2022 Environmental, Social and Governance Report

LifeTech Scientific Corporation

Stock Code: 01302.HK

Environmental, Social and Governance Report

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CHAIRMAN'S STATEMENT

Dear stakeholders,

On behalf of the board (the "Board") of directors (collectively, the "Directors", and each a "Director") of LifeTech Scientific Corporation (the "Company" or "LifeTech"), I am pleased to present the Environmental, Social and Governance ("ESG") report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2022.

SUSTAINED BUSINESS GROWTH, NUMEROUS RESEARCH & DEVELOPMENT BREAKTHROUGHS

In 2022, the world's political and economic landscape was going through even greater turbulence and transformation, exacerbated by interruptions to economic recovery due to recurrent outbreaks of COVID-19 and further disruptions to the global supply chain triggered by the Russia-Ukraine conflicts, accompanied by greater uncertainties in economic development. Despite these challenges, there was growth in the revenue, gross profit and net profit of the Group for the year ended 31 December 2022 (please refer to the Group's annual report for details). As we fully understand that product innovation and diversity constitute an important element for sustainable development, we have been dedicated to this area for years, and continuously strengthened our innovation capabilities and accelerated the product development, to maintain our leading position in the industry. Meanwhile, we are pleased to see great breakthroughs in research and development, including Fitaya™ Vena Cava Filter System, FemCross™ 35 Peripheral Balloon Dilatation Catheter and Ankura™ IIc Stent Graft System have obtained official registration approval from the National Medical Products Administration in China ("NMPA"). IBS™ Sirolimus-Eluting Iron Bioresorbable Coronary Scaffold System completed the enrollment in the China Prospective Multicenter Randomized Controlled Clinical Study, and clinical enrollment in the China Prospective Multicenter Single-arm Target Study was initiated. LAmbre™ Plus Left Atrial Appendage Closure System obtained medical insurance coverage in the US of an investigator-initiated clinical trial which was initiated by the investigator, and all patients enrolled will receive full medical coverage.KONAR-MF™ Ventricular Septal Defect Occluder and LAmbre™ Left Atrial Appendage Closure System were successfully completed the first implantations in Japan and Korea, respectively. Additionally, more than a dozen of our products are currently in the clinical trial stage or under registration, and Aortic Arch Stent Graft System (consisting of the Ankura™ Plus Aortic Arch Stent Graft System and CSkirt™ Aortic Arch Branch Stent Graft System) had passed the special review application of the NMPA and had been successively approved as innovative medical device. As at the date of this ESG report, 15 products of the Company have been approved as innovative medical devices by the NMPA.

IMPROVING PRODUCT QUALITY, FOSTERING ACADEMIC EXCHANGE

The Group is dedicated to improve product quality, and the Group has received various awards in 2022, such as the "Single Champion Product in Manufacturing" award bestowed by the Ministry of Industry and Information Technology of the People's Republic of China and China Federation Of Industrial Economics in respect of the "Congenital Heart Disease Occluders", which is the only product in the field of minimally invasive cardiovascular and cerebrovascular interventional medical devices in the batch list; a Guangdong Patent gold award bestowed by Guangdong Intellectual Property Administration in respect of the "braided intraluminal stent", and the G-Branch™ Thoracoabdominal Artery Stent Graft System jointly developed by the Group and Chinese PLA General Hospital won the first prize of second annual "Innovation In Vascular Surgery & Endovascular Therapies Award" awarded by Frank J. Veith International Society, which is the only Chinese innovation product that won the award, and also won the first prize of the Chinese Medical Device Innovation and Entrepreneurship Competition. In addition, LifeTech Scientific (Shenzhen) Co., Ltd. ("LifeTech Shenzhen"), a wholly-owned subsidiary of the Company, was listed among the Top 50 Guangdong-Hong Kong-Macao Greater Bay Area Innovative Biotechnology Enterprise List in 2022. These awards were recognitions of the Group's past efforts and contributions, as well as they consolidate the Group's core values and promote its strategic development. We take pride in the hard work of our employees in creating sustainable value for our stakeholders. Additionally, as in the past, we have organised many academic conferences abroad and local, including 279 academic conferences on Structural Heart Marketing System. In this way, we showcased the product features of LifeTech, promoted efficient and high-quality academic exchanges, and further improved the product brand image and the Company's influence.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to the continued support from our stakeholders and their valuable feedback, pushing forward the Group's sustainability journey. Also, I thank our employees' dedicated efforts for excellence and success, driving the Group to provide quality products, attain accomplishment in research, development and innovation, as well as maintain the Group's sustained growth. Their unwavering support and dedication have enabled the Group to forge ahead and grow stronger in this challenging period. After years of development, China has become the second largest medical device market in the world. In terms of development space, the total industrial output value and sales of medical device industry in China are expected to maintain a steady growth. Based on our solid foundation and our efforts in sustainable development, we will strive to explore new opportunities to achieve sustainable business development and create value for various stakeholders.

XIE Yuehui
Chairman

LifeTech Scientific Corporation

ABOUT THE REPORT

This report is the seventh ESG Report issued by LifeTech (the "Report") since 2016. The Report presents the policies, measures and performance of the Group in environmental, social and governance aspects, to enable stakeholders to understand the Group's direction, strategy and progress in sustainable development issues. The Report is compiled in both Chinese and English, and has been uploaded to the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) and the Group's website (www.lifetechmed.com).

The Group values the opinions of our stakeholders. If you have any questions or suggestions about this Report, please feel free to contact the Group by email (ir@lifetechmed.com) or through the following means:

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REPORTING STANDARD

This Report is prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange.

REPORTING PRINCIPLES

We have taken four major reporting principles-materiality, quantitative, balance and consistency, as a basis for preparing the Report.

- Materiality: LifeTech frequently communicates with stakeholders to understand and identify whether or how the Group's basic business and sustainable development strategies have been affected. This year, we also paid attention to the performance and challenges of ESG issues significant to the Group and its stakeholders, and authorised third-party professional consultants to help the Company to organise a one-off stakeholder survey on ESG issues to understand the importance of sustainability to our operations and stakeholders.
- Quantitative: The Group follows guidelines in the "How to prepare an ESG Report", "Appendix II: Reporting Guide for Environmental KPIs" and "Appendix III: Reporting Guide for Social KPIs" of the Stock Exchange to compile data for all specific key performance indicators (KPIs) and reference calculation methods, and discloses the sources of conversion factors used in such calculation.
- Balance: The Group complies with this reporting principle in the preparation of the Report, and impartially discloses the Company's performance during the reporting period. Where necessary, appropriate presentation, pictures and charts are used in the Report to present the performance of the Group to avoid misleading or affecting the readers' decision or judgment.
- Consistency: The Group confirms that the Report is prepared in the same way as in previous years. The Group uses consistent methodologies to summarize the environmental and social performance of 2022 from its official documents, statistics, as well as management and operation data collected in accordance with its system.

REPORTING SCOPE AND PERIOD

The Report discloses the Group's sustainability performance for the year from 1 January 2022 to 31 December 2022 (the "Reporting Period"), and covers the Group's main business, namely the development, manufacturing and trading of medical devices. Although the Company has production facilities in China and overseas during the year, the current scope of the Report focuses on the Group's principal place of business and headquarters located in High-tech Industrial Park, Nanshan District, Shenzhen. As the production capacity of LifeTech Shenzhen accounts for the majority of the Group's total capacity currently, it has significant influence on the financial and operating position of the Group. The reporting scope of businesses and entities is consistent with the reporting scope of the previous three years.

MATERIALITY ASSESSMENT

Stakeholders' voices and opinions are crucial for the Group's sustainable development strategies and priorities. The Group therefore engages professional advisors to conduct materiality assessments through the following steps, so as to identify the Group's material issues.

1. Identify sustainable development issues	2. Communicate with key stakeholders	3. Analyse and verify
According to the requirements of Listing Rules, international reporting standards and the industry's latest trends in sustainable development, we have established a list that contains 22 material issues.	A total of 173 internal and external stakeholders from various groups were invited to conduct opinion surveys in the form of questionnaires to score on various material issues.	According to the online opinion surveys of stakeholders and interviews with management, the scores of various important issues are synthesized, and analysis and verification are made.

After assessment, the top 10 key ESG factors for the Group are as follows.

Issues		Relevant sections
1.	Customer Service	CUSTOMER SERVICE
2.	Protection of Intellectual Property Rights	PROTECTION OF INTELLECTUAL PROPERTY RIGHTS
3.	Product Quality and Safety	PRODUCT QUALITY AND SAFETY
4.	Corruption and bribery	ANTI-CORRUPTION AND ANTI-COMPETITION
5.	Innovation and Product Diversity	PRODUCT DIVERSITY AND INNOVATION
6.	Information Security and Personal Data Protection	INFORMATION SECURITY
7.	Responsible Supply Chain	PROCUREMENT AND SUPPLY CHAIN MANAGEMENT
8.	Health and Safety	HEALTH AND SAFETY
9.	Governance and Risk Management	CORPORATE GOVERNANCE
10.	Packaging Materials	MANAGEMENT OF PACKAGING MATERIALS

SUSTAINABLE DEVELOPMENT GOVERNANCE

BOARD STATEMENT

During the annual Board meeting, the Board reviews the sustainability performance and reporting results during the year, and ensures that ESG (including climate-related) matters are incorporated into key governance processes. This helps to identify risks through the annual reporting process and improves oversight at the Board level. The environmental and social risks identified and managed include the Group's environmental policies and performance, the Company's legal compliance and the impact of climate-related risks on the business.

The Chairmen of our Environmental, Social and Governance Committee (the "Committee") are Mr. XIE Yuehui (Chairman and Chief Executive Officer) and Mr. LIU Jianxiong (Executive Director, Executive Vice President, Chief Financial Officer and Company Secretary) and they oversee the ESG related matters of the Group on behalf of the Board. The Committee is composed of members of our senior management and is responsible for the determination of goals for emissions control, resource and waste utilization, negotiating senior management compensation and benefits related to sustainability performance, identifying key ESG issues, and reviewing the results of stakeholder engagement. The Committee cooperates with relevant professional departments to establish sustainable production lines and develop environmentally friendly products. The Board oversees the approval process of these ESG-related policies and strategies.

To align the expectations and requirements of regulators, the Directors also discuss the effectiveness of the ESG program with the Committee after regularly reviewing performance indicators. Directors encourage the Group's staff to participate in stakeholder surveys, and review materiality assessment results. We hope to continue promoting a top-down organizational culture and facilitate the integration of sustainability considerations into business processes in the upcoming year.

STRATEGIC DIRECTIONS, CHALLENGES AND OPPORTUNITIES

Factors such as domestic economic recovery after the COVID-19 outbreak was brought under control, ever-changing international border control measures, and policy changes in environmental regulation, affected the Group's strategy. The Committee, with the support of the Board, will continue to pay close attention to evolving relevant issues, as well as issues related to sustainable development.

China is the main market for the Company's business. The Group clearly implemented and cooperated with the Outline of the Plan for Healthy China 2030 in the following four directions:

1. Switching focus from disease treatment to people's health: to implement social health prevention through charity activities in response to sudden health problems (stroke risk) caused by ageing population and extreme temperature differences;

2. Prioritizing customers' health: to ensure that employees who provide customer service or are responsible for the sales process make customer health and product safety their top consideration and guarantee;

3. Improving the competitiveness of the medical device industry: to cooperate with university research laboratories and young people to cultivate talents in the area of medical equipment development and industry innovation; and

4. Improving grassroots service capabilities: to step up cooperation with grassroots medicine and medical centres, and continue to expand our reach in the grassroots markets.

REVIEW

The Group established sustainable development targets in early 2022, and all of them were achieved during the Reporting Period.

SUBJECT	SUBJECT MATTER	STATUS
Energy efficiency	Add night shifts in the production area, increase the utilization rate of equipment and air-conditioning systems in clean workshops, and adopt timing control for street lights at night to reduce energy waste caused by human errors.	100% achieved
Water resource	In the new Songshan Lake Park, the clean water generated by ultrasonic cleaning is usually collected through the reuse pool, and then reused in the air-conditioning water-cooling unit and air-conditioning cooling tower. The rest of such clean water can be reused for greening and sanitation of the park, and the recycling rate will reach 70%. The clean wastewater is discharged into the reuse pool after being treated up to the standard by the sewage station, and reused in the air conditioning cooling towers, greening and sanitation.	100% achieved
Sewage discharge	The clean wastewater is directly discharged after being treated up to the standard by the self-built sewage treatment station so as to reduce the amount of outsourced disposal.	100% achieved
Disposal of non-hazardous waste	For general non-hazardous solid waste, through classification and sorting, valuable recyclable parts are given to renewable resource utilization companies for recycling, reducing the pollution of general solid waste.	100% achieved

KEY SUSTAINABLE DEVELOPMENT AWARDS

Awarding body	Name of award or charter
National Intellectual Property Administration, PRC	"A flat occluder with variable angle" won the China Patent Excellence Award
Guangdong Intellectual Property Administration	"Braided intraluminal stent" won the Guangdong Patent Gold Award
Guangdong Federation of Trade Union	The honorary title of "Workers' Pioneer of Guangdong Province" in 2022
Guangdong Mechanical Engineering Society	Advanced collective in the standardization in institutions (學會標準化工作先進集體)
Guangdong Zhongchuang Industry Research Institute Co., Ltd. (廣東中創產業研究院有限公司), Guangdong Yigu Industrial Park Investment Management Co. Ltd. (廣東醫穀產業園投資管理股份有限公司)	The Leading Enterprise of Top 50 Innovative Biotechnology Enterprises in the Fifth Guangdong-Hong Kong-Macao Greater Bay Area
Xiamen Municipal People's Government	The Third Prize of Xiamen Science and Technology Progress Award
China (Shenzhen) Intellectual Property Protection Center	Listed among the Top 100 Shenzhen Enterprise Innovation Capability List in 2021
The Ministry of Industry and Information Technology of the People's Republic of China, China Federation of Industrial Economics	"Congenital Heart Disease Occluder" won the "Single Champion Product" (seventh batch)
China Association of Medical Equipment	The LAA occluder was selected into the catalog of excellent domestic medical equipment products
China Association of Medical Equipment	The vena cava filter was selected into the catalog of excellent domestic medical equipment products
Frank J. Veith International Society	G-Branch™ Thoracoabdominal Artery Stent Graft System won the first prize of the second annual "Innovation in Vascular Surgery & Endovascular Therapies Award" awarded by Frank J. Veith International Society

ABIDING BY THE CODE OF INTEGRITY AND ANTI-CORRUPTION

CORPORATE GOVERNANCE

The Board is the highest governance body of LifeTech, which commits to achieving a high standard of corporate governance in a responsible and effective manner to safeguard the interests of its shareholders and enhance corporate value. The Company has adopted the principles of Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its' own Corporate Governance Code. The committee that involves most in matters of sustainable growth is the Environmental, Social and Governance Committee.

ANTI-CORRUPTION AND ANTI-COMPETITION

LifeTech manages its businesses in a fair manner and prohibits all practices that hinder, restrict or distort competition. LifeTech adheres to the core principles of honesty and integrity, and strives to conduct its business activities in accordance with the laws of all countries in which it operates, including compliance with all applicable domestic and international laws and regulations, and prohibits the granting of improper business benefits to others. The Legal Department is mainly responsible for ensuring that the Group complies with corruption-related laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Law of the People's Republic of China on Anti-Money Laundering etc. LifeTech prohibits any corruption related to bribery, extortion, fraud, blackmail and money laundering in daily operations. During the Reporting Period, the Group had no non-compliance with the applicable laws and regulations which would carry a significant impact on the Group as a whole.

The Company's policies and its Employee Manual set out that employees need to prevent bribery, extortion, fraud, blackmail and money laundering, and all new recruits are required to attend new joiner trainings. LifeTech's Anti-Corruption Policy provides that employees of the Group are not allowed to provide any articles of value to customers, government officials or other third parties. The red lines of conduct managed by Human Resources Department are as follows:

- Damage to interests: Abuse of power, impure thinking, deliberate damage to the interests of the Company and the community.
- Breach of integrity: False public welfare, taking advantage of one's position, soliciting or accepting improper benefits.
- Information disclosure: Theft, disclosure or sale of confidential information such as the Company's intellectual products and technology, and not inquiring into salary information.
- Disregard for safety: Disregarding production and quality requirements, maliciously create safety hazards.
- Spreading rumours: Spreading statements that affect the Company's goodwill and spreading false and negative information.
- Fraud: Lying at work, cheating the Group or its employees, concealing or harbouring malpractice.

Employees in violation of this policy and associated interpretation and procedures issued by LifeTech will be subject to penalty, which may ultimately result in the relevant employee being dismissed. In addition, individuals may be subject to civil or criminal penalties for violating relevant anti-corruption laws. As part of the Group's whistle-blowing policy, any employee or partner can report any such violations to the relevant departments of the Group by phone call or email anonymously. The Group prohibits retaliation against informers.

The Directors have signed a commitment of compliance. During the Reporting Period, the Company has not found any illegal or irregular cases related to Corruption and there were no lawsuits of corruption related to the Group and its employees. LifeTech organised anti-corruption training for newly joined employees and all employees every quarter, with their respective superiors being the tutor that aims at improving the overall anti-corruption awareness of the Group.

INFORMATION SECURITY

MAINTENANCE OF CUSTOMERS INFORMATION

Contracts with customers stipulate that the Group undertakes to protect customer information, including but not limited to:

- Technical information: designs, drawings, specifications and moulds, etc.;
- Commercial information: sales information, customer list, product price, purchase channels and product features; and
- Other information: new product concepts or future development plans, etc.

COMPANY AND PERSONAL DATA PRIVACY PROTECTION

It is unavoidable that the Group obtains personal data and customer information during the operation processes, and some products sold to the EU and U.S. are subject to the applicable regulatory requirements of EU General Data Protection Regulation or the relevant US data protection regulations. Therefore, the Group has formulated a data confidentiality agreement in accordance with relevant laws and regulations like the Contract Law of the People's Republic of China and the Regulations on the Protection of Technical Secrets of Enterprises in Shenzhen Special Economic Zone (《深圳經濟特區企業技術秘密保護條例》), in order to guide employees on processing personal data and standardize the use, collection and disclosure of data, strict compliance with the related regulations on the personal data protection and leaks, and to prudently handle the sensitive and personal data. According to its definition in such data confidentiality agreement, confidential information includes, but is not limited to, patent technology, design, process flow, technical report, personnel file, etc. Data must be collected in a lawful way and directly for recruitment purpose or purpose stated in collection of personal data only. The Group is equipped with the latest anti-virus software for protection and encryption of its data.

The Company does not allow its employees to disclose, announce, issue, publish, transfer, and assign any confidential data to any third party or in other ways without authorization or by accident. All suspected and confirmed cases of non-compliance with the relevant laws and regulations must be submitted to law enforcement authorities unless the management of the Group determines otherwise. The Group will not tolerate any illegal and improper behavior of any individual. The Group will dismiss the employee concerned after he/she has been adjudicated to have committed any misconduct in relation to the above requirements in accordance with the Group's internal policies. Meanwhile, if any customer information has been disclosed, collected or used without authorization resulting in a loss to the Group, the Group reserves the right to pursue legal action in connection with the situation.

During the Reporting Period, there has not been any confirmed violations and complaints about advertising, data privacy and intellectual property rights matters in respect of the products and services provided by the Group.

FOCUSING ON RESEARCH AND INNOVATION TO BOLSTER OUR BRAND

PRODUCT DIVERSITY AND INNOVATION

Our Group has always adopted an internationalized strategy, continued to expand in overseas markets, and aspired to remain as a global leader in product quality and technological innovation. We will continue to improve and strengthen our quality management and be trusted by customers in our products; technically trusted by the market through continuous research and development investment and innovative talent trainings; and trusted by shareholders and employees through building a business platform for joint development and sharing results. We will bring better health to more patients by continuing to enhance the Company's product competitiveness and brand awareness. We will continue to evaluate and explore acquisitions, partnerships, alliances and licensing opportunities identified in the Reporting Period, so as to enhance our competitiveness and market position in current key markets as well as selective new markets, and ultimately to realise the Company's strategic target in the global health industry.

RESEARCH & DEVELOPMENT OF BRANDED PRODUCT

During the year ended 31 December 2022, we have made the following main progress in the R&D field:

- Fitaya™ Vena Cava Filter System, FemCross™ 35 Peripheral Balloon Dilatation Catheter and Ankura™ IIc Stent Graft System obtained official registration approval from the NMPA;
- Absnow™ Absorbable Atrial Septal Defect Closure System and AcuMark™ Sizing Balloon are under the registration approval in China;
- Aortic Arch Stent Graft System (consists of the Ankura™ Plus Aortic Arch Stent Graft System and CSkirt™ Aortic Arch Branch Stent Graft System) was approved as innovative medical device in China. At present, 15 products of the Company have been approved as innovative medical devices by the NMPA;
- LAmbre™ Plus Left Atrial Appendage Closure System obtained medical insurance coverage in the US of an investigator-initiated clinical trial which was initiated by the investigator, and all patients enrolled will receive full medical coverage;
- Ankura™ Chimney Aortic Stent Graft System (consists of the Ankura™ Pro Aortic Stent Graft System and Longuette™ Aortic Branch Stent Graft System) has completed its one-year clinical follow-up in China and are working on the clinical summary report;
- Aortic Arch Stent Graft System (consists of the Ankura™ Plus Aortic Arch Stent Graft System and CSkirt™ Aortic Arch Branch Stent Graft System) and Futhrough™ Endovascular Needle System have completed pre-marketing clinical enrollments in China;

- G-Branch™ Thoracoabdominal Artery Stent Graft System is currently at the stage of the pre-marketing clinical enrollments in China;
- IBS Angel™ Iron Bioresorbable Scaffold System (the only absorbable stent product suitable for children in the world) was approved in the United States by the Food and Drug Administration for "Compassionate Use" and successfully implanted, and its pre-marketing clinical trials in China are in progress;
- IBS™ Sirolimus-Eluting Iron Bioresorbable Coronary Scaffold System was completed the enrollment in the China Prospective Multicenter Randomized Controlled Clinical Study (the "Phase II"), and clinical enrollment in the China Prospective Multicenter Single-arm Target Study (the "Phase III") will be initiated. The Phase II took nine months from the first enrollment in March 2022 to the completion of all enrollments. Up to now, the device and surgery success rates are both 100% and no device-related serious adverse events (SAE) have occurred;
- The study on the first in man of Concave Supra-arch branched stent-graft system was approved and was successfully implanted for the first time in China;
- KONAR-MF™ Ventricular Septal Defect Occluder was successfully implanted at the Pediatric Heart Disease & Adult Congenital Heart Disease Center of Showa University Hospital, which was the first implantation and first clinical application of our products in Japan; and
- LAmbre™ Left Atrial Appendage Closure System was successfully completed a dozen of implantations in Korea after receiving registration approval from the Ministry of Food and Drug Safety.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

As a medical device manufacturer that owns independent intellectual property rights, while protecting our intellectual property rights from infringement, the Group undertakes to respect the intellectual property rights of its business partners. Confidentiality agreements signed with different business partners stipulate that both parties shall respect the intellectual property rights of the counterparty. In case of any violation, the corresponding result shall be borne by the violating party, including: claims, business losses, legal arbitration and other penalties, etc. The Group has set up an intellectual property department to take full responsibility for relevant matters concerning intellectual property rights. The Group is excited to be rated as a National High-Tech Enterprise.

The Group has filed a total of **1,828** valid patent applications, of which **749** patents were registered and valid, with **168** new patents during the Reporting Period.

MONITORING QUALITY SYSTEM TO SAFEGUARD PRODUCTS QUALITY

PRODUCT QUALITY AND SAFETY

QUALITY MANAGEMENT SYSTEM

The Group has established a quality management system with a set of complete and sound product quality control process in effective operation. LifeTech has formulated the Inspection and Test Control Procedure and the Sterilization Confirmation Procedure to ensure that our products meet the Group's requirements on health and safety. The Quality Management Department conducts spot check on products regularly and then delivers them to the lab recognized by the China National Accreditation Service for Conformity Assessment ("CNAS") for testing.

The Company has conducted the Medical Device Single Audit Programme ("MDSAP[1]"), which complies with the standards and regulatory requirements of up to five different medical device markets, as the Group's products are available in different countries. The audit is conducted by a qualified third party audit organization. In addition, the Company also obtained the Certificate of the Quality Management System Authentication for Medical Devices under ISO 13485:2016 issued by the third-party audit organization.

Production line of the plant

1 MDSAP: Medical Device Single Audit Program, which audits an organisation's quality systems for compliance with the standards and regulatory requirements of the medical device market in five countries: Australia, Brazil, Canada, Japan and the USA.

Standardized Procedure

The Inspection and Test Control Procedure specifies the requirements on quality control of products (including clinical trial samples), in which the procedural requirements for inspecting supplied materials, finished products and releasing the finished products are specified, ensuring the products meet the national and industrial technical requirements. The products are released strictly according to the provision of Products Release Procedure. The Clinical Department conducts clinical trials in accordance with regulations and guidelines of respective countries and complies with the World Medical Association Declaration of Helsinki to ensure compliance with the ethical principles for human-based biomedical research. The Clinical Department has also established the following key operational procedures to actively track and report all kinds of events incurred in clinical trials so as to ensure the identification of risks arising from human-based research and standardized operation:

- Clinical Evaluation Control Procedure
- EU Clinical Evaluation Requirements
- Standard Operating Procedure of Medical Devices for Clinical Trial
- Procedures for Reporting Adverse Events in Clinical Trials
- Standard Operating Procedure of Inspection of Medical Devices for Clinical Trial

The Group has established a clinical inspection team mainly responsible for the comprehensive inspection on the marketed clinical projects and outsourced clinical programs operated by the Company to ensure the supervision of trial quality over the clinical trial process. In addition, third-party experts are also invited to conduct external inspection for some programs and centres. The Group expects to ensure the safety and effectiveness of the marketed products through the complete inspection process so as to meet the requirements of more and more strict regulations at home and abroad.

In addition, the products of the Group are sterile or sterile implanted medical devices, with extremely stringent requirements for aseptic performance. In order to ensure the aseptic performance of the products, the Group monitors the sterilization process of the products strictly in accordance with the requirements of Sterilization Confirmation Procedure and the Development, Validation and Routine Control Procedures for Ethylene Oxide Asepsis Processe adopted by the Group.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

PROCUREMENT MANAGEMENT

LifeTech understands the importance of supply chain management to its own operation. Through internal management systems like the Purchase Control Procedures, the Group devotes itself to managing all kinds of risks in procurement.

To ensure that the suppliers meet the requirements, the Purchasing, Quality Management, and R&D Departments of the Group have jointly participated in the comprehensive evaluation and selection of suppliers based on commercial terms, cost, quality assurance, R&D capabilities, manufacturing capabilities, and after-sales service. For major raw materials, the Group has alternative suppliers and continues to develop new suppliers to ensure adequate supply of such raw materials for the Group's operations at times of shortage in supply.

Supplier Management teams and their major responsibilities are:

- Purchasing Department: responsible for the procurement of materials and equipment required for the Company during its process of production and R&D and supplier management, including supplier development and evaluation, business negotiation, order management and supplier performance management, etc. Meanwhile, the Purchasing Department is also responsible for adjusting the procurement guidelines and supplier codes in response to the market demand in due course.
- Quality Management Department: responsible for verification, inspection of materials provided by suppliers and product test.
- R&D Department: responsible for quality risk evaluation to suppliers and supplier selection.

The Company has a developed procurement control program, a clear supplier management mechanism, and effective control methods, including supplier selection and evaluation, quality system audits, and supplier annual review or surprise on-site audits. On-site audits are to inspect all seven aspects including file control system, material control, production process control, quality control, packaging/transportation, measuring and testing equipment control and environment. If suppliers cannot meet relevant requirements, they will be required to complete the rectification within the time limit until the relevant requirements are met. During the Reporting Period, the Group had a total of 126 major suppliers, of which 108 are from Mainland China and 18 are from other regions such as the United States and Singapore.

SUSTAINABLE PROCUREMENT

With the increasing awareness of sustainable procurement in recent years, more customers are demanding products and raw materials to meet relevant environmental and social standards. As a result, the Group has changed and adjusted its procurement behavior accordingly. For example, the Group requires suppliers in the industry of polymer materials and nickel-titanium wire material to provide a declaration that their products conform to the Regulation Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH[2]") so as to ensure the Group's products can successfully access the EU market. The Group will consider integrating the green procurement into the procurement process by selecting certified green products in preference to other products and appointment of suppliers which have performed well in corporate social responsibility or obtained the Certificate of Environmental Management System. Moreover, the Group will require relevant suppliers to provide corresponding test reports on heavy metal content, ethylene oxide residue and sterility testing.

87.3% of suppliers and distributors have completed corporate social responsibility assessment

		2022	2021
SUPPLIERS AND DISTRIBUTORS WITH ENVIRONMENTAL CERTIFICATION/QUALIFICATION *(ISO 14001, ISO 50001, ISO 22000)*	Number	85	83
MATERIALS PURCHASED PASSING ENVIRONMENTAL TEST *(ROHS, REACH)*	Percentage of total procurement (%)	76	75
MATERIALS OBTAINED AN ENVIRONMENTAL PROTECTION CERTIFICATION/ QUALIFICATION *(FSC)*	Percentage of total procurement (%)	61	60
SUPPLIERS AND DISTRIBUTORS ASSESSED AS SOCIAL RESPONSIBLE	Number	110	110
THE PREFERENTIAL TARGET TO PURCHASE FROM LOCAL SUPPLIERS	Percentage of all suppliers (%)	55	50

2 REACH aims to protect the health of human beings and the safety of environment, maintain and enhance the position of competitive advantages of EU chemical industry, improve the innovation capability of enterprises and achieve the goal of social sustainable development.

PRODUCT RESPONSIBILITY

For the purpose of regulating the management of product labels, the Group has enacted the "Language, Label Control Procedures". Our Registration Department is responsible for reviewing the regulatory compliance of labels and updating the changes and examinations to relevant departments in due course. Meanwhile, our Product Development Department is responsible for providing details of products, guaranteeing the customers' right to know. Before each set of labels published, it will be checked repeatedly to ensure that the information is accurate.

The Group has not formulated relevant policies yet as it currently has no product advertisements marketed to the public, but will do so in the future so that such policies will be ready and in place when there is such need. The Group spares no effort in making true and accurate descriptions of the introductions and functions about its products and carefully reviews such materials to ensure the accuracy of relevant contents. The Group is regulated by the laws and regulations such as the PRC Law on Products Quality and Advertising Law. During the Reporting Period, no relevant violations of laws or regulations were found relating to improper product label and advertising management of the Group.

CUSTOMER SERVICE

CUSTOMER SATISFACTION

Customers' opinions and feedback on the Group are very important to the Group's sustainable improvement. Therefore, the Group conducts customer satisfaction surveys every year. The surveys are conducted with questionnaires, and different problems are analysed. The problems are classified into stents, occluders, packaging problems and countries where customers are located. The Group identifies problems that need to be improved and implements corresponding solutions.

CUSTOMER COMPLAINTS MANAGEMENT

LifeTech values the opinions from customers on the products of the Group, and to this end, the "Processing Procedure for Customer Complaints" is specially formulated to specify the channels for receiving and addressing customer complaints. When the Group receives customer complaints, an initial response will be made to customers within 24 hours. If relevant problems exist, the Group will appoint a commissioner to conduct an investigation, analyse the event, raise corrective and preventative measures, and manage and file relevant documents. Furthermore, the Group will conduct complaint trend analysis at least once a year to prevent complaints more effectively.

During the Reporting Period, the Company received a total of 116 product labelling and quality complaints about occluders, delivery sheaths, large stents, vena cava filter, vascular plug system, delivery cables. All were handled in time according to LT/QP18 "Processing Procedure for Customer Complaints". The Company considers that such complaints had no material adverse impact on the Group's operation as a whole.

PRODUCT RECALL

In the event that any product quality problems or adverse events arise when the customers use the Group's products, the Group will investigate, analyse and deal with incidents in accordance with the "Processing Procedure for Customer Complaints, Adverse Event Reporting Procedures" and relevant laws and regulations. If remedial measures are required after delivery of the products, the Group will issue a notice of advice for the purpose of supplementing the information or proposing appropriate measures in accordance with the "Notice of Advice and Recall" as set out in the "Adverse Event Reporting Procedures", and recall the product if necessary. Our Group will report any product quality problems and recalls to the regulatory authorities in a timely manner.

During the Reporting Period, the Group had no major accidents in which the Group was fined and punished by government departments, and none of its products were recalled due to major quality problems or health and safety reasons.

CULTIVATING AND DEVELOPING TALENTS, FOSTERING SUSTAINABLE DEVELOPMENT

TALENT MANAGEMENT & DEVELOPMENT

TRAINING SYSTEM

LifeTech actively develops the professional skills of its employees and devotes itself to helping employees improve skills required for career progression. LifeTech built a new talent training system: management training, on-the-job training, new joiner training, and internal lecturer system. The Group provides employees with internal training and external training in accordance with the formulated Training Management System.

Training form and arrangement	Training arrangement
Internal training	The lectures are provided by the Group's internal lecturers, and the content of which involves training for new employees, induction training for operation employees, and professional skills training.
External training	External training consists of two forms: external assignment training and inviting external lecturers. After the external training, the trained employees communicate with other colleagues through sharing sessions and other methods.
Self-education	The achievement of professional and general knowledge improvement via the Internet, external institutions and other channels in the employees' spare time. LifeTech encourages employees to obtain professional improvement by self-education.

In order to improve the Group's training management, the Group established the "External Training Management System" during the Reporting Period. External training consists of two forms: external assignment training and inviting external lecturers. External assignment training means that due to the needs of the Group's development or work tasks, the Group sends employees to external institutions to participate in trainings and learning. Inviting external lecturers means that the Group hires external lecturers to conduct internal training within the Group. Through the "External Training Management System", the application process of the entire external training can be standardized and the sharing of training results can be promoted.

During the Reporting Period, in order to improve the professional ability of employees, the Group has actively organised over 100 offline trainings for internal employees and distributors, of which more than 80 trainings were delivered to distributors. The Group also encourages departmental internal trainings and course learning, over a thousand such research and learning activities were successfully organised during the Reporting Period.

100+ trainings for internal employees and distributors

PRAISE AND INCENTIVE

LifeTech encourages employees to actively innovate and pursue the spirit of pioneering and dedication. Therefore, we set up annual awards, special awards and other awards, and reward them in praises, cash or other forms according to the actual situation. Recipients of such awards also include outstanding employees, annual sales stars, special awards, etc. Among them, a reasonable suggestion award is set up to encourage employees to put forward reasonable suggestions on daily production operations, management, quality and technology, and to reward employees whose suggestions are adopted within the year and achieve good results.

Outstanding Employee Awards at the Commendation Conference

EQUAL OPPORTUNITIES

Employee diversity has always been the pursuit of the Group. The Group complied with relevant laws and rules, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, etc. No cases that violate laws or regulations were found relating to employment of the Group of the Year. Moreover, the Group will continue to abide by the policies concerning equal opportunities and anti-discrimination. The Group provides employees with equal employment opportunities and fair professional treatment, and has hired 49 ethnic minorities and 1 foreigner in total, representing 4.1% of total employees. There is also a balanced proportion of male and female employees in the Group.

EMPLOYEE BENEFITS AND WELFARE

EMPLOYMENT SYSTEM

The Group values employees and strives to establish an improved employment system. Currently, the Group has formulated policies and systems such as the Employee Manual, the Attendance and Leave Management System, the Recruitment Management System and the Promotion Management System to regulate and manage employees' salary and dismissal, recruitment and promotion, working hours, vacation and other welfare and benefits.

The Group is well aware that the performance of employees has a great impact on the development of the Group. Therefore, the Group has introduced external professional assessment agencies in the recruitment assessment to conduct systematic assessments on employees, including personality assessments, psychological risk factor assessments, and comprehensive assessments of technology research and development, in order to improve recruitment efficiency. Assessments can be broken down into a number of different traits, covering thought patterns, interpersonal interactions, emotional stability, self-confidence, learning acuity, etc.

The Group has established a dual-channel promotion regime for employees' development, and different assessment mechanisms for non-managerial employees, operational employees and managerial employees. Our Human Resources Department and senior management are responsible for the relevant work in relation to promotion of employees, and have adopted assessment management methods as outlined in the table below:

Evaluation item	Evaluation content	Evaluation method
Comprehensive quality	Working attitude, professional ethnics and company identity	Questionnaire and staff interview
Business ability	Position knowledge, professional techniques, English and software operation, etc.	Written exam, interview, actual operation and debriefing
Management capacity	Leadership, communication, cooperation and management abilities	Case study, overall assessment and debriefing

For non-managerial employees, we have set up five classification levels: Beginner, Intermediate, Advanced, Senior, and Expert. Employees' job rank may be adjusted with reference to their annual performance appraisal in the rank certification activities that are started regularly every year. New recruits are also initially ranked according to this standard before becoming a permanent employee. The rank certification for operational employees comprehensively considers the depth, quantity and scarcity of their mastery of skills, and the corresponding product qualification ratio. For managerial employees, a multi-level promotion ladder has been set up: Supervisor, Manager, Director, and Vice President. The Company also actively provides management skills training for managers to help them yield more returns by creating more value for the Company.

The Group also encourages the diversified development of employees and jointly organises a series of activities to enhance effective communication and cooperation among employees. The Group's factories are also equipped with recreational facilities such as basketball courts and table tennis tables. It also continues to cooperate with sports venues near the Group to establish sports clubs and regularly organise basketball, badminton, football and other activities to promote work and rest combined lifestyle. At the same time, the Group has added group building holiday, and will also organise staff group building activities and domestic and foreign travel. During the year, the Group held many tourism and various other types of employee team building activities, such as New Year's Day activities, Spring Festival red envelope activities, Lantern Festival activities, Mid-Autumn Festival activities, Thanksgiving activities to celebrate traditional culture and festival customs, management cadres team building activities to create corporate culture. In addition, the Group also recognizes employee commitment by giving out long-term service awards and annual outstanding employees awards for employees.

WELFARE AND BENEFITS

In addition to a basic salary, the Group offers additional benefits to its employees. The Company provide free dinner or meal allowance when they are required to work overtime. In addition, in order to resolve the housing issue of fresh graduates, the Group provides staff hostels for them and other employees in need, and employees who do not have benefit from staff quarters are also reimbursed with transportation allowances according to the nature of their positions. The Group also advocates for family-friendly policies, taking care for working parents, for example, male employees who meet the relevant requirements of the National Family Planning Policy can be entitled to 15 calendar days of paternity leave and female employees are not only entitled to maternity leave and breast-feeding leave, but also pregnancy examination leave. The Group established a labour union to protect its employees' legitimate rights and secure opportunities on better benefits for employees. Meanwhile, the labour union and the Company has also jointly organized a variety of activities with the aim of enhancing the effective communication and cooperation between employees and the Company. The Group will also provide a certain amount of team building expenses to help strengthen the team spirit.

The Group will implement a Stock Incentive Scheme for its core team and employees including directors and senior management of the Company, with an aim to increase our employees' sense of belonging to the Group and also incentivize their performance.

LABOUR STANDARDS

During the Reporting Period, the Group was in compliance with the relevant labour laws and rules, including the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Minors etc., and prohibits behaviours including hiring child labour or forced labour in the workplace, which is stated in the Employee Manual. The original identification documents of successful candidates is checked at the time of employment to ensure compliance with the national labour law requirements. If someone working in the Group is under the age of 18 years old or has provided false information with regards to his/her age, the Group would terminate his/her employment at once and contact such employee's parents and/or the local government to take them back at the Group's expense.

The Group respects employees' right to resign. If an employee resigns for personal reasons, he/she shall complete the resignation application in advance and submit it to our Human Resources Department for approval. The Group must also comply with the national employment laws and pay the wages to employees who leave the Group. Furthermore, the Group has developed relevant rules of preventing from forced labour with reference to market practices and does not force employees to work. The Group prepares production schedules periodically to avoid employees from working overtime and reviews its workflow from time to time. In the event that working overtime is necessary, application shall be made to his/her direct supervisor. Employees who worked overtime may take time off afterwards according to relevant arrangements.

During the Reporting Period, there were no cases against the Group for violations of laws or regulations relating to child labour or forced labour of the Group.

HEALTH AND SAFETY

HEALTH AND SAFETY

As a firm focusing on medical device production, LifeTech believes that the health and safety of employees in the workplace are very important. The Group has correspondingly formulated relevant regulations such as the Occupational Health Management System, the Industrial Accident Management, and the Labour Insurance Supplies Management System, which aim to protect employees' physical and mental health and minimize the occurrence of dangerous accidents, as well as strive for zero accidents. The Group arranges physical examination for its employees every year. In particular, for the positions with occupational hazards, pre-post, on-the-job, off-post physical examinations for employees will be strictly conducted according to the corresponding occupational hazard factors to ensure the health of employees. In addition, the Group has purchased medical insurance for employees since they have joined the Group, covering in-patient, out-patient and Chinese medicine treatment. The Group also provides employees with additional insurance by purchasing supplementary commercial medical insurance and overseas travel insurance.

The Environment, Health and Safety Department will hire an independent third party to identify analyse and test (test items include relevant chemical substances and various production procedures and equipment) the occupational hazard factors of all posts every year. Through the test results, it can be determined whether there are occupational hazards in each post. In addition, the Company will provide pre-post, on-the-job and off-post physical examinations and adequate training for employees working in posts with occupational hazards, and provide qualified labor protection supplies.

WORKING ENVIRONMENT MAINTENANCE

The Group keeps its workplace ventilated by the combination of natural and mechanical ventilation. Air-conditioning facilities are installed to maintain proper ventilation and humidity in the workplace and to provide a comfortable and safe working environment for employees. Meanwhile, cleaning staff clean the plant, public areas, green belts and corners, and remove ponding water, daily in order to maintain a clean and tidy environment. For common mosquito-breeding sites, pest control services is provided periodically by the Engineering Department.

OCCUPATIONAL DISEASE MANAGEMENT AND PREVENTION

According to the provisions under the "Occupational Health Management System" of LifeTech, the General Manager is fully responsible for the occupational health management of the Group in order to protect employees from occupational hazards. Besides, a safety officer is designated, mainly responsible for the following: (1) establishing safe production management systems, emergency response schemes and organizing emergency drills; (2) identifying, evaluating, controlling by class, inspecting and recording the Group's safe production condition regularly; (3) facilitating the construction of each safe and occupational disease protective facilities and implementing prevention and control measures against occupational disease; and (4) arranging the promotion and training on safe production and investigating safety accidents related to production to prevent and rectify works in violation of rules.

The safety officer of the Group is responsible for providing training to employees in high-risk positions and inspecting whether the employees wear protective equipment. The Group provides protective equipment that meets the national standards, to employees who hold positions with potential occupational hazards (e.g. sterilizing, polishing and spot welding) and ensures that such operators fully aware of the method of wearing and usage. In the dangerous part of equipment and at the workplace with potential occupational hazards, conspicuous warning marks and notices stating such potential hazards are posted with corresponding emergency supplies. The emergency stop switches are installed on all of equipment in case of any emergency. The residual current devices are also installed on each of the equipment in order to shut off electric power in the event that the electrical leakage takes place.

WORK INJURY

If an employee is injured at work, the employee will be sent to hospital for treatment immediately, and all upfront medical expenses of which will be borne by the Group. The department where the injured employee works shall submit the Accident Investigation Report to the Safety Management Department in a timely manner. Meanwhile, the safety officer shall submit an application for identification of work-related injury to the social security department during the required period. Subsequent to the recovery of the relevant injured employees, the Group will arrange the appropriate positions in accordance with the health situation of such employees, provided that they are required to receive safety training before they return to work.

SAFETY PRODUCTION EDUCATION TRAINING

Safe production training is an important part of the Group for the implementation of the policy of "safety first, prevention oriented, comprehensive governance". As such, the Group has formulated the Safety Education Training System to regulate the relevant work of safety training of the Group. The Group has strictly complied with relevant laws and regulations, including the Law of the People's Republic of China on Safety Production, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Fire Protection Law of the People's Republic of China.

Safety training of the Group includes three parts as follows:

Employee type	Training requirement
Safety officer	Relevant employees may take positions only after acquiring the safety qualification certificates certified by the supervision and administration department of safety production.
Practitioners	o New employees must take their positions after accepting three-level safety education training and passing the examination. Three-level safety education includes: Company: safety officer is responsible for training including courses of fire safety, occupational health safety and safety regulations of the Group; Department: the head of department is responsible for training about on-site evacuation, use of safety equipment and safety production status of departments, etc.; Team: team leader introduces production characteristics of posts, use of personal protective equipment and other protective measures. o Special operation staff shall take their positions after accepting specific safety operation training, and obtaining the corresponding qualification certificates.
Other staff	o In case of transferring or leaving posts over six months, staff concerned shall take part in safety training organized by the department and team, and qualified ones can work in the new positions; o When the new processes or new devices come into use, safety training shall be arranged for the relevant staff based on the characteristics of new processes and devices; o When carrying out a risky overhaul project, safety requirements shall be raised on constructors and the implementation of all safety measures shall be checked.

RESPONSES TO THE PANDEMIC

In view of the pandemic, the Group has always regarded the health of its employees as its top priority. Therefore, LifeTech adjusts business travel arrangements timely accordingly to up-to-date epidemic prevention and control policy, and implements the arrangement of working at home for non-production employees to reduce the risk of personnel gathering and cross-infection. Meanwhile, the plants and offices are fully disinfected once a day, and some public areas (such as pantry, meeting room, toilet and front desk) are classified as high touch points, and disinfected more than twice a day, also sprayed with antibacterial solution/disinfectant to inhibit bacteria. During the Reporting Period, the cleaning staff in each area will conduct multiple inspections and carry out deep disinfection regularly every week. A dining table partition is also set up in the dining area to prevent people from dining together.

SAFETY TRAINING

The Group organized a total of two emergency evacuation drills during the year. The Group regularly conducts on-site emergency treatment drills according to the operational risks of each position, and department representatives are also regularly trained in first aid knowledge.

There was no material violation of laws and regulations by the Group's operating entities in relation to health and safety, resulting in fines or prosecutions on the Group during the Reporting Period.

IMPLEMENTING GREEN OPERATION BY DECARBONIZATION, EMISSIONS REDUCTION AND ENERGY CONSERVATION

It is LifeTech's basic principle to fully comply with applicable environmental laws and regulations in the jurisdictions in which it operates. The Group has established procedures for reviewing environmental requirements related to new developments. When an accident occurs with an asset over which has operational control, the Group will classify and record it in a timely manner in accordance with the relevant internal processes. Accidents managed through this process include notifications of fines or prosecutions in response to local authorities.

There was no material violation of laws and regulations by the Group's operating entities in relation to emissions and environment, resulting in fines or prosecutions on the Group during the Reporting Period.

ENERGY EFFICIENCY AND CARBON EMISSION MANAGEMENT

We monitor, measure and report on our emissions of carbon dioxide, including direct and indirect carbon emissions from our physical operations. LifeTech understands that it is inevitable for the Group to generate emissions causing air pollution during the course of production. For the purpose of emission reduction, the Group has formulated the Environmental Management System setting out relevant policies in order to minimize the effect of its operation on the environment.

The Group's greenhouse gas ("GHG") emissions (or referred to as "carbon emissions") from its operations are quantified according to the guidelines issued by the National Development and Reform Commission of China. The Group's carbon emissions mainly come from purchased electricity (energy indirect emissions), followed by direct emissions of a mobile GHG and combustion source emitted from equipment and system.

In terms of the main business and production process of electricity consumption in the plants, we have considered upgrading or eliminating some of the old high energy consuming equipment. In the office areas, we have also adjusted the opening hours and temperature range of the air conditioning to limit their electricity consumption.

LifeTech values the reduction of resource waste during production and strives to build a working environment that preserves natural resources and reduces energy consumption. With the development of multiple measures in the Energy Management Control Process of LifeTech Shenzhen, the following treatment methods are adopted for different resource types:

Resource Types	Treatment Methods
Oil	o Each department reasonably uses oil products according to the requirements of equipment lubricating oil and waste oil recovery; o All the replaced waste oil is uniformly reclaimed and handled by the use department and administrative department respectively; o Vehicles of the Group are maintained regularly so that the oil consumption will be kept within normal range.
Electricity	In the ordinary course of business, the Group has been gradually replacing its general lights with LED lights in its offices which are brighter and more energy-efficient; the entire lighting system at our Shenzhen Headquarters relies on LED lights, while approximately 10% of our factory site, including workshops, have switched to energy efficient lighting; while the factory site is about to move to Songshan Lake and then will furnished with LED lights. Meanwhile, the Group has also strengthened the repair and maintenance of electrical equipment and reduced the energy consumption of the energy-intensive air-conditioning systems in our clean rooms by using recycled water for cooling. In addition, the Group has purchased an electric vehicle for the maintenance staff of our Engineering Department in case of any emergency repair tasks.

GAS EMISSIONS MANAGEMENT

For the exhaust gas generated during the production, the Group will conduct integrated processing according to the Environmental Management System.

The exhaust gases produced by the Group refer to the volatile organic compounds (VOCs) produced during the course of operation, with vehicles as a primary contributing source. As provided under the Environmental Management System, maintenance of vehicles of the Group shall be strengthened to ensure the emission reaching the standard. The exhaust gas emission of the Group was mainly attributed to vehicles during the year.

The VOCs including benzene, cyclic aromatic hydrocarbons and aromatic hydrocarbons are generated during the Group's polishing process of producing filter and stent graft products. Such matters threaten the environment and health of the surrounding residents. Therefore, the Group has removed the VOCs and reduced pollution by absorption and dilute phosphoric acid catalysis. The Group has also engaged a qualified third party manufacturer to provide solutions for the Group's production and laboratory-sourced exhaust gases. For instance, all exhaust gases generated on the laboratory floor of the LifeTech Shenzhen's building are collected for treatment through facilities upon classification and discharged after the treatment meets the standards:

- Laboratory: organic exhaust gas is collected through the pipeline and then adsorbed by activated carbon in the exhaust gas treatment facility;
- Laboratory: acid gas is collected through the pipeline and then neutralized by alkali water sprayed in the exhaust gas treatment facility;
- Other plants: the production is collected through the pipeline and then treated by UV process and water sprayed in the waste gas treatment facility.

The exhaust gas treatment facilities are linked to the waste production process equipment to ensure that the emissions generated are discharged after the treatment meets the standards. At the same time, in order to ensure the standardization of the operation of the waste gas treatment equipment, the Group also invites third party companies to conduct operation training for employees to ensure that equipment failures can be handled in a timely and correct manner.

The Group also requires the administrative department to monitor exhaust gases generated from the process of all production and experiments in a regular manner and to make sure the emissions reach the relevant standards at all times. If any unusual emissions have been identified, the Group will shutdown the source of such emissions temporarily and report the incident to the relevant departments and the environmental authorities.

WATER RESOURCE MANAGEMENT

The Group inevitably generates wastewater during production. According to the Environmental Management System, the Group conducts rain and sewage water diversion, and manages the industrial wastewater, domestic sewage and rain in a separate and systematic manner. There is no issue in sourcing water that is fit for purpose.

Waste water type	Processing method
Industrial waste water	• Common industrial wastewater, like general test wastewater and clean water, is processed directly by entering a sewage treatment plant through municipal pipes. • Chemical effluent and other wastewater containing hazardous substances are collected and deposited with the designated hazardous waste warehouse and then regularly delivered to the qualified processing unit for treatment.
Domestic sewage	• Domestic sewage mainly refers to wastewater discharged from toilets and tea rooms. All the domestic sewage is discharged to the municipal sewage pipes and enters a sewage treatment plant in Nanshan for treatment upon the completion of the pre-treatment through septic tank.
Rainwater	• Rain is directly discharged outside by independent pipes.

Wastewater collected after the degreasing process during the production is processed by the Group by using a wastewater treatment system with a processing capacity of 0.5m^3/h. The Group also engages qualified units at a quarterly interval to monitor the outfall and exhaust gases pursuant to the technical specification requirements for the monitoring of surface water and waste water by the determination of particulate matters in exhaust gas and the method of sampling for gaseous pollutants in a fixed source of pollution. In addition, the Group collects the tail water from pure water systems to cool the air-conditioning unit in the clean rooms, thus realizing the goal of water resource recycling and reuse. Water meters are installed per production office area for water metering and water volume is counted monthly. In case of abnormalities, causes are investigated and measures are taken to resolve the abnormalities. The administrative department often checks the water use, and if faucets or valves are found to have any damage, they are repaired and replaced in a timely manner.

In addition, the Company will regularly perform tests on industrial wastewater. The test items include suspended solids, chemical oxygen demand and cationic surfactants to ensure that the discharged industrial wastewater meets the requirements of the sewage discharge permit.

WASTE AND RECYCLED MATERIALS MANAGEMENT

For the waste generated during the production, the Group will conduct integrated processing according to the Environmental Management System.

WASTE CLASSIFICATION	PROCESSING METHOD
Non-hazardous waste	• The administrative department is responsible for contacting qualified processing units to recycle and process recyclable wastes; and • Non-recyclable domestic waste is collected and transported by the environmental authorities.
Hazardous waste	• All hazardous wastes shall be collected upon classification pursuant to the List of Hazardous Waste; • Hazardous wastes generated by the production departments shall be stored in designated hazardous waste bins with lids and the Hazardous Waste Handover Form shall be completed; and • Hazardous wastes shall be regularly delivered to qualified organizations for treatment.

The Group endeavours to reduce both the hazardous and non-hazardous waste it produces, and works with qualified parties and partners to reuse or recycle whenever possible. All wastes are managed according to the waste management hierarchy (i.e. prevent, reduce, reuse, recycle, replace, treat and dispose). LifeTech seeks to avoid the use of hazardous materials and replace them with alternatives wherever possible. All hazardous and non-hazardous wastes are managed in accordance with local regulations, collected by licensed collectors, or sold for recycling.

Shenzhen Headquarters: The Group has operated a smart office, adopting an electronic approval process; and swiping card for printing in order to control the number of printouts, and advocating the use of shared files and soft copies in order to minimize paper documents and waste. The office automation system fully arranges and effectively transmits the information through the information system, so that the enterprise's resources can be reasonably allocated and utilized in purchase, storage, production, sales, human, financial, material and other aspects. The production site manufacturing system takes the traceability of the production and manufacturing process, paperless production process and realization of electronization as the basic objectives, covering the informatization of business management such as production plan, basic information of personnel, basic information of equipment and tooling, product process route, materials and semi-finished products, and traceability of finished products in manufacturing status.

MANAGEMENT OF PACKAGING MATERIALS

Regarding the use of packaging materials, except for the specific cleanliness requirements for products in certain production links, the Group reuses the packaging materials as much as possible in the production links of warehouse, workshop transfer, semi-products, and material transfer.

THE ENVIRONMENT AND NATURAL RESOURCES

PROTECTION OF BIODIVERSITY

The Group understands that human beings heavily rely on the ecosystem, yet the construction and operation of plants may damage its surrounding environment. Therefore, an environmental impact assessment is performed before the design or planning of any new construction, renovation or expansion project and the requirements of the environmental impact assessment is strictly followed during the designing and construction process of our projects. Upon the completion of construction, inspection in accordance to these environmental impact assessment requirements are also carried out before being validated for delivery. LifeTech Shenzhen's R&D laboratory has been in use since 2018 and was constructed based on the design and planning approved by the relevant environmental, water and other authorities of the local Shenzhen government in order to ensure the health of our employees are protected and to minimize the effect of construction on the surrounding environment.

GREEN FINANCE

Green finance can facilitate the flow of funds to low-carbon, sustainable development and climate change mitigation projects. In view of this, during the Reporting Period, the Group also actively participated in green deposits in banks. The funds of such deposits will be used for green projects, including energy conservation, renewable energy, water resources management and other qualified green projects, to promote sustainable development. In addition, the relevant banks will provide regular reports on the use of funds.

CLIMATE CHANGE

The Group is active in combating climate change, supports the "China National Climate Change Program" and will continue to adopt all current energy-saving and emission-reduction measures, continue to quantify carbon emissions, pay close attention to the latest emission reduction technologies, and minimize unnecessary transportation needs, thereby controlling greenhouse gas emissions.

The Company's success depends on the timely purchase of high-quality, low-cost materials, water and energy to meet the manufacturing operations mainly in Shenzhen, Guangdong Province of China. The Group identifies risks through the annual reporting process and assesses them in the short term (<2 years), medium term (3-5 years) and medium to long term (>5 years). The Company plans to continue to identify risks annually, incorporate sustainability indicators into its operational strategy, and report regularly to management, the Board, stakeholders and the public. The Group has initially identified a range of climate related risks and opportunities in relation to its major assets or operations. While these risks do not currently impact business growth, we intend to explore further expertise, training and consultancy services on monitoring and assessment in the future to ensure that the necessary climate related expertise is in place and to enhance the transparency and reliability of disclosure.

RISK TYPES		SPECIFIC CIRCUMSTANCES	CIRCUMSTANCES IN RELATION TO ASSETS OR OPERATIONS
ACUTE RISK	*medium to long term*	Potential related emergencies (disruption of supply chains) due to natural disasters/ extreme weather (heat waves, floods, cold weather)	Does not involve any current assets/operations
		Potential damage to facilities due to natural disasters/ extreme weather (heat waves, floods, cold weather)	Does not involve any current assets/operations
CHRONIC RISK	*medium to long term*	The plant is in a water-stressed or water-scarce dry area, which poses a threat to the manufacturing process	Does not involve any current assets/operations
		Infrastructure in areas threatened by rising sea levels from climate change	Does not involve any current assets/operations
REGULATORY RISK	*medium to long term*	National and provincial environmental policies and laws have been changed and tightened; the medical device industry and manufacturing industry have fully implemented low-carbon policies	Increased plant emission costs Spending more time, talent skills and resources on compliance requirements
TECHNOLOGY RISK	*Not involved*	The Group will continuously evaluate relevant risks.	–
MARKET CHANGE RISK	*Not involved*	The Group will continuously evaluate relevant risks.	–
REPUTATION RISK	*Not involved*	The Group will continuously evaluate relevant risks.	–

The response of LifeTech to risks is as follows:

- Increased plant emission costs: During the Reporting Period, in terms of our plant business, we purchased new equipment that can improve energy efficiency (i.e. reduce consumption and reduce greenhouse gas emissions) and enhanced our equipment maintenance. At the same time, we also upgraded some of our equipment, strengthened the maintenance of air extraction and exhaust facilities, and reduced the emission of pollutants.
- Relevant emergencies that may be caused by natural disasters/extreme weather: We may adopt off-peak production methods and arrangements in special weather when involving exhaust gas emission processes.

UNDERSTANDING THE NEEDS OF THE COMMUNITY AND PARTICIPATING IN COMMUNITY WORK

LifeTech, as a leading medical technology corporation in China, takes its social responsibility to deliver the latest medical technologies to rural areas and contribute to building a bond of close unity of all nationalities through joint efforts with medical institutions and doctors seriously.

TECHNICAL SUPPORT TO GRASSROOTS HOSPITALS

Aortic dissection is an extremely dangerous life-threatening complication that is prone to occur in winter. Despite the COVID-19 pandemic, the Group believes AD patients should receive treatment promptly. Our Peripheral Marketing System is capable of working with vascular surgeons country-wide to overcome difficulties in promoting awareness among the grassroots in order to save lives.

Although the COVID-19 related lockdown has hindered the provision of technical support at hospitals, our colleagues provided real-time support through video communication technologies, which enabled doctors to provide critical care to patients.

The 15th China Southern Endovascular Congress held in Nanjing

INTERNATIONAL AND DOMESTIC SEMINARS

The International Marketing System held a total of 91 overseas doctor exchange conferences, sharing academic information with doctors from Argentina, Germany, India, Indonesia, Italy, Venezuela, Asia Pacific, Europe, Latin America and other countries/regions:

During the Reporting Period, the Structural Heart Marketing System held a total of 279 academic conferences, which include 30 national academic conferences (include 3 overseas linkage conferences), 148 regional conferences, 87 department meetings, 11 doctor and agent training classes and 3 clinical initiation communication conferences. Hundreds of doctors were benefited in these academic activities.

The Peripheral Marketing System actively hosted and took part in more than 200 times of online/offline academic events, and conducted marketing through more than 60 times of satellite conferences/special seminars and academic salons, more than 70 times of live and recorded surgeries, more than 100 times of department product presentations and workshops. The Group demonstrated LifeTech's full range of peripheral products to domestic vascular surgery experts in a series of content rich meetings, and also provided them with an efficient and cutting-edge academic exchange platform, which further improved products' brand image and the Company's influence.

VEITH Symposium held in New York, the United States

KPI OVERVIEW

ENVIRONMENTAL PERFORMANCE INDICATORS[1]

	Data			Unit
	2022	2021	2020	
Air emissions				
Nitrogen oxides	168.2	167.8	149.0	Kilograms
Sulphur oxides	0.3	0.3	0.3	Kilograms
Respiratory suspended particles	16.1	16.0	14.3	Kilograms
GHG emissions				
Scope 1	55.5	52.4	47.5	Tonnes of CO2-e
Scope 2	6,774.5	11,150.1	6,677.2	Tonnes of CO2-e
Total GHG emissions	6,830.0	11,203.1	6,724.7	Tonnes of CO2-e
GHG intensity (per floor area in square meters)	0.4	0.7	0.4	Tonnes of CO2-e/m^2
Hazardous waste				
Total amount of hazardous waste	26.0	20.5	10.2	Tonnes
Intensity of hazardous waste (per floor area in square meters)	0.002	0.001	0.001	Tonnes/m^2
Non-hazardous waste				
Total amount of non-hazardous waste	145.5	115.9	49.2	Tonnes
Intensity of non-hazardous waste (per floor area in square meters)	0.009	0.007	0.003	Tonnes/m^2
Energy consumption				
Gasoline	198.9	221.5	244.8	MWh
Diesel	3.7	2.3	5.0	MWh
Purchased electricity	11,103.8	13,865.6	7,980.4	MWh
Total energy consumption	11,306.4	14,089.4	8,230.2	MWh
Energy intensity (per floor area in square meters)	0.7	0.9	0.5	MWh/m^2
Water consumption				
Total water consumption	56,851.5	81,538.7	43,309.2	Tonnes
Water consumption intensity (per floor area in square meters)	3.6	5.1	2.7	Tonnes/m^2
Packaging materials used for finished products				
Total amount of Packaging materials	14	12.8	10.5	Tonnes
Intensity of Packaging materials (per floor area in square meters)	0.8	0.8	0.7	Kilograms/m^2
Intensity of Packaging materials (calculated by production volume)	0.04	0.05	0.06	Kilograms/number of products

Note:

1. Environmental figures are calculated with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs published by the Stock Exchange.

SOCIAL PERFORMANCE INDICATORS

		2022		2021	
		Number	%	Number	%
Number of employees					
Total number of employees		1,217	N/A	852	N/A
Gender	Male	666	54.7%	466	54.7%
	Female	551	45.3%	386	45.3%
Grade	Chief executives	2	0.2%	2	0.2%
	Senior executives	23	1.9%	24	2.8%
	Middle management	83	6.8%	89	10.4%
	General staff	1,109	91.1%	737	86.5%
Age	Under 30	467	38.4%	326	38.3%
	30-40	637	52.3%	454	53.3%
	41-50	98	8.1%	58	6.8%
	Over 50	15	1.2%	14	1.6%
Area	Shenzhen	1,217	100.0%	852	100.0%
Employment type	Full-time	1,200	98.6%	843	98.9%
	Part-time	0	0.0%	0	0.0%
	Contract	8	0.7%	5	0.6%
	Temporary	0	0.0%	1	0.1%
	Apprentices and interns	9	0.7%	3	0.4%
Employee turnover					
Total number of turnovers		203	16.7%	219	25.7%
Gender	Male	109	16.4%	120	25.8%
	Female	94	17.1%	99	25.6%
Grade	Chief executives	0	0.0%	0	0.0%
	Senior executives	2	8.7%	4	16.7%
	Middle management	7	8.4%	17	19.1%
	General staff	194	17.5%	198	26.9%
Age	Under 30	106	22.7%	112	34.4%
	30-40	86	13.5%	101	22.2%
	41-50	9	9.2%	5	8.6%
	Over 50	2	13.3%	1	7.1%
Area	Shenzhen	203	100.0%	219	100.0%

		2022		2021	
		Number	%	Number	%
New employee					
Total number of new employees		565	46.4%	294	34.5%
Gender	Male	309	46.4%	174	37.3%
	Female	256	46.5%	120	31.1%
Grade	Chief executives	0	0.0%	0	0.0%
	Senior executives	1	4.3%	5	20.8%
	Middle management	7	8.4%	6	6.7%
	General staff	557	50.2%	283	38.4%
Age	Under 30	343	73.4%	181	55.5%
	30-40	207	32.5%	102	22.5%
	41-50	15	15.3%	10	17.2%
	Over 50	0	0.0%	1	7.1%
Area	Shenzhen	565	100.0%	294	100.0%
Performance in development and training					
Total number of trained employees		1,217	100.0%	341	40.0%
Total training hours of employees		45,212.3	N/A	16,597.0	N/A
Average training hours per employee		37.2	N/A	19.5	N/A
Number of trained employees					
Gender	Male	666	100.0%	177	38.0%
	Female	551	100.0%	164	42.5%
Grade	Chief executives	2	100.0%	2	100.0%
	Senior executives	23	100.0%	14	58.3%
	Middle management	83	100.0%	42	47.2%
	General staff	1,109	100.0%	283	38.4%
Average training hours					
Gender	Male	36.8	N/A	19.3	N/A
	Female	37.6	N/A	19.7	N/A
Grade	Chief executives	3.0	N/A	1.0	N/A
	Senior executives	5.6	N/A	12.6	N/A
	Middle management	138.3	N/A	15.9	N/A
	General staff	30.3	N/A	20.2	N/A

Supply chain management performance	Number of suppliers	Materials/Services provided
Mainland China	108	Polymer materials, metal materials, tooling, production auxiliary materials and outsourcing,etc.
Others, such as United States, Germany, Singapore, Switzerland	18	polymer tubing and metal raw materials, etc.

Occupational health and safety performance	Total		
	2022	2021	2020
Number of work-related fatalities	0	0	0
Percentage of work-related fatalities	0%	0%	0%
Number of work-related injuries	0	0	0
Number of working days lost due to work injury	0	0	0
Number of absent days	0	0	0

Performance in product responsibility	2022	2021	2020
Number of products subject to recalls for health and safety reasons	0	0	0
Percentage of products subject to recalls for health and safety reasons	0.0%	0%	0%
Number of products and service-related complaints received	116	62	27
Percentage of timely addressed of products and service-related complaints received	97.8%	100%	100%

Performance in anti-corruption	2022	2021	2020
Number of concluded cases regarding corrupt practice brought against LifeTech or its employees	0	0	0
Total anti-corruption training hours provided for directors (hours)	3	7.0	—
Average anti-corruption training hours provided for employees (hours)	0.1	1.0	1

REPORT CONTENT INDEX

A. Environmental

Subject Areas	Content	Chapter index and remarks
—	—	Environmental Management Environmental regulations and compliances
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.	Energy Efficiency and Carbon Emissions Management Gas Emissions Management Waste and Recycled Materials Management
A1.1	The types of emissions and respective emissions data.	Gas Emissions Management KPI Overview
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).	Energy Efficiency and Carbon Emissions Management KPI Overview
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste and Recycled Materials Management KPI Overview
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste and Recycled Materials Management KPI Overview

Subject Areas	Content	Chapter index and remarks Environmental Management Environmental regulations and compliances
—	—	
A1.5	Description of emissions target(s); and Steps taken to achieve them.	Energy Efficiency and Carbon Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and steps taken to achieve them; and Description of reduction target(s) set.	Energy Efficiency and Carbon Emissions Management Waste and Recycled Materials Management
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Efficiency and Carbon Emissions Management
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).	KPI Overview
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	KPI Overview
A2.3	Description of energy use efficiency target(s) and steps taken to achieve them.	Energy Efficiency and Carbon Emissions Management
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.	Water Resource Management

Subject Areas	Content	Chapter index and remarks Environmental Management Environmental regulations and compliances
—	—	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Management of Packaging Materials KPI Overview
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

B. Social

Subject Areas	Content	Chapter index and remarks
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, antidiscrimination, and other benefits and welfare.	Employee Benefits and Welfare Equal Opportunities
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	KPI Overview
B1.2	Employee turnover rate by gender, age group and geographical region.	KPI Overview
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.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	KPI Overview
B2.2	Lost days due to work injury.	KPI Overview
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Management and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI Overview
B3.2	The average training hours completed per employee by gender and employee category.	KPI Overview

Subject Areas	Content	Chapter index and remarks
B4 Labour 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 labour.	Employee Benefits and Welfare
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Benefits and Welfare
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Benefits and Welfare
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Procurement and Supply Chain Management
B5.1	Number of suppliers by geographical region.	Procurement and Supply Chain Management KPI Overview
B5.2	Description of practices relating to engaging suppliers, and how they are implemented and monitored.	Procurement and Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Procurement and Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Procurement and Supply Chain Management

Subject Areas	Content	Chapter index and remarks
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.	Product Quality and Safety Product Diversification and Innovation Customer Service Information Security Protection of Intellectual Property Rights Development of Products under its Own Brands
B6.1	Percentage of total products sold or shipped subject to recalls for health and safety reasons.	KPI Overview
B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety Customer Service
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security

Subject Areas	Content	Chapter index and remarks
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 prevention of bribery, extortion, fraud and money laundering.	Corporate Governance, Anti-corruption and Anti-competition
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.	KPI Overview
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance, Anti-corruption and Anti-competition
B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance, Anti-corruption and Anti-competition
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.	UNDERSTANDING THE NEEDS OF THE COMMUNITY AND PARTICIPATING IN COMMUNITY WORK
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	UNDERSTANDING THE NEEDS OF THE COMMUNITY AND PARTICIPATING IN COMMUNITY WORK
B8.2	Resources contributed (e.g. money or time) to the focus area.	UNDERSTANDING THE NEEDS OF THE COMMUNITY AND PARTICIPATING IN COMMUNITY WORK