



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

# 2024

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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# Environmental, Social and Governance Report

## Board of Directors' Statement

The Board of Directors (the “**Board**”) of Kindstar Globalgene Technology, Inc. (the “**Company**”) and its subsidiaries (“**Kindstar Global**”, the “**Group**” or “**we**”) is the highest responsible and decision-making institution for environmental, social and governance (“**ESG**”) matters and has ultimate responsibility for the Group’s ESG strategies and ESG report (“**this Report**”), and monitors ESG related matters that may affect the Group’s business or operation, shareholder and other stakeholders<sup>1</sup>. The Environmental, Social and Governance Committee (“**ESG Committee**”) under the Board is responsible for identifying and assessing ESG risks associated with the Group, ensuring that the Group has put in place appropriate and effective ESG risk management and internal control systems, and reporting to and reviewing the progress made in achieving the relevant ESG objectives. For details, please refer to “ESG Strategies and Management”.

The Group values the suggestions and views of various stakeholders and ensures adequate channels for communication with key stakeholders to discuss and identify the Group’s important ESG issues and possible ESG risks, and to continuously improve its ESG related strategies and policy systems. The Board has considered the major ESG issues of the year and has adopted proposals to adjust the importance of each ESG issue, ensuring the timeliness and reasonableness of the major issues matrix. For details, please refer to “Stakeholder Engagement”.

The Group has put in place a management system of ESG objectives relating to carbon emissions, pollutant emissions, energy consumption, water resources management and other indicators, and the Board reviews the progress of the objectives on an annual basis and reviews any necessary adjustments or improvements to ensure that the Group continues to make progress in achieving its ESG objectives. For details, please refer to “Green Operations Management”.

The Board and all Directors is committed to ensuring that the contents of this Report are free of any misrepresentation, misleading statements or material omissions, and accept responsibility for the truthfulness, accuracy and completeness of the Report. This Report provides detailed information on the progress and effectiveness of the Group’s ESG work in 2024 and undertakes to strive to ensure that all data presented in this Report are accurate and reliable and managed through the establishment of internal control and formal review procedures. This Report was confirmed and approved by the Board on 28 March 2025.

<sup>1</sup> Stakeholders, refer to groups and individuals who have a significant impact on or will be affected by an enterprise’s business, including internal Board, management, administrative staff and general employees, as well as external shareholders, business partners, customers, government and regulatory agencies, banks and investors and community groups.



# Environmental, Social and Governance Report

## 1. About this Report

### 1.1. Introduction of this Report

This Report is the fourth ESG Report published by the Group. 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. Scope of this Report

This Report covers the overall sustainable development practiced by Kindstar Global from January 1, 2024 to December 31, 2024 (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, Sichuan, Xinjiang and Wuhan with business operations, all operating subsidiaries and branch office with business operation companies in the People's Republic of China (the "**PRC**" or "**China**") 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 Qiyuan Medical Laboratory Co., Ltd.
- Wuhan Kindstar Zeyuan Medical Laboratory Co., Ltd.
- Beijing Hightrust Medical Laboratory Co., Ltd.
- Tianjin Kindstar Medical Laboratory Co., Ltd.
- Xinjiang Kindstar Medical Laboratory Co., Ltd.
- Wuhan Kindstar Biotechnology Co., Ltd.
- Wuhan HumanCell Biotechnology Co., Ltd.
- Wuhan Xinuo Medical Laboratory Co., Ltd.
- Shanghai SimpleGene Medical Laboratory Co., Ltd.
- Shanghai Xinuo Medical Laboratory Co., Ltd.
- Shanghai SinoPath Medical Laboratory Co., Ltd.
- Shanghai Xinuo Weilai Medical Technology Co., Ltd.
- Wuhan Xinuo Medical Biotechnology Co., Ltd.
- Guizhou Kindstar Medical Technology Co., Ltd.
- Hubei Kindstar You An Medical Technology Co., Ltd.
- Hubei Enshi Kindstar Medical Testing Co., Ltd.
- Wuhan Yijianyun Information Technology Co., Ltd.
- Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd.
- Wuhan Haixi Life Science Technology Co., Ltd.
- Wuhan Haixi Biological Technology Co., Ltd.
- Sichuan Huaxi Kindstar Medical Co., Ltd.
- Chengdu Shengyuan Medical Laboratory Co., Ltd.
- Guangzhou SouthMed Kindstar Biotechnology Co., Ltd.
- Hunan Kindstar Medical Laboratory Co., Ltd.
- Kindstar Global (Wuhan) Medical Esoteric Technology Co., Ltd.

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- Wuhan Kindstar Kindan Medical Laboratory Co., Ltd.
- Wuhan Kindstar Qinghe Medical Laboratory Co., Ltd.
- Kindstar Sequenon Biotechnology (Wuhan) Co., Ltd.
- Sequenon Hong Kong Branch.

## 1.3. Reporting Standards

This Report is prepared in accordance with the mandatory disclosure requirements and “Comply or Explain” provisions of the Appendix C2 – “Environmental, Social and Governance Reporting Guide” (“**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.



# Environmental, Social and Governance Report

## 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 4,000 hospitals, including more than thousands tertiary hospitals providing more than 3,800 advanced and accurate diagnostic tests in such fields 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 adheres to the principle of “patient interests first, doctor needs first” (病人利益至上、醫生需求第一). We are committed to becoming a leader in China’s specialty diagnosis and treatment and personalized medical diagnostics, introducing and developing the world’s advanced technologies and specialty esoteric testing methods, and strictly complying with international norms, standards and industry guidelines. We always practice the core values of “quality is life, technology is motivation, employees are wealth, and speed is the key”.

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 and Sichuan. 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.

# Environmental, Social and Governance Report

## 2.1. Honors of the Group

Date	Award Name	Award Winning Unit	Awarding Unit
January 2024	Top 10 Wuhan Service Outsourcing Enterprises in 2023	Wuhan Kindstar Medical Laboratory Co., Ltd	Wuhan Service Trade (Outsourcing) Association
March 2024	2024 Wuhan Five-star High-tech Enterprise	Wuhan Kindstar Medical Laboratory Co., Ltd	Wuhan High-tech Industry Association
April 2024	Hubei Specialized New SMEs	Wuhan Haixi Biological Technology Co., Ltd	Hubei Provincial Department of Economy and Information Technology
September 2024	CNAS15189 Laboratory Accreditation Certificate	Beijing Hightrust Medical Laboratory Co., Ltd	China National Accreditation Service for Conformity Assessment
October 2024	Technology-based SMEs in 2024	Xinjiang Kindstar Medical Laboratory Co., Ltd	Department of Science and Technology of Xinjiang Uygur Autonomous Region
November 2024	Top 100 Hubei Private Enterprise Service Industry	Wuhan Kindstar Medical Laboratory Co., Ltd	Hubei Federation of Industry and Commerce
November 2024	National Standard Pilot Certificate of "Operation Specification for Cold Chain Logistics of Biological Samples in Medical Testing"	Beijing Hightrust Medical Laboratory Co., Ltd	China Federation of logistics and purchasing medical apparatus supply chain branch
December 2024	Class II medical apparatus business record certificate	Beijing Hightrust Medical Laboratory Co., Ltd	Beijing Economic and Technological Development Zone Market Supervision Administration

# Environmental, Social and Governance Report

## 2.2. ESG Strategies and Management

Kindstar Global has been continuously working on sustainable development. The Group established a three-tier ESG governance structure led by the Board, overseen by the ESG Committee, and executed by the Environmental, Social and Governance Working Group ("**ESG Working Group**"). The responsibilities of each level are clearly listed.

### **The Board**

The Board is the highest authority in the decision-making of the Group's ESG governance. The Board masters 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 Group, coordinating the development of ESG work, 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.



# Environmental, Social and Governance Report

## 2.3. 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
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; Visiting; Strategic partnership program

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Major Stakeholders	Expectations and Requirements	Main Communication Channels
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

## 2.4. 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:

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

### 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, we added 264 new research and development detection items, including 130 items related to molecular biology detection technology, 42 items related to flow cytometry detection technology, 26 items related to cytogenetic detection technology, 17 items related to pathological detection technology, and 18 items related to clinical detection. In 2024, we completed a number of key projects during the period, firstly developing automatic analysis procedures related to bioinformatics based on the NGS technology platform, including the hematological tumor-related CNV, the establishment of CN-LOH interpretation database and the R&D of prediction software for whole genome ROH triploid, and obtaining the authorization of invention patent "ROH data analysis system based on chromosomal microarray (基於染色體微陣列的 ROH 數據分析系統)". In addition, the Group completed a number of key projects, including the lymphoma ctDNA testing, the quantitative detection of fusion gene and gene mutation based on the digital PCR technology, and new immunization projects. In the first half of 2024, the Group successfully built the current most advanced molecular cytogenetics technology platform, namely, "Bionano" optical genome mapping technology platform, to provide assistance to the diagnosis or treatment of hematological tumors, solid tumors and hereditary diseases, etc.

#### 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 intellectual property management system including the Intellectual Property Application Procedures 《知識產權申請流程》, 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》, etc. 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 2024, the scientific research department of the Group published 12 articles (including 5 articles indexed in SCI and 7 articles indexed in the Core Journals of China), obtained 1 copyright authorization, and applied for 47 patents and 24 authorizations.

### 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. We have obtained several testing certificates for our testing work, such as the ISO 15189 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 operations and service provision, from material procurement, customer testing requirements, equipment management, pre-examination preparation, issuance of test reports, 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, for any new purchasing of materials, such as laboratory supplies, instruments and equipment, a preliminary review of the goods is a compulsory step to be carried out by the warehouse manager, and inspection of the quality of goods will then be conducted by the end-user department. If the goods do not meet the quality requirements, we will notify the purchasing specialist to apply for the return, exchange or compensation.

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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》 for our clients to thoroughly understand 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.

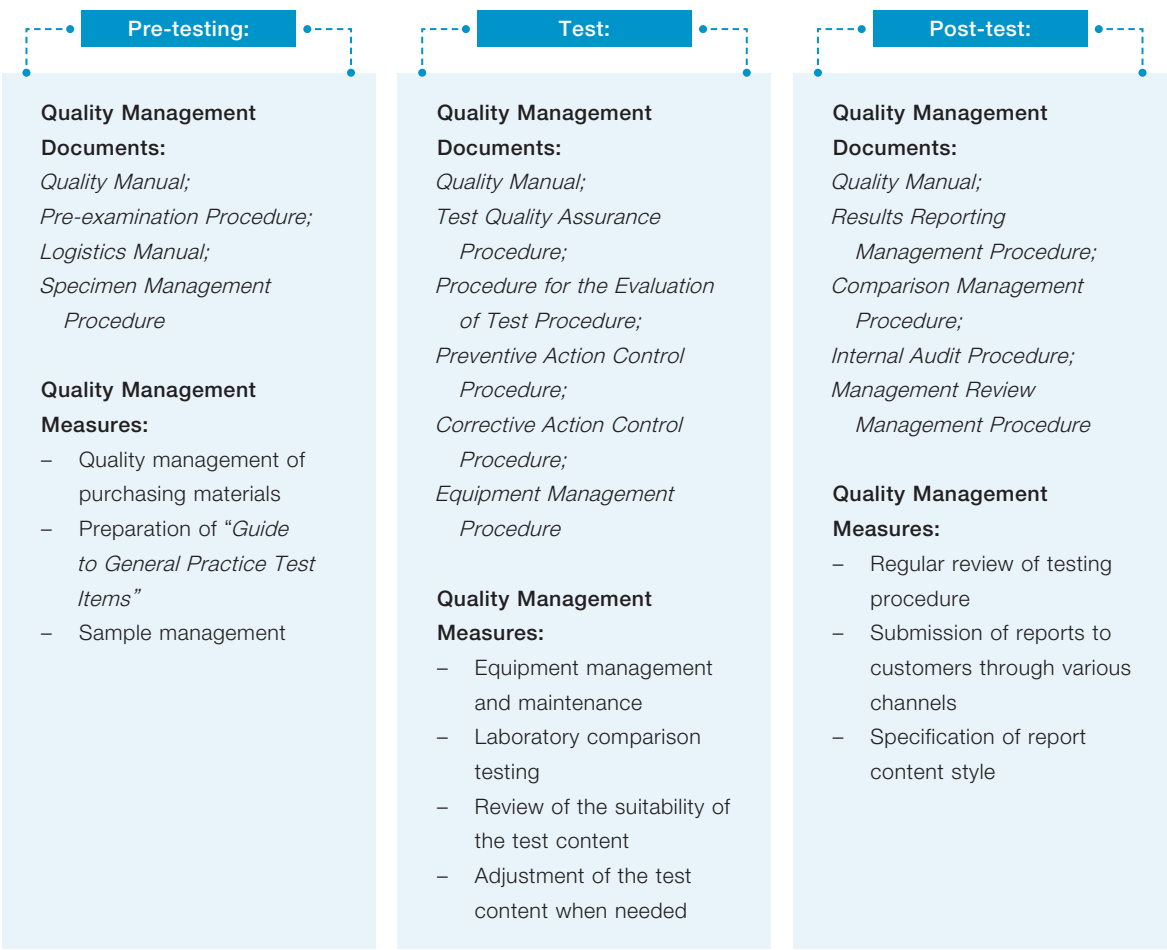
Quality control of test work is one of our top priorities. We carefully monitor the quality of every test and review the suitability of the testing items, and determine whether adjustments to the content have to be made. Staff with the authorization to use the testing machinery have received appropriate 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 mechanism, where two or more laboratories perform the same test on sample and the results are reviewed to conduct comparability studies.

In keeping with advancement in testing technologies, we regularly evaluate and refine 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, 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 reports, 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, sampling information, etc.



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The Group has been 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”;
- Wuhan Kindstar Medical Laboratory Co., Ltd, 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;
- 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”)

## Environmental, Social and Governance Report

### 4.2. High Quality Customer Service

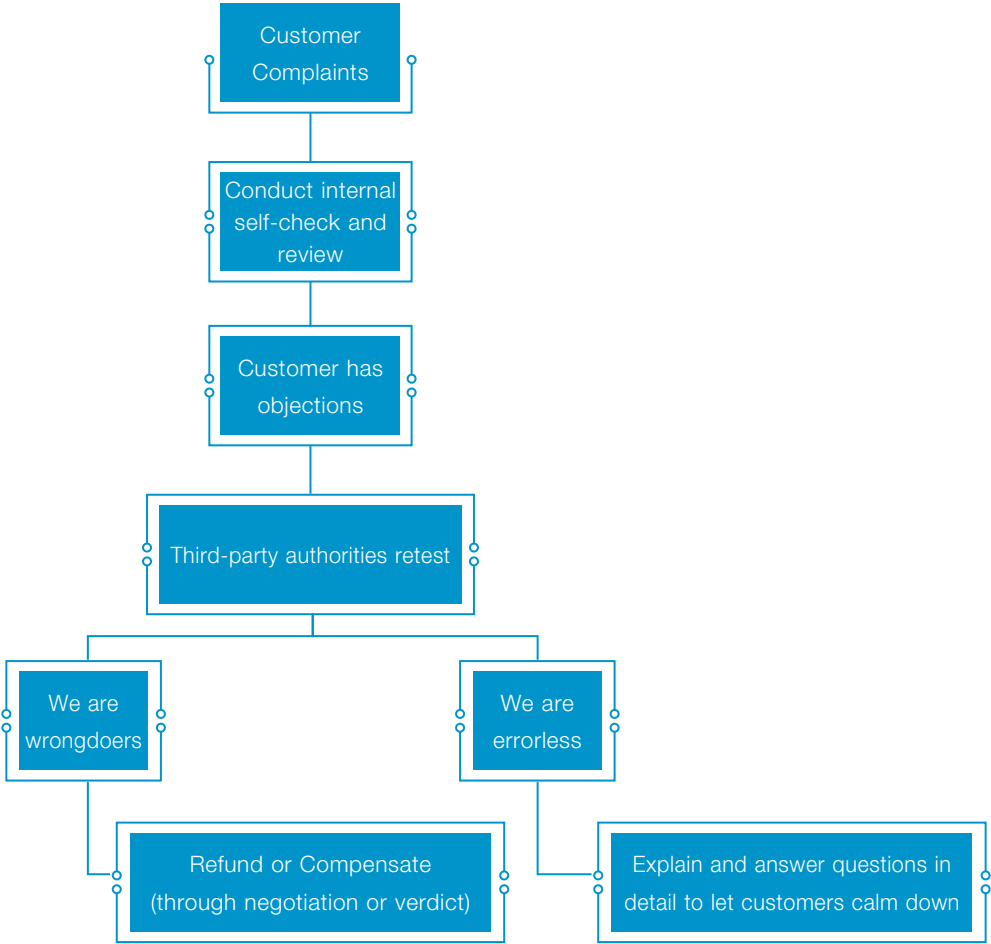
Kindstar Global understands that customer feedback can further push our business and quality development, therefore we have established several procedures and channels to receive feedbacks and provide an improved customer experience. Complaint Handling Management Procedure (《投訴處理程序》), Procedure for Satisfaction 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.

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 suspend their tests. The consulting team is responsible for explaining 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 of the Group (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 fraud.

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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》, Access Control Management Procedures 《訪問控制管理程序》, Information Exchange Management Procedures 《信息交流管理程序》, etc. 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 antivirus programs, patch upgrade and other systems to computers, 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.

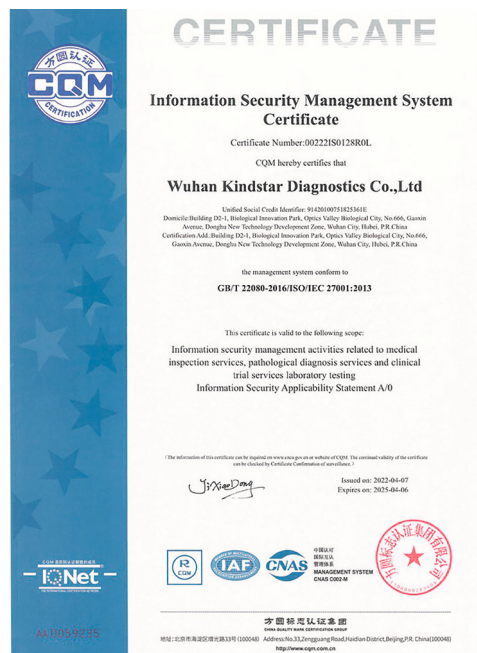
The Group has established policies to protect personal data. Employees are required to comply with the Kindstar Global's Customer Information Management Policies 《康聖環球客戶信息管理制度》 in handling customers' data, and strictly manage the processing of each personal data. Personal information should be processed at specific modules, and the processing unit and information department should verify the security of the data processing process. Sales personnel have to regularly update the information of the customers, if the customer has ended cooperation with the Group, the customer's information will be deleted.



## Environmental, Social and Governance Report

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.

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 PRC, 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》

During the Reporting Period, the Group began to implement the “Information Security Strategy”, which covers 45 aspects such as information confidentiality, access, exchange, development, backup, control and prevention. These strategies involve the information security of physical assets and intangible assets, involving the Group and many stakeholders such as employees, customers, suppliers and the public. They provide internal policy guidelines for the business continuity of the Group and promote the upgrading of the Group's information security system.

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## Information Resource Confidentiality Policy:

- Electronic files stored and controlled internally should be made public and accessible to information service staff.
- Establish an information technology team to manage the information system by recording, reviewing, using any information stored and transmitted in its information resource system, capturing any user activity, such as dialing numbers and websites accessed, and strengthening security safeguards.
- The information technology team shall make its best efforts to protect the confidentiality and security of information entrusted to the Group by third parties for internal custody. Among them, consumer account data should be kept confidential and access to such data should be strictly limited according to business needs.
- If any information security weaknesses, possible misuse, or violations of the corresponding authorization agreement are discovered, they shall be reported to the administrator.
- Employees are prohibited from attempting to access any data or programs contained in internal systems without authorization or affirmative consent.

## Penalty for violation of rules:

- Failure to comply with the above policies may result in the dismissal of employees and temporary workers, the termination of the employment relationship of contractors or consultants, the loss of continued work opportunities for interns and volunteers, and the expulsion of students. In addition, these personnel may also suffer loss of access to information resources and citizenship rights, or even legal prosecution.

In order to ensure the internal communication and operational efficiency of the Group, the Group conducts business activities through the internal office information system, completes the optimal management of comprehensive resources such as people, money, property, information, time and space. All employees carry out daily work through the internal office information system, and submit daily approval, reimbursement and other processes. During the Reporting Period, the Group further introduced and improved the functions of the human resource planning system to create a better one-stop staff service platform for all employees of the Group. The Group provides employees with professional email communication services through 263 enterprise mailbox, which supports efficient mail transmission, schedule management, address book synchronization and other functions. The detailed user guide has been distributed to employees.

#### 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 (the “**Purchasing Department**”) 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 request samples for trial testing or on-site examination, and then compile them into the Qualified Supplier List 《合格供應商名錄》.

The Group evaluates our suppliers at least once a year, and we perform evaluations according to the type of supplier and on different items such as qualification, quality assurance capability, service and reputation, and 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 integrity and legal compliance throughout the entire procurement process. Suppliers are expected to comply with environment, labor, health and safety-related regulatory requirements. If the behavior of the supplier violates Group’s policy, we will terminate the cooperation with the supplier until the situation has improved.

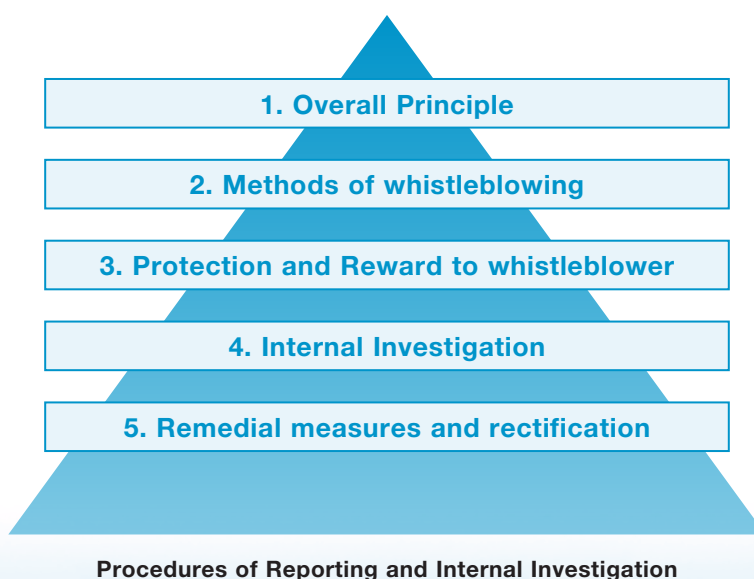
During the Reporting Period, we had more than 500 suppliers providing reagents, consumables, equipment, calibration and maintenance services, including more than 500 of them are located on the Chinese mainland and 3 are located overseas.

## 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 business partners 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 to earn partnership opportunities through quality and will never use illegal means 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 payments. To ensure that the Group complies with the regulations, we invited independent auditors to conduct independent audits, and 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, 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.

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, and disciplinary action will be taken according to the seriousness of the incident. If the incident is serious and violates criminal or civil laws, we will not tolerate and will report it to law enforcement agencies.



## Environmental, Social and Governance Report

During the Reporting Period, we provided a total of 3,571 hours of “Anti-Corruption, Anti-Bribery, Anti-Corruption Fraud 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 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 conduct thorough compliance checks and oversight during third-party partnerships, and the lack of an integrated compliance governance mechanism within internal management.

During the Reporting Period, there is no corruption case filed against us or our employees.



# Environmental, Social and Governance Report

## Establishing Disciplinary Codes

The Group has formulated the corresponding disciplinary code, which is available for reference in the corresponding situations:

- 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

The Group formulated ten regulatory principles for internal supervision to standardize employee behavior and strengthen 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.

## 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, 2024, the total number of employees in the Group was 3,011.

### 6.1. Employee Recruitment System

The Group strictly abides by the requirements of the Labor Law of the People's Republic of China 《中華人民共和國勞動法》, the Labor 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 Labor 《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, labor 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. During the Reporting Period, the Group has added new recruitment channels through active online platforms, expanding the pipeline for attracting talents. During recruitment, the Human Resources Department requires candidates to provide personal information such as age, education and professional qualifications for review and verification. The Group strictly prohibits any cases of child labor. We will carefully check the personal information of the person to ensure that he/she has reached legal working age before hiring. If child labor has been found, 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 calculate the wages of the departing employees and release the final payment of wages.

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 labor. The Group does not encourage 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, and in the event of any non-compliance, we will take appropriate actions to rectify it.

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.

# Environmental, Social and Governance Report

## 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 performance-based wages, overtime wages, business commission, year-end bonus, etc. We review our compensation system every year to provide our employees with a competitive compensation package. During the Reporting Period, the Group updated the individual performance appraisal cycle to monthly/quarterly/semi-annual periods, revised the application of performance appraisal grades to year-end performance bonuses, expanded the salary structure, added position-based wages, performance-based wages and allowances, revised the definition of business commission, and promoted the fairness of the Group’s compensation system. In the welfare system, we provide transportation subsidies, training fee reimbursement, annual employee rewards, etc.

In terms of the holiday policy, in addition to the entitlement of statutory holidays, we also provide employees with various holiday benefits, such as marriage leave, maternity leave, personal leave, annual leave, etc. In order to strengthen the enthusiasm of employees for the business, we have established a business commission and bonus system for employees to promote the business development of the enterprise. During the Reporting Period, the Group revised the minimum unit of leave to 0.5 hours and the number of days of maternity leave, sick leave and adjusted the deadline for the extension of annual leave.

In order to immerse our employees into 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.

## Environmental, Social and Governance Report

During the Reporting Period, we organized an employee open day event, where 94 employees and their families came together to bring warmth and vitality to the Group.



During the Reporting Period, we organized the “Kindstar in Memory” activity, where 28 employees reflected on the past and the future of the Group, reaffirming our original intention and moving forward with determination.



# Environmental, Social and Governance Report

## 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 trainings, including skills and industry-related training, to enhance the competitiveness of Kindstar Global in the market. We have maintained 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 permanent after passing the assessment during the probationary period.

During the Reporting Period, the Group has revised its training programs, training channels, and training instructor teams, and added training fee management, training credit management, and advanced training management systems. We provide on-the-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 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, facilitating 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 leadership. These courses help employees 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, detailing safety-related management policies and procedures for handling emergency and hazardous situations.

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 keeping 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 about the health condition of our employees, encouraging them to pay more attention to their health condition. In the Reporting Period, we organized regular health checks or immunity screening tests for our employees. 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 23. During the Reporting Period, the Group did not violate any laws and regulations relating to occupational health and safety.

Wuhan Kindstar Medical Laboratory Co., Ltd has 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.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained 《GB/T 45001 – 2020/ISO 45001:2018 Occupational Health and Safety Management System Certification》

# Environmental, Social and Governance Report

## 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》.

The Group has set out initial 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.

One of our testing laboratory, Wuhan Kindstar Medical Laboratory Co., Ltd has 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 《GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certification》

# Environmental, Social and Governance Report

## 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.

Risk Categories	Affected Time Period	Impact on the Group	Measures
<b>Physical Risk</b>			
<b>Immediate risk</b>	Short term	Natural disasters/extreme weather (heat waves, floods, hot weather, cold weather) may cause related emergencies (sample storage environment affected, transport chain interrupted, employee safety and work environment safety threatened).	The Group continues to pay attention to the relevant weather warnings issued by the Meteorological Bureau, and activates the emergency plan management system when natural disasters break out and extreme weather occurs, and requires employees to take shelter in time. During the hot summer months, the Group educates employees on heat prevention and provides high-temperature subsidies.
<b>Long-term risks</b>	Mid to long term	Global warming leads to glacier melting, sea level rise and other chronic changes impacting future production of products, product storage and transportation.	Continue to pay attention to the situation of global warming, improve the laboratory operating environment, sample transportation environment and staff working environment.
<b>Transition Risk</b>			
<b>Policy and regulatory risks</b>	Mid to long term	Policy updates in the medical testing industry, introduction of policies on energy conservation and emission reduction, stricter emission reporting obligations and compliance requirements.	Strengthening communication with regulatory bodies to understand and strictly comply with changes in relevant laws and regulations, ensuing product and service compliance. Continue to monitor regulatory trends to ensure that the Group's emissions comply with the latest legal requirements. Continued to implement energy-saving measures to reduce greenhouse gas emissions.

# Environmental, Social and Governance Report

Risk Categories	Affected Time Period	Impact on the Group	Measures
<b>Technical risks</b>	Mid term	The medical market expects products to be cleaner and more environmentally friendly, or the Group's products to be completely replaced by new technology products.	Continue to encourage research and development and innovation, pay attention to new market trends, pay attention to the emergence of new technology products, and widely attract talents. Incorporating energy-saving and emissions-reduction principles into the design of testing solutions, such as adopting eco-friendly materials, applying high-efficiency testing methods, and using equipment with energy-saving labels.
<b>Market risks</b>	Long term	The medical device market is paying more attention to green products, and the emergence of greener similar products has reduced the market competitiveness of the Group's products.	Continue to encourage research and development and innovation, explore green procurement paths, use green technology to produce green products, and maintain core competitiveness with a high level of technology and professional production capacity over the years.
<b>Reputational risk</b>	Long term	Customers or communities have a poor impression and evaluation of high-carbon emission enterprises, so they do not invest in or buy their products, which affects their profitability and market share.	Continue to implement measures to reduce carbon emissions, disclose and publicize the Company's ESG contribution to the community, and call for carbon reduction actions.

## 7.2. Green Operation Management

### 7.2.1. Waste Management

As a clinical testing service provider, 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.

During the year, the packaging materials used by the Group are paper, plastic and packaging bags. The main business of the Group does not involve the use of packaging materials. We will check the usage and reduce the waste of packaging materials in our products. For general household waste, we will sort the waste and recycle and treat various recyclable items. We also promote and encourage the reuse of resources, reduce the use of disposable items and avoid unnecessary waste.

During the year, the Group produced 178.44 tonnes (2023: 153.40 tonnes) and 118.51 tonnes (2023: 100.79 tonnes) of medical waste and non-hazardous waste, with an average medical waste and non-hazardous waste generation per employee of 0.06 tonnes (2023: 0.05 tonnes) and 0.04 tonnes (2023: 0.03 tonnes). The medical waste produced by the Group increased slightly compared to last year, mainly due to the increase in the number of testing businesses of the Group during the year, and the corresponding increase in medical waste such as testing consumables and samples subject to inspection.



# Environmental, Social and Governance Report

## 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 affix water-saving labels next to each water-using equipment, use water-efficient equipment, and conduct inspections regularly on water-using equipment and water pipes to see if there are any leakages. During the year, the Group's water consumption was 91,337.86 tonnes (2023: 20,273.20 tonnes) and the average water consumption per employee was 30.33 tonnes (2023: 6.49 tonnes). The water consumption of the Group increased significantly compared to last year, mainly due to the increase in the number of testing businesses of the Group this year, and the corresponding increase in water consumption involved in testing business; at the same time, the Group opened new laboratories, some operating sites were expanded, and they were put into use after renovation. The water used during the renovation period and the water used by the business after it was put into use were included in the data of the year.

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. During the year, the Group's electricity consumption was 7,114.01 MWh (2023: 6,684.03MWh) and the average electricity consumption per employee was 2.36 MWh (2023: 2.14 MWh). The Group's electricity consumption increased significantly compared to last year, mainly due to the increase in the number of testing business of the Group this year, and the corresponding increase in electricity consumption involved in testing business; at the same time, the Group opened a new laboratory and expanded some operating sites, which were put into use after renovation. The electricity consumption during the renovation period and the electricity consumption of the business after it was put into use were included in the data of this year.

# Environmental, Social and Governance Report

## **7.2.4. Greenhouse Gas (“GHG”) Emissions Management**

During the Reporting Period, the Group’s GHG emissions were 4,048.72 tonnes CO<sub>2</sub>e (2023: 4,160.55 tonnes CO<sub>2</sub>e) and its average GHG emissions per employee were 1.34 tonnes CO<sub>2</sub>e (2023: 1.33 tonnes CO<sub>2</sub>e). The Group recognizes the impact of GHG and corresponding national carbon neutrality targets. We encourage the use of video conferencing instead of business travel, public transportation instead of private vehicles, and encourage employees to actively participate in low carbon-related activities. 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. Air Pollutants Emission Management**

During the Reporting Period, the Group’s emissions of NO<sub>x</sub>, SO<sub>x</sub> and particulate matter from Company vehicles were 180.66 kg, 0.68 kg and 17.09 kg (2023: 818.90 kg, 1.54 kg and 74.74 kg). The significant decrease in the Group’s air emissions compared to last year was mainly due to the decrease in the Group’s medical specimen transportation business during the year, the decrease in vehicle use, and the complete ban on diesel vehicles, with most transportation using electric vehicles, resulting in a significant decrease in air emissions.

To reduce emissions of NO<sub>x</sub>, SO<sub>x</sub> 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.

## **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. In 2024, Kindstar Global donated CNY7,000 to Wuhan Children’s Welfare Institute.

# Environmental, Social and Governance Report

## Appendix 1: Sustainable development information summary

Environmental Category	Unit	2024	2023
<b>Air pollutant emissions</b>			
Nitric Oxides (NOx)	kg	180.66	818.90
Sulfur Oxides (SOx)	kg	0.68	1.54
Particulate Matter (PM)	kg	17.09	74.74
<b>Greenhouse gas emissions</b>			
Direct GHG emissions (Scope 1)	carbon dioxide equivalent (tonnes)	123.05	277.45
Indirect GHG emissions (Scope 2)	carbon dioxide equivalent (tonnes)	3,925.67	3,883.10
Total GHG emissions	carbon dioxide equivalent (tonnes)	4,048.72	4,160.55
Intensity of GHG emissions (per square meter)	carbon dioxide equivalent (tonnes)/m <sup>2</sup>	0.07	0.07
GHG emissions (per employee)	carbon dioxide equivalent (tonnes)/employee	1.34	1.33
<b>Energy consumption</b>			
Total electricity consumption	MWh	7,114.01	6,684.03
Intensity of electricity consumption (per square meter)	MWh/m <sup>2</sup>	0.12	0.11
Intensity of electricity consumption (per employee)	MWh/employee	2.36	2.14
Gasoline consumption	liter	46,111.91	97,469.74
Diesel consumption	liter	0.00	6,779.00
<b>Water consumption</b>			
Total water consumption	cubic meter	91,337.86	20,273.20
Water consumption intensity (per square meter)	cubic meter/m <sup>2</sup>	1.52	0.34
Water consumption (per employee)	cubic meter/employee	30.33	6.49
<b>Packaging materials consumption</b>			
Total Packaging materials consumption	kg	317.65	268.00
Packaging materials consumption (per employee)	kg/employee	0.11	0.09
<b>Waste production</b>			
Medical waste produced	tonnes	178.44	153.40
Medical waste produced (per employee)	tonnes/employee	0.06	0.05
Non-hazardous waste produced	tonnes	118.51	100.79
Non-hazardous waste produced (per employee)	tonnes/employee	0.04	0.03

## Environmental, Social and Governance Report

Social Category	Unit	2024	2023
<b>Total employees</b>	people	<b>3,011</b>	3,125
Female employees	people	<b>2,006</b>	2,092
Male employees	people	<b>1,005</b>	1,033
Non-management employees	people	<b>1,948</b>	2,065
Intermediate management employees	people	<b>457</b>	427
Senior management employees	people	<b>63</b>	66
Short-term/part-time employees	people	<b>543</b>	567
Employees aged below 30	people	<b>839</b>	1,036
Employees aged 30-50	people	<b>1,898</b>	1,812
Employees aged 50 or above	people	<b>274</b>	277
Employees from China	people	<b>3,009</b>	3,123
Employees from foreign	people	<b>2</b>	2
<b>Employees turnover rate</b>			
Total Employee turnover rate	%	<b>21.92</b>	32.86
Female employee	%	<b>21.19</b>	30.64
Male employee	%	<b>23.38</b>	37.37
Employees aged below 30	%	<b>39.09</b>	43.53
Employees aged 30-50	%	<b>14.81</b>	28.64
Employees aged 50 or above	%	<b>18.61</b>	20.58
Employees from China	%	<b>21.93</b>	32.82
Employees from overseas	%	<b>0.00</b>	100.00
<b>Occupational health and safety</b>			
Work-related fatalities for the last three years (including the reporting year)	people	<b>0</b>	0
Rate of work-related fatalities for the last three years (including the reporting year)	%	<b>0.00</b>	0.00
Lost days due to work injury	days	<b>23.00</b>	91.00

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Social Category	Unit	2024	2023
<b>Employee training</b>			
<b>Percentage of employees trained by gender</b>			
Female employees	%	<b>72.07</b>	72.00
Male employees	%	<b>73.84</b>	65.00
<b>Percentage of employees trained by employee category</b>			
Non-management employees	%	<b>81.88</b>	64.00
Intermediate management employees	%	<b>63.25</b>	98.00
Senior management employees	%	<b>67.26</b>	87.00
Short-term/part-time employees	%	<b>42.80</b>	7.00
<b>Average training hours completed per employee by gender</b>			
Female employees	hours	<b>14.06</b>	39.13
Male employees	hours	<b>22.07</b>	31.26
<b>Average training hours completed per employee by employee category</b>			
Non-management employees	hours	<b>19.65</b>	41.00
Intermediate management employees	hours	<b>31.78</b>	56.62
Senior management employees	hours	<b>44.54</b>	52.63
Short-term/part-time employees	hours	<b>2.59</b>	1.14



# Environmental, Social and Governance Report

## Content Index

The “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide.

Subject Areas		Content	Chapter Index
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
<b>General Disclosure</b>	A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation Management
<b>KPIs</b>	A1.1	The types of emissions and respective emissions data.	Green Operation Management
	A1.2	Direct and energy indirect greenhouse gas emissions and intensity.	Greenhouse Gas Emissions management
	A1.3	Total hazardous waste produced and intensity.	Waste Management
	A1.4	Total non-hazardous waste produced and intensity.	Waste Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operation Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operation Management
<b>Aspect A2: Use of Resources</b>			
<b>General Disclosure</b>	A2	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation Management
<b>KPIs</b>	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Use Management
	A2.2	Water consumption in total and intensity.	Water Resources Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Water Resources 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 Resources Management
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Waste Management

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Subject Areas		Content	Chapter Index
Aspect A3: The Environmental and Natural Resources			
General Disclosure	A3	Policies on minimizing the significant impacts on the environment and natural resources.	The business of the Group does not cause any significant impacts on the environment and natural resources.
KPIs	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change			
General Disclosure	A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact.	Combating Climate Change
KPIs	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.	The business of the Group does not cause any significant impacts on the climate change
B. Social			
Aspect B1: Employment			
General Disclosure	B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human Resources Management
KPIs	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Human Resources Management
	B1.2	Employee turnover rate by gender, age group and geographical region.	Human Resources Management

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Subject Areas		Content	Chapter Index
<b>Aspect B2: Health and Safety</b>			
<b>General Disclosure</b>	B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
<b>KPIs</b>	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
	B2.2	Lost days due to work injury.	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
<b>Aspect B3: Development and Training</b>			
<b>General Disclosure</b>	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Career Skills Development
<b>KPIs</b>	B3.1	The percentage of employees trained by gender and employee category.	Career Skills Development
	B3.2	The average training hours completed per employee by gender and employee category.	Career Skills Development
<b>Aspect B4: Labour Standards</b>			
<b>General Disclosure</b>	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Human Resources Management
<b>KPIs</b>	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Human Resources Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	Human Resources Management

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Subject Areas		Content	Chapter Index
<b>Aspect B5: Supply Chain Management</b>			
<b>General Disclosure</b>	B5	Policies on managing environmental and social risks of the supply chain.	Standardize Procurement Management
<b>KPIs</b>	B5.1	Number of suppliers by geographical region.	Standardize Procurement Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Standardize Procurement Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Standardize Procurement Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Standardize Procurement Management
<b>Aspect B6: Product Responsibility</b>			
<b>General Disclosure</b>	B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Strict Control on the Quality of Test
<b>KPIs</b>	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Strict Control on the Quality of Test
	B6.2	Number of products and service related complaints received and how they are dealt with.	High Quality Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Promoting Scientific Research Development
	B6.4	Description of quality assurance process and recall procedures.	Quality of Service and Testing
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safeguarding Information Security

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Subject Areas		Content	Chapter Index
<b>Aspect B7: Anti-corruption</b>			
<b>General Disclosure</b>	B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption and Building Integrity
<b>KPIs</b>	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption and Building Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption and Building Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Building Integrity
<b>Aspect B8: Community Investment</b>			
<b>General Disclosure</b>	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Public Welfare and Harmonious Community
<b>KPIs</b>	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Public Welfare and Harmonious Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Public Welfare and Harmonious Community