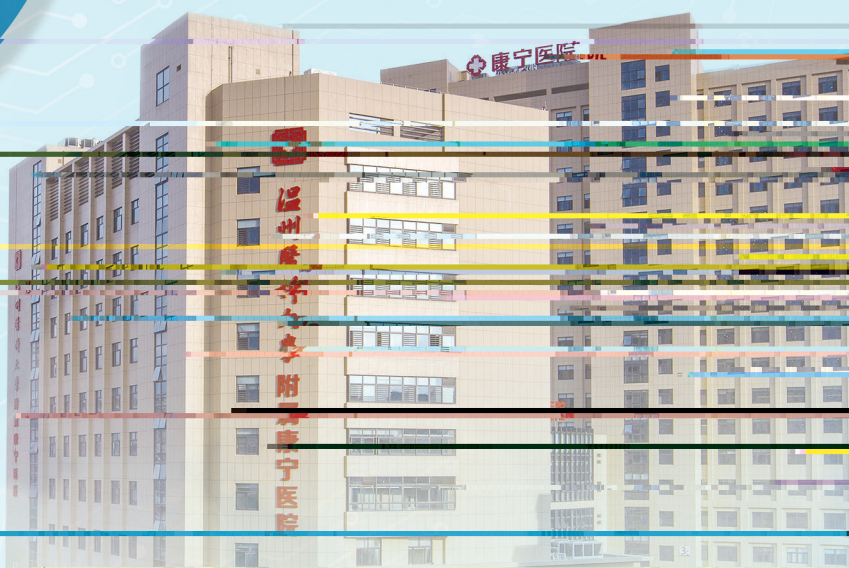




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1. About the Report

Wenzhou Kangning Hospital Co., Ltd. (“Wenzhou Kangning” or the “Company”) and its subsidiaries (together the “Group” or “we”) are pleased to announce our Environmental, Social and Governance Report. The Report summarizes the Group’s practice in sustainable development concept as well as what we have done with regard to the fulfillment of our corporate social responsibilities.

Reporting Standards

The Report is in compliance with the reporting principles regarding “Materiality”, “Quantitative”, “Balance” and “Consistency” contained in the Environmental, Social and Governance Reporting Guide (《環境、社會及管治報告指引》) (hereinafter referred to as the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (《證券上市規則》) on the Stock Exchange of Hong Kong Limited, the content of which covers all the “comply or explain” provisions as set out in the Guide.

Reporting Scope

The Report presents the Group’s overall performance regarding sustainable development from 1 January 2020 to 31 December 2020 (hereinafter referred to as the “Year” or the “Reporting Period”). Unless otherwise stated, the Report covers healthcare business directly controlled by the Group. Please refer to the section headed “Corporate Governance Report” in the annual report or the Group’s official website (<http://www.knhosp.cn/en>) for detailed information about the corporate governance of the Group.

Reporting Language

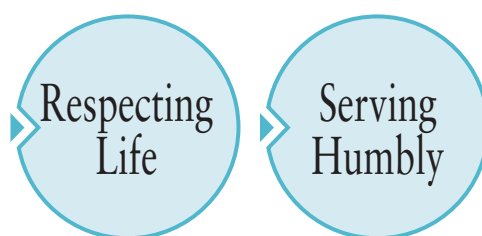
The Report is released electronically in both traditional Chinese and English. In case of discrepancy, the traditional Chinese version shall prevail.

Feedback on the Report

Please contact us via email (email address: ir@knhosp.com) for any inquiries or suggestions on the Report or the sustainable development strategies of the Group.

2. About the Group

With Wenzhou Kangning Hospital (Kangning Hospital affiliated with Wenzhou Medical University) as its core, the Group operates a principal business of managing a network of healthcare facilities that primarily focus on providing psychiatric specialty care across various regions in China. Wenzhou Kangning Hospital is a non-government 3A Class psychiatric specialty hospital in China, a Key National Hospital for Specialized Clinical Psychiatry, a national base for providing standardized training to psychiatry resident doctors and an institution for national drug clinical trials. Wenzhou Kangning was listed on the Main Board of the Stock Exchange of Hong Kong on 20 November 2015, becoming the first listed psychiatric specialty hospital company in China.



Core Value

Adhering to the core value of “Respecting Life and Serving Humbly”, the Group is devoted to providing dignified healthcare services to patients with mental disorders. Wenzhou Kangning has put forward the innovative management concept of “changing care into management”. Its unique hospital management and development model has been included in the case database of Harvard Business School, becoming the first hospital case of China.

While the Group’s owned hospitals business grew healthily and steadily, the Group has actively explored a new service pattern of “Internet + medical health”, developed businesses such as drug provision for other Internet hospitals, prescription service provision for drug e-commerce platform and the business of re-diagnosis and prescribing drugs through its own Internet platform. It initially constructed an Internet mental health management platform with Internet hospitals, Medical Group, drug supply chain and medical informatization as its main business. On the other hand, leveraging on the opportunities arising from the construction of social mental service system encouraged by the nation, the Group created a new model for mental services with Wenzhou area as the hub and close collaboration between online and offline channels, so as to cultivate a market targeting patients with moderate illness by using social mental services as the breakthrough point.

The following are the awards/honors received by the Group during the Reporting Period:

Award/honor	Awarding authority
Advanced Unit for Fighting Against COVID-19 (抗擊新型冠狀病毒肺炎疫情先進單位)	Zhejiang Social Medical-group Association (浙江省社會辦醫協會)
Silver Award for Caring Company’s Donation Work for Red Cross (紅十字捐贈工作愛心集體銀獎)	Red Cross Society of Wenzhou (溫州市紅十字會)
Certificate of Appreciation for Helping Hubei to Fight the Virus (援鄂抗疫感謝狀)	Leading Group for Prevention and Control of Virus under Chinese Non-government Medical Institutions Association (中國非公立醫療機構協會疫情防控工作領導小組)
2019 Top 100 Enterprises in Lucheng District (2019年度鹿城區百強企業)	Enterprise Association of Lucheng District, Wenzhou (溫州市鹿城區企業聯合會)
2019 Meritorious Enterprise in Lucheng District (2019年度鹿城區功勳企業)	CPC Wenzhou Lucheng District Committee (中共溫州市鹿城區委), People’s Government of Lucheng District, Wenzhou (溫州市鹿城區人民政府)

3. Chairman's Statement

Dear stakeholders,

Looking back to 2020, the COVID-19 epidemic has continuously brought people burdens in varying extents. As a psychiatric specialized medical service provider, we pay special attention to mental health of the public. We demonstrated our commitment as medical practitioners by providing door-to-door medication delivery service, setting up an online psychological assistance platform, promoting mental health awareness in response to the COVID-19 epidemic and sending experts to Wuhan to support psychological crises intervention.

The Group consistently adhered to the core of “standardizing hospital management and improving medical quality” to coordinate the prevention and control of the COVID-19 epidemic on one hand while continuously improving our medical services and hospital operation. We maintained good communication with various stakeholders, identified important issues related to environment, society and governance, and established a sound management system for sustainable development of enterprises. We also continued to bring in high-end talents and increase investment in scientific research and innovation, and actively lined up with domestic and overseas universities, renowned experts and R&D teams to conduct in-depth cooperation. We have recruited leaders in the fields of technology and innovation globally in order to promote the sustainable development of the medical industry.

The Group has always advocated to operate in a responsible manner and continuously pay attention to the impact of business activities on the environment and society. With respect to medical waste management, the Group has engaged qualified third parties to arrange proper disposal for all of its healthcare facilities in accordance with applicable laws and regulations. We actively manage greenhouse gas emissions, make good use of resources, strengthen pollution prevention and control, and strive to enhance the environmental awareness of all staff and practice green medical management.

Looking ahead, we will continue to perform our corporate social responsibilities, to meet the growing demand for quality mental health services. We will continue to employ new technologies to build a modern and intelligent hospital group, so as to fulfill our 100-year dream.

GUAN Weili

Chairman

Zhejiang, the People's Republic of China (“PRC”)

July 2021

4. Sustainable Development Strategy

The Group attaches importance to the management of sustainable development of enterprises and actively fulfills its corporate social responsibilities. We integrate sustainable development concepts into the overall business development plan, implement sustainable development policies in the healthcare team, healthcare services, environment, community and other sectors, so as to continuously improve the ESG performance, and create value for all stakeholders.

4.1. Environmental, Social and Governance System

We have issued the Notification Concerning the Establishment of the ESG Working Group 《關於成立環境、社會及管治專責小組的通知》 and set up an ESG working group composed of the executive directors, the general manager, the board secretary and representatives from main departments of the Group. The Working Group formed an environmental, social and governance structure covering the board of directors, management and various functional departments to strengthen the standardized management of sustainable development.

The Board of Directors	• Undertake all obligations towards ESG strategies and reporting • Identify, evaluate and determine ESG-related risks • Establish appropriate ESG risk management and internal control systems
The Management	• Evaluate and manage risks during operation • Ensure the effectiveness of the risk management and internal control systems to the board of directors
The ESG Working Group	• Identify significant ESG matters • Review and supervise relevant policies and practices • Report to the board of directors and propose appropriate suggestions on a regular basis
Each Department	• Execute ESG policies • Collect internal policies and data • Give feedback on the effectiveness of policies and provide recommendations for improvement

Environmental, social and governance structure

4. Sustainable Development Strategy

4.2. Communication with Stakeholders

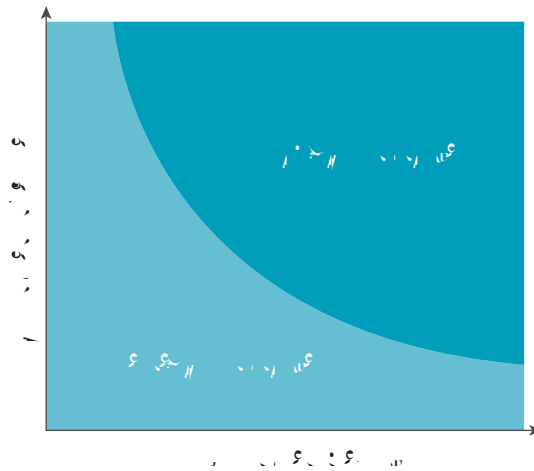
The Group listens to stakeholders' opinions with regard to ESG issues by establishing diversified communication channels to understand the issues and expectations they concern and works out the sustainable development strategies of the Group. In the Year, we contacted our stakeholders in various sectors, including patients and their families, employees, shareholders/investors, government and regulatory authorities, counterparties/business partners, suppliers, media, and communities/non-government groups, with the expectation to establish a long-term and trustful relationship.

Stakeholders	Communication channels
Patients and their families	• Daily operation/communication • Service center • Consultation group • Satisfaction survey and feedback form • Telephone
Employees	• Performance appraisal • Employee Intranet • Employee communication meeting • Group discussion/meeting • Special consultative committee/panel discussion groups • Volunteer activities
Shareholders/investors	• Results announcement/corporate communications • Meetings • Interim and annual reports • Shareholders' site visits
Government and regulatory authorities	• Meetings • On-site investigation • Compliance report
Counterparties/business partners	• Strategic cooperation projects • Lectures/seminars/workshops • Meetings • Reports • Visits
Suppliers	• Supplier management procedures/assessment system
Media	• Results announcement • Press conference/press release • Interviews with the senior management
Communities/non-government groups	• Community investment plans • Community activities • Donations

4. Sustainable Development Strategy

4.3. Materiality Assessment

In the Year, with reference to the disclosure obligations covered in the Guide and the “Materiality Map” of the Sustainability Accounting Standards Board (SASB) of the United States, etc., taking into account its business operation status and the issues concerned by various stakeholders and benchmarking against the best practice of its peers, the Group sorted out the important ESG issues identified. In the end, we identified 35 important issues, including 22 highly important issues and 13 moderately important issues, as the basis for the preparation of the Report.



4. Sustainable Development Strategy

Highly important issues

- Climate change
- Effective utilization of resources
- Up-to-standard discharge of wastewater and measures for emission reduction
- Establishing and improving medical waste management procedures
- Formulation of guidelines and objectives for environmental protection
- Provision of competitive remuneration, benefits and promotion channels
- Setting up School of Mental Health in cooperation with Wenzhou Medical University to cultivate medical talents
- Employment in compliance with laws and regulations
- Employment relationship
- Provision of training and skill enhancement courses for employees
- Safe working environment
- Attention to employees' safety and health
- Establishment of a sound medical quality management system
- Safeguarding customers' legal rights and interests
- Safeguarding customers' privacy
- Establishment of an effective mechanism for handling customer complaints
- Emergency management
- Strict implementation of admittance and review standards for suppliers
- Respecting and protecting intellectual property rights
- Allocating more resources to support the development of neighboring communities
- Promoting health education
- Inclusive medical health services

Moderately important issues

- Up-to-standard discharge of waste gas and measures for emission reduction
- Greenhouse gas emission reduction
- Energy consumption
- Utilization of water resources
- Employee equality and diversity
- Promotion of investment activities for the advancement of the medical undertaking
- Formulation of policies and systems for preventing bribery, extortion, fraud and money laundering
- Service compliance
- Business ethics
- Enhancing sustainable operation capability
- Economic performance
- Engagement in public charity and volunteer activities
- Corporate image

5. Standardizing Hospital Management

Implementing the core value of “Respecting Life and Serving Humbly” and adhering to the professional ethics of “civilized service, scientific diagnosis, reasonable medication, strict privacy and honest medical practice”, the Group standardizes the management of all its medical institutions, and strives to provide safe and reliable medical services to fulfill our medical commitments to caring for patients and their families.

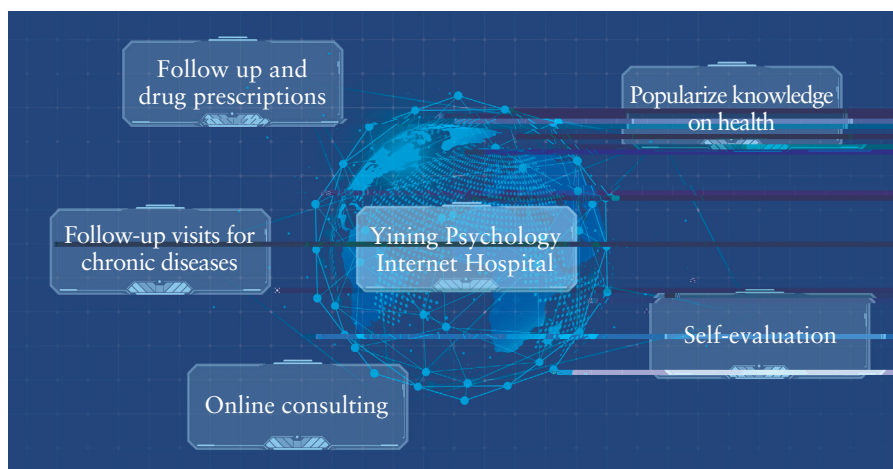
5.1. Quality of Healthcare Services

The quality and safety of healthcare services is an important consideration for the business operation of the Group. We continued to carry out supervision and management on all medical institutions in strict compliance with the Mental Health Law of the PRC (《中華人民共和國精神衛生法》), the Regulation on the Administration of Medical Institutions (《醫療機構管理條例》), the Detailed Rules for the Implementation of the Regulation on the Administration of Medical Institutions (《醫療機構管理條例實施細則》), the Regulation on the Urgent Handling of Public Health Emergencies (《突發公共衛生事件應急條例》), the Regulation on the Handling of Medical Accidents (《醫療事故處理條例》), the Regulation on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》) and other laws and regulations related to healthcare services.

According to the hospital evaluation standards and Measures for the Administration of Medical Quality (《醫療質量管理辦法》) issued by the National Health and Family Planning Commission of the PRC, we set up a medical supervision department and a medical quality and safety management committee, working out quantitative criteria and grading criteria for regulating medical quality and safety to ensure scientific diagnosis and reasonable medication. We also set up a nursing supervision department and a nursing quality and safety committee, which continue to improve nursing procedures and quality and implement nursing safety management.

We value the feedback of our patients and their families and we arranged proper treatment and nursing services for patients according to their race, belief, custom, habit, taboo and psychological status to show utmost respect for them during standard healthcare services. The Group has formulated the Complaint Management System (《投訴管理制度》), which lays out the complaint handling mechanism and punitive measures. Patients and their families can make complaints and suggestions through telephone, complaint center website, letters, visiting the complaint center, suggestion boxes at nurse stations and other channels. After the complaint is accepted, we will investigate and verify the complaint in accordance with the standard complaint handling procedures, and timely inform the complainants the handling situation and results. In the Year, the Group totally received 63 complaints, of which nearly 80% (50 complaints) have been properly handled during the Reporting Period. The relevant departments will collect and sort out complaints on a regular basis, and prepare a Report on the Investigation and Rectification of Patient Satisfaction (《患者滿意度調查整改報告》). A discussion will be conducted at the quarterly meeting of the Service Quality Committee over the common problems that arise from each individual case and recurring complaints, for drawing up improvement countermeasures, and following up on the implementation of each unsolved problem.

5. Standardizing Hospital Management



Yining Psychology Internet Hospital

In order to further improve the quality of healthcare services, the Group has actively explored a new service pattern of “Internet + medical health” by setting up Yining Psychology Internet hospital, and realized “remote”, “accurate” and “smart” mental health services through the application of the Internet diagnosis and treatment platform with information technology and big data. In addition, the Group has independently developed mobile nursing system, personnel management system, medical record management system, hospital information management system, laboratory information management system, electronic medical record system, cloud hospital system, cloud office system, cloud life system, etc., which are suitable for specialty hospitals, so as to effectively improve the work efficiency and medical quality of medical staff and to meet the needs of medical management of the Group.

5. Standardizing Hospital Management

5.2. Management of Business Information

The Group handles business-related information prudently and strictly abides by the Law of the People's Republic of China on Guarding State Secrets (《中華人民共和國保守國家秘密法》), the Regulations on the Implementation of the Law of the People's Republic of China on Guarding State Secrets (《中華人民共和國保守國家秘密法實施條例》), the Regulations on the Protection of Computer Software of the PRC (《中華人民共和國計算機軟件保護條例》) and other relevant laws and regulations. We worked out the Rules for Protecting Patients' Privacy (《患者隱私保護制度》) to specify the provisions for protecting patients' privacy during clinical consultation, examination, operation, treatment and transport for patients, as well as restrictions on collection, use and disclosure of patients' information. The Group has also formulated the Rules for Safety Management Work of Information Technology Department (《信息技術部安全管理工作制度》), Hierarchical Management System for System Operation Authority (《系統操作權限分級管理制度》) and Software Legalization Management System (《軟件正版化管理制度》) to enhance information security construction and regulate control over operation authority of application system, control over user permission, control over server operation authority and control over database operation authority, in order to improve information security management.

In respect of business information disclosure, the Group strictly complies with the Advertising Law of the PRC (《中華人民共和國廣告法》), the Patent Law of the PRC (《中華人民共和國專利法》), the Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), the Trademark Law of the PRC (《中華人民共和國商標法》), the Copyright Law of the PRC (《中華人民共和國著作權法》), the Regulation on the Customs Protection of Intellectual Property Rights of the PRC (《中華人民共和國知識產權海關保護條例》) and other relevant laws and regulations, to strive to protect the patent rights, trademark rights, copyrights and other intellectual property rights of the Group and our business partners, and to ensure authentic, accurate and complete information is conveyed to the public without any deceptive acts of using false and misleading trade descriptions.

5.3. Adhering to Honest Medical Practice

The Group adheres to honest medical practice in strict compliance with the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》), the Code of Conduct for the Practitioners of Medical Institutions (《醫療機構從業人員行為規範》), the Notice on Printing and Circulating of "Nine Prohibitions" for Strengthening Ethical Conduct in the Healthcare Industry (《關於印發加強醫療衛生行風建設“九不准”的通知》), the Provisions on the Establishment of

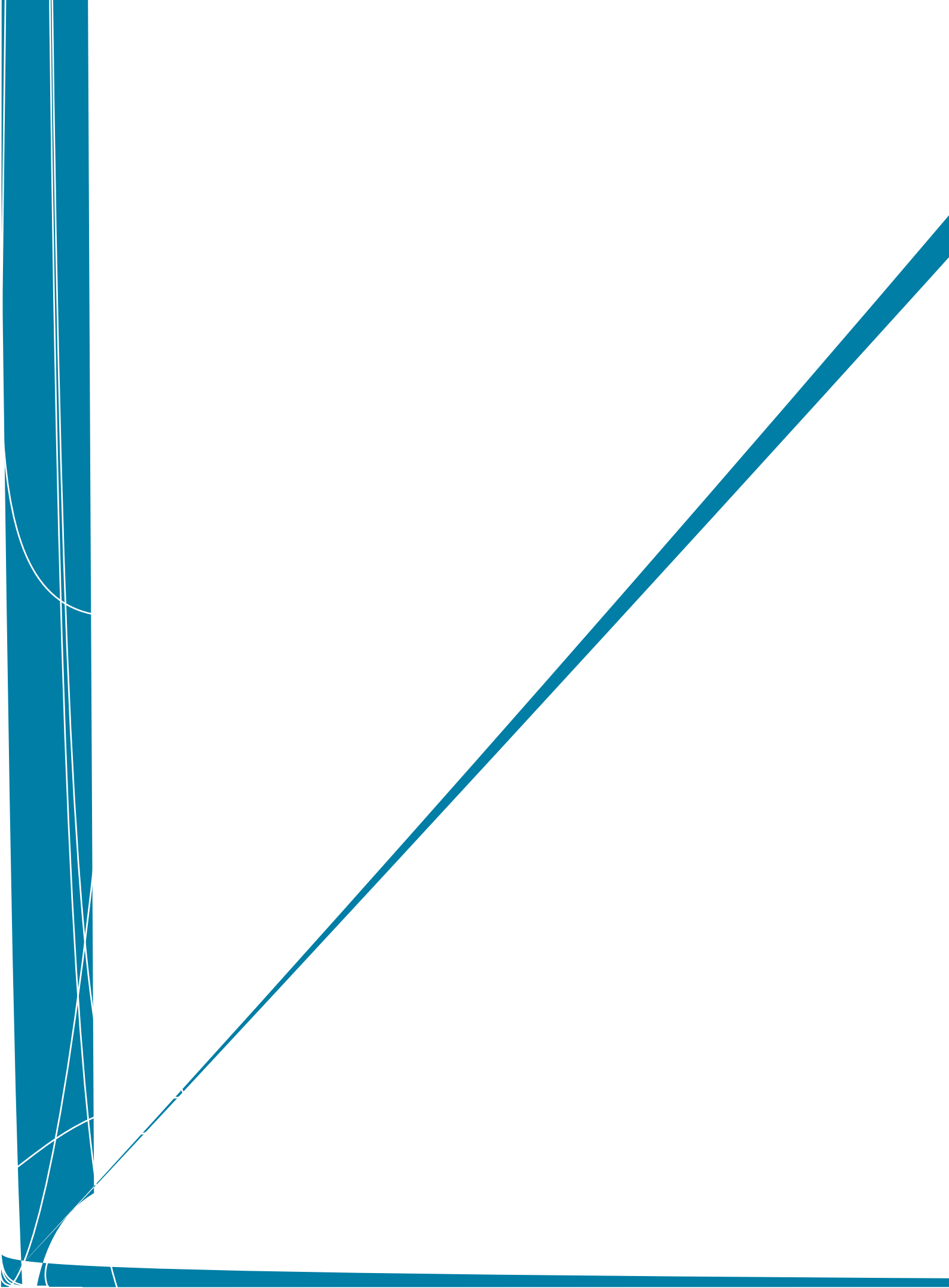
5. Standardizing Hospital Management

We pay close attention to the professional ethics of the medical staff, and have zero tolerance towards any form of bribery, such as receiving drug kickbacks from pharmaceutical companies without permission. In order to enhance the supervision on the personal conduct of our medical staff, we set up a tip-off hotline to encourage our staff, the public, patients and their families to report potential internal illegal activities of the Group. We will keep the informant's identity strictly confidential in an effort to discover and correct all kinds of misconduct in a timely manner. During the Reporting Period, there was no record of litigation or any corruption, bribery, extortion, fraud and money laundering against the Group or our staff.

5.4. Supply Chain Management

A sustainable supply chain is an important part in maintaining the stable development of the Group's healthcare business. The Group is in strict compliance with the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》), Regulations for Implementation of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), Regulations for the Control of Narcotic Drugs and Psychotropic Drugs (《麻醉藥品和精神藥品管理條例》), Measures for the Administration of Medical Toxic Drugs (《醫療用毒性藥品管理辦法》), Regulations for the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and Management Provisions for Medical Device Distributing Enterprise License (《醫療器械經營企業許可證管理辦法》) and other laws and regulations. We have also established the Administrative Measures for Suppliers (《供應商管理辦法》) and the Procurement Management System (《採購管理制度》) to regulate and manage business-related procurement activities.

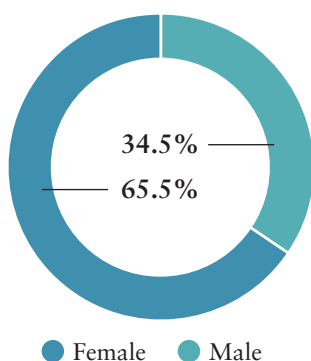
When selecting suppliers, we will appraise the new suppliers' qualification and give priority to suppliers with strong production, technical and quality assurance capabilities; normal production management; reasonable prices; and eco-friendly materials. In order to strengthen the prevention of environmental and social risks related to the supply chain, we will conduct review on the independence of suppliers with a total contract amount exceeding RMB100,000 in accordance with our Contract Management System (《合同管理制度》) and also enter into an anti-commercial bribery agreement with relevant suppliers. In addition, we constantly supervise the quality of warehousing materials and perform quarterly and annual appraisal on our suppliers, in a bid to ensure that the selection of suppliers meets various business needs.



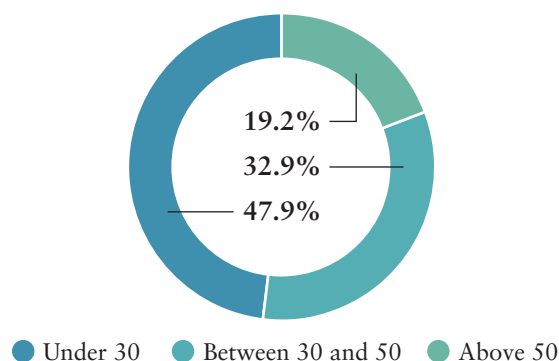
6. Professional Medical Team

Employees are important and valuable assets of the Group. We attach great importance to the building and management of our talent team. We have formulated the Employee Manual 《員工手冊》 and established a sound human resource management system to strive to create an ideal working environment for our employees. As at 31 December 2020, the Group had a total of 3,338 staff members. The graphs below show the percentage of employees by gender and age group:

Percentage of employees by gender



Percentage of employees by age group



6.1. Management of Employee Recruitment

The Group is concerned about the rights and interests of the employees and is committed to creating a workplace environment with diversity, equality and no harassment or discrimination for the employees. We strictly abide by laws and regulations related to labor and employment such as the Labor Law of the PRC 《中華人民共和國勞動法》, the Labor Contract Law of the PRC 《中華人民共和國勞動合同法》, the Law on the Protection of Minors of the PRC 《中華人民共和國未成年人保護法》 and the Provisions on the Prohibition of Using Child Labor 《禁止使用童工的規定》, and adopted a Board diversity policy to ensure a balance of skills, experience and other aspects in the Board to enhance its effectiveness and achieve a high standard of corporate governance. During the Reporting Period, the Group did not violate any laws and regulations relating to the remuneration and dismissal, recruitment and promotion, working hours, equal opportunities, diversity, anti-discrimination, prevention of child labor or forced labor, and no child labor or forced labor cases were found in the Group.

By adhering to the fundamental principles of “Openness, Justice and Fairness” in recruitment, we have formulated the Recruitment and Employment Management System 《招錄管理制度》, and systematically implement annual human resources planning and undertake various talent recruitment activities. We will consider whether the candidates’ educational background, work experience and skills meet the requirements of the post they apply for. Background factors such as their gender, age, nationality, religious beliefs, family background, race, marital status and other categories protected by law will not affect their chances of having an interview and getting hired.

6. Professional Medical Team

During the recruitment process, we undertake a rigorous review of candidates' identity documents and conclude labor contracts with employees on a mutually agreed basis after negotiation to prevent the employment of child labor or forced labor. In addition, we implement a flexible working schedule and a two-day break per week to match the standard working hours to preserve the legitimate rights and interests of our employees. In the event of forced labor, such employees have the right to terminate the employment relationship in accordance with the relevant terms of their labor contracts. Regarding employee resignation, the human resources department will look for reasons for the resignation, and identify and manage matters related to employee resignation. We will also make arrangements in accordance with relevant laws and regulations and the terms of the labor contract, eliminating any unfair treatment to any party.

6.2. Employees' Benefits and Remuneration

The Group offers attractive remuneration packages to employees to attract and retain talents. Besides the PRC statutory holidays, our employees are entitled to annual leave, marriage leave, compassionate leave, maternity leave, miscarriage leave, paternity leave, lactation leave, sick leave, work injury leave, personal leave, etc. We also provide employees with food allowances, night meal allowances, allowances for working under high temperature, holiday subsidies, as well as accommodation arrangements or housing subsidies and other benefits. In accordance with the relevant PRC laws and regulations, the Group also makes contributions to the national pension schemes for eligible employees. Such social security coverage includes basic medical insurance, basic endowment insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund and corporate annuities.

We have set up the Employee Ranks and Remuneration Scheme 《員工職級及薪酬方案》 to improve the employee salary management system. Remunerations to our employees consist of monthly basic salary, post salary, seniority salary, education allowances, title allowances and year-end bonuses. The Human Resources Department is responsible for conducting the annual performance appraisal of employees. Substance and terms of an assessment varies, depending on profession and position of an employee; however, assessment items basically cover performance indicators such as working plans and advice, moral merits, duty performance, work execution capability, labor discipline and service quality. The results of the annual performance appraisal of employees will be applied as the basis for selecting outstanding employees, issuance of year-end bonuses, salary and job adjustment, ensuring that reasonable compensation is given to different employees.

6. Professional Medical Team

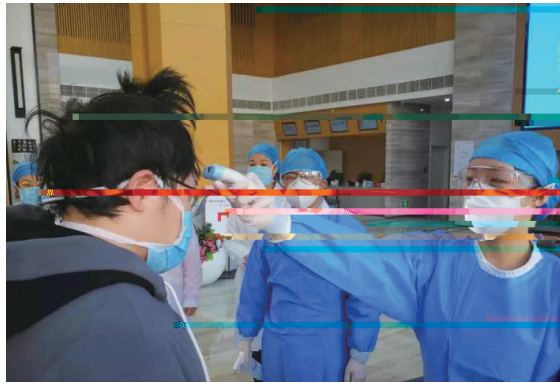
6.3. Occupational Health and Safety

As a provider of professional medical services, we pay special attention to the physical and mental health of our employees. The Group strictly complies with the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Measures for the Administration of Occupational Health Examination (《職業健康檢查管理辦法》), the Measures for the Administration of Diagnosis and Identification of Occupational Diseases (《職業病診斷與鑑定管理辦法》), the Fire Protection Law of the PRC (《中華人民共和國消防法》) and other laws and regulations and endeavor to provide our employees with a safe working environment. During the Reporting Period, the Group did not violate any relevant laws and regulations regarding the provision of a safe working environment and the protection of employees from occupational hazards or have any severe accidents involving work-related deaths of employees. The Group lost a total of 746 workdays due to work injury during the Year.

We have formulated the Hospital Security Management System (《醫院保安管理制度》) and the Hospital Fire Safety Management System (《醫院消防安全管理制度》) and have implemented the measures for “preventing fire, theft, robbery, explosion, damage, fraud, info-theft and public security incidents” by adhering to the principles of “taking precautions as the main task, ensuring major issues are addressed and safeguarding safety”, in order to provide a safe environment for medical, teaching and scientific research activities. Furthermore, employees who have worked at the Group’s hospitals for one year or above are entitled to an annual physical examination, and employees who are engaged in radiological medical services and special examinations are entitled to an annual targeted occupational health check.

In 2020, we were under a sudden and severe blow of pneumonia caused by a novel coronavirus. Facing the outbreak of COVID-19, we completely implemented the State Council’s epidemic prevention and control decision and deployment, and formed “The Leading Committee for Prevention and Control of Spreading of COVID-19” (防控新型冠狀病毒感染肺炎領導小組) led by our chairman and general manager to provide guidance to all branches of the Group in containment of infection. Meanwhile, we launched a three-level emergency response plan to immediately adjust the outpatient service hours of our hospitals according to the development of the epidemic, and implemented closed management of our hospital wards, temporarily declining all family visits. We had also done a good job of temperature testing and disinfection for hospital admissions to protect the health of medical staff and patients in our hospitals.

6. Professional Medical Team



Temperature testing before admission

To help employees balance life and work, we kept organizing a variety of staff activities amidst the pandemic from time to time such as the New Year Eve Party and Tao Tao Bar Charity Sale. Under the leadership of the Party committee within our Group, we held the “Red Engine” on the Party’s celebration day, “Hundred People and Hundred Songs” and other activities to motivate employees to think positively like a party member would do. The Group also offers employees free access to our gym, swimming pool, etc. with an aim to create a culture of occupational safety and health.



“Red Engine” activity on the Party’s celebration day

6. Professional Medical Team

6.4. Development of Medical Personnel

The Group puts great emphasis on the training and development of medical personnel, proactively establishes “in-hospital teaching” and promotes the coordinated development of medical practice, education and research. We formulate annual plans for employee training, ward clinical teaching and emergency drills according to the job requirements of each professional position, and provide employees with pre-job training and on-the-job professional knowledge training to continuously improve their professional quality. The percentage of employees trained and average training hours of employees of the Group by gender and employee type during the Reporting Period are as follows:

	Percentage of Employees Trained	Average Training Hours
By gender		
Female employees	84.0%	20.0 hours
Male employees	77.6%	23.2 hours
By employee type		
Junior employees	80.3%	23.9 hours
Middle management	91.4%	27.0 hours
Senior management	100.0%	14.0 hours

We are also actively engaged in different forms of training to ensure the professional improvement of our medical staff. In the Year, Wenzhou Kangning Hospital has been admitted as one of the standardized training bases for resident doctors in the PRC in the third round of selection by the relevant authority. According to the teaching syllabus of medical schools and the teaching requirements of clinical departments, the teachers of “in-hospital teaching” will plan the teaching tasks for the academic year/semester, carry out targeted assessment and intensive training for trainees, conduct simulated examination, and organize assessment of both theoretical knowledge and skills, so as to ensure the quality of standardized training for resident doctors.

Wenzhou Kangning Hospital has been approved to establish the post-doctorate workstation in Zhejiang Province, which is committed to training young postdoctoral scholars as clinical research talents. It has also carried out special research in the aspects of mental health of children and adolescents, such as being tired of learning, dropping out of school, family relations, as well as the pathogenesis of mental illness such as children’s hyperactivity disorder, autism, etc., and digital psychiatry, with a view to promoting the development of psychiatry.

6. Professional Medical Team

In addition, the Alzheimer's Disease International Diagnosis and Treatment Center (阿爾茨海默病國際診療中心) jointly established by Wenzhou Kangning and Wenzhou Medical University has become an international science and technology cooperation base for digital psychiatry and Alzheimer's disease, mainly carrying out science and

7. Green Hospital Management

The Group is very concerned about environmental responsibilities. We strictly comply with the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), continuously identify and manage the impact of business operation on resource application and the environment, and actively seek to adopt environmental protection technologies and solutions to implement green hospital management when feasible. During the Reporting Period, the Group did not violate any regulations on environmental protection, and did not have any significant accidents that had adverse impacts on the environment and natural resources or any environment-related punishments or litigation.

7.1. Management of Greenhouse Gas Emissions

The Group is well aware that climate change will have a significant impact on the operation of enterprises, as such, it actively pays attention to China's strategies on dealing with climate change, and starts to identify, quantify and manage the risks and opportunities related to climate change. It also gradually improves the mechanism to respond to climate change and strives to realize low-carbon hospital operation.

We carried out a carbon audit in accordance with the Greenhouse Gas Protocol (《溫室氣體盤查議定書》) jointly developed by World Resources Institute and World Business Council for Sustainable Development and ISO14064-1 formulated by the International Standardization Organization. According to the results of the carbon audit, we intensified the measures of various low-carbon hospital operation and enhanced the management of greenhouse gas emissions. During the Reporting Period, the greenhouse gas emissions of the four hospitals under key operation of the Group (i.e. Wenzhou Kangning Hospital, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd.) are as follows:

		Unit	2020
Scope 1	Direct greenhouse gas emissions	Tonnes of carbon dioxide equivalent ("CO ₂ e")	364.4
Scope 2	Indirect greenhouse gas emissions	Tonnes of CO ₂ e	6,489.3
Scope 3	Other indirect greenhouse gas emissions	Tonnes of CO ₂ e	6,753.9
Total greenhouse gas emissions		Tonnes of CO ₂ e	13,607.6
Greenhouse gas emissions per person[^]		Tonnes of CO ₂ e/person	0.5

Scope 1: Direct greenhouse gas emissions produced by fuel consumption of fixed equipment and vehicles owned and controlled by the Group.

Scope 2: Greenhouse gas emissions indirectly caused by the use of electricity related to the Group's business activities.

Scope 3: Greenhouse gas emissions indirectly produced by water consumption, sewage discharge, emissions from flights due to travel of employees, waste landfill, paper use, etc. related to the Group's business activities.

[^] Calculated based on the number of employees at the end of the Year and the number of discharged patients during the Reporting Period

7. Green Hospital Management

7.2. Energy Management

The Group continuously monitors the power consumption in the process of business operation and implements energy management from various aspects. We strictly comply with the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), the Notice on Issuing of the “13th Five-Year” Plan for the Conservation of Energy Sources by Government Agencies (《關於印發公共機構節約能源資源“十三五”規劃的通知》), the Regulations on Energy Conservation of Public Institutions (《公共機構節能條例》) and other laws and regulations, so as to implement the measures for energy conservation and consumption reduction. Wenzhou Kangning has established a work leading group to promote the “Energy Conservation Campaign by Public Institutions”, and enhanced its education regarding energy conservation on the medical staff through different channels.

In order to improve the energy efficiency, the Group divided the hospital into several different zones with lighting switches that can be independently controlled to enable medical staff to flexibly use the lighting system. Some of our offices and conference rooms adopt natural lighting to the greatest extent and modulator tubes with high energy efficiency. We will regularly measure the brightness of different positions in the office, so as to moderately reduce the number of modulator tubes for places where the luminosity is higher than required. We also regularly clean the lighting devices and air-conditioning filters, and strictly monitor the indoor temperature of various departments and wards of the hospital, in a bid to ensure proper use of the air conditioning system.

During the Reporting Period, Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. consumed a total of 10,636.4 MWh of electricity during operation, with an intensity of 399.9 kWh per person, representing a decrease of approximately 7% as compared to last year.

7.3. Water Resource Management

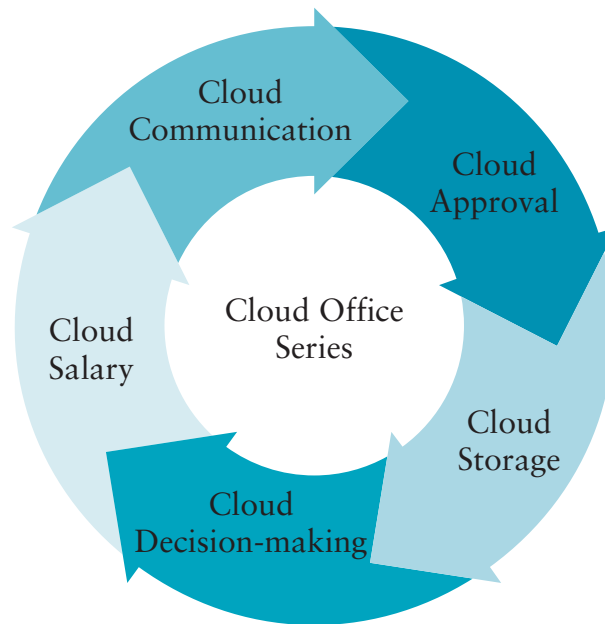
In face of the global crisis of the scarcity of water resources, the Group is committed to improving water resource management, cultivating employees’ habit of saving water. We post various signs in the toilets to remind users to turn off the tap tight and make good use of the functions of double-system flush toilets. The Group regularly checks the reading on water meter and arrange repair in a timely manner to enhance its daily maintenance and management, so as to reduce the waste caused by leakage. Moreover, we use a central condensate recovery system and a secondary water supply system to recycle wastewater and make better use of water resources.

During the Reporting Period, Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. consumed a total of 389,499.0 m³ of water during operation, with an intensity of 14.6 m³ per person, representing a decrease of approximately 5% as compared to last year.

7. Green Hospital Management

7.4. Paperless Office

The Group actively advocates paperless office. Given that printing of medical records and inspection and testing reports of patients accounts for a large portion of the paper consumption of the Group's business, we have been striving to achieve paperless medical records. Medical staff will store patients' medical records electronically for future access whenever necessary. We will print relevant medical records at the request of the patients or their families to reduce paper consumption.



Furthermore, we use our self-developed “Customized” mobile office platform “Cloud Office Series” to provide services including “Cloud Communication”, “Cloud Storage”, “Cloud Decision-making”, “Cloud Salary”, and “Cloud Approval”, in an effort to reduce the cost of paper use while improving the efficiency of completing various business processes. The Group encourages its employees to use electronic communication technology for sending messages. The “Cloud Communication” allows the Group's employees to easily access to the contact information needed with a tap of fingers, realizing paperless contacts. “Cloud Storage” is a safe and reliable repository of the Group. We implement various measures to safeguard information security, and monitor the access to the shared files in real time. “Cloud Decision-making” integrates data of various operating indicators of the hospital, and presents the data analysis results in the form of charts on the mobile terminal, providing scientific basis and data support for managers' decision-making. Employees can access to their salary details at any time via “Cloud Salary”. Employees can also submit applications for personnel management, finance, supplies and information approval via their mobile devices, which will be immediately sent via “Cloud Approval” system to achieve paperless approval process.

7. Green Hospital Management

In the Year, Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. consumed a total of 14,262.8 kg of papers, with an intensity of 0.5 kg per person, representing a decrease of nearly 70% as compared to last year, which shows that we are gradually realizing paperless office.

7.5. Waste Management

The Group supports the responsible use of all kinds of materials and advocates waste reduction from the source. We encourage our employees to reduce the use of disposable and unrecyclable products and repeatedly use envelopes, spring binders and other stationeries. The Group also calculates the inventories of various materials and assesses the consumption from time to time to avoid excessive purchase.

In respect of waste disposal, the Group strictly complies with the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), Regulations on the Prevention of Solid Waste Pollution in Zhejiang Province (《浙江省固體廢物污染防治條例》), Administrative Measures for Kitchen Waste in Urban Areas of Wenzhou City (《溫州市區餐廚垃圾管理辦法》) and other laws and regulations to collect wastes by category and manage various kinds of wastes, and recycle waste paper, metal, plastic products and discarded batteries. We have installed oil fume purification units for canteen and oil-water separators, and set a dedicated recycle bin at the designated place to collect waste oil from kitchen which would be handed over to the professional environmental service contractors approved by the relevant administrative and regulatory departments for further disposal so as to strengthen our pollution prevention.

In respect of medical waste, the Group has employed qualified third parties to properly collect, store and dispose medical waste for all our medical institutions in accordance with the Regulations on the Administration of Medical Waste (《醫療廢物管理條例》), Implementation Measures of the Management of Medical Waste for Medical Institutions (《醫療衛生機構醫療廢物管理辦法》), Technical Specifications for the Centralized Disposal of Medical Waste (《醫療廢物集中處理技術規範》), and other applicable laws and regulations. We make wise use of the qualified packing bags and sharps boxes specifically for medical waste to pack and collect various medical waste by category, and store them in a recycle case at the designated temporary storage point of medical waste for further disposal by designated qualified third parties. We have set a radioactive liquid waste treatment facility in our hospital and regulated the operations in the use, storage and disposal of radiation sources and liquid wastes to enhance the safety management on wastes of biological and radiation sources.

In the Year, Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. recorded a total output of non-hazardous waste of 4,301.6 tonnes, with an intensity of 161.7 kg per person. The total output of hazardous waste included 46.4 tonnes of medical waste, computers, waste ink cartridges and waste batteries, with an intensity of 1.7 kg per person.

8. Building a Healthy Community Together

The Group always adheres to the corporate belief of “It is More Blessed to Give than to Receive”. While promoting the development of healthcare services, the Group cares about social welfare, as such, it promotes a healthy society mainly through medical specialties, and wishes to build a healthy community with people from all sectors. During the Reporting Period, the Group invested more than RMB8.79 million in social welfare projects.

8.1. Inclusive Medical Health Services

As a psychiatric specialized medical service provider, the Group pays special attention to the mental health of the public. In order to meet the increasing mental health needs of the public, we actively responded to China’s policy of “strengthening the construction of the social mental service system” and launched online and offline social mental services.

By means of information technology, the Group created “Internet + mental service” to provide health education, question answering, psychological consultation and other services for residents. It also constructed the electronic archives of social mental service and the post hospital management system for patients with severe mental illness, with a view to promoting the collection and visualization of big data, and carrying out the three color early warning system and crisis intervention management regarding social mentality.



Mobile terminal “Xinqing Post” (心晴驿站)

The social mental service platform independently developed by the Group’s branches makes use of powerful functions such as “user interaction”, “psychological education” and “big data deployment” to provide online professional mental services for the public around the clock and provide testing, evaluation and management services for the construction of regional social mental service system. The public can obtain “psychological micro-course” (心理微课), psychological tests, psychological consultation and other services through the “Wenzhou Kangning Social Mental Service” (温州康宁社会心理服务) application or the mobile terminal “Xinqing Post” (心晴驿站).

8. Building a Healthy Community Together



Offline service experience center

Regarding offline, leveraging on its strong expert team, psychiatry and crisis intervention specialty, Wenzhou Kangning has set up a number of offline service experience centers, including Xinfu Workshop in Ouhai District (甌海區心福工坊), Social Mental Service Center in Longwan District (龍灣區社會心理服務中心), Xinhai Workshop in Economic Development Zone (經濟開發區心海工坊), Nanxin Workshop in Yongjia County (永嘉縣楠心工坊), etc., to undertake community mental service work comprehensively. The experience centers, together with our medical team, regularly carry out mental health education lectures, salons, group counseling, “bringing education home” (送教上門), “working in villages and homes” (駐村入戶) and other activities, and provide people with services such as mental health examination, psychological counseling, stress relief experience, psychological knowledge experience, psychological crisis intervention, etc.

8. Building a Healthy Community Together



Medical patrol and drug delivery service



A team of psychiatrists went to the outbreak area in Wuhan

During the COVID-19 epidemic, when people's activities were limited, the Group made use of remote diagnosis and treatment and "medical patrol and drug delivery team" to ensure the supply of drugs for patients of long-term medication with chronic mental disorders, and also organized a team of psychiatrists to provide psychological crisis assistance services in the outbreak area in Wuhan. The hospital's doctor team also voluntarily gave up the Lunar New Year holiday and provided free psychological crisis intervention for people in the country or abroad at home and in the office through the psychological counseling hotline, Internet hospital platforms and third-party counseling platforms.

In addition, immediately after the outbreak, we released dozens of psychological crisis intervention and education videos on the public media platform. We also published a series of educational articles related to the psychological crisis under the epidemic jointly with well-known third-party media such as DXY (丁香园) and the medical community, as well as we-media such as the official website and WeChat public account of Wenzhou Kangning, in an effort to publicize the mental health knowledge of coping with the epidemic to the public and reduce their psychological fear. We also participated in the programs offered by Phoenix TV and other media to explain the severity of psychological crisis under the epidemic and the necessity of intervention, and to answer people's questions in a timely manner.

8. Building a Healthy Community Together

8.2.Promoting the Development of the Healthcare Industry

8. Building a Healthy Community Together

8.3. Organizing Charity Activities

Most patients in the special care ward of Wenzhou Kangning Hospital are chronic mental disorder patients with long-term decline. They have a long course of disease, weak social adaptability, and need a long time to recover. In order to help these patients solve their life difficulties, the general Party branch of Wenzhou Kangning Hospital insists on carrying out the Party building work of “Dexin Project” (德馨工程) in the hospital, with a view to continuously advocating party members to play the role as pioneers and fine examples by taking care of patients with mental disorders. The general Party branch allocates a fund for helping the disadvantaged from the funds for Party members’ activities to purchase toothpaste, toothbrushes, soap, towels and other items needed for hospitalization for these patients and provide financial assistance to the patients with chronic mental disorders, thereby conveying the message of care.

In addition, in various festivals and holidays, we also organize different forms of public welfare activities, such as live broadcasts/lectures for popularizing knowledge, community voluntary visits, free expert diagnosis, parent-child classroom activities, so as to care for children with autism and Attention Deficit Hyperactivity Disorder (ADHD) as well as patients with various illness, and we also answer questions for the public, improve parent-child relationship, and bring positive psychological energy.



General Party branch’s activity for caring and helping the disadvantaged

Appendix I: Sustainability Data Statement

The following is the sustainability data statement in the subject area of environment of Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. for the Year:

	Unit	2020
Emissions		
Nitrogen oxides (NO _x)	kg	162.5
Sulphur oxides (SO _x)	kg	0.5
Particulate Matters (PM)	kg	15.3
Greenhouse gas emissions		
Direct greenhouse gas emissions (Scope 1)	Tonnes of CO ₂ e	364.4
Indirect greenhouse gas emissions (Scope 2)	Tonnes of CO ₂ e	6,489.3
Other indirect greenhouse gas emissions (Scope 3)	Tonnes of CO ₂ e	6,753.9
Total greenhouse gas emissions (Scope 1, 2 & 3)	Tonnes of CO ₂ e	13,607.6
Greenhouse gas emissions per person [^]	Tonnes of CO ₂ e/person	0.5
Energy consumption		
Natural gas consumption	m ³	114,334.0
Liquefied petroleum gas consumption	Tonnes	5.1
Gasoline consumption	Litre	31,041.8
Diesel consumption	Litre	5,863.1
Consumption of purchased electricity	MWh	10,636.4
Consumption of purchased electricity per person [^]	kWh/person	399.9
Water consumption		
Water consumption	m ³	389,499.0
Water consumption per person [^]	m ³ /person	14.6
Paper consumption		
Paper consumption	kg	14,262.8
Paper consumption per person [^]	kg/person	0.5
Waste production		
Non-hazardous waste production	Tonnes	4,301.6
Production of non-hazardous waste per person [^]	kg/person	161.7
Hazardous waste production	Tonnes	46.4
Production of hazardous waste per person [^]	kg/person	1.7

[^] Calculated based on the number of employees at the end of the Year and the number of discharged patients during the Reporting Period

Appendix I: Sustainability Data Statement

The following is the Group's human resources data statement for the Year:

		2020
Total number of employees	Number	3,338
Number of employees by gender		
Female employees	Number	2,188
Male employees	Number	1,150
Number of employees by employee type		
Junior employees	Number	2,902
Middle management	Number	421
Senior management	Number	15
Number of employees by age group		
Employees aged under 30	Number	1,598
Employees aged between 30 and 50	Number	1,097
Employees aged above 50	Number	643
Number of employees by geographical region		
Employees from North China	Number	38
Employees from Northeast China	Number	77
Employees from East China	Number	3,223
Total employee turnover rate*		18.8%
Employee turnover rate by gender*		
Female employees		17.4%
Male employees		21.4%
Employee turnover rate by age group*		
Employees aged under 30		16.4%
Employees aged between 30 and 50		15.2%
Employees aged above 50		29.1%
Employee turnover rate by geographical region*		
Employees from North China		0.0%
Employees from Northeast China		27.4%
Employees from East China		18.8%

* Employee turnover rate is calculated based on the number of employees lost divided by the sum of the number of employees lost and the number of employees at the end of the Year

Appendix II: Hong Kong Stock Exchange ESG Reporting Guide Index

			Relevant sections
A. Environment			
A1: Emissions	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Hospital Management – Management of Greenhouse Gas Emissions; Waste Management
	A1.1	The types of emissions and respective emissions data.	Sustainability Data Statement
	A1.2	Greenhouse gas emissions in total and intensity.	Green Hospital Management – Management of Greenhouse Gas Emissions; Sustainability Data Statement
	A1.3	Total hazardous waste produced and intensity.	Green Hospital Management – Waste Management; Sustainability Data Statement
	A1.4	Total non-hazardous waste produced and intensity.	Green Hospital Management – Waste Management; Sustainability Data Statement
	A1.5	Description of measures to mitigate emissions and results achieved.	Green Hospital Management – Management of Greenhouse Gas Emissions
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Green Hospital Management – Paperless Office; Waste Management

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			Relevant sections
A2: Use of resources	General disclosure	Policies on the efficient use of resources.	Green Hospital Management – Energy Management; Water Resource Management; Paperless Office
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Green Hospital Management – Energy Management; Sustainability Data Statement
	A2.2	Water consumption in total and intensity.	Green Hospital Management – Water Resource Management; Sustainability Data Statement
	A2.3	Description of energy use efficiency initiatives and results achieved.	Green Hospital Management – Energy Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Hospital Management – Water Resource Management
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable, the Group's business does not involve packaging materials
A3: Environment and natural resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Green Hospital Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Hospital Management

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			Relevant sections
B. Social			
B1: Employment	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Professional Medical Team – Management of Employee Recruitment; Employees' Benefits and Remuneration
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Sustainability Data Statement
	B1.2	Employee turnover rate by gender, age group and geographical region.	Sustainability Data Statement
B2: Health and safety	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Professional Medical Team – Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities.	Professional Medical Team – Occupational Health and Safety
	B2.2	Lost days due to work injury.	Professional Medical Team – Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Professional Medical Team – Occupational Health and Safety

Appendix II: Hong Kong Stock Exchange ESG Reporting Guide Index

			Relevant sections
B3: Development and training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Professional Medical Team – Development of Medical Personnel
	B3.1	The percentage of employees trained by gender and employee category.	Professional Medical Team – Development of Medical Personnel
	B3.2	The average training hours completed per employee by gender and employee category.	Professional Medical Team – Development of Medical Personnel
B4: Labor standards	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Professional Medical Team – Management of Employee Recruitment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Professional Medical Team – Management of Employee Recruitment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Professional Medical Team – Management of Employee Recruitment
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks of the supply chain.	Standardizing Hospital Management – Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Standardizing Hospital Management – Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Standardizing Hospital Management – Supply Chain Management

Appendix II: Hong Kong Stock Exchange ESG Reporting Guide Index

			Relevant sections
B6: Product responsibility	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Standardizing Hospital Management – Quality of Healthcare Services; Management of Business Information
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's healthcare business
	B6.2	Number of products and service related complaints received and how they are dealt with.	Standardizing Hospital Management – Quality of Healthcare Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Standardizing Hospital Management – Management of Business Information
	B6.4	Description of quality assurance process and recall procedures.	Standardizing Hospital Management – Quality of Healthcare Services
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Standardizing Hospital Management – Management of Business Information

Appendix II: Hong Kong Stock Exchange ESG Reporting Guide Index

			Relevant sections
B7: Anti-corruption	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Standardizing Hospital Management – Adhering to Honest Medical Practice
	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.	Standardizing Hospital Management – Adhering to Honest Medical Practice
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Standardizing Hospital Management – Adhering to Honest Medical Practice
B8: Community investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Building a Healthy Community Together
	B8.1	Focus areas of contribution.	Building a Healthy Community Together
	B8.2	Resources contributed to the focus area.	Building a Healthy Community Together

温州康宁医院股份有限公司

Wenzhou Kangning Hospital Co., Ltd.