



Kindstar Globalgene Technology, Inc.
康聖環球基因技術有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9960

2022 ESG Report



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Environmental, Social and Governance Report

1. ABOUT THIS REPORT

1.1. Introduction of the Report

This report is the second Environmental, Social and Governance (“ESG”) Report (“this Report”) published by Kindstar Globalgene Technology, Inc. and its subsidiaries (“Kindstar Global”, “the Group” or “we”). This Report allows stakeholders to have a better understanding of the Group’s work on ESG by summarizing the Group’s principle, concept and key performance indicators (“KPI”) on environmental and social aspects.

1.2. Reporting Period and Scope

This Report covers the overall sustainable development practiced by Kindstar Global from January 1, 2022 to December 31, 2022 (the “Reporting Period”). The scope of this Report covers the main business of the Group, with social aspects consistent with the Group’s annual report and environmental aspect covering the Group’s Wuhan headquarter and major subsidiaries in Shanghai, Beijing, Tianjin, Chengdu, Xinjiang and Wuhan with business operations, all operating subsidiaries with business operation companies in the PRC within the scope of the Group’s audited consolidated statements, including:

- Wuhan Kindstar Medical Laboratory Co., Ltd,
- Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd,
- Wuhan Kindstar Biotechnology Co., Ltd,
- Wuhan HumanCell Biotechnology Co., Ltd,
- Wuhan Xinuo Medical Laboratory Co., Ltd,
- Wuhan Yijianyun Information Technology Co., Ltd,
- Wuhan Haixi Life Science Technology Co., Ltd,
- Wuhan Haixi Biological Technology Co., Ltd,
- Beijing Hightrust Medical Laboratory Co., Ltd,
- Sichuan Huaxi Kindstar Medical Co., Ltd,
- Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd,
- Chengdu Shengyuan Medical Laboratory Co., Ltd,
- Shanghai SimpleGene Medical Laboratory Co., Ltd,
- Shanghai Xinuo Medical Laboratory Co., Ltd,
- Shanghai SinoPath Medical Laboratory Co., Ltd,
- Tianjin Kindstar Medical Laboratory Co., Ltd, and
- Xinjiang Kindstar Medical Laboratory Co., Ltd



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1.3. Reporting Standards

This Report is prepared in accordance with the mandatory disclosure requirements and “comply or explain” provisions of the Appendix 27 – “Environmental, Social and Governance Reporting Guide” (hereinafter referred to as “the Guide”) of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited. This Report is prepared based on the following four reporting principles:

Materiality: This Report has identified material ESG topics and disclosed the process to identify and the criteria for the selection of material ESG topics and the process and results of stakeholder engagement.

Consistency: The statistical methodologies used for information disclosure in this Report are consistent with last year’s ESG report. Any changes will be clearly stated in this Report.

Quantitative: The statistical standards, methodologies, assumptions, calculation tools and source of conversion factors used, for the reporting of KPI and related data, are stated in this Report.

Balance: This Report provides an unbiased picture of the Group’s performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

1.4. Reporting Language

This report is published in both Traditional Chinese and English. In case of any discrepancy, the Traditional Chinese version shall prevail.

1.5. Approval and Publication of the Report

Upon confirmation of our management, this Report is approved by the board of directors (hereinafter referred to as “the Board”) of the Group on 27 March 2023.

2. About Kindstar Global

Kindstar Global is a large-scale group providing high-end medical specialty esoteric testing services in China, providing systematic, comprehensive and advanced specialty testing services, our service network has covered 31 provinces/municipalities directly under the central government and more than 600 cities in China. We have cooperated with more than 3,000 hospitals, including more than thousands tertiary hospitals providing more than 3,600 advanced and accurate diagnostic tests in such field as blood, tumor, genetics, cardiovascular and cerebrovascular diseases, infectious diseases, and autoimmune diseases, as well as in internal medicine, surgery, gynecology, pediatrics and other specialties.

The Group's purpose is to "Patients' interest is our priority and doctors' need come first" (病人利益至上、醫生需求第一). The Group is committed to advancing the specialty esoteric technologies and services in China and promoting the development and improvement of specialty diagnosis and treatment and personalized medicine in China. We have introduced and developed the world's advanced technologies and specialty testing methods, as well as strictly complying with international norms, standards and industry guidelines.

Kindstar Global has built internationally-advanced laboratory facilities of 50,000 square meters for clinical testing, scientific research cooperation and applied R&D in Beijing, Shanghai, Wuhan, Xinjiang, Chengdu and Tianjin. We boast a dozen of specialized laboratories, including a high-resolution flow cytometry (FCM) testing platform, a PCR (real-time Polymerase chain reaction) platform, a gene chip platform (Affymetrix), a liquid chip platform (Luminex), a mass spectrometry platform (Sequenom), a digital gene platform (NanoString), a sequencing platform, a cytogenetic platform (chromosome karyotype analysis, FISH, etc.), a mass spectrometry platform, a clinical pathology platform, a clinical immune platform, and a clinical chemistry platform. Through cooperating with the world's top medical technology institutions and large pharmaceutical companies, we provide medical research, drug testing and translational medicine research services for clinicians all over China.



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2.1. Honours of the Group

Date	Award Name	Award Winning Unit	Awarding Unit
2013-2022	Hubei Provincial Annual Excellent High-Technology Enterprise	Wuhan Kindstar Medical Laboratory Co., Ltd	Wuhan Hi-tech Industrial Association
January 2022	2021 Annual Statistics Quality Red List of Enterprises	Beijing Hightrust Medical Laboratory	Beijing Economic-Technological Development Area Economic Development Bureau
February 2022	Annual Excellent Hightech Enterprise	Wuhan Kindstar Medical Laboratory Co., Ltd	Wuhan Hi-tech Industrial Association
March 2022	Certification of Appreciation	Wuhan Kindstar Medical Laboratory Co., Ltd	Wuhan Blood Donation Office Wuhan Blood Center
April 2022	Professional Employer Top 50	Wuhan Kindstar Medical Laboratory Co., Ltd	51shebao.com
May 2022	Red Worry-Free Post Office Charitable Activities Award	Wuhan Kindstar Medical Laboratory Co., Ltd	General Committee of Construction and Management Office of Wuhan National Bio-Industry Base
June 2022	Advanced grass-root party organization award	Wuhan Kindstar Medical Laboratory Co., Ltd	General Committee of Construction and Management Office of Wuhan National Bio-Industry Base
December 2022	Best IR Team Award	Kindstar Globalgene Technology, Inc.	Zhitong Caijing

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Red Worry-Free Post Office Charitable Activities Award



Advanced Grass-root Party Organization Award



Hubei Provincial Annual Excellent High-Tech Enterprise



Certification of Appreciation



Professional Employer Top 50



Best IR Team Award



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2.2. ESG Strategies and Management

Kindstar Global has been continuously working on sustainable development. In 2021, the Group established the Environmental, Social and Governance Committee (“ESG Committee”) and Environmental, Social and Governance Working Group (“ESG Working Group”) and have clearly listed the responsibilities of the Board and different units.

The Board

- The Board is the highest authority in the decision-making of the Group’s ESG governance. The Board mastering the Group’s ESG information through the ESG Committee and the ESG Working Group, the Board is responsible for developing management approach and strategies for ESG issues, including materiality assessment, prioritizing and managing important ESG issues and reviewing the progress of ESG-related targets, etc.

ESG Committee

- Under the leadership of the Group’s Chief Financial Officer, the ESG Committee comprises the heads of the Administration Department, Finance Department, Legal Department, Human Resources Department and Investor Relations Department. The ESG Committee is responsible for formulating and reviewing ESG strategies and management methods, monitoring ESG issues and risks; communicating with other committees and the ESG Working Groups, coordinating the development of ESG work and regularly approving and reviewing the objectives and key measures.

ESG Working Group

- The ESG Working Group is composed of all subsidiaries and divisions of the Group. The ESG Working Group is responsible for formulating and implementing ESG-related policies and procedures, monitoring and tracking the progress of ESG objectives and providing feedback to the ESG Committee.

2.3. Statement of the Board

To promote corporate social responsibility, Kindstar Global has established the ESG governance structure of the Group. The Board has authorized the establishment of the ESG Committee, which is responsible for formulating and reviewing ESG-related strategies and monitoring ESG-related risks. We have also established the ESG Working Group to implement and monitor ESG-related work. The Board keeps track of the results of the Group’s ESG work through the ESG Committee and the Working Group. The Board also participates in the discussions of the ESG Committee and perform oversight of ESG issues, including the prioritization of materiality issues. We have set out directional environmental objectives and will continue to monitor and track the progress of these objectives. The targets set reflect the effectiveness of the Group’s business, and in the future we will review the effectiveness of the targets and improve the Group’s ESG governance and disclosure in light of progress.

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2.4. Stakeholder Engagement

The Group attaches high importance to communication and exchange with stakeholders. To facilitate effective and long-term communication with stakeholders, we identify stakeholders and establish different communication channels to fully understand their expectations and requirements. The Group will actively respond to the views of stakeholders to push forward sustainable development in the Group.

Major Stakeholders	Expectations and Requirements	Main Communication Channels
Shareholders and Investors	Operational compliance Return on investment Protection of shareholders' rights and interests Accuracy and timeliness of information disclosure	The general meetings of the management teams; Corporate communications, such as shareholder letters/circulars and meeting notices; Annual general meeting and general meetings of the shareholders
Regulatory Authorities	Operational compliance Ensure product quality and safety Promote economic development Promote healthcare development	Daily management; Work meetings; Compliance reports; Regular monitoring and checking
Customers	Ensure product quality and safety Ensure high quality and efficient services Protection of customers' privacy Provision of professional esoteric testing services	Customer satisfaction surveys and opinion forms; Comprehensive customer complaint handling mechanism; Online service platform; Hotlines; Website and emails of the Group; Customer service centers



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Major Stakeholders	Expectations and Requirements	Main Communication Channels
Employees	Remuneration and benefits Career development Safe working environment Vocational training Humanistic care	Employee opinion survey; Internal communication channels; Job performance and assessment; Conference interviews; Trainings; Employee activities; Seminars/Workshops/Talks
Business Partners/Suppliers	Integrity and mutual benefit Supply chain management	Meetings; Supplier evaluation systems; On-site inspections; Meetings; Strategic partnership programme
Higher Education Institutions and Research Institutions	Innovative scientific research Promote healthcare development through cooperation Nurturing industry talents	Scientific research base meetings; Exchange activities; Participation in summits; Industry seminars
Community/Environment/ Non-governmental Organizations	Employment opportunities Effective use of resources Support community development Reduce pollutant emissions	Conducting charity activities; Donations; Volunteer activities/Environmental activities; Seminars/Workshops/Talks
Media	Accurate, transparent and efficient	Press conferences; Visits of senior management; Performance Reports

2.5. Materiality Assessment

The Group discloses the process and guidelines for identifying material ESG issues of Kindstar Global in accordance with the materiality reporting principles. During the Reporting Period, there were no significant changes in the business operations of Kindstar Global, and the impact of the Group on stakeholders and vice versa. Therefore, in the Reporting Period, based on the results of the materiality assessment in 2021, the management team reviewed and summarized the results of the materiality assessment for the Reporting Period, the results were confirmed by the Board. The results of the materiality assessment of the Reporting Period are as follows:

Highly Important Issue	Important Issue	Second Important Issue
<ul style="list-style-type: none"> – Product quality and safety – Safe disposal of medical waste 	<ul style="list-style-type: none"> – Compliance operation – Water resources use – Employee welfare and rights – High quality development – Customer service and privacy protection – Anti-money laundering and anti-corruption – Complaint handling 	<ul style="list-style-type: none"> – Employee career development – Workplace safety and health – Corporate culture – Intellectual property right – Greenhouse gas emission – Energy use – Responsible supply chain – Community participation – Public benefit activities

3. Promoting Scientific Research Development

In the Reporting Period, the Group's fruitful scientific research achievements are attributed to years of innovation and R&D, cooperation and promotion. "Technology is the core competitiveness of an enterprise, and technological progress leads to technological development which drives an enterprise forward" (技術是企業的核心競爭力, 科技進步引領技術發展, 技術發展帶動企業前進) is the corporate culture of Kindstar Global, and it is also our original intention to promote scientific research and development all the way through. In the Reporting Period, we have obtained success in several areas of testing technology, and have taken a step forward to promote systematic, comprehensive and advanced testing technology.

During the Reporting Period, the Group's testing products, including the innovative MicroLym lymphoma product series, apobema gene microarray testing, CNV-SEQ prenatal diagnostic testing and pre-implantation genetic testing (PGT) testing, have seen increasing demand in the market. In addition, we have launched a number of new test items including 248 genetic mutation tests in myeloid blood disorders, allergic disease screening series, rheumatoid immunity series, gut flora sequencing analysis, xerophthalmia, autoimmune retinopathy, glaucoma, high myopia, etc. A total of 190 new projects have been added, covering molecular biology testing technology, flow cytometry testing technology, molecular cytogenetics testing technology, pathology testing technology, mass spectrometry testing technology, enzyme-linked Immunosorbent assay, etc. In addition, we have further improved our testing products for various cancer types, including solid tumor panel testing, nasopharyngeal cancer testing, and individualized brain tumor testing, etc.



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Looking forward, we will continue to explore and develop more in areas such as the development of single gene testing for rare diseases and to clarify causative factors, accelerating the development and translation of specialty tests such as exosomal PD-L1, optimizing the product mix of maternity-related testing services, expanding mass spectrometry testing items, and the development of immune repertoire testing products, etc.

In the Reporting Period, we continued to enhance our collaboration with hospitals in the areas of hematology, neurology, maternity, oncology and other areas. Apart from hospitals, we are also committed to outward expansion for looking for more collaboration opportunities. We have formed a partnership with several well-known innovative pharmaceutical companies such as Ascentage Pharma Group International and CStone Pharmaceuticals to further explore the possibilities of more testing to push pharmaceutical development.

During the Reporting Period, the Group has promoted research and product development in various aspects and has collaborated with various organizations to add value to our products and services.

Joint Partners in Promoting Laboratory Intelligence Upgrade

During the Reporting Period, we signed a cooperation agreement with Qingdao Haier Biomedical Co., Ltd under Haier Group to strengthen our cooperation in 5G communications, artificial intelligence, automation control, wireless sensing and other technologies. The collaboration between two parties will strengthen the establishment of the intelligent laboratory, which can improve the transmission of various kinds of testing data information and provide more efficient testing services.

Kindstar Institute and Chongqing Xinqiao Hospital Team Collaborative Blood Study presented at an International Academic Conference

A study on immunotherapy of leukemia collaborated by Kindstar Global Institute of Precision Medicine (Kindstar Institute) and Chongqing Xinqiao Hospital was presented at the 27th European Hematology Association. This study, using bio-nanomedicines for the targeted treatment of acute myeloid leukemia and targets nanotechnology for the treatment of hematologic tumors, was presented in the poster session at the conference, and is the first time our Institute has presented on the international stage.

Kindstar Research Institute and Joint Academic Groups Release Genomic Profile of Lymphoma in Patients with Congenital Immunodeficiency

Kindstar Institute has collaborated with several international institutions, including Boston University School of Medicine (USA), Freiburg University Faculty of Medicine (German), Beijing Genomics Institute (BGI) Research Institute (Shenzhen), and Karolinska Institutet (Sweden) to study the genomic characterization of lymphoma in patients with congenital immunodeficiency. This study has been conducting genomic, transcriptomic and immune microenvironment studies on lymphoma for many years and the results have been published in several international papers in different academic journals, contributing to the future development of targeted therapy.

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Internet Medical Platform

Since the introduction of *Opinions on Promoting the Development of Internet Plus Health Care* (《關於促進「互聯網+醫療健康」發展的意見》) in 2018, it put forward the development direction of “Internet plus Medical Health”. Since 2018, Kindstar Global has been exploring the formation of Internet hospitals and launched the software platform of “Medical Examination Assistant” (醫檢助手) in the same year. In 2021, Kindstar Global entered into digital medical cooperation with Chengdu Wenjiang Administrative Committee and established Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd (Kangshengyou Medical), and obtained the *Practice License for Medical Institution* (《醫療機構執業許可證》) on 27th May, 2021. Kangshengyou Medical can be integrated into the national specialist physician resources, establish an online medical system, create multi-parties cooperation for malignant chronic patients long-term course management system, and increase the efficiency of medical resources use.

Kindstar You Yi Internet Hospital App

In the Reporting Period, we launched the “Kangshengyou Medical” App for our Internet hospital, which was divided into two categories: doctor side and patient side, which provides online medical services for doctors and patients, and reduces contact risks for doctors and patients, as well as improving the efficiency of diagnosis and relieving pressure on medical facilities. The app can provide up to 3,500 medical diagnostic options for doctors to choose from, including but not limited to receiving, reviewing, sending tests and checking reports. Intelligent management can effectively regulate patients’ management, simplify the procedures of medical staff, improve the quality of healthcare and increase the cure rate.

Patent Management System

The Group strictly abides by the requirements of the *Patent Law of the People’s Republic of China* (《中華人民共和國專利法》), the *Implementation Regulations for the Patent Law of the People’s Republic of China* (《中華人民共和國專利法實施細則》), the *Trademark Law of the People’s Republic of China* (《中華人民共和國商標法》) etc., and have established the *Intellectual Property Application Procedures* (《知識產權申請流程》) and the *Incentives for Researchers’ R&D Achievements, Patent Applications and Publication of Professional Literature* (《研究人員研發成果、專利申請及專業文獻發表的獎勵辦法》). To protect the rights and interests of the Group, we register intellectual property rights for all patents and trademarks and provide three methods to facilitate employees to apply for them, including online application, self-application and entrusted application. We have also arranged specific people to be responsible for assisting employees of different departments in applying for intellectual property rights. To encourage and stimulate the creativity of our staff, R&D staff are entitled to a bonus payment, job promotion or salary adjustment.

During the Reporting Period, the Group published 20 scientific articles.



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4. Quality of Service and Testing

Kindstar Global upholds the principle of “Quality is Life” (質量是生命), which is the way we take care of the needs of our clients, patients and hospitals to provide the highest quality testing and specialty esoteric testing services. Our dedication and pursuit of quality are what drive us forward. We carry out quality management throughout our business, from procurement of materials to testing services, from customer medical consultation to the issuance of test reports, and we provide high-quality services to our customers in a professional and compliant manner at every step.

4.1. Strict Control on the Quality of Test

Kindstar Global is committed to providing the best testing quality and focusing on the development of testing quality. Over the years, we have obtained several testing certificates for our testing work, such as the ISO 15189:2012 Medical Laboratories – Requirements for Quality and Competence, Certificate of Technical Acceptance of Clinical Gene Amplification Test Laboratory, and Medical Device Business License. We have developed various sample management, testing management and review documents, such as the *Quality Manual* (《質量手冊》), *Pre-examination Procedure* (《檢驗前程序》), *Logistics Manual* (《物流手冊》), *Specimen Management Procedure* (《標本管理程序》), *Results Reporting Management Procedure* (《結果報告程序》), *Test Quality Assurance Procedures* (《檢驗工作質量保證程序》), *Procedure for the Evaluation of Test Procedure* (《檢驗程序的評審程序》), *Comparison Management Procedure* (《比對管理程序》), *Internal Audit Procedure* (《內部審核程序》), *Management Review Management Procedure* (《管理評審管理程序》), *Preventive Action Control Procedure* (《預防措施控制程序》), *Corrective Action Control Procedure* (《糾正措施控制程序》) and *Equipment Management Procedure* (《設施管理程序》) etc. The Group strictly complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and the *Law of the People's Republic of China on the Quality of Products* (《中華人民共和國產品質量法》). Our quality management covered every area of our business, from material procurement, customer testing requirements, equipment management, and pre-examination preparation, etc. We carry out every step of quality work precisely to provide the best quality service. The main business of the Group does not involve product or service recall.

In terms of procurement, any new purchasing of laboratory supplies, a preliminary review of the goods is a compulsory step to be carried out by the warehouse manager, inspection of the quality of goods will then be conducted by the use of the unit. If the goods do not meet the quality requirements, we will notify the purchasing specialist to apply for the return, exchange or claim of the goods.

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To provide appropriate and accurate testing services, we provide our clients with pre-examination medical consultation. The consultation will be provided by clinicians to advise clients on the appropriate medical tests. We will prepare the *Guide to General Practice Test Items* 《全科檢驗項目指南》 to our clients, to let them thoroughly understand about the preparation, procedures and storage requirements for samples before and after sampling.

To ensure the quality of service for customers and to reduce errors, we have established a series of sampling and management procedures. We sort and label sample tubes according to the requirements for each test and verify client and test information. After sampling, the tubes are stored and registered. Each sample tube is accompanied by a unique barcode label to distinguish the sample data. The sample tubes are properly stored in appropriate bags and boxes and refrigerated as required and shipped to the receiving units.

Quality control of test work is one of our top priorities. We carefully monitor the quality of every test and review the suitability of the testing items, and determine whether adjustments to the content have to be made. Staff with the authorization to use the testing machinery have received appropriate training, we will also carry out regular maintenance and repair of equipment to ensure testing machines are in the best condition for operation. To enhance the credibility of test results, we have established inter-laboratory comparison activities, where two or more laboratories perform the same test on sample and the results are reviewed to conduct comparability studies.

As test methods are ever-changing, we regularly review our testing methods to ensure that they meet the quality requirements and prevent any occurrence of non-compliance. Moreover, other than taking into account the recommendations of our clients, healthcare providers and the latest academic advances, we also review the equipment and reagents used for sampling, sample storage, transportation and testing, etc. We analyze and correct any non-compliant issues, as well as review if there is a need for updates and changes.



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We will report the test results to our clients in written or electronic reports or via phone calls, the contents will be verified, approved and released by an auditor with appropriate professional qualifications. The content of the report will contain the test label, the company logo and sampling information, etc.



During the Reporting Period, the Group accredited several testing quality certifications and was recognized by various authorities.

- Wuhan Kindstar Medical Laboratory Co., Ltd passed the evaluation of "Report on the Results of the Preliminary Research Activities for High-throughput Sequencing of National Lower Respiratory Tract Infection Metagenome (DNA and RNA)" and "GB/T 9001-2016/ISO9001:2015 Quality Management System Certification";
- Shanghai SimpleGene Medical Laboratory Co., Ltd, Sichuan Huaxi Kindstar Medical Laboratory Co., Ltd and Beijing Hightrust Medical Laboratory Co., Ltd passed the ISO15189 Medical Laboratory Quality and Competence Accreditation Guidelines;

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- The monkeypox virus nucleic acid test kit and nine hematological tumor diagnostic kits developed by Wuhan Haixi Biological Technology Co., Ltd include: lymphoma gene mutation test, myeloid hematological disease gene mutation test, human whole exon test, immune repertoire TCR gene rearrangement test, immune repertoire IG gene rearrangement test, BCR-ABL1 fusion gene qualitative test, PML-RARA fusion gene qualitative test, and RUNX1-RUNX1TA fusion gene qualitative assay and human JAK2 gene V617F mutation assay obtained EU CE certification.



Wuhan Kindstar Medical Laboratory Co., Ltd
obtained 《GB/T 19001-2016/ISO 9001:2015
Quality Management System Certificate》



ISO15189:2012 Medical Laboratories –
Requirements for Quality and Competence
(CNAS-CL02 “Accreditation Criteria for the Quality and
Competence of Medical Laboratories” requirements)

4.2. High Quality Customer Service

Kindstar Global understands that customer feedback can further push our business and quality development, therefore we have established several procedures and channels to receive feedbacks. *Complaint Handling Management Procedure* 《投訴處理程序》, *Procedure for Satisfaction Monitoring and Abnormal Feedback Handling* 《客戶滿意度監測處理程序》, *Medical Consulting Control Procedure* 《醫療諮詢控制程序》, and *Management Procedure for Revocation, Addition, Trial and Change Test Programs* 《撤銷、增加、試做、更改檢驗項目管理程序》 have been established to better regulate our customer services and handle feedbacks.



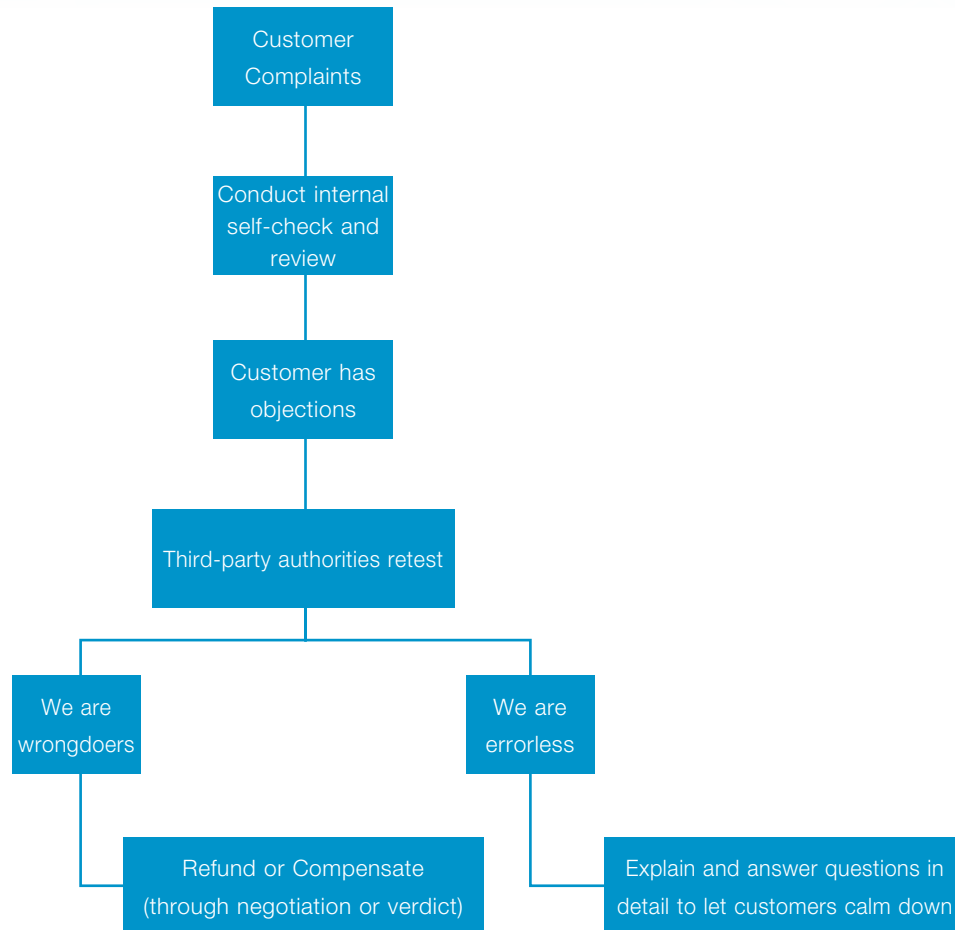
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To provide the most suitable medical consulting services to our clients, and to provide the most appropriate selection of tests, interpretation results and consulting services for further testing, we have formed a medical consulting team to understand the needs of our clients and provide the most appropriate services. Clients also have the right to revoke, add, try, change and pend for their tests. The consulting team is responsible to explain the content of the results to clients and to follow up with further issues.

Every year, we develop the *Annual Customer Satisfaction Survey* (《年度客戶滿意度調查計劃》) to collect customers' opinions. The survey is composed of sample collection, consultation and reporting, etc. After we summarize all the data, we will produce the *Customer Complaint Analysis Report* (《客戶投訴分析報告》) to analyze and summarize the customer complaints of the Reporting Period, compare with the complaint figures of previous years and propose improvements. We established multiple customer communication channels, including an online customer service hotline, official WeChat, Weibo, etc.

We have established a customer complaint procedure to ensure customer complaints can be properly resolved. If we receive a complaint from any customers, the Quality Department will review the complaint information for preliminary investigation and take corresponding response measures to the complaint content. The Quality Department will communicate with relevant departments to find out the cause of the problem and reply to the customer according to the company's procedure document. In General, after the relevant departments receive an inquiry from the Quality Department, they have to verbally reply to the Quality Department within 3 hours, followed by sending the investigation result to the Quality Department within 2 working days, and finally, the Quality Department will reply to the customer. After the complaint is handled, the Quality Department will also contact the complainant to collect the complainant's opinion and prepare an *Abnormal Feedback Processing Record Form* (《異常反饋處理記錄表》) to record the investigation results and corrective measures. The Group also conducts regular online meetings and provides professional training to relevant personnel to reflect on and improve problem-handling methods. During the Reporting Period, we received a total of 7 complaints and all of them have been handled properly.

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Customer complaint handling process

The Quality Department will perform professionally in handling and improving complaints, communicating with customers, building trust, trying to avoid misunderstandings with customers, and reducing the number of complaints. We will also analyze the core problems according to the content of the complaint information and regularly review and improve the procedures. Throughout the communication process with customers, we maintain honesty and will not perform any act of deception and defraud.



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4.3. Safeguarding Information Security

The Group strictly complies with *the Law of the People's Republic of China on Guarding State Secrets* (《中華人民共和國保密法》), *Implement Measures for Law of the People's Republic of China Law on Guarding Secrets* (《中華人民共和國保密法實施辦法》) and other regulations. We have formulated an *Information Management System and Specification* (《信息管理制度與規範》) to manage matters related to network, terminal, user and device and information security.

We regularly perform security level protection and risk assessment work for our information security, install anti-virus programs, patch upgrade and other systems to calculators, networks and terminals and other devices and update them regularly. To protect our data and systems, we will develop data backup plans and adopt appropriate methods to restore different types of data.

To ensure that the information released by the Group is authoritative, timely and accurate, we require all information to be reviewed in advance before being released to the public. The review process is first conducted internally and then followed by the review of the management team. Any information publisher is required to fill in the *Information Release Approval Form* (《信息發布審批表》) and *Information Release Confidentiality Review Registration Form* (《信息發布保密審查登記表》) to record information-related data. We will also arrange for professionals to regularly review the information system and correct any problematic information.

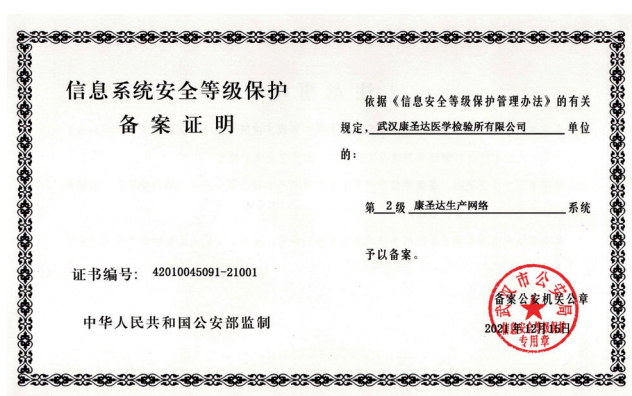
The Group has established policies to protect personal data. Employees are required to comply with the *Kindstar Global's Customer Information Management Policies* (《康聖環球客戶信息管理制度》) in handling customers' data, and strictly manage the processing of each personal data. Personal information should be process at specific modules, and the processing unit and information department should verify the security of the data processing process. Sales have to regularly revise the information of the customers, if the customer has ended cooperation with the Group, the customer's information will be deleted. During the Reporting Period, Kindstar Global did not violate any laws and regulations on consumer protection and privacy, nor violate any laws and regulations related to advertising and labelling.

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During the Reporting Period, the information security management activities of medical testing services, diagnostic pathology services and clinical trial services testing of Wuhan Kindstar Medical Laboratory Co., Ltd has obtained the 《GB/T22080-2016/ISO/IEC 27001:2013 Information Security Management System Certification》. In addition, its production network has also obtained the 《National Information System Security Level Protection Level 2 Record》 issued by the Ministry of Public Security of the People's Republic of China, affirming the reliability and security of our system in terms of physical security, network security, data security, management system, personnel management, and system operation and maintenance management.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained 《GB/T 22080-2016/ISO/IEC 27001:2013 Information Security Management Systems Certification》



Wuhan Kindstar Medical Laboratory Co., Ltd obtained the 《National Information System Security Level Protection Filing Level 2 Record》 Certificate

4.4. Standardize Procurement Management

The Group pays attention to the sustainable development of the supply chain. To manage the development of the supply chain more effectively, Kindstar Global has formulated the *Procurement Management System* 《採購管理制度》. The Purchasing Department of the Group is responsible for purchasing. Each department is required to submit a purchasing list at the beginning of each month for review by the department head and then submit it to the Purchasing Department. Based on the price ranges of the purchasing items, the approval of the purchasing request will be approved by different levels of authority to ensure the right choice can be made. Suppliers are selected from the *Qualified Suppliers List* 《合格供應商名錄》 and at least three suppliers are selected for price comparison. The Purchasing Department will regularly identify new suppliers and conduct basic background checking, collect information such as business licenses, tax certificates, reagents or medical device registration certificates, or requesting samples for trial testing or on-site examination, and then compiling them into the *Qualified Supplier List* 《合格供應商名錄》.

The Group evaluates our suppliers at least once a year, we perform evaluations according to the type of supplier and on different items such as qualification, quality assurance capability, service and reputation, and



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technical support capability. We will also consider whether the supplier has relevant quality qualifications, i.e. ISO9000 quality or CNAS laboratory accreditation, and will also evaluate the supplier's ability to meet our requirements.

The Group supports sustainable supply chain development and we will give priority to environmental friendly products. Kindstar Global highly values both integrity and honesty, we monitor every detail of the supply chain. We request our suppliers to sign the *Letter of Honesty and Integrity Commitment by Suppliers* (《供應服務商廉潔誠信承諾書》) to ensure that the entire procurement process is clean and lawful. Suppliers are expected to comply with environment, labour, health and safety-related regulatory requirements. If the behaviour of the supplier violates Group's policy, we will terminate the cooperation with the supplier until the situation has improved.

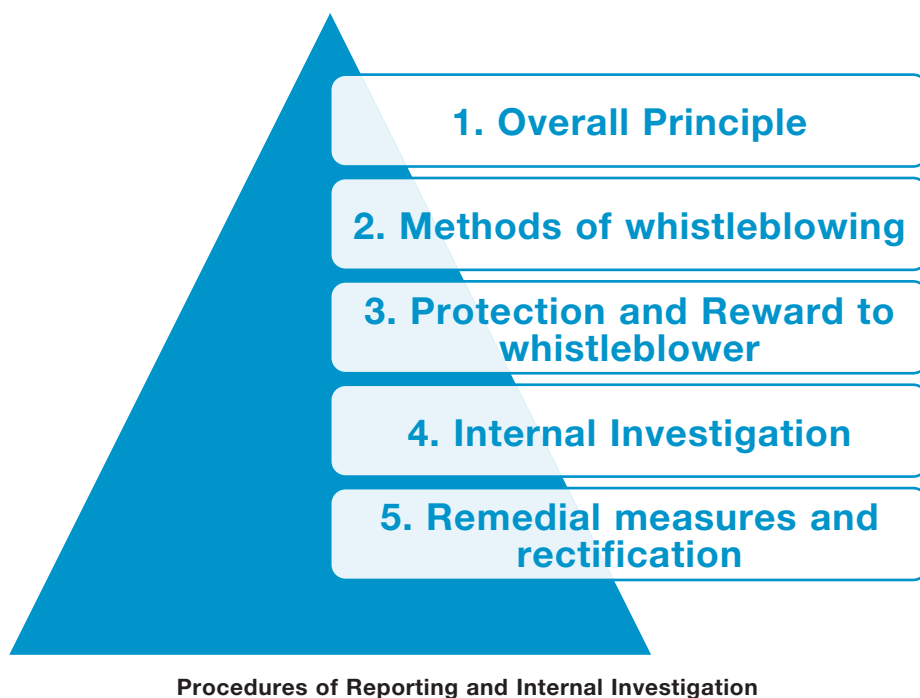
During the Reporting Period, we had 173 suppliers providing reagents, consumables, equipment, calibration and maintenance services, including 59 from the Eastern China region, 16 from the Southern China region, 11 from the Northern China region, 85 from the Central China region and 2 from the Southwest and Northwest China region. In this Reporting Period, we also adopted a supplier assessment system and assessed 94 suppliers.

5. Anti-Corruption and Building Integrity

Kindstar Global has strictly complied with the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and other relevant regulations, and has formulated the *Anti-Bribery Compliance Manual* (《反賄賂合規手冊》). Our employees are not allowed to engage in any bribery activities in business activities. We require our employees to sign the *Certificate of Compliance with Anti-Bribery Policy* (《反賄賂政策合規證明》) to ensure that they thoroughly understand the Group's requirements for anti-bribery compliance operations. The Group's compliance officer strictly approves and monitors the reasonableness and compliance of all employees and collaborators in their operations. We believe that quality is the foundation of our business and the rationale why companies want to work with us. We strive for cooperation opportunities with quality and will never use illegal methods to obtain cooperation with other units. All of our agents, distributors and sales representatives have signed cooperation contracts and are required to operate according to the contracts. We strictly prohibit any non-compliant commission payment activities. To ensure that the Group complies with the regulations, we invited independent auditors to conduct independent audits. We also conduct regular internal audits to ensure that all ledgers and financial records are complete and correct, to investigate the movement of large sums of money, and to ensure that the operations with agents, distributors and sales representatives comply with the contractual requirements, and to ensure that the original contracts have not been amended unlawfully.

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We have established a whistleblower system to encourage employees to report any violation of the *Anti-Bribery Compliance Manual* (《反賄賂合規手冊》). We provide hotline and email address in our *Anti-Bribery Compliance Manual* (《反賄賂合規手冊》) and *Employee Handbook* (《員工手冊》), and employees could also report to their supervisors, directors or compliance officers. We ensure no employee suffers negative consequences as a result of a whistleblowing action. Once an incident is confirmed, we will take serious action if any violation occurs, disciplinary action will be taken according to the seriousness of the incident. If the incident is serious enough to violate criminal or civil laws, we will not tolerate and will report it to law enforcement agencies.





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During the Reporting Period, we provided “Anti-Corruption, Anti-Bribery, Anti-Corruption and Environmental Violations Training” to the Board and staff. The training is composed of four main parts, including anti-corruption, anti-bribery, anti-corruption fraud and anti-environmental violations. Throughout the training, we explained the key points of the anti-corruption laws in Mainland China and Hong Kong, and also provided information on the preventive measures against corruption and fraud in procurement, personnel and administration, and accounting, such as spot-checking suppliers’ quotations, checking payment applications for unusual amounts, etc. We also explained the internal control principles of the Group’s anti-corruption efforts in the training, including the establishment of unambiguous corporate policies, work procedures, terms of reference, and review of the monitoring system and regular independent audits. In our training on corporate environmental crimes, we pointed out that environmental crimes are mostly classified into destruction of resources, environmental pollution and illegal import and export of pollutants. We also pointed out some common management loopholes in companies, such as failure to comply with monitoring when cooperating with third parties, and failure to integrate compliance governance mechanism in internal management. During the Reporting Period, there is no corruption case filed against us or our employees.

Establishing disciplinary codes

Evidence-based:

- It is strictly prohibited to illegally accept or offer benefits, and avoid accepting or offering overly extravagant entertainment;
- Remind employees to pay attention to conflicts of interest and prevent the abuse of proprietary information and financial information of the Company;
- Any employee who wants to work part-time must apply to the Company in advance;
- Correctly use the consultation and communication system, and specify the channels for inquiries or complaints.

Strengthening regulatory system

Ten principles for internal supervision

- Clear and specific company policies;
- Clear working procedures;
- Clearly-defined scope of responsibilities;
- Proper division of functions and responsibilities;
- Properly preserve sensitive information;
- Effectively implement regulatory measures;
- Conduct independent audit on a regular basis;
- Provide channels for complaints and advice;
- Continuously review the supervisory system;
- Do not tolerate any illegal behavior.

Anti-corruption Management Steps

6. Human Resources Management

Employees are one of the key factors leading to the success of Kindstar Global. We focus on the Group's human resources and put forward the idea of being "People-Oriented" in our corporate development, providing our employees with compensation, vacation benefits, career development, employee activities, etc. to increase their sense of belonging to the Group and to retain important talents. As of December 31, 2022, the total number of employees in the Group was 3,367.

6.1. Employee Recruitment System

The Group strictly abides by the requirements of the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law* (《勞動合同法》), the *Labor Dispute Mediation and Arbitration Law of the People's Republic of China* (《中華人民共和國勞動爭議調解仲裁法》), the *Labor and Employment Promotion Law of the People's Republic of China* (《中華人民共和國勞動就業促進法》), *Employment Services and Employment Management Regulations* (《就業服務和就業管理規定》), and the *Prohibition of Child Labour* (《禁止使用童工》) and other regulations. We have formulated the *Employee Handbook* (《員工手冊》) and the *Kindstar Global Human Resources Management System* (《康聖環球人才資源管理制度》), which include recruitment and hiring, labour services, attendance management, personnel changes, training and development, compensation and benefits, and performance appraisal. The Group prohibits any kind of discrimination and establishes an equal and harmonious working environment for our employees.

We publish recruitment postings on different platforms according to job requirements. After screening of the candidates' resumes, we conduct assessments, written tests and interviews for the right candidates. When recruiting, we will ask candidates to provide personal information such as age, education and professional qualifications for reviewing and verifying. The Group strictly prohibits any cases of child labour. We will carefully check the personal information of the person to ensure that he/she has reached legal working age before hiring. If child labour has been found to have occurred, we will terminate the employment contract with the person immediately. When signing an employment contract with a new employee, we will specify the contract period, probationary period and other relevant information. Employees have the right to resign and we have defined the procedures for employees to leave the company. Employees are required to notify the Human Resources Department in advance before they leave the Group. Within the specified notice period, employees hand over the work and we settle the wages of the departing employees and issue the salary of the month of separation. The company's *Employee Handbook* (《員工手冊》) specified the working hours of employees, they are required to attend work according to the regulations to prevent any forced labour. The Group does not encourage the occurrence of overtime work. For overtime work, employees have to apply and seek approval from the Human Resources Department in advance, and the amount of overtime work is limited and must not be excessive. We prohibit any kinds of forced labor, in the event of any non-compliance, we will take appropriate actions to rectify it.



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During the Reporting Period, the Group did not violate any regulation on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, as well as child labor or forced labor.

6.2. Protection of Employee Benefits

To cater to the needs of our employees, we do not only provide the mandatory “five social insurances and one housing fund (i.e. pension insurance, work injury insurance, medical insurance, unemployment insurance, maternity insurance and housing fund)” to our employees, but also provide various leave benefits and allowances for our employees. The Group actively listens to the views and opinions of our employees and holds staff communication activities from time to time through different internal communication channels, such as corporate WeChat, company emails, staff services, opinion surveys, meetings, etc., to encourage staff to share their views and enhance communication among them.

We have established a compensation and benefits system for our employees. Employees are entitled to a legal basic salary and other allowances such as assessment salary, overtime salary, business commission, bonus, etc. We review our compensation system every year to provide our employees with a competitive compensation package. In terms of the welfare system, we provide subsidies such as transportation allowance, training fee reimbursement, annual employee bonus, etc. In terms of the vacation leave system, apart from the statutory leave entitlement, we also provide various leave benefits to our employees, such as wedding leave, maternity leave, personal leave, annual leave, etc. To strengthen the motivation of our employees for business, we have established a business commission and bonus system for our employees to drive business development of the Group.

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In order to let our employees feel the corporate culture of Kindstar Global, we held many activities for employees to enhance the cohesion and unity of the Group. We celebrate specific holidays such as the Dragon Boat Festival, Christmas, Mid-Autumn Festival and employees' birthdays, etc. We prepared corresponding holiday gifts for employees and send them blessings.



Chengdu Shengyuan Medical Laboratory Co., Ltd, Employee birthday party celebration event



Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd, Christmas Eve celebration event



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6.3. Career Skills Development

The Group focuses on the career development of the employees. We provide development opportunities for our employees by providing them with various training, including skills and industry-related training and to enhance the competitiveness of Kindstar Global in the market. In the Reporting Period, we have developed the *Staff Position/Rank Promotion Management System* 《員工崗位／職級晉級管理制度》, which clearly lists the promotion requirements for employees. Employees are required to reach the qualified promotion score in the previous year's performance appraisal and fulfill the points target set by the department before participating in employee promotion appraisal. According to the grade requirements, the supervisor, department head or career development committee will conduct the evaluation, and the qualified candidates for promotion will be subject to a probationary period, employee can become a full member after passing the assessment during the probationary period.

We provide on job training for our employees every year to drive their career development and keep them abreast of the latest technological developments. We have established learning courses such as "Kindstar Lexiang", "Kindstar College (Classroom)", "Kindstar Library (Knowledge Base)" and "Kindstar Zhihu (Question-and-Answer)". The training courses provide different training contents for specified employees, such as new employees training about the company's corporate culture and business processes, giving employees to understand and integrate into their work. We also develop a series of online and offline training courses for the development of employees' generic skills and management's leadership. These courses make it simpler for employees to master various professional competencies and help to raise their awareness in transforming their roles so that they can be more competent for their positions. Training participation is an important basis for the evaluation of salary adjustment, career promotion and year-end merit. The Group actively promotes experienced and talented employees to become instructors in our training programs, providing a stage for the development of the employees.

We also encourage our employees to participate in external-training activities and programs. Employees can be reimbursed for related training expenses.

6.4. Occupational Health and Safety

Kindstar Global complies with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Labor Protection Regulations for Female Employees* (《女職工勞動保護規定》), and the *Regulations on Supervision and Administration of Workplace Occupational Health* (《工作場所職業衛生監督管規定》). We have developed a *Safety Manual* (《安全手冊》) to provide norms and guidelines for occupational safety management, detail safety-related management policies and procedures for handling emergency and hazardous situations have been listed in the Safety Manual.

For laboratory safety management, we have established a safety management team for the assessment and management of the environmental and testing safety of the laboratory. Laboratory staff is required to properly store hazardous chemicals and medical waste as required. Other staff are required to ensure that the working environment of the laboratory is clean and disinfected regularly. To ensure the biosafety management of the laboratory, we have established the biosafety management regulation, listing the details in the transportation, storage, and safekeeping of biological samples such as microorganisms and making records. These records must be kept by professional staff to prevent leakage. Daily management of the laboratory must be carried out according to the safety system established, and regular inspection, maintenance and updating of laboratory equipment, facilities and materials must be carried out to comply with national standards to ensure the health and safety of laboratory use.

Apart from the working environment, Kindstar Global is also concerned with the health condition of our employees, hoping that they will pay higher attention to their health condition. In the Reporting Period, we organized regular health checks or immunity screening tests for our employees. During the pandemic, we adjusted the commuting arrangements of our employees according to the epidemic prevention requirements of the locations and the situation of the Group. To ensure the safety of our employees, we have formulated a series of epidemic prevention policies, including the provision of masks to our employees, requirement of our employees to undergo regular nucleic acid or antigen testing, and conducting regular disinfection of workplaces. Including the Reporting Period and the past three years, the Group did not have any work-related fatalities records and the number of working days lost due to work-related injuries was 152.5. During the Reporting Period, the Group did not violate any laws and regulations relating to occupational health and safety.

In the Reporting Period, Wuhan Kindstar Medical Laboratory Co., Ltd successfully obtained 《GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certification》, which is a recognition of our occupational safety management.

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7. Promoting Environmental Protection

Kindstar Global is highly concerned about its environmental impacts and strives to reduce the impact on the environment while driving our business development. We strictly comply with environmental laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* 《中華人民共和國固體廢物污染環境防治法》, the *Biosecurity Law of the People's Republic of China* 《中華人民共和國生物安全法》, the *Measures for Medical Wastes Management of Medical and Health Institutions* 《醫療衛生機構廢物管理辦法》, the *Regulations on the Administration of Medical Wastes* 《醫療廢物管理條例》, and the *Regulation on the Bio-safety Management of Pathogenic Microbe Labs* 《病原微生物實驗室生物安全管理條例》.

In the Reporting Period, the Group has set out directional environmental targets to progressively reduce or maintain greenhouse gas emissions and waste generation intensity and reduce energy consumption and water consumption intensity while maintaining operational levels. We will also set quantitative environmental targets and set environmental base years when appropriate.

During the Reporting Period, one of our testing laboratory, Wuhan Kindstar Medical Laboratory Co., Ltd successfully obtained the 《GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certification》, which affirms our work on environmental management.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained the 《GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certification》

7.1. Combating Climate Change

Climate change is closely related to sustainable corporate development and the Group is concerned about the national “3060” goal of reaching the carbon peak and achieving carbon neutral targets. We have identified climate-related risks that may affect the Group, including physical and transition risks, analyzed the potential impacts of such risks on the Group and formulated corresponding mitigation measures. We will continue to optimize our climate risk management assessment and measures to reduce the impact on our business.

Physical Risk

Climate Risk Example	Potential Risk	Mitigation Measures
Acute Risk: Extreme temperature	<ul style="list-style-type: none"> High temperature affects sample storage, transportation and other aspects of operations. 	<ul style="list-style-type: none"> Based on weather reports, we inform employees of the latest information and allow them to respond.
Chronic Risk: Sea-level rise	<ul style="list-style-type: none"> The commute of employee will be affected; Electricity supply may be impacted by extreme weather hazards, which could affect providing service; Increased costs on repairing facilities affected or damaged by extreme climate. 	

Transitional Risk

Climate Risk Examples	Potential Risk	Mitigation Measures
Reputational Risk Stakeholders putting more focus on climate change response actions	<ul style="list-style-type: none"> Increased competition among the industry; Difficult to get support from stakeholders and partners. 	<ul style="list-style-type: none"> Compliance with climate-related regulations; Increase the disclosure of ESG report content regarding environmental measures.



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7.2. Green Operation Management

7.2.1. Waste Management

As a clinical testing service provider company, the treatment of medical waste is a vital part of the Group's environmental management system. Kindstar Global fulfills the compliance requirements for the disposal of medical waste and strictly controls the amount of waste generated. We have established the *Medical Waste Temporary Storage Room Management System* (《醫療廢物暫存間管理制》), which classifies medical waste into infectious, sharps, pathological, pharmaceutical and chemical waste. Each type of waste must be properly sealed, sorted, labeled and registered, and stored in an appropriate place before being collected and disposed of by third parties. Each waste disposal is required to be registered and recorded and kept for at least three years, registration information includes the type of waste, quantity, weight, date of handover, and the person in charge. If there is a large amount of expired pharmaceutical waste, we will return it to the manufacturer for disposal. Staff handling medical waste are required to take proper personal protection measures and disinfect the storage site after each disposal of medical waste to avoid waste residue causing secondary infection or contamination. We provide relevant safety and handling training for staff handling medical waste and monitor the entire medical waste handling process to comply with the Group's requirements.

In the Reporting Period, the packaging materials used by the Group were 180.00 kg of paper. The use of packaging materials is not the main business of the Group, we will check the packaging materials usage and reduce the waste of product packaging materials. For general non-hazardous waste, we sort out the waste and recycle various recyclable items. We also promote and encourage reusing resources and reduce using disposable products to avoid unnecessary waste. During the Reporting Period, the Group produced 760.05 tonnes of medical waste and 110.85 tonnes of non-hazardous waste, and the average amount of medical and non-hazardous waste generated per employee was 0.23 and 0.03 tonnes respectively.

7.2.2. Water Resources Management

We cherish water resources and always remind our staff to use water efficiently to avoid wastage. The Group uses water supplied by the municipal government and has no problem in water sourcing. We post water-saving labels next to each water-using equipment, use highly water-efficient equipment, and conduct inspections regularly on water-using equipment and water pipes to see if there are any leakages. In the Reporting Period, the Group used 31,350.68 tonnes of water, and the average water consumption per employee was 9.31 tonnes.

The Group strictly controls the wastewater discharge. Our laboratories have obtained sewage discharge permit. All sewage discharged must first be treated by the Group's wastewater treatment facilities and have to comply with the discharge standard of *Discharge Standard of Water Pollutants For Medical Organization* (《醫療機構水污染物排放標準》) before discharging. We hire third-party environmental testing laboratories to test our effluent discharge every year to ensure that the concentration of pollutants complies with the standard. In the Reporting Period, the Group's wastewater discharge did not fail to meet the standard. In addition, office and daily sewage will be discharged to the municipal sewerage network after pre-treatment, and the treated effluent after pre-treatment meet the tertiary discharge standard of the *Integrated Sewage Discharge Standard* (《污水綜合排放標準》) and be treated by the local sewage treatment facilities centrally.

7.2.3. Energy Use Management

We adhere to the code of energy saving to avoid unnecessary energy waste. For lighting and air conditioning systems, we use energy-efficient lighting fixtures and regularly clean the air conditioning filters to ensure that the systems are operating at their best condition. We have separated the operating area into different zones, each zone contains independent switch control; the air conditioning is managed by a central system to control the time and temperature of each zone to reduce energy waste. We will give higher preference to electric vehicles or hybrid vehicles and regularly conduct maintenance of the vehicles. We conduct monthly statistics on the Group's electricity consumption and look for high consumption or any abnormalities in electricity consumption, improvements will be made if required. In the Reporting Period, the electricity consumption of the Group is 5,985.66 MWh, and the average electricity consumption per employee is 1.78 MWh.

7.2.4. Greenhouse Gas Emissions management

During the Reporting Period, the amount of the Group's greenhouse gas emissions was 3,581.09 tonnes of carbon dioxide equivalent, and the average greenhouse gas emissions per employee was 1.06 tonnes of carbon dioxide equivalent. Low carbon living has become a global trend, Kindstar Global has been encouraging employees to actively participate in low carbon-related activities e.g. adopting video business conferencing instead of business travel, using public transportation more often. We have promoted and educated our employees about environmental protection measures through various platforms, and encourage them to integrate environmental protection concepts into daily lives.

7.2.5. Pollutants Emission Management

During the Reporting Period, the Group's emissions of NO_x, SO_x and particulate matter from the Company's vehicles were 423.68 kg, 0.56 kg and 36.01 kg respectively. To reduce emissions of NO_x, SO_x and particulate matter, we have adopted electric or hybrid vehicles, which are regularly maintained to ensure that they can operate with high efficiency and low emissions. The Group regularly monitors the air quality of the laboratories and has commissioned a third-party laboratories to test the VOCs emissions of the laboratories to comply with the regulatory emission standards. During the Reporting Period, the Group's laboratory air quality has complied with the standards.

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8. Public Welfare and Harmonious Community

Kindstar Global has always been caring for the community and lends a helping hand to the public when needed. To solve the low blood stock situation in the community, Wuhan Kindstar Medical Laboratory Co., Ltd responded to our call by organizing a group with more than 30 employees to participate in blood donation activity during the Spring Festival on February 16, 2022.



Appendix 1 : Sustainable development information summary

Environmental Category	Unit	2022
Air pollutant emissions¹		
Nitric Oxides (NOx)	Kg	423.68
Sulfur Oxides (SOx)	Kg	0.56
Particulate Matter (PM)	Kg	36.01
Greenhouse gas emissions²		
Direct GHG emissions(Scope 1) ³	carbon dioxide equivalent (tonnes)	103.42
Indirect GHG emissions(Scope 2) ⁴	carbon dioxide equivalent (tonnes)	3,477.67
Total GHG emissions(Scope 1 & 2)	carbon dioxide equivalent (tonnes)	3,581.09
Intensity of GHG emissions (per square meter)(Scope 1 & 2)	carbon dioxide equivalent (tonnes)/m ²	0.07
GHG emissions (per employee)(Scope 1 & 2)	carbon dioxide equivalent (tonnes)/employee	1.06
Energy consumption		
Total electricity consumption	MWh	5,985.66
Intensity of electricity consumption (per square meter)	MWh/m ²	0.11
Intensity of electricity consumption (per employee)	MWh/employee	1.78
Gasoline consumption	liter	35,351.03
Diesel consumption	liter	2,785.72
Water consumption		
Total water consumption	cubic meter	31,340.68
Water consumption intensity(per square meter)	cubic meter/m ²	0.59
Water consumption (per employee)	cubic meter/employee	9.31
Paper consumption		
Total paper consumption	Kg	12,165.00
Paper consumption (per employee)	Kg/employee	3.61
Waste production		
Medical waste produced	tonnes	760.05
Medical waste produced (per employee)	tonnes/employee	0.23
Non-hazardous waste produced	tonnes	110.85
Non-hazardous waste produced (per employee)	tonnes/employee	0.03

¹ We calculate the Group's air pollutant emissions with reference to the Stock Exchange's "How to Prepare an Environmental, Social and Governance Report – Appendix II: Reporting Guidance on Environmental KPIs".

² We calculated the Group's GHG emissions with reference to "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

³ Scope 1: Direct GHG emissions from sources owned and controlled by the Group.

⁴ Scope 2: GHG emissions indirectly caused by power generation purchased by the Group.



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Social Category	Unit	2022
Total employees		
Total employees	people	3,367
Female employees	people	2,249
Male employees	people	1,118
Non-management employees	people	2,021
Intermediate management employees	people	382
Senior management employees	people	46
Short-term/part-time employees	people	918
Employees aged below 30	people	1,261
Employees aged 30-50	people	1,854
Employees aged 50 or above	people	252
Employees from China	people	3,363
Employees from foreign	people	4
Employees turnover rate⁵		
Total Employee turnover rate	%	30.62
Female employee	%	29.30
Male employee	%	33.27
Employees aged below 30	%	50.18
Employees aged 30-50	%	21.10
Employees aged 50 or above	%	18.09
Employees from China	%	30.66
Employees from overseas	%	0.00

⁵ Calculation method for different categories of employee turnover: Number of employees in that category ÷ Total number of employees in that category at the end of the Reporting Period × 100%

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Social Category	Unit	2022
Occupational health and safety		
Work-related fatalities for the last three years (including the reporting year)	people	0
Rate of work-related fatalities for the last three years (including the reporting year)	%	0.00
Lost days due to work injury	days	152.50
Employee training		
Percentage of employees trained by gender⁶		
Female employees	%	64.53
Male employees	%	35.47
Percentage of employees trained by employee category⁶		
Non-management employees	%	15.54
Intermediate management employees	%	70.49
Senior management employees	%	12.36
Short-term/part-time employees	%	1.61
Average training hours completed per employee by gender⁷		
Female employees	hours	14.06
Male employees	hours	22.07
Average training hours completed per employee by employee category⁷		
Non-management employees	hours	2.59
Intermediate management employees	hours	19.65
Senior management employees	hours	31.78
Short-term/part-time employees	hours	44.54

⁶ Calculation method for the percentage of employees trained by different categories: Number of employees trained in that category ÷ Total number of trained employees x 100%

⁷ Calculation of average training hours for different categories of employees: Number of training hours for employees in that category ÷ Total number of employees in that category at the end of the Reporting Period