



梅斯

MedSci Healthcare Holdings Limited 梅斯健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2415



2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

MedSci Healthcare Holdings Limited (the “Company” or “MedSci Healthcare”, together with its subsidiaries and consolidated affiliated entities, the “Group”) is pleased to release its first Environmental, Social and Governance (“ESG”) Report, which aims to disclose the Group’s ESG performance in FY2022 in a transparent and open manner to address the concerns and expectations of stakeholders from various sectors regarding the sustainability management of the Company.

In case of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

This report is available in both paper form (using eco-friendly ink and paper as per the specific request of shareholders) and electronic form. The electronic version can be obtained from the section headed “Announcements and Circulars” on the Company’s website at <https://ir.medsci.cn/>.

- **Basis of Preparation**

This report has been prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “SEHK”) and its contents comply with the disclosure principles required under the Guide, the “comply or explain” provisions as set out in the Guide and the four reporting principles of “materiality”, “quantification”, “balance” and “consistency”.

Materiality: The Group has conducted a materiality assessment through communication with key internal and external stakeholders, the results of which were used as a key reference for disclosure in this report.

Quantification: The Group has applied the principle of quantification.

Balance: A balanced approach has been adopted in this report to provide a fair view of the Group’s performance during the reporting period.

Consistency: The Group will maintain consistency of methodologies and key performance indicators of the reporting period and that of the future reporting periods.

- **Reporting Scope**

This report highlights the Group’s overall and quantitative sustainability performance for the reporting period. Unless otherwise stated, the coverage scope of this report includes the Company, MedSci Healthcare Holdings (BVI) Limited, MedSci Healthcare Holdings (Hong Kong) Limited, Medsci Inc., Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Beijing Jianyiyun Medical Technology Co., Ltd. (北京簡醫雲醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司), Shanghai Yicheng Information Technology Co., Ltd. (上海醫呈信息技術有限公司) and Hefei Kang’en Information Technology Co., Ltd. (合肥康恩信息技術有限公司).

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- **Data Source**

The data and cases in this report are all derived from the Group's statistical reports and related documentations. The Group undertakes that this report does not contain any false records or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents.

- **Feedback**

We value your views and feedback on this report and if you have any enquiries or suggestions, please feel free to contact us in the following ways:

Contact person: Yang Chun

Phone: +86-17321496335

E-mail address: ir@medsci.cn

Office address: 3F, Office Building, Guangqi City, No. 425, Yishan Road, Xuhui District, Shanghai

ABOUT US

- **Introduction**

MedSci Healthcare is a comprehensive internet platform for physicians, applying big data and AI technology to link physicians, patients and pharmaceutical companies, providing precision digital healthcare dissemination solutions, optimizing medical ecology, improving medical quality and creating a better life together.

The Group's main products include platform solutions, digital healthcare dissemination solutions, and digital clinical research solutions, covering clinical research, physician career growth, and multi-channel academic dissemination. In terms of digital clinical research, we offer clinical research turkey solutions to reduce costs and improve quality through digital technologies; in terms of digital healthcare dissemination, we offer digital professional medical contents and integrated precision dissemination solutions to accurately deliver disease knowledge and medical device products information to target physicians, so as to benefit more target patients in an earlier and faster way. At the same time, MedSci is actively expanding new business types and innovative products in the areas of patient management, pharmacoeconomics and innovative payment, and digital therapy.

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- Core Values and Mission

- Vision: To be the leader in digital health care
- Mission: To improve the quality of health care
- Values : Customer first, Integrity, Collaboration and Competition, Continuing Innovation

We consider the integration and consistency with our corporate mission and values when establishing our ESG philosophy and strategy. The Company also continues to reinforce its sustainability philosophy through various occasions, events, and seminars.

- Awards Received during the Reporting Period

Title of Honor	Awarding Institution	Award Date
Shanghai Science and Technology Small Giant Project	Shanghai Science and Technology Commission	2022-01-19
Songjiang District Enterprise Technology Center	Songjiang District Science and Technology Commission	2022-04-23
Golden Marketing Award 2022 — Best Partner Award	DPIS (Digital Pharma Marketing Innovation Summit)	2022-08-23



Golden Marketing Award 2022 — Best Partner Award

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ESG GOVERNANCE

- **Corporate Sustainability Strategy**

As a benchmark platform for the development of clinical physicians, the Group has been adhering to the core values of “Customer First, Integrity, Collaboration and Competition, and Continuing Innovation” and is committed to continuously improving the quality of healthcare through the application of AI and big data technology. We understand the importance of sustainable development to our stakeholders. In order to better carry out and implement the Group’s sustainability strategy, we have integrated the concept of sustainable development with our core values to continuously guide and improve our daily business operations. We strike a balance between environmental, social and corporate governance by identifying events that may have a negative impact on the Group or pose short, medium and long-term risks to the Group to ensure continued success and growth for the overall benefit of all stakeholders.

The Group has developed various environmental and social policies and effectively monitors their implementation to escort the path to sustainable growth. Through the identification and analysis of ESG risks and opportunities, the Group is able to allocate its resources in an appropriate way to cope with the significant negative impacts of different environmental and social risks.

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- **Statement from the Board**

The Group recognizes that prudent environmental, social and governance is critical to sustainable economic growth. The board of directors of the Company (the “Board”) has overall responsibility for the Company’s ESG strategy and reporting, and the ESG Committee, comprising directors and senior management, is responsible for the day-to-day management of ESG issues, reviewing, developing and approving the framework, standards, priorities and objectives for sustainable development, reporting regularly to the Board on its work and overseeing the development and implementation of sustainable development strategies. Under the authority of the Board, the ESG Committee determines the material issues and priorities for the Group’s sustainable development, taking into account the communications with stakeholders and the results of materiality assessments, when formulating ESG management approaches and strategies, which will be submitted to the Board for approval and confirmation. The ESG Working Group is composed of representatives from various departments and the functional department managers manage the implementation of various ESG strategies and report the same to the ESG Committee. The executive level is responsible for the overall operation of specific issues and coordinates the implementation of ESG issues among various departments. The Company has developed ESG concepts and management strategies and integrated them into various aspects of business development.

The Board regularly reviews the ESG concepts and strategies and assesses their potential impact on the overall strategy of the Company. The Board oversees the assessment of ESG-related risks and opportunities and ensures that appropriate and effective ESG risk management and internal monitoring systems are in place and that potential significant impacts are incorporated into the risk management system to enhance resilience to potential environmental and social challenges. During the year, the Board has held Board meetings to review ESG-related objectives and progress in achieving them.

- **ESG Management Framework**

The Company has a complete and effective governance structure for sustainable development, with clear responsibilities at all levels for ESG management to ensure that ESG initiatives are subject to unified decision-making, management, execution and supervision.

Organization	Roles	ESG-related Responsibilities
Board	Decision-making level	The Board has overall responsibility for the Company’s ESG strategy and reporting.

The Board regularly reviews the ESG concepts and strategies, and is responsible for major ESG-related decisions. The Board receives reports from the ESG Committee at Board meetings on material sustainability issues and progress in achieving relevant targets, and monitors the Group’s sustainability performance and progress. The Board is also responsible for monitoring the overall risk management of the Company, regularly identifying and analyzing various risks in business operations and reviewing management procedures.

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Organization	Roles	ESG-related Responsibilities
ESG Committee	Management level	<p>The ESG Committee assists the Board in guiding and supervising the Company in the development and implementation of sustainability strategies, and is responsible for the day-to-day management of ESG-related issues.</p> <p>The ESG Committee, comprised of directors and management, is responsible for reviewing, developing and approving the framework, standards, priorities and goals for sustainable development, reporting regularly to the Board on related work and overseeing the development and implementation of sustainability strategies. Under the authorization of the Board, the ESG Committee evaluates and prioritizes issues, identifies material issues and submits the same to the Board for approval and confirmation.</p> <p>The ESG Committee also oversees the budget for the Company's environmental, social and governance efforts and ensures, under the authorization of the Board, that ESG-related expenses and resources are allocated reasonably.</p>
ESG Working Group	Organizational level	<p>The ESG Working Group manages the implementation of the ESG strategies among various departments and reports the same to the ESG Committee.</p> <p>The ESG Working Group is composed of representatives from various relevant departments of the Group, including senior and middle management from each department to ensure that employees with different expertise, qualifications and business functions are covered. the ESG Working Group, under the leadership of the ESG Committee, implements ESG-related work in their respective departments.</p>
Executive departments	Executive level	<p>The executive departments are responsible for the overall operation of specific matters.</p> <p>Our human resources and administrative department and finance department are responsible for the specific coordination of the ESG-related work in each department at the executive level.</p>

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- **ESG Risk Prevention and Control**

At MedSci Healthcare, we place great importance to the response to climate change, and understand that climate change has a significant impact on the environmental, social and governance aspects, as well as on the normal operation of the Company. Therefore, we identify and analyze the risks and opportunities of climate change to the Company, and timely formulate climate risk management measures and countermeasures to enhance the Company's resilience to climate change. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), we have analyzed the physical and transition risks that climate change may pose to the Company, as well as corresponding risk levels, and have discussed and formulated response measures.

In 2022, the climate change-related risks and opportunities identified by the Company, as well as the countermeasures, are as follows:

Risk Type	Climate related risks	Risk Level	Potential Consequences	Countermeasures
Physical risk	Acute risk	General	Weather-related events such as storms, floods, fires or heat waves may damage production facilities.	We have established a Business Continuity Management Program to ensure the continuous and stable operation of the organization, reducing the impact of events such as equipment failure and data damage.
Physical risk	Acute risk	General	Extreme weather and natural disasters may cause interruptions in the supply chain required for production.	We have developed a sound supplier management system to effectively maintain supplier data and conducted regular supplier assessments to support ongoing business operations.
Transition risk	Policy and legal risk	General	Climate change has led regulators to impose more compliance requirements, which may have an impact on the Company's operations.	We pay close attention to the relevant laws and regulations and actively respond to them.

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STAKEHOLDER ENGAGEMENT

The Company maintains continuous communication with its stakeholders through various channels to gain an in-depth understanding of their concerns, and to understand their needs in a timely manner, creating value for stakeholders in the development process. The following are the Company's stakeholder categories, the main communication channels with stakeholders, and the main issues of concern for each type of stakeholder:

Stakeholder categories	Main communication channel	Issues of concern
Shareholders/Investors	<ul style="list-style-type: none"> • Announcements • Telephone/email • Non-trading roadshows • Company visits • Survey on the materiality of ESG issues 	<ul style="list-style-type: none"> • Compliant Operation and Integrity • Product and Service Quality and Safety
Customers	<ul style="list-style-type: none"> • Social media • Customer service hotline • Official website message board • Business cooperation negotiation 	<ul style="list-style-type: none"> • Product and Service Quality and Safety • Procurement and Supply Chain Management • Promoting Technology Enhancement and Intelligent Development in the Medical Industry
Government/Regulators	<ul style="list-style-type: none"> • Announcements • Signing cooperation agreements and establishing strategic cooperation • Fieldwork • Industry forums and conferences 	<ul style="list-style-type: none"> • Accessible, Inclusive and Equitable Health Insurance • Empowerment of Medical Intelligence on Population Health Management • Intelligent Epidemic Management for Public Health • Compliant Operation and Integrity • Anti-corruption
Suppliers	<ul style="list-style-type: none"> • Project cooperation • Supplier evaluation program • Site visits • Announcements • Telephone/email 	<ul style="list-style-type: none"> • Procurement and Supply Chain Management

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Stakeholder categories	Main communication channel	Issues of concern
Environment	<ul style="list-style-type: none"> • Management of emissions • Improvement of resources and energy utilization efficiency • Engagement in environmental protection and public welfare 	<ul style="list-style-type: none"> • Response to Climate Change • Greenhouse Gas Emissions and Management • Energy Consumption and Efficiency • Water Consumption and Management • Pollution Reduction and Emission Reduction
Community/ Non-governmental organizations (NGOs)	<ul style="list-style-type: none"> • Volunteer activities • Community services • Social media • Participation in philanthropic giving • Seminars/forums/lectures 	<ul style="list-style-type: none"> • Public Charity • Community Engagement
Employees	<ul style="list-style-type: none"> • MedSci face-to-face feedback mechanism • Email • Annual assessment • Employee training • Internal complaint mechanism 	<ul style="list-style-type: none"> • Employment Rights and Benefits • Equal Employment Opportunity System • Employee Health and Safety Protection • Employee Training and Development

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MATERIALITY ASSESSMENT

- **Steps of the Materiality Assessment**

During the year, the Company invited internal and external stakeholders to participate in its ESG materiality assessment questionnaire to identify ESG materiality issues that are important to the Company and stakeholders. During the reporting period, the Company conducted the following steps in its materiality assessment process:

(1) Identification of key stakeholders and material ESG issues

Through consultation with external consultants and analysis of business operations, development strategies and planning, we identified key stakeholders and 18 material ESG issues.

(2) Stakeholder engagement

We identified our key stakeholders both internally and externally, and engaged over 200 stakeholders through an online survey during the reporting period to understand their level of concern and opinions on each material ESG issue, and compiled the results.

(3) Rating of material ESG issues

We analyzed the results of the materiality assessment and prioritized the material ESG issues, constructing a matrix of materiality along two dimensions: “Importance to MedSci Healthcare” and “Importance to Stakeholders”.

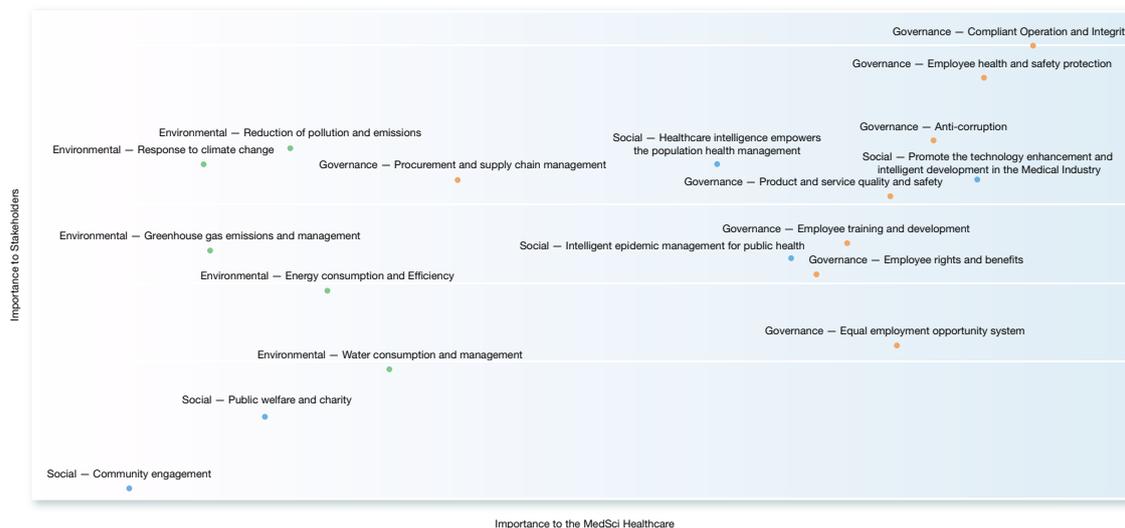
(4) Confirmation by the management of the Company

The Board of the Company reviewed the assessment results of material ESG issues, identified material ESG issues for the reporting period, and appropriately adjusted the Company’s sustainability strategies and management policies based on the highly concerned needs of stakeholders.

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Materiality Matrix

Through stakeholder participation in the survey we organized, we conducted statistical analysis and generated a materiality matrix. In this materiality assessment, we identified a total of seven highly material issues (located in the upper right corner of the materiality matrix):



ESG Issues (in order of materiality) and Response Sections

No.	ESG Issues (in order of materiality)	Response section
1	Compliant Operation and Integrity (Governance)	Topic 2: Integrity is the key
2	Employee Health and Safety Protection (Governance)	Topic 3: Collaboration and Competition
3	Anti-Corruption (Governance)	Topic 2: Integrity is the key
4	Promoting the technology enhancement and intelligent development in the medical industry (Social)	Topic 4: Continuing Innovation
5	Product and Service Quality and Safety (Governance)	Topic 1: Customer First
6	Employee Training and Development (Governance)	Topic 3: Collaboration and Competition
7	Empowerment of Medical Intelligence on Population Health Management (Social)	Topic 1: Customer First
8	Employment Rights and Benefits (Governance)	Topic 3: Collaboration and Competition
9	Intelligent Epidemic Management for Public Health (Social)	Topic 4: Continuing Innovation
10	Equal Employment Opportunity System (Governance)	Topic 3: Collaboration and Competition
11	Procurement and Supply Chain Management (Governance)	Topic 3: Collaboration and Competition
12	Pollution Reduction and Emission Reduction (Environmental)	Green and Low Carbon Office
13	Response to Climate Change (Environmental)	Green and Low Carbon Office
14	Energy Consumption and Efficiency (Environmental)	Green and Low Carbon Office
15	Water Consumption and Management (Environmental)	Green and Low Carbon Office
16	Greenhouse Gas Emissions and Management (Environmental)	Green and Low Carbon Office
17	Public Welfare and Charity (Social)	Social Practice and Voluntary Services
18	Community Engagement (Social)	Social Practice and Voluntary Services

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TOPIC 1: CUSTOMER FIRST

1. Our Products and Services

- *Products and Services*

Our products and services include platform solutions, digital medical communication solutions, and digital clinical research solutions, covering clinical research, physician professional development, and multi-channel academic communication. In terms of our medical knowledge services, our MedSci Platform provides an environment for physicians to learn and share the latest medical knowledge information and medical evidence in the healthcare market. We provide and screen useful information from a variety of sources and strive to accurately deliver high quality, targeted academic medical content to physicians, saving them the time and effort in screening medical knowledge information. Set out below are our main business lines:

Precision Omni-channel Marketing Solutions

With the support of academic medical expertise, we design customized academic medical content for pharmaceutical and medical device companies based on the stage of their relevant products' lifecycle, their competitive position, the prescription patterns of target physicians and other relevant factors, including precision detailing services, medical content creation services and online survey services. Yi Xun Da (醫迅達) is one of our precision omni-channel marketing solutions.

Physician Platform Solutions

Our physician platform solutions primarily include medical knowledge services through which we provide the latest medical knowledge information to physicians, including academic update, medical tools, physician communities, guidelines and literature, and online courses, and clinical study assistance services through which we support physicians during their clinical studies.

As of December 31, 2022, our platform featured over 15,800 videos that share medical knowledge, covered over 644,000 research findings, created approximately 195,000 materials on the latest medical developments and established over 127,500 physician groups.

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RWS Solutions

Our RWS solutions primarily involve offering real-world evidence-based research to pharmaceutical and medical device companies regarding their products' safety and effectiveness. In line with the shift in prescription drug marketing where clinical and academic relevancy becomes a top priority, we assist pharmaceutical and medical device companies in efficiently gathering and understanding clinical evidence of the potential benefits and risks of their approved products, generating academic medical contents that are meaningful for physicians. Our key RWS solutions include tools such as iDrugSafety, iClinical Station, ePRO and eDiary.

The number of pharmaceutical and medical device companies that engaged us for RWS solutions reached 10, 37 and 86, respectively, in 2020, 2021 and 2022 and we expect such numbers to grow further.

Medical and Clinical Study Assistance Products

Our MedSci platform also features a variety of medical and clinical study assistance products that enable physicians to efficiently and effectively conduct their medical and clinical study projects. The main tools are:

- MedSci Cloud (梅斯雲平台) the offers smart solutions on data collection, assessment, analysis and verification
- Research Accelerator (科研加速器) that generates tailored clinical study guidance and tools based on physician's clinical study ability, background and knowledge on relevant therapeutic areas
- Dr. MedSci (梅斯醫生) that enabled by VR technology, integrates various clinical cases and simulates the clinical treatment process for physicians, allowing physicians to get exposure to complicated cases in a short period of time

On the Company's official website, we also offer a variety of products for individual users, such as intelligent journal search, medical formula calculation, pharmaceutical and biological dictionary, MedSci boutique courses and MedSci open courses.

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- *Product and Service Quality Assurance*

In accordance with the “Standard Operating Procedures for Quality Evaluation of Production Deliverables (《生產成果物質量評估標準操作規程》)”, the Company guarantees the quality of our products and services to maintain our customer satisfaction.

We have set up a quality management department to conduct regular spot check of a specified number of projects selected from the ERP, and initiate evaluation activities for production deliverables, the results of which will be communicated to the quality control committee via email and the process is tracked to produce an evaluation report. The relevant production and department heads are informed of the report’s findings and recommendations. At the same time, in the event of a quality complaint during the week, it is added to the list of projects to be evaluated. Upon receiving the evaluation notification email, the quality control committee is required to provide their evaluation opinions within 3 working days, using the “Quality Control Evaluation Opinion Form”.

In addition, we regularly organize discussions on the quality evaluation of our production deliverables, which are organized by the quality management department to ensure that the Company conducts regular evaluations of product quality.

2. User Satisfaction

- *User Satisfaction Management*

In terms of user satisfaction management, our project management department has set up dedicated working groups for both individual and corporate clients, and has adopted advanced technology tools to establish a comprehensive user service system to meet user needs and enhance user satisfaction.

Users can contact us through various channels, such as email, social media, questionnaires, official website message boards, etc., to give feedback on our products and services. In addition, we will use technology tools to monitor and analyze real-time user feedback data for timely identification and resolution of problems, thereby improving the quality of our products and services.

- *User Complaint Handling Procedures*

The Group has established a comprehensive user complaint handling procedure, which specifies the responsible departments, handling time and handling measures, etc. We use four indicators, namely number of complaints, average response time, average response rate and average resolution rate, to quantify the number of complaints about products and services and how to respond to them. The number of complaints we received during the reporting period was zero, and therefore, corresponding data such as average response time, average response rate and average resolution rate were not applicable.

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3. Information Security Management

As a professional integrated internet platform, the Company places a high priority on the protection of user information and network security. We comply with the laws and regulations applicable to data protection and privacy in China and have established a dedicated “Internet Information Security and User Privacy Protection System” to ensure the security of our information operation system and database system. Additionally, we have specialized personnel responsible for the daily management of network security and user privacy protection, including system development, personnel training, security inspection, and continuous improvement.

• *Network Security Maintenance*

In order to maintain a secure network environment for the Company, we have adopted the following specific measures:

-
- We have dedicated network security administrators responsible for maintaining and managing the Company’s systems and conducting corresponding security checks and maintenance.
 - We have implemented a dedicated security system to restrict access to computer drives, USB copying and mobile devices.
 - Each computer is required to have a separate boot and lock password, which is maintained by the network security administrators.
 - All computers used for office and research and development are required to have standard antivirus and firewall software installed and regularly scanned for viruses.
 - Regular training on network security-related knowledge is provided to personnel in key security positions.
 - New recruits are assessed for their network security awareness and departing employees have their information and permissions revoked, including access rights to work systems and email accounts.

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- *User Privacy Protection*

In order to protect the privacy of our users, we have adopted the following specific measures:

- We mainly collect and store data relating to physician users' identity and behavior data, and such data is collected with the prior consent from our users in accordance with applicable laws and regulations, and we do not share such data with any third parties.
- The network security management department and related personnel involved in the processing of personal information are required to conduct relevant processing of sensitive personal information (such as desensitization, etc.), and to conduct a reasonable assessment beforehand, while keeping records of the specific processing situation. The assessment includes:
 - (1) Whether the purpose of processing personal information and the related methods are legal and proper;
 - (2) The impact on the individual and the level of risk; and
 - (3) Whether the security protection measures adopted are legal, effective and appropriate to the level of risk.
- If the online business system contains sensitive user information, it shall be encrypted with AES and the secret key shall be managed uniformly by the Company's operation and maintenance personnel.
- We use technology tools to segregate network permissions to ensure that user information and data are kept only on the computers used for business operations and not for private use.
- Our data usage and privacy policy are available on our official website, mobile app, desktop app, WeChat mini-program and homepage of our WeChat public account.
- Training on user privacy-related knowledge is provided to personnel in key security positions.

During the reporting period, we did not receive any claims from any third party for infringement of their data protection rights under the Civil Code of the People's Republic of China or any applicable laws and regulations.

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TOPIC 2: INTEGRITY IS THE KEY

1. Anti-Corruption, Anti-Money Laundering and Anti-Terrorist Financing

The Company strictly abides by the Anti-Money Laundering Law of the People's Republic of China and other relevant laws and regulations, and has developed and implemented the Guidelines on Anti-Corruption, Anti-Bribery, Anti-Money Laundering and Anti-Terrorist Financing to address the risks associated with corruption, money laundering and terrorist financing. The Company and all of its subsidiaries, related departments and employees have taken the following measures:

- Develop relevant programs to determine how to comply with applicable corruption, money laundering, and terrorist financing related laws and to ensure that these programs are implemented.
- A formal whistleblowing policy is in place that requires the Company and all of its subsidiaries, related departments and employees to report to the competent governmental authorities as required by local regulations or, if not required by local regulations, to document it (and, if possible, to report it to a higher authority or leader) when they are aware of any activity that violates laws relating to corruption, money laundering and terrorist financing.
- Possible future and existing risks related to corruption, money laundering or terrorist financing are regularly assessed and reviewed.
- Conduct reasonable due diligence on third-party suppliers to ensure that they are acting appropriately and complying with legal requirements if local corruption laws are involved, and conduct corresponding due diligence-related procedures on customers, while taking reasonable steps to understand the customer and the purpose of the transaction.
- To enhance the transparency of the organization through a registration system. Registration includes, but is not limited to, expenses for gifts, hospitality and entertainment, charitable donations and sponsorships, potential conflicts of interest, etc.
- Anti-corruption, anti-money laundering and anti-terrorist financing related training is regularly provided to the Company's directors, senior management and employees to ensure that they are familiar with the risks associated with corruption, money laundering and terrorist financing and the systems used by the Company to address these risks. During the year, a total of 329 employees participated in the anti-corruption training programs organized by the Company, with a total of 187 hours of training.

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2. Anti-Unfair Competition, Anti-Commercial Bribery and Anti-Corruption

The Company strictly abides the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibiting Commercial Bribery and other relevant laws, regulations and local policies, and has formulated and implemented the Management Guidelines on Anti-Unfair Competition, Anti-Commercial Bribery and Anti-corruption to address the risks associated with unfair competition, commercial bribery and corruption. The Company and all of its subsidiaries, related departments and employees have taken the following measures:

- All employees of the Company are required to sign the Employee Handbook and strictly abide by the codes of conduct relating to anti-bribery and anti-corruption contained therein.
- All suppliers and service providers who have business dealings with us must sign a Special Agreement on Anti-Corruption and Anti-Commercial Bribery with us. If any supplier or service provider violates the agreement, the Company will permanently disqualify the supplier or service provider from supplying and providing services.
- As the supervisory body in charge of the prevention of commercial bribery, our quality control department is responsible for exercising the duties of discipline inspection and supervision in accordance with the law, strengthening the supervision and management of the clean practice of those who work at key departments and sections, and keeping true records of the clean practice of them. All employees are required to accept the supervision and management of the quality control department.
- The human resources and administration department of the Company is responsible for setting up and managing a whistleblowing mailbox for the prevention of commercial bribery and an anti-bribery and anti-corruption complaint hotline on the Company's WeChat official account. The Company encourages genuine reporting by its employees and strictly observes the confidentiality policy.

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TOPIC 3: COLLABORATION AND COMPETITION

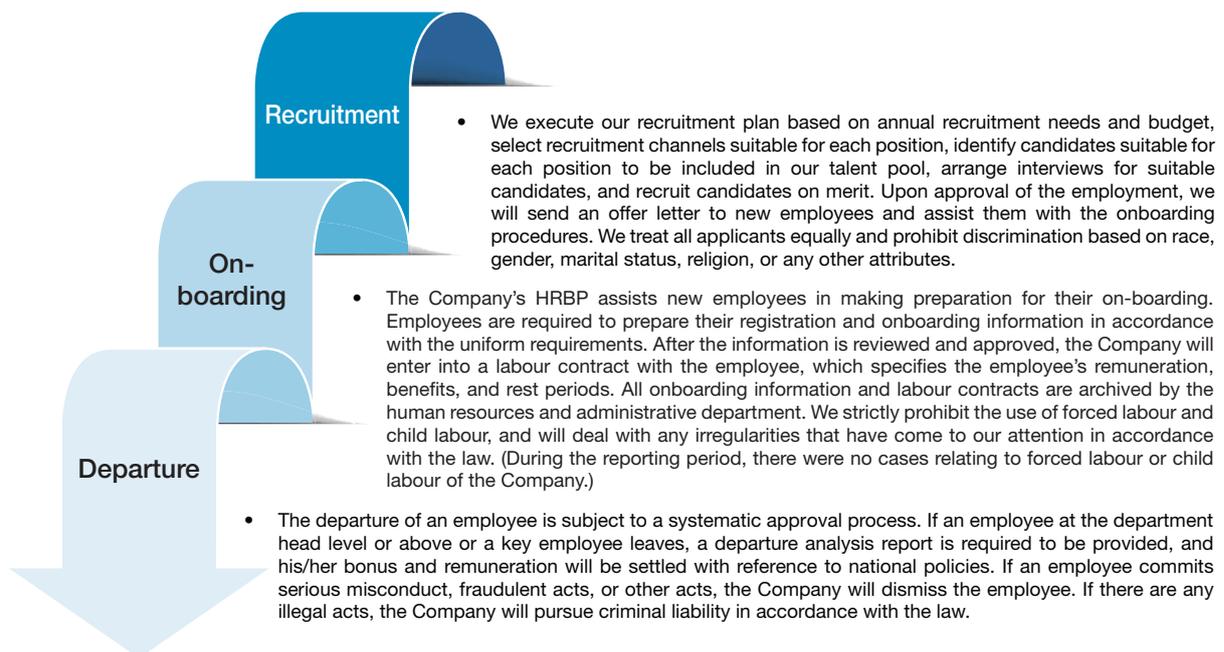
1. Care for Employees

- *Staff Employment Standards*

We strictly comply with the Labor Contract Law of the People's Republic of China, the Regulations on Prohibition of Child Labor, and other laws and regulations that have a significant impact on us relating to recruitment and promotion, working hours, rest periods, compensation and dismissal, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Company has established a series of employment-related systems and documents, including Employee Recruitment Management System, Employee On-boarding Management System and Employee Departure Management System.

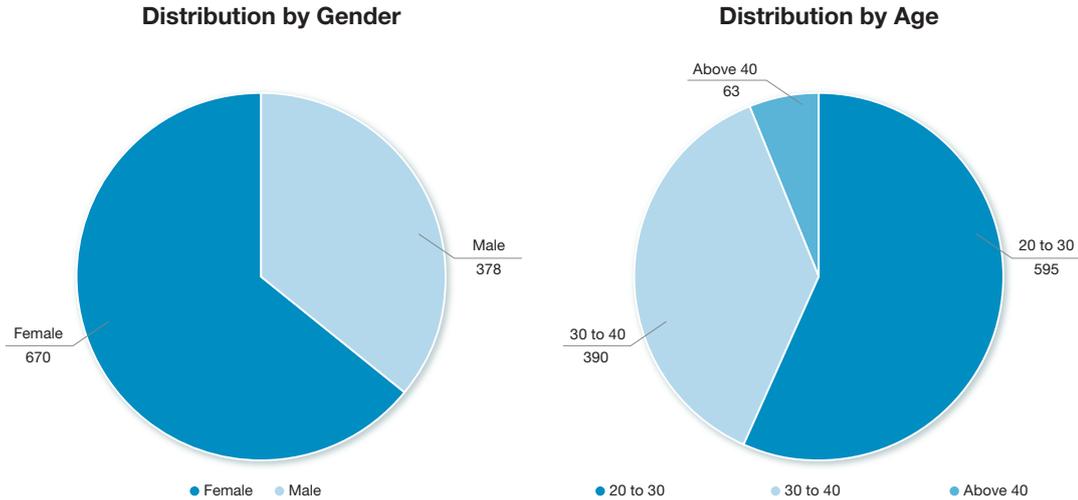
The Employee Recruitment Management System specifies the recruitment procedures of the Company, including the formulation of recruitment requirements and budget preparation, the selection of recruitment channels, the establishment of a talent pool, the screening of resumes, the organization of interviews, recruitment approval, the handling of on-boarding procedures and the settlement of recruitment fees, etc. The Employee On-boarding Management System specifies the staff onboarding procedures of the Company, including the preparation before employment, employment registration, and the end-of-probation appraisal, etc. The Employee Departure Management System specifies the procedures for departure of employees, including the approval of departure, archiving of departure materials, and handling of departure procedures, etc.

An overview of the staff employment process:



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During the reporting period, MedSci Healthcare had a total of 1,048 employees. We offer a wide range of positions to attract different types of talents. At the same time, we also focus on the diversity of our workforce. The following chart sets out the distribution of our employees by age and gender:



- **Thoughtful Employee Care**

We are grateful for the hard work and dedication of our employees. In order to provide them with a better sense of well-being at work, the Company continues to strengthen its humanistic care for employees by advocating work-life balance and encouraging employees to participate in healthy, active and beneficial cultural and sports activities. The Company also provides its employees with more opportunities and platforms, to enable them have a greater sense of achievement and belonging from their work.

For various festivals, such as the Mid-Autumn Festival, Christmas and Chinese New Year, we organize a series of activities to enrich the lives of our employees and increase their sense of well-being and cohesion. In addition, we hold a birthday party every month for employees whose birthdays fall in that month. At the party, we provide a variety of pastries, snacks, and drinks, prepare fun game activities, and provide exquisite gifts for each employee. At the same time, the Company has always been very caring for its female employees. For example, on the Women's Day every year, we organize various activities for female employees to make them feel the Company's care.

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Mooncake Gift Box for Mid-autumn Festival



Birthday party



Women's Day Activities on March 8

At the same time, the Company attaches great importance to the communication with its employees by encouraging them to give timely feedback on their needs and problems encountered at work, and striving to create a communication atmosphere and culture featuring information transparency and positive interaction for employees. The Company has put in place a regular “Face to Face Event for New Employees of Medsci” Q&A session, which is held both online and offline on a monthly basis, to encourage new employees to have an in-depth exchange with the Company’s senior management. At the event, employees can make requests and questions on various aspects of the Company (such as employment standards, employee benefits, attendance checking system, etc.), and the Company’s senior management will provide detailed and accurate answers to them. During the year, the Company held a total of 8 Medsci Face-to-Face events, at which a total of 113 questions were answered. Through these initiatives, we are not only able to understand the employees’ satisfaction, expectations and suggestions towards the Company, but also able to inspire their loyalty to the Company.

In terms of rest periods, our employees are entitled to a wide range of rest periods, including sick leave, medical leave, marriage leave, bereavement leave, family visit leave, maternity leave, paternity leave, and spousal nursing leave for late childbirth, etc. These rest periods help employees to strike a balance between work and family. In addition, the Company also provides the necessary support for its employees to ensure that they can receive adequate care and attention.

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- *Employee Health and Safety*

Medsci Healthcare attaches great importance to the occupational safety and health of employees. It strictly abides by the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Law of the People's Republic of China on Work Safety and other relevant laws and regulations, and strives to create a safe, healthy and comfortable working environment. At the same time, we strive to enhance the safety awareness of employees, continuously improve the safety management system, and take effective measures to prevent and control the occupational hazards of employees, thereby actively protecting the physical and mental health of our employees.

In addition to the basic insurance such as medical and work-related injury insurance, the Company also provides supplemental medical insurance for all employees to protect the interests of employees. In addition, the Company also organizes regular physical examination for all its employees to keep them informed of their health status and ensure that they are in good physical condition. Furthermore, Medsci Healthcare also pays great attention to the psychological health of its employees and we arrange regular psychological counselling-related activities to protect the mental health of our staff.

In addition, we continued to strengthen our pandemic prevention and control efforts and improve our emergency plans in 2022.

We formulated the Employee Health and Work Management Rules in times of Covid-19 to provide guidance on personal health management and work of our employees during the pandemic, including recommended medications and tools, measures to be taken in case of discomfort, measures to be taken in case of temporary work from home, and registration management of visitors to the Company. Meanwhile, we continued to send warmth to our employees by providing them with sufficient pandemic prevention supplies to help them safely navigate through the pandemic. In addition, during the pandemic, we also cared a lot about the psychological health of our employees by arranging related mental health counseling to care for and help our employees in difficulties, and preparing materials such as Self-psychological Regulation amidst the Pandemic for training and popularization of knowledge on common negative psychology, stress reactions and self-psychological regulation amidst the pandemic.



Distribution of pandemic prevention supplies to employees

During the reporting period, there were no work-related injuries or fatalities of Medsci Healthcare, and the lost day due to work-related injuries was zero.

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- *Talent Training System*

We recognize the importance of human resources to the development of the Company. As a result, we have incorporated the cultivation and development of human resources into the Company's important tasks, and established a well-developed training system alongside the "Company Training Management System". We provide our employees with a clear path towards growth and conduct comprehensive and diversified training sessions for employees at different levels to realize the common development and progress of employees and the Company.

The specific training mechanism of the Company is shown as follows:

Employee induction training

We provide induction training for new employees, including an introduction to our corporate profile, corporate culture and values, and training on corporate rules and regulations. The corporate rules and regulations training programs include training sessions specialized for information security and data protection, compensation and benefits training courses, professional ethics training, and training sessions related to company compliance and anti-corruption practices.

During the year, we optimized the employee induction training process, and our updated "Induction Guide" was distributed to each new employee.

Vocational Knowledge and Skills Training

As each job position varies, we launched a number of special training programs, including special training for the medical affairs department, BD middle office training, BD basic training, pharmaceutical company case studies, and knowledge base training camp. These special training programs are mainly conducive to enhancing the professional knowledge of our employees.

During the reporting period, the special training sessions held by the Company and the number of and participants increased significantly compared to last year. In the future, we will deepen the vocational skills training for our employees and strive to provide more skills training on top of the knowledge-based training.

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Talent Development Training

We offer the talent development training to our key employees. We identify our key employees based on their professional ethics, potential and past performance, and our executive team will help arrange the one-on-one mentorship program for these key employees to guide their career development.

Departmental Business Training and Management Training

The business department will develop an annual training plan for the specific business operation of the department, which cover, among others, product introduction, departmental expertise training, detailed workflow, and work skills training.

In addition, we also provide targeted training sessions to our management, such as leadership training, management skills training, and anti-corruption training, so that they will enhance their capabilities and better serve the Company.

To better meet the expanding training requirements of the Company, we have established two new internal training platforms, namely “Spark Talent Program” and “Sales Elite Training Camp”, during the year. These platforms offer a total of 59 courses and 39 courses, respectively, through which our employees can train themselves at any time. Especially during the pandemic, our internal training platforms were been widely used as an effective tool for our employees to enhance their capabilities.

At the end of each year, we conduct a comprehensive review of all training efforts for the year, including statistics on training effects, training satisfaction assessment, and collection of employee feedback, to improve and refine the training programs in a timely manner. In addition, we will launch the training requirement survey for the following year to obtain more information in better preparation for the training plan in the following year.

During the year, our employees participated in a total of 39,533 hours of online and offline training.

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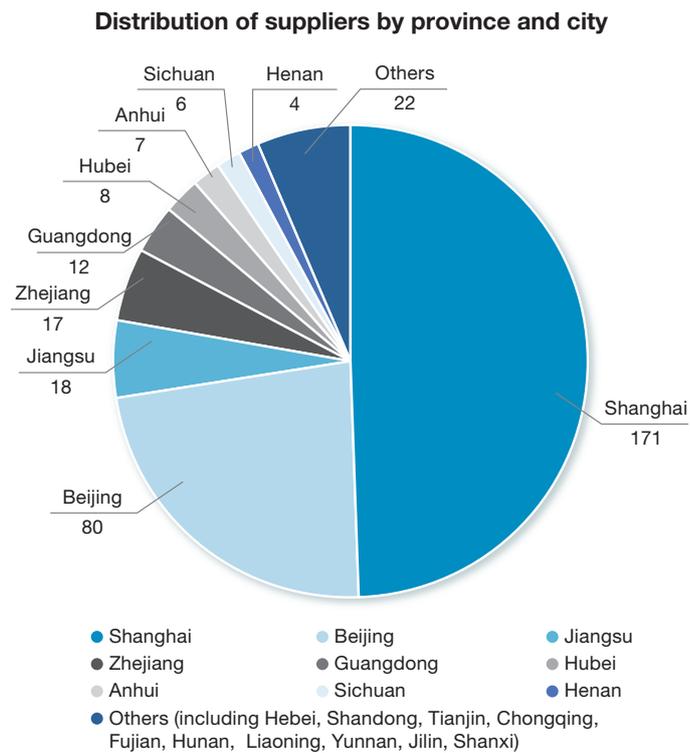
2. Supply Chain Management

• Supply Chain Risk and Monitoring

In strict compliance with the laws and regulations such as the Law of the People's Republic of China on Bid Invitation and Bidding, we have formulated and implemented internal systems such as the Supplier Development Management System, the Supplier Assessment Management System and the Purchasing Management System, as part of our commitments to improving the quality of our suppliers to ensure the quality of our procured products and services. During the year, we had 345 qualified suppliers across provinces and cities in China, which fully guarantee the diversity of the supply pipeline, distribution details of which are set out in the following chart:

(1) Supplier Inclusion and Management

MedSci Healthcare has crafted a complete supply chain management system, covering the whole process from suppliers inclusion to expulsion:



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Introduction of new suppliers

We will conduct rigorous suppliers selection procedures, during which we will conduct a detailed examination over the supplier's qualifications, organizational management, production facilities and equipment, and staffing. Wherever necessary, we will also conduct on-site assessment of such supplier, including the assessment of the supplier's technical resources and capabilities to determine whether such supplier has a reasonable and sound technical department, investigation into the qualifications of core personnel, and availability of sound hardware and equipment. In addition, we will examine the supplier's quality management system, including the development of quality policy, the ISO system certification, service assurance to customers, and identify whether there is a rapid handling mechanism for special situations.

Further assessment of suppliers

We will consider their financial conditions, service standards, production capabilities, design and R&D capabilities, pre-sales, in-sales and after-sales service capabilities, as well as their suitability for our business model. Those suppliers who meet our requirements will be included in our List of Qualified Suppliers for effective management, which will continue to provide quality products and services to the Company.

Regular supplier audit

The Company will regularly audit the suppliers on the List of Qualified Suppliers for various indicators, and will replace suppliers who fail the audit. In addition, we will punish suppliers who provide false information or deliberately conceal information, and we will pursue compensation for any financial loss caused to the Company, if any.

(2) *Procurement management*

The Company strictly manages its procurement process in accordance with the Procurement Management System to ensure that the quality of the products and services we procure meets the requirements. We make purchases from the List of Qualified Suppliers based on factors such as the quality, price/performance ratio and actual demand for the products or services. The procurement contracts include integrity agreements with suppliers to ensure fairness and integrity in the process of procurement and supply practices.

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- *Green Purchasing*

In order to build a sustainable supply chain, we encourage our suppliers to operate their businesses in a sustainable manner while strictly complying with relevant laws and regulations. We attach great importance to the concept of green procurement, and take the principles of green practices and environmental protection into consideration when making purchases, such as energy efficiency, environmentally friendly and reusable materials, clean energy, and the consumption of water resources. As our commitments to implementing a green and environmentally friendly supply chain, we prioritize the procurement of energy-efficient, water-saving and material-saving products, select energy-efficient products from the government procurement catalog, and prohibit the procurement of energy-consuming products that have been explicitly eliminated by the government.

TOPIC 4: CONTINUING INNOVATION

1. Technological Innovation and Research and Development

- *Our Technologies*

Artificial Intelligence
and Big Data

We leverage MedSci's large physician user base and the high engagement on our platform to accumulate a large database of physician background and behavioral data, which enables us to deliver customized contents to physician users and help physicians efficiently identify relevant contents and improve the relevance of contents recommended to physician users. As for precision omni-channel marketing solutions, we leverage artificial intelligence and big data capabilities to assist pharmaceutical and medical device companies in reaching their target audiences accurately.

Such AI-enabled recommendation mechanism significantly improves the accuracy and efficiency of our content delivery as well as user experience.

Content and Technology
Center

Our Content and Technology Center is the foundation of our service infrastructure where we set up infrastructure with contents, including, among other things, latest news, cases, guidance, papers and scales and various clinical study tools contained on our MedSci platform. Such comprehensive Content and Technology Center have laid key foundations and support for our service offerings to our customers.

Intelligent Identification

Medical evidence can come in various forms, such as manuscript, pictures, laboratory test results and handwritten prescriptions. The variety of materials provide challenges for physicians to accurately and efficiently collect and assess clinical data. To address these, we offer various smart recognition software, such as image recognition, optical character recognition and automatic speech recognition software, which strive to enhance the accuracy and efficiency of the data collection process for clinical study projects.

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Natural Language Processing

We have developed advanced patient management capabilities using natural language processing technologies. For instance, natural language processing can automatically collect and analyze communications with physicians in order to accurately and efficiently collect inputs from them. Furthermore, the inputs collected can be further analyzed to improve our understanding of the preferences of physicians and recommendation algorithms to optimize the personalized recommendation results for our service offerings, addressing physicians' lifelong research and learning needs.

- *Our Innovations*

Since our establishment, we have focused on delivering useful healthcare solutions and services that address both current and future industry needs. To that end, we had set up a strong information technology team, consisting of 46 members, on May 31, 2022, all of which were from our research and development center, dedicated to developing innovative products and services with the application of advanced technologies, such as AI algorithms and big data capabilities. With their help, we are able to integrate the latest technology into our service offerings.

Leveraging our technology capabilities, medical expertise and big data capabilities, we provide research and database support to physicians and hospitals through offering software programs such as Research Accelerator and MedSci Cloud and other SaaS software. Such software offers image and character recognition tools, a clinical study database, automatic data desensitization tools, a pharmacovigilance database, patient management tools, clinical study randomization tools, clinical study management systems and other useful tools that can help users efficiently complete the collection and assessment of medical data and evidence.

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In addition, aided by our enhanced data capabilities with our technology infrastructure, we are able to offer more innovative services to our customers. We are exploring opportunities to provide prognosis modelling services for a number of highly-recognized tertiary hospitals in Shanghai on complications for rare diseases such that early prevention measures can be taken. Moreover, to enhance our modelling capabilities, we participated in data mining projects and developed macro medical expenditure forecast models in respect of certain diseases, such as ischemic stroke, to generate valuable insights for physicians, hospitals and insurance companies. Meanwhile, we have explored the digital therapy program market. For instance, we have designed a digital therapy program to satisfy the clinical needs for the treatment of insomnia, which is expected to launch in 2023. In the future, we will continue to leverage our technology and data accumulated over the years to expand our digital therapy program for hospitals to address other mental diseases.

We have also devoted our innovative capabilities to developing a digital therapy program, a VR diagnosis product and other front-end healthcare products that we believe will affect the quality of healthcare. Our digital therapy program under development, specifically designed to satisfy the clinical needs for the treatment of chronic insomnia in China, is expected to launch in 2023. In the meantime, recognizing the advantage of VR as an interactive learning tool as compared to traditional learning methods such as text, graphics, video and live streaming, we developed and are in the process of launching Dr. MedSci, a VR diagnosis product that integrates over 3,000 clinical cases, to address physicians' life-long learning needs. "Dr. MedSci" allows physicians to better utilize their time for case studies and simulation of the real-world treatment process. The product provides an opportunity for physicians to gain better knowledge of case symptoms, especially the symptoms of rare diseases, enhancing physicians' education efficiency.

We believe the innovative products and services can empower physicians and other industry participants to enhance the overall healthcare quality, enabling us to stay at the forefront of healthcare reform and grow further.

2. Intellectual Property Protection

Intellectual property is important to our business operations and we have devoted significant time and resources to their development and protection by developing and implementing the "Intellectual Property Management System". We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection laws, and confidentiality agreements with our employees and third parties, and other measures to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in most commercial agreements we enter into. In addition, our employees must enter into a standard employment contract which includes a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them during their employment with MedSci Healthcare are owned by the Company.

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Meanwhile, we provide a slew of trainings and clear guidelines, including copyright compliance education, to our employees to help them understand the scope of copyrighted works, and report any potential copyright infringement.

As of December 31, 2022, we owned a total of 79 intellectual property rights, including 51 works, 26 trademarks, one design and one invention. Moreover, we have not been involved in any significant disputes or claims of infringement of third party intellectual property rights in China.

GREEN AND LOW CARBON OFFICE

1. Energy Saving and Emission Reduction

The Group integrates green concepts into the entire operation and development processes. In strict compliance with the Energy Conservation Law of the People's Republic of China, the Group actively promotes environmental management, constantly improves energy consumption and resource consumption, and strives to reduce emissions in the operation process so as to create a green and environmental operation and development landscape. We have formulated and implemented the "MedSci Medical Energy Conservation and Environmental Protection Initiative", "Administrative and Supervisory Measures for Energy Conservation and Environmental Protection of the Company" and "Water Conservation Management System", specific performances of which are set out as follows:

- *Power conservation*

- ✓ We eliminate the practices where lighting lasts for a prolonged period or during the daylight, and no lights in principle are turned on in office buildings during the daytime. Efficient lighting devices are installed in offices, with lights automatically turned off after working hours. With the exception of special weather conditions that require lights to be turned on, the lights must be turned off in the absence of any working employee. The Administration Department takes responsibility for posting reminders in the conspicuous areas of the switches and conducting daily inspections and supervision.
- ✓ We encourage our employees to reduce the standby energy consumption of air conditioning, computers, photocopy machines, electric water heaters and other electrical appliances, by turning them off in a timely manner after use. The power shall be turned off before leaving the workplace. For air conditioning, the air conditioning temperature shall not be lower than 26 degrees Celsius in summer or higher than 20 degrees Celsius in winter.
- ✓ The greenhouse gas emissions are mainly attributed to indirect greenhouse gas emissions incurred from electricity consumption. In this regard, we have set and managed electricity consumption targets, aiming to maintain the electricity consumption below 410,692 kWh in the coming reporting years to realize the reduction of energy consumption and indirect greenhouse gas emissions.

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- *Water conservation*

- ✓ We often provide education about water conservation to enhance employees' awareness of water conservation, and encourage them to treasure water facilities and equipment, increasing the recycling rate of water resources.
- ✓ We post water-saving signs in conspicuous locations with maintenance telephone numbers provided to encourage our employees to report water leaks in a timely manner to eliminate potential safety hazards.
- ✓ We have established a sound accountability system for water conservation work, with the major leader being the first person responsible for water conservation, and the water conservation steering team taking responsibility for implementing various water conservation systems and strengthening the assessment of rewards and penalties for water conservation.
- ✓ We have strengthened our daily inspection of water conservation, especially before holidays when a comprehensive inspection will be carried out so as to make timely corrections in case of identified issues. Water conservation work is also included to our handover records.
- ✓ We carry regular repair and maintenance over our water facilities and equipment to eliminate chances of gas and liquid leaks.
- ✓ We plan to maintain water consumption below 1,974 m³ in the coming reporting years by proceeding with and managing the above water saving measures.

- *Office supplies management*

- ✓ The Administration Department is responsible for the purchase, distribution and inventory records of office paper to strengthen the management of office paper. The IT Department sets up the default double-side printing in the backend of the printer system to reduce paper waste.
- ✓ We encourage our employees to replace traditional paper documents with electronic files for a more convenient and efficient way to carry out their daily work, thereby reducing massive paper waste and promoting environmental protection and resource conservation.

- *Emission reduction*

- ✓ We promote the use of public transportation among our employees to commute to and from work, and arrange shuttle buses in the Songjiang campus to facilitate employees to take public transportation from their office premises.
- ✓ We encourage more use of online meetings to minimise business travel, thus reducing use of transportation and achieving emission reduction.
- ✓ We have also set reasonable targets to reduce emissions, aiming to maintain emissions from gas fuels and vehicle below 0.67 tonnes.

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2. Waste Management

MedSci Healthcare strives to maintain strict control over the disposal of waste in compliance with the relevant laws and regulations, while the dedicated property management company will provide safe and orderly disposal of waste, thereby achieving the purpose of recycling resources.

We implement a centralized collection mechanism for hazardous waste such as waste batteries, waste lamps and waste ink cartridges, which will be handed over to qualified environmental service providers for recycling and disposal. As for domestic waste, we conscientiously implement the “Reference Standards for Evaluation of Domestic Waste Separation in Public Institutions” issued by the National Government Offices Administration, and collect and separate domestic waste in accordance with the regulations of the relevant local authorities, which will then be transferred to the property management company for centralized disposal. During the year, we generated a total of 44.52 kg of hazardous waste. In compliance with the laws and regulations related to waste emissions, we expect to maintain the hazardous waste emissions at a level of below 44.07 kg in the coming reporting years.

We have implemented a strict waste separation mechanism in our office area, and guide our employees to raise correct awareness of waste separation and to develop their own habit of waste separation through regular training and promotion. Meanwhile, we also organize various activities on a regular basis to keep our employees informed of effective waste separation, while including waste separation into our daily work so as to heighten their awareness of environmental protection.

3. Environmental Management

MedSci Healthcare is primarily focused on providing various online services to physicians and pharmaceutical and medical device companies in China. As a non-manufacturing business, the Company does not cause significant environmental impacts. Currently, our environmental impact is primarily from energy and resource consumption and office waste, without involving direct drainage or sewage.

4. Our Responses to Climate Change

The Company understands that we may be exposed to possible financial loss and non-financial detriments arising from environmental and climate-related risks. These risks include primarily (i) physical risks, being the damages arising from extreme weather conditions and long-term chronic shifts in climate patterns and (ii) transition risks, being the risks arising from compliance with the applicable environmental laws and regulations and the stringent environmental protection standards. The estimated magnitude of resulting impacts is evaluated over short, medium and long term horizons.

In terms of major climate change related impacts that may affect us, we make reference to the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework to evaluate the magnitude of the climate impacts. Extreme weather conditions as a short-term risk, such as typhoons, storm surges and rainstorms, may disrupt our business operations. Disasters created by extreme conditions could cause damage to or destruction of assets and equipment, and even disruption of the value chain. In the medium to long term, increasingly enacted legislation and regulations in response to potential impacts of climate change may have the potential to affect our operations directly or indirectly, and may subject us to additional costs and restrictions.

Our working teams mainly operate in Shanghai and the physical risk to our operations due to climate change is limited. However, we are fully aware of the fact that physical risks and transition risks may have a greater impact on our customers and the overall supply chain. Therefore, we have developed and implemented a

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Business Continuity Management Program, under which a dedicated team is established by the Company to identify risks associated with climate change and natural disasters with corresponding contingency measures to be formulated. We emphasize the value chain management, and therefore effectively maintain the value chain data so as to support business continuity operations by providing effective information about acute physical risks. In addition, we will closely work with our customers and suppliers by understanding their exposure to physical and transitional risks brought by environmental, social and climate-related issues.

Environmental protection is now a priority for consumers, companies and the governments in the midst of a growing global awareness of climate change, technological advances and health concerns. We believe that our business will benefit from such an awareness change primarily because, as an online physician platform service provider for physicians and a digital healthcare marketing platform for pharmaceutical and medical device companies, our solutions not merely enhance the efficiency of operation of our customers, thus saving energy and resources, but also help our customers operate their business even in case of extreme weather conditions. For instance, pharmaceutical and medical device companies can shift more customer and KOL visits from offline to online, further reducing carbon footprints.

SOCIAL PRACTICE AND VOLUNTARY SERVICES

Since its establishment, MedSci Healthcare has been giving back to communities by tapping into its own resources while continuously improving its service standards. We have established an employee volunteer team, which has launched a series of voluntary service projects. We continue to persist in our philanthropic actions, as our part of contribution to the development of the medical sector in the whole society, as well as the harmonious development of society.

From March to June during the year, when Shanghai experienced the severe pandemic impacts, many regions suffered a shortage of supplies and disrupted logistics. As a vital contributor of the pandemic prevent campaign, we exercised the best endeavor to provide selfless assistance by dispatching pandemic supplies and daily necessities to certain areas, as part of our community engagement effort to assist the frontline pandemic workers and quarantined residents in winning the fight against the pandemic.



A Letter of Appreciation from the CPC Committee of Xinqiao Town, Songjiang District, Shanghai, China and the People's Government of Xinqiao Town, Songjiang District, Shanghai to the Company

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In addition, our employees also made outstanding contributions in the fight against the pandemic. For instance, our deputy general manager, Mr. Wu Zihua, played a pioneering role by participating in the “Community Drug Direct Delivery” (社藥直聯) voluntary service organized by the Shanghai Youth Federation to work with several volunteers as a drug delivery team in Putuo District. During the pandemic, due to the delay in logistics, a number of common medicines for patients were stuck up at pharmacies, while patients and their families were prohibited from picking up such medicines due to the lockdown control. To address such issues, the volunteers of the “Community Drug Direct Delivery” (社藥直聯) project helped deliver medicines from pharmacies to the community in the last kilometer. According to statistics, during the entire voluntary service period, Mr. Wu Zihua personally delivered more than 600 units of drugs to patients, with a peak delivery of more than 100 units a day.



Wu Zihua and volunteers sorting prescription drugs at the entrance of the pharmacy

Meanwhile, there are a significant number of voluntary pioneers in the Company who share the same enthusiasm as Wu Zihua. They had selflessly contributed their time and effort to the fight against the pandemic, fully demonstrating the warmth and responsibility of each MedSci employee.

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APPENDIX I: KEY PERFORMANCE INDICATORS (KPIs)

1. Environmental Performance

Key Performance Indicators	Unit	2022
Gas fuels and vehicle exhaust emissions		
Nitrogen oxides (NOx)	kg	670.95
Sulfur oxides (SOx)	kg	3.35
Greenhouse Gas Emissions		
Total greenhouse gas emissions (scope1 and 2)	kg of CO ₂ equivalent	253,094.49
Greenhouse gas emission intensity		
Greenhouse gas emission intensity (area)	kg of CO ₂ equivalent/m ²	43.36
Greenhouse gas emission intensity (number of people)	kg of CO ₂ equivalent per person	241.50
Energy consumption		
Total power consumption	Kilowatt hour	414,841.00
Total power consumption intensity (area)	kWh/m ²	71.07
Total power consumption intensity (number of people)	kWh/person	395.84
Water consumption		
Total water consumption	m ³	1,994.00
Total water consumption intensity (area)	m ³ /m ²	0.34
Total water consumption intensity (number of people)	m ³ /person	1.90
Non-hazardous waste		
Total non-hazardous Waste	kg	196.00
Non-hazardous waste intensity (number of people)	kg/person	0.19
Hazardous waste		
Total hazardous waste	kg	44.52
Hazardous waste intensity (number of people)	kg/person	0.04

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2. Social Performance

Key Performance Indicators	Unit	2022
Employees in total	People	1,048
Total number of employees (by gender)		
Female employees	People	670
Male employees	People	378
Total number of employees (by age group)		
Employees aged 20 to 30 years	People	595
Employees aged 30 to 40 years	People	390
Employees over 40 years	People	63
Total number of employees (by employee category)		
General employee	People	900
Middle management	People	115
Senior management	People	33
Total number of employees (by geographic region)		
Eastern China	People	938
Southern China	People	10
Northern China	People	98
Central China	People	1
Overseas	People	1
Total number of employees (by employment category)		
Full-time	People	1,046
Part-time	People	2
Employee turnover		
Employee turnover rate (by gender)		
Female employees	Percentage	39.55%
Male employees	Percentage	44.18%
Employee turnover rate (by age group)		
Employees aged 20 to 30 years	Percentage	47.23%
Employees aged 30 to 40 years	Percentage	33.33%
Employees over 40 years	Percentage	33.33%
Employee turnover rate (by employee category)		
General employee	Percentage	44.56%
Middle management	Percentage	26.09%
Senior management	Percentage	3.03%
Staff turnover rate (by geographic region)		
Eastern China	Percentage	42.96%
Southern China	Percentage	20.00%
Northern China	Percentage	25.51%
Central China	Percentage	100.00%
Overseas	Percentage	100.00%

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Key Performance Indicators	Unit	2022
Employee Training		
Employee training by gender		
Number of female employees trained	People	653
Percentage of female employees trained	Percentage	97.46%
Total training hours completed by female employees	Hour	24,139
Average training hours completed by female employees	Hour	36.03
Number of male employees trained	People	371
Percentage of male employees trained	Percentage	98.15%
Total training hours completed by male employees	Hour	15,394
Average training hours completed by male employees	Hour	40.72
Employee training by employee category		
Number of general employees trained	People	877
Percentage of general employees trained	Percentage	97.44%
Total training hours completed by general employees	Hour	35,053
Average training hours completed by general employees	Hour	38.95
Number of middle management trained	People	114
Percentage of middle management trained	Percentage	99.13%
Total training hours completed by middle management	Hour	3,522.00
Average training hours completed by middle management	Hour	30.63
Number of senior management trained	People	33
Percentage of senior management trained	Percentage	100.00%
Total training hours completed by senior management	Hour	958.00
Average training hours completed by senior management	Hour	29.03
Occupational Health and Safety		
Number of work-related deaths in the past three years (including the reporting year)	People	0
Lost work days due to work-related injuries	Day	0
Anti-Corruption		
Number of concluded corruption cases against the Group or employees	Case	0
Product Responsibility		
Percentage of products recalled due safety and health	Percentage	0

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APPENDIX II: INDEX TO THE HONG KONG STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

No.	ESG Indicators	Disclosure	Corresponding chapter or explanation
“Mandatory Disclosure” requirement			
	Governance structure (including the statement from the Board)	Disclosed	ESG Governance
	Reporting Principles	Disclosed	About this Report
	Reporting Scope	Disclosed	About this Report
“Comply or explain” section			
Aspect A1: Emissions			
	General Disclosure	Disclosed	Green and Low Carbon Office
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix I: KPIs – Environmental Performance
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: KPIs – Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: KPIs – Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: KPIs – Environmental Performance
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Green and Low Carbon Office
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.	Disclosed	Green and Low Carbon Office

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No.	ESG Indicators	Disclosure	Corresponding chapter or explanation
Aspect A2: Use of Resources			
	General Disclosure	Disclosed	Green and Low Carbon Office
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: KPIs – Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: KPIs – Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Green and Low Carbon Office
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.	Partly disclosed	MedSci Health's water comes primarily from the municipal water supply without external sources of water. For water efficiency target, please refer to the section headed "Green and Low Carbon Office".
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Undisclosed	Not applicable
Aspect A3: The Environment and Natural Resources			
	General Disclosure	Disclosed	Green and Low Carbon Office
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Green and Low Carbon Office
Aspect A4: Climate Change			
	General Disclosure	Disclosed	Green and Low Carbon Office
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.	Disclosed	Green and Low Carbon Office

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No.	ESG Indicators	Disclosure	Corresponding chapter or explanation
Aspect B1: Employment			
	General Disclosure	Disclosed	Topic 3: Collaboration and Competition
B1.1	Total workforce by gender, employment category (for example, full- or part-time), age group and geographical region.	Disclosed	Appendix I: KPIs – Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I: KPIs – Social Performance
Aspect B2: Health and Safety			
	General Disclosure	Disclosed	Topic 3: Collaboration and Competition
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix I: KPIs – Social Performance
B2.2	Lost days due to work injury.	Disclosed	Appendix I: KPIs – Social Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Topic 3: Collaboration and Competition
Aspect B3: Development and Training			
	General Disclosure	Disclosed	Topic 3: Collaboration and Competition
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix I: KPIs – Social Performance
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix I: KPIs – Social Performance
Aspect B4: Labour Standards			
	General Disclosure	Disclosed	Topic 3: Collaboration and Competition
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Topic 3: Collaboration and Competition
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Topic 3: Collaboration and Competition

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No.	ESG Indicators	Disclosure	Corresponding chapter or explanation
Aspect B5: Supply Chain Management			
	General Disclosure	Disclosed	Topic 3: Collaboration and Competition
B5.1	Number of suppliers by geographical region.	Disclosed	Topic 3: Collaboration and Competition
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.	Disclosed	Topic 3: Collaboration and Competition
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Topic 3: Collaboration and Competition
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Topic 3: Collaboration and Competition
Aspect B6: Product Responsibility			
	General Disclosure	Disclosed	Topic 1: Customer First; Topic 4: Continuing Innovation
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	Appendix I: KPIs – Social Performance
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Topic 1: Customer First
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Topic 4: Continuing Innovation
B6.4	Description of quality assurance process and recall procedures.	Undisclosed	Not applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Topic 1: Customer First

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No.	ESG Indicators	Disclosure	Corresponding chapter or explanation
Aspect B7: Anti-corruption			
	General Disclosure	Disclosed	Topic 2: Integrity is the key
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.	Disclosed	Appendix I: KPIs – Social Performance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Topic 2: Integrity is the key
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	Topic 2: Integrity is the key
Aspect B8: Community Investment			
	General Disclosure	Disclosed	Social Practice and Voluntary Services
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Social Practice and Voluntary Services
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Social Practice and Voluntary Services