: Through teaching and demonstration, the superiors help their subordinates to develop training plans Training contents: Professional training, professional mentality training, corporate culture training, etc. 	
Professional knowledge and skills training	Professional competency training for doctors	<ul style="list-style-type: none"> Resident physician training <ul style="list-style-type: none"> Training object: New resident physicians Training contents: Ophthalmology department rotation learning, standardized training, external eye surgery training, etc. Learning and training of hospital business <ul style="list-style-type: none"> Training object: Medical staff of each hospital Training contents: Each hospital regularly carries out training on surgical treatment standards, diagnosis and treatment norms and medical case writing standards 	
	Nurse job training	Pre-job training for new nurses	<ul style="list-style-type: none"> Training object: New nurses Training contents: Ophthalmic nursing, basic nursing skills operation, etc.
		Business training for junior nurse	<ul style="list-style-type: none"> Training object: All junior nurses Training contents: Mainly the basics of ophthalmology and nursing operations
	Nurse job training	Training for senior nurses	<ul style="list-style-type: none"> Training object: All senior nurses Training content: Basic theories of ophthalmology, new knowledge of ophthalmic nursing, and sharing of learning experiences in other hospitals, etc.
		Nursing skills training	<ul style="list-style-type: none"> Training object: Clinical nurses, and trainee nurses Training contents: Basic nursing knowledge and specialist nursing knowledge

Types of training	Training programs	Descriptions
Leadership training	Group headquarters empowerment training	<ul style="list-style-type: none"> Corporate culture: Group development history, corporate vision, corporate mission and corporate values, etc. Business knowledge: Industry knowledge, and ophthalmology knowledge General knowledge of management: Communication management, self-awareness and self-management, and management basics
	Reserve cadre training	<ul style="list-style-type: none"> Self-management: Managers' role cognition, mentality, common tools, and management methods Leadership and decision-making: Leadership cultivation, strategy decision, team execution power promotion, communication, judgment and analysis method skills Work management: Hospital business management, hospital operation knowledge, hospital internal control knowledge, hospital quality management, etc. Team Management: Employee management, performance management methods and skills

Through internal trainings and expatriate further study, the Group expands the professional knowledge and vision of employees and strengthens the exchange of hospital management and medical technologies in an effort to improve the professional competence of employees, and meet the demands for talents raised by the rapid business development of the Group.



Internal Training

- The Group has high-quality medical resources and expert resources, so further study of employees in the Group's subsidiaries helps to make full use of superior resources in hospitals, promote the exchange and resource coordination between the superior disciplines of different hospitals, and learn from advanced hospital management methods and experience.
- Development status: In 2021, the Group carried out intensive surgical training; through the combination of theoretical learning and practical operation, we provided some employees with trainings such as cataract phacoemulsification, vitrectomy, and corneal refractive surgery.



Expatriate Learning

- Expatriate employees are sent to professional institutions to learn cutting-edge theoretical knowledge, diagnosis and treatment skills and hospital management experience in an attempt to further improve the overall management level and medical quality level of the hospital.
- External learning of medical technologies: In 2021, the Group sent employees to learn new technologies and new knowledge at Tianjin Eye Hospital, Peking University Third Hospital, Beijing Tongren Hospital, Wenzhou Medical University to improve the level of diagnosis and treatment.
- External learning of management ability: In 2021, the Group sent its employees to third-party professional training institutions to learn leading management concepts and methods for purpose of promoting the high-quality development of hospitals.

Employee Incentives and Promotion

The Group takes the improved employee performance assessment system as the basis for the promotion and development of employees, and retains employees based on a competitive salary system, standardized promotion mechanisms and continuously optimized middle-to-long-term incentive policies.



Employee Performance Assessment

- Prepare the *Management Measures for Employee Performance* and the *Incentive Management Measures for Performances of Business Team in Subsidiaries*, and build the performance management framework, assessment criteria and performance incentive policies for core positions to guarantee that the excellent work of employees gains a full recognition.
- Adjust salaries of outstanding employees based on performance assessment results and market conditions, and provide tutorship and empowerment for employees with poor performance to help employees enhance their service abilities while keeping on the orbit of given goals.

Employee Salary Management

- Formulate salary systems such as *Employee Salary Management System*, *Surgeon Salary Management Measures*, and *Optometry Staff Salary Management Measures*.
- Determine the overall salary level of the Group Based on the salary level of the industry or region and the nature of the position to make it competitive in the industry and to match its strategy and market position.
- For core management and technical talents, the Group implements a high-level salary incentive policy, excess performance benefit-sharing, middle-to-long-term incentives, and other diversified and parallel incentive policies to attract talents and improve the level of medical services.

Employee Promotion and Development

- Establish management systems such as the *Administrative Measures for the Reserve Cadre Training* and the *Administrative Measures for the Employment of Middle-level Management Personnel of Subsidiaries*.
- Provide employees with dual channel career development paths of management and professional technology based on the personal development of employees.
- Combine the recommendation of subsidiaries with the selection by the Group for the leadership selection, reserve, evaluation, appointment, and promotion.

Employee Middle-to-long-term Incentives

- Grant equity in the company to the management team, core doctors, and senior staff, etc., to share the achievements of development with employees, motivate management teams at all levels, outstanding backbones and key talents.

Create a Warm Community >>

6.1 Contribute to the Construction of Community Health Service Systems

Committed to improving the local community medical services, the Group focuses on children's ophthalmic health, eye disease screening and treatment, etc. We provide volunteer medical consultation, vision screening, knowledge popularization and other services to the community public, and participate in the construction of community health service system to benefit the eye health of community residents and patients.

The Group Helped the Construction of Community Health Service System in 2021 (Partial)

Fields	Project name	Concrete actions
Children's vision health	Children's Eye Health Model Pilot Project in Anhui, Autonomous Region and Yunnan	<p>Project Objective:To reduce visual impairment and blindness in children due to ametropia.</p> <p>Project Description:In 2021, Hohhot Hospital cooperated with Fred Hollows Foundation to carry out ametropia vision screening for primary school students. We provided glasses dispensing services for students with glasses needs, and organize training on education method for basic eye care and eye health to school doctors and teachers. In addition, we also conducted eye health education for 3 lessons per semester for students in grades 3-6 of some schools, and popularize knowledge of eye health and myopia prevention for parents.</p>
	Inner Mongolia Autonomous Region Children and Adolescent Myopia Prevention and Control Project ²	<p>Project Description:The Group checked vision and diopter for students in the Inner Mongolia Autonomous Region, providing a basis for timely and early detection of vision problems, information-based early warning of myopia risks, and implementation of myopia prevention and control decisions.</p> <p>Results:In 2021, Vision monitoring was performed for 1,774 primary schools in 12 league cities in the Inner Mongolia Autonomous Region, with 564,045 students effectively monitored.</p>
	"Spread the Love in Inner Mongolia, Helping Patients in Pursuit of Health and Dreams" (大爱北疆 助康圆梦)—8.28 Northern Xinjiang Qiming Public Welfare Action ³	<p>Project Description:In 2021, giving priority to children from urban and rural subsistence allowance families, from registered poverty-stricken families, taken in and raised by child welfare institutions, disabled orphans, we provided visual functional rehabilitation. We also provided free vision restoration surgery for cataract patients from relatively impoverished families and visual function rehabilitation training for children with school status in Inner Mongolia Autonomous Region, with the aim of protecting the visual health of children and adolescents, preventing the occurrence of disability, and reducing the degree of disability.</p>

2. In 2021, the Department of education of Inner Mongolia Autonomous Region entrusted the bid winner Hohhot Hospital to carry out visual acuity survey for students in grades 1, 3 and 5 of primary school in the region.

3. In 2021, the Inner Mongolia Autonomous Region Disabled Persons' Federation, together with the Department of Education of Inner Mongolia Autonomous Region and the Health Commission of Inner Mongolia Autonomous Region, jointly carried out "Spread the Love in Inner Mongolia, Helping Patients in Pursuit of Health and Dreams" — 8.28 Northern Xinjiang Qiming Public Welfare Action.

Fields	Project name	Concrete actions
Screening and treatment of eye diseases	"Bright Tour" Cataract Restored ⁴	<p>Project Description:Carry out vision screening, diagnosis, surgery, telephone tracking after operation, publicity and other work for cataract patients who meet the funding conditions; Conduct vision screening and establish file for children and adolescents; Provide myopia glasses, strabismus correction surgery and other services for children and adolescents with true myopia and strabismus who meet the funding conditions.</p> <p>Results:In 2021, the Group's hospitals carried out vision restoration surgery for 6,393 cataract patients, provided vision screening for 942,151 teenagers, and provided vision correction for 181 families with difficulties.</p>
Vision screening and treatment of eye diseases	"Love Eye Tour" Cataract Vision Screening ⁵	<p>Project Description:We carried out the "Love Eye Tour" social welfare activities, implemented cataract and pterygium vision screening and surgery services for the elderly over 60 years old, and explained the basic knowledge, preventive treatment, eye care and other scientific knowledge of cataracts so that the elderly can be treated for eye diseases.</p> <p>Results:In 2021, Hulunbuir Hospital provided free vision screening services to 775 New Balhu Banner residents and herders and cataract surgery and pterygium surgery to 172 New Balhu Banner residents and herders.</p>

4. In 2021, 10 hospitals of the Group, including Baotou Hospital, Chifeng Hospital, Datong Chaoju Ankang Eye Hospital Co., Ltd. * (大同朝聚安康眼科医院有限公司) and Tongliao Chaoju Eye Hospital Co., Ltd. * (通辽朝聚眼科医院有限公司), undertook and implemented the "Bright Tour" Cataract Restored social public welfare activity carried out by the department of government and non-profit organizations.

5. In 2021, the Red Cross Society of Hulunbuir city carried out "Love Eye Tour - Social Public Welfare Activity", which was undertaken and implemented by Hulunbuir Hospital.

6.2 Actively Combat Against COVID-19

As the COVID-19 pandemic has entered a new stage of normalization, the Group maintained its emergency response, gave full play to its own advantages and resources, and contributed to the prevention and control of the pandemic by donating medical supplies and supporting nucleic acid testing in the worst-hit areas.

Participation of the Group in the Fight Against COVID-19 Pandemic (Partial)

Types	Descriptions
Donating funds and materials	Specific actions: In February 2022, Hulunbuir Hospital donated a total of 31,500 disposable medical masks via the Hailar District Red Cross Society to several places in Hulunbuir City, including the Hailar District Shengli Office, Hailar District, Fendou Town, Hailar First Middle School, Hailar Second Middle School, Hailar Third Middle School, and Experimental High School.
	Specific actions: In February 2022, Hohhot Hospital donated RMB 100,000 yuan to the Red Cross Society of Inner Mongolia Autonomous Region to support the pandemic prevention and control in Hohhot.
Supporting nucleic acid testing	Specific actions: In 2021, the administrative, market, charging, nursing and other personnel of Hulunbuir Hospital, Hohhot Hospital and Baotou Hospital joined the work of nucleic acid registration, sampling and, order maintenance, and the nucleic acid testing personnel of the clinical laboratory worked overtime to ensure the timely issuance of nucleic acid testing reports. Results: A total of 43,671 tests were conducted in 2021 at Baotou Hospital, with up to 2,810 tests finished in a single day.
	Specific actions: In October 2021, when the pandemic broke out in some parts of Inner Autonomous, the affiliated hospitals of the Group actively responded to the needs of local government and sent nucleic acid sampling teams to support the 24-hour nucleic acid testing registration and sampling at the Jiuyuan Expressway intersection.
	Specific actions: All staff of Hulunbuir Hospital actively perform their duties at checkpoints for the pandemic prevention and control. We sent 4 nurses to the quarantine hotel to carry out pandemic prevention and control for 18 days and nights, and sent 18 medical staff to assist the national nucleic acid testing and household sampling.

Co-Build a Better Environment >>

7.1 Green Operation

Environmental Management

The Group strengthens environmental risk management in strict accordance with *the Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), *the Law of the People's Republic of China on Environmental Impact Assessment* (《中華人民共和國環境影響評價法》) and other national laws and regulations in an effort to ensure that its operations comply with the requirements of relevant laws, regulations, and standards. For the orderly development of environmental management, the Group has established its environmental management system and keeps improving it according to the requirements of environmental protection laws and regulations in different places of operation. The Group's business activities have no significant impact on the environment or natural resources. In 2021, the Group was not penalized for violating environmental laws and regulations.

To fully implement environmental protection, the affiliated hospitals of the Group have formulated corresponding management systems and carried out comprehensive environmental management actions according to the requirements of *the Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005)* and sewage discharge permits.



Environmental Management Standards

Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005)



Environmental Management System

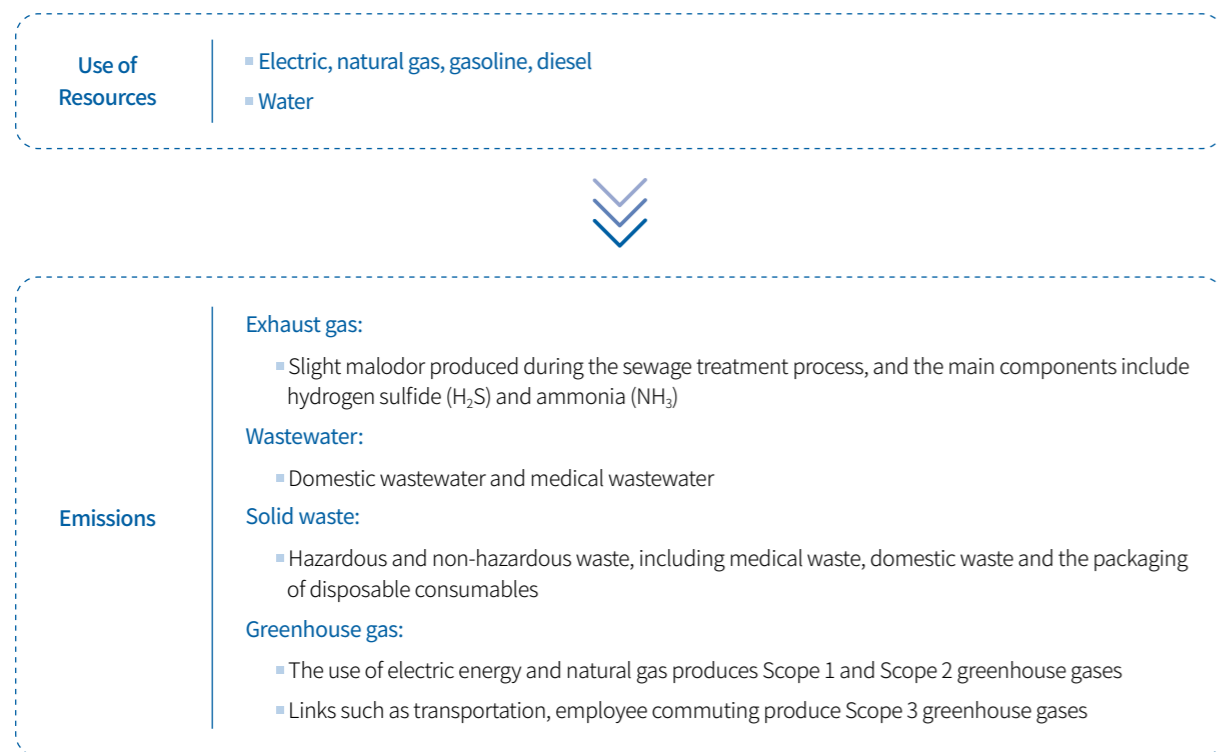
Environmental and Social Responsibility Management System, Waste Management System, Standard Operating Procedures for Waste Disposal, etc.



Environmental Management Actions

- Regularly monitor the compliance with indicators of wastewater and unorganized waste gas emission;
- Strengthen the maintenance of environmental protection equipment and facilities to ensure the normal operation of environmental protection equipment;
- Each hospital organizes environmental protection training activities to continuously improve employees' awareness of environmental protection and resource conservation.

After identification, the impacts of the Group's production and operation activities on use of resources and emissions are shown in the following figure:

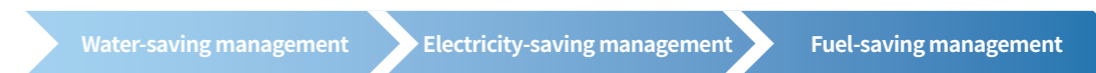


Resource Conservation

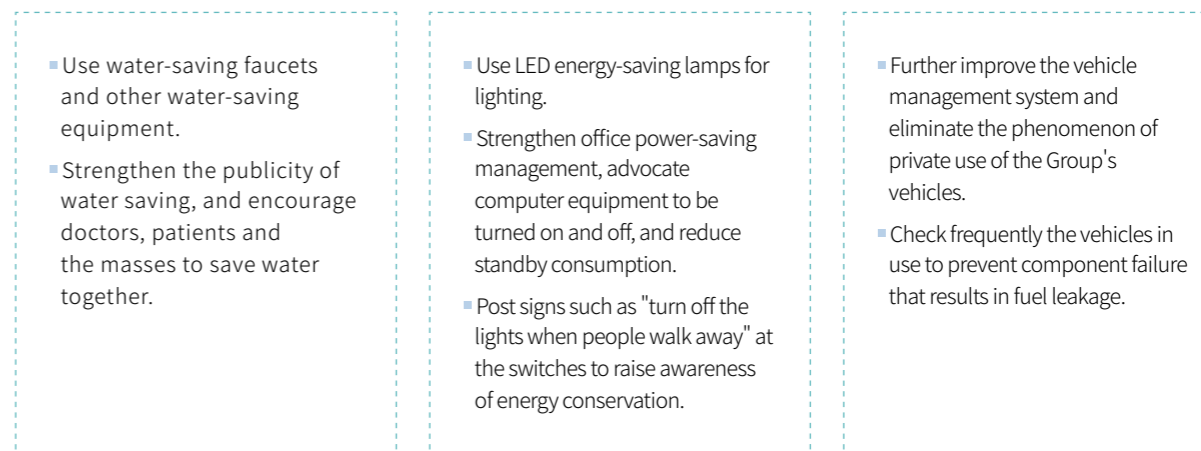
The Group has formulated the *Water and Electricity Management System*, the *Energy Management System* and other relevant systems pursuant to *Energy Conservation Law the People's Republic of China* (《中華人民共和國節約能源法》), the *Electricity Power Law of the People's Republic of China* (《中華人民共和國電力法》), and the *Water Law of the People's Republic of China* (《中華人民共和國水法》). Moreover, the Group utilizes various resources such as water, electricity and fuel in a scientific and rational manner, and takes water-saving, electricity-saving and fuel-saving management measures to optimize the method of use of resources, improves the efficiency of use of resources to reduce the resources consumption in the production and office links.

The main energy consumed directly or indirectly in the Group's production and operations includes electricity, natural gas, gasoline and diesel oil. The water consumed in production and operations is mainly supplied by the municipal water supply organization, and there is no risk in obtaining suitable water sources.

In terms of packaging material management, the Group reduces the use of disposable packaging materials, recycles usable packaging, and improves the reuse of packaging materials to reduce waste of resources and effectively protect the environment.



Specific Measures for Water-saving, Electricity-saving, and Fuel-saving Management







Emissions Management

The Group strictly controls the pollutants generated in its major business activities according to *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), etc., in an effort to ensure that all pollutants are treated and discharged in compliance with the standards for prevention of atmospheric, water and soil pollution.

The Group monitors the discharge of wastewater pollutants and exhaust gas pollutants as required. In 2021, there was no incident of pollutants exceeding the standard or discharging in violation of regulations, nor did there be any litigation cases arising from the above matters.

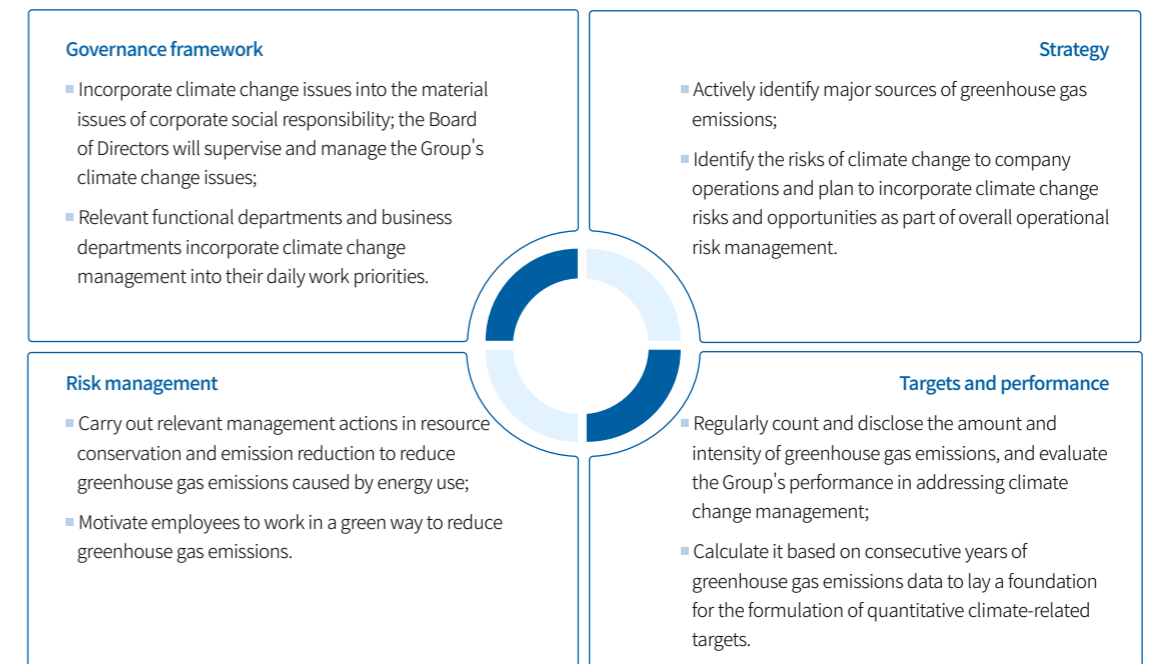
Emissions Types and Management Indicators

<p> Wastewater Discharge Management</p> <p>Wastewater includes domestic wastewater and medical wastewater, and the monitoring indicators include chemical oxygen demand (COD), biochemical oxygen demand (BOD), ammonia nitrogen (nitrogen oxides), suspended solids, pH, etc.</p> <p>Discharge Standards:</p> <ul style="list-style-type: none"> ■ Pretreatment standards in Table 2 of the <i>Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005)</i>. 	<ul style="list-style-type: none"> ■ The A/O+ disinfection process is used to pretreat the wastewater, and the sewage is discharged into the municipal sewage pipe network after pretreatment. ■ In 2021, the Group's affiliated hospitals monitored the bacterial species and physical and chemical indicators of sewage as required. After monitoring, the discharge of pollutants from the wastewater of the Group's hospitals did not exceed the standard limit, and complied with sewage discharge standards.
<p> Exhaust Emission Management</p> <p>The exhaust gas is the slight malodor generated during the sewage treatment process, and its main components are hydrogen sulfide (H₂S) and ammonia (NH₃).</p> <p>Emission Standards:</p> <ul style="list-style-type: none"> ■ Subject to the concentration of "maximum allowable concentration of atmospheric pollutants around sewage treatment facilities" in Table 3 of the <i>Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005)</i>. 	<ul style="list-style-type: none"> ■ A gas collection system is set up in the sewage treatment room, which purifies the collected exhaust gas by active carbon adsorption device, and guide the treated exhaust gas to the roof through the pipeline for emission.
<p> Non-hazardous Waste Management</p> <p>Non-hazardous waste mainly includes domestic waste and the packaging of disposable consumables.</p> <p>Discharge Standards:</p> <ul style="list-style-type: none"> ■ The disposal of general solid waste follows the relevant provisions of the <i>Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill (GB18599-2020)</i>. 	<ul style="list-style-type: none"> ■ Non-hazardous waste is collected centrally and put into the designated place of the environmental department for treatment, after being sorted by recycled garbage, non-recyclable garbage, kitchen waste and other garbage.
<p> Hazardous Waste Management</p> <p>Hazardous waste mainly includes medical waste, especially infectious medical waste and injurious medical waste.</p> <p>Discharge Standards:</p> <ul style="list-style-type: none"> ■ The temporary storage of hazardous wastes and medical wastes should follow the <i>Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001)</i> and its amendment made in 2013; ■ <i>Regulation on the Administration of Medical Wastes</i> (《醫療廢物管理條例》); ■ Relevant requirements in the <i>Technical Specification on Centralized Disposal of Medical Waste (Trial)</i> (《醫療廢物集中處置技術規範(試行)》). 	<ul style="list-style-type: none"> ■ Hazardous waste generated by each department in each hospital is collected and transported by special personnel, and is temporarily stored in a temporary storage room of medical waste that meets the requirements of the building and the layout process, and then transported by a qualified transportation company to the local hazardous waste disposal company for unified treatment.

7.2 Address Climate Change

Global climate change not only brings about extreme weathers, but also seriously affects economic and social activities. The Group keeps an eye on the trend of global climate change and the introduction of climate-related policies in China, practices the concept of sustainable low-carbon green development, and actively responds to China's national strategy of peaking carbon emissions in 2030 and achieving carbon neutrality by 2060 through working on coping with climate change under the guidance of relevant documents.

The Group identifies the impacts of its own operations on climate and environment, and constructs a climate change management system from governance framework, strategy, risk management, and targets and performance. Moreover, the Group also identifies risks and opportunities related to climate change, and integrates climate change mitigation and adaptation into its routine management.



The Group plans to further identify risks and opportunities related to climate change and improve management based on the results, and set greenhouse gas emission targets in the future with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB).

ESG Quantitative Performance >>

Products and Services

Performance indicators	Unit	2019	2020	2021
Number of complaints received regarding products and services	Case	50	40	56
Complaint handling	%	100	100	100

Anti-corruption

Performance indicators	Unit	2021
Proportion of board members covered by anti-corruption training	%	100
Number of corruption lawsuits filed and concluded against the issuer or its employees during the reporting period	Case	0

Supplier Management

Performance indicators	Unit	2021
Total number of suppliers	Number of suppliers	322
Divided by region	Number of suppliers in Mainland China	322
	Number of suppliers in Hong Kong, Macao, Taiwan and overseas regions	0
Proportion of suppliers underwent environmental, labor, ethical, and other performance assessments according to the Group's supplier evaluation system	%	100
Proportion of suppliers underwent environmental, labor, ethical, and other performance assessments	%	100

Employee

Performance indicators	Unit	2021
Employee Employment		
Total number of employees	Person	1,788
Divided by gender	Number of male employees	433
	Number of female employees	1,355
Divided by form of employment	Number of full-time contract employees	1,751
	Number of full-time dispatch employees	15
	Number of part-time employees	22
Divided by age	Number of employees under the age of 30	599
	Number of employees aged 30 to 50	1,039
	Number of employees over 50 years old	150
Divided by region	Number of employees working in the Mainland China	1,788
	Number of employees working in Hong Kong, Macao, Taiwan and overseas	0
Divided by level	Number of junior employees	1,480
	Number of mid-level management employees	304
	Number of senior management employees	4
Employee turnover rate ¹	%	11.13
Divided by gender	Male employee turnover rate	12.70
	Female employee turnover rate	10.63
Divided by age	Employee turnover rate under the age of 30	21.54
	Employee turnover rate between the ages of 30 and 50	5.68
	Employee turnover rate over the age of 50	7.33
Divided by region	Employee turnover rate in Mainland China	11.13
	Employee turnover rate in Hong Kong, Macao, Taiwan and overseas	0
Employee Training and Development		
Employee training coverage rate ²	%	86.24
Divided by gender ³	Proportion of male employees covered by the training	20.82
	Proportion of female employees covered by the training	79.18
Divided by level ³	Proportion of junior employees covered by the training	80.42

Performance indicators		Unit	2021
Divided by level ³	Proportion of mid-level management employees covered by the training	%	19.33
	Proportion of senior management employees covered by the training	%	0.26
Average training hours for employees ⁴		Hours	25.77
Divided by gender	Average training hours for male employees	Hours	24.36
	Average training hours for female employees	Hours	26.22
Divided by level	Average training hours for junior employees	Hours	26.43
	Average training hours for mid-level management employees	Hours	22.28
	Average training hours for senior management employees	Hours	47.75
Employee Health and Safety			
Number of employees who died from work-related injuries ⁵		Person	0
Proportion of employees who died from work-related injuries ⁶		%	0
Number of working days lost due to work-related injuries		Day	0
Number of penalties for violations of employee employment and labor laws and regulations		Case	0

Note 1: Employee turnover rate = number of employee departures / total number of employees x 100%.

Note 2: Employee training coverage rate = number of employees participating in training / total number of employees x 100%.

Note 3: Employee training coverage rate by gender and level = number of employees in this category trained (at the end of the period) / total number of employees trained x 100%.

Note 4: Average training duration for employees = total training duration for employees / total number of employees.

Note 5: The Group has not experienced any work-related fatalities in the past three years, as detailed in 5.1 Protection of Employees' Rights and Interests.

Note 6: Proportion of employees who died from work-related injuries = number of deaths caused by work-related injuries / total number of employees x 100%.

Community and Public Welfare

Performance indicators	Unit	2019	2020	2021
Amount of charitable donation	RMB 10,000	349.17	864.43	586.18

Environmental Performance¹

Performance indicators	Unit	2019	2020	2021
Resource Use				
Power consumption	MWh	1,797.52	1,807.37	1,874.35
Power consumption per RMB 10,000 of revenue	MWh/RMB 10,000	0.042	0.038	0.031

Performance indicators	Unit	2019	2020	2021
Total natural gas consumption	m ³	68,670.00	71,260.00	65,310.00
Natural gas consumption per RMB 10,000 of revenue	m ³ /RMB 10,000	1.61	1.50	1.08
Total amount of packaging materials used in finished products	Tons	5.11	5.05	5.50
Total amount of packaging materials used in finished products per RMB10,000 of revenue	Tons/RMB 10,000	0.00030	0.00028	0.00023
Water consumption	m ³	52,229.00	44,119.90	50,497.50
Water consumption per RMB 10,000 of revenue	m ³ /RMB 10,000	1.22	0.93	0.83
Gasoline consumption for official vehicles in owned vehicles	Liters	47,342.52	36,088.74	47,680.00
Diesel consumption for official vehicles in owned vehicles	Liters	14,429.10	7,614.12	14,787.00
Emissions Management²				
Domestic wastewater discharge	m ³	25,474.00	22,461.00	31,677.80
Medical wastewater discharge	m ³	1,955.50	1,288.25	6,859.48
Non-hazardous waste discharge	Tons	65.00	67.64	70.50
Hazardous waste discharge	Tons	27.73	29.36	31.82
Non-hazardous waste discharge per RMB 10,000 of revenue	Tons/RMB 10,000	0.0015	0.0014	0.0012
Hazardous waste discharge per RMB 10,000 of revenue	Tons/RMB 10,000	0.0006	0.0006	0.0005
Total greenhouse gas emissions ³	Ton CO ₂ equivalent	1,413.54	1,375.78	1,400.50
Scope 1 greenhouse gas emissions	Ton CO ₂ equivalent	316.87	273.11	311.50
Scope 2 greenhouse gas emissions	Ton CO ₂ equivalent	1,096.67	1,102.67	1,089.00
Greenhouse gas emissions per RMB 10,000 of revenue	Ton CO ₂ equivalent /RMB 10,000	0.033	0.029	0.023

Note 1: The environmental performance is based on the Company's three important subsidiaries, of which operating incomes accounted for about 60% of the Group in 2019-2021, including Baotou Hospital, Hohhot Hospital and Chifeng Hospital.

Note 2: Baotou Hospital, Hohhot Hospital and Chifeng Hospital counted the discharge of chemical oxygen demand (COD), biochemical oxygen demand (BOD) and ammonia nitrogen (NH₃-N) according to the concentration, and the discharge did not exceed the standard limit during the reporting period.

Note 3: Greenhouse gas emissions are the sum of Scope 1 and 2 of greenhouse gas emissions. The greenhouse gas emissions is calculated based on Appendix II of the latest edition of SEHK's ESG Guide: Environmental Key Performance Indicators Reporting Guide (May 2021). Specifically, Scope 1 greenhouse gas emissions are calculated based on vehicle fuel consumption data, natural gas consumption data and related emission factors; for the calculation of Scope 2 greenhouse gases, 0.6101 kg of carbon dioxide equivalent / kWh is selected as the electricity emission coefficients of 2019 and 2020; and 0.5810 kg of carbon dioxide equivalent / kWh as the 2021 electricity emission coefficient (the latest value of the "Corporate Greenhouse Gas Emissions Accounting and Reporting Guide Power Generation Facilities" (2022 Revised Edition)).

SEHK ESG Guide Index >>

Subject Areas, Aspects, General Disclosures and KPIs		Section for Disclosure
A. Environmental		
Aspect A1: Emissions		
General Disclosure A1	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	7.1 Green Operation
KPI A1.1	The types of emissions and respective emissions data	7.1 Green Operation ESG Quantitative Performance
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	ESG Quantitative Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	7.1 Green Operation
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials	7.1 Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	ESG Quantitative Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	7.1 Green Operation

Subject Areas, Aspects, General Disclosures and KPIs		Section for Disclosure
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	ESG Quantitative Performance
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimising the issuer's significant impacts on the environment and natural resources	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	7.1 Green Operation
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	7.2 Address Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	5.1 Protection of Employees' Rights and Interests
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region	ESG Quantitative Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region	
Aspect B2: Health and Safety		
General Disclosure B2	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	5.1 Protection of Employees' Rights and Interests
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	5.1 Protection of Employees' Rights and Interests ESG Quantitative Performance
KPI B2.2	Lost days due to work injury	

Subject Areas, Aspects, General Disclosures and KPIs		Section for Disclosure
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	5.1 Protection of Employees' Rights and Interests
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.2 Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	ESG Quantitative Performance
KPI B3.2	The average training hours completed per employee by gender and employee category	
Aspect B4: Labour Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	5.1 Protection of Employees' Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain	4.4 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	ESG Quantitative Performance
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	4.4 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	
Aspect B6: Product Responsibility		
General Disclosure B6	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	3.1 Medical Quality and Safety 3.2 Medical Services Quality 3.3 Drug Quality and Safety 4.3 Information Security and Privacy Protection

Subject Areas, Aspects, General Disclosures and KPIs		Section for Disclosure
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	3.3 Drug Quality and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with	3.2 Medical Services Quality ESG Quantitative Performance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	3.4 R&D and Innovation
KPI B6.4	Description of quality assurance process and recall procedures	3.3 Drug Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	4.3 Information Security and Privacy Protection
Aspect B7: Anticorruption		
General Disclosure B7	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	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	4.1 Business Ethics and Anti-Fraud
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	
KPI B7.3	Description of anti-corruption training provided to directors and staff	
Community		
Aspect B8: Community Investment		
General Disclosure B8	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	6.1 Contribute to the Construction of Community Health Service Systems 6.2 Actively Combat Against COVID-19
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	6.1 Contribute to the Construction of Community Health Service Systems 6.2 Actively Combat Against COVID-19
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	6.2 Actively Combat Against COVID-19 ESG Quantitative Performance



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