



# 2021 ESG Report

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



# Content

I About Kindstar Global	
4	Introduction of the Group
9	Honors of the Company
11	ESG Strategies and Management
12	Communication with Stakeholders and Materiality Assessment
II High Quality for Development	
15	Leading independent esoteric testing service
16	Innovation-leading service
19	Winning the future
III Extraordinary Products and Services	
21	Strengthening Quality Management
23	Valuing customer feedback
25	Customer Privacy Protection
26	Regulating Procurement Management
IV Strictly Compliant Operation	
27	Righteous Operation
27	Anti-Corruption Construction
V Guarantee Humanistic Care Equal Employment System Remuneration and Benefits of Employees Focusing on talent development Employee health and safety Summary of data in social category	
VI Building a green ecology together	
Tackling climate change	
Practicing green operations	
Promote Low-carbon Emission and Environmental Protection	
VII Public Welfare Harmony Community	
We Are Fighting Against COVID-19 Together	
Healthcare Inclusion	
Care for communities	
The public welfare science popularization	
Contributing to Social Wellness	

# Environmental, Social and Governance Report

## ABOUT THIS REPORT

This report is the first Environmental, Social and Governance (“**ESG**”) Report published by Kindstar Globalgene Technology, Inc. and its subsidiaries (“**Kindstar Global**”, “**the Group**” or “**us**”). This report summarizes the Group’s principles and concepts for performance of corporate social responsibility and aims to enable shareholders to fully understand the operating results of Kindstar Global, including our financial performance, and more importantly, our ESG achievements. The talent and efforts of each employee of Kindstar Global empower us to fulfill our vision and commitment regarding social responsibility. By implementing strategies and measures relating to ESG, we deepen relationships with stakeholders based on better understanding of their appeal on ESG issues, promote sustainable development, and continuously monitor ESG performance and improve ESG strategies. Let’s work together to create a unique ESG journey for Kindstar Global.

### Basis for preparation and reporting principles

This report is prepared in accordance with Appendix 27 – “Environmental, Social and Governance Reporting Guide” (hereinafter referred to as “the Guide”) of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited, and the scope and content of the report also comply with the disclosure principles required by the Guide.

Our ESG report is prepared based on the following three reporting principles:

Materiality	Our ESG management approach is designed around key areas that are considered to materially affect us. Such key areas will be introduced in the section headed “Communication with Stakeholders and Materiality Assessment” set out in the ESG report.
Quantitative	Disclosures are presented in a measurable format when applicable, and the disclosures of key performance indicators are also accompanied by the explanations as to the calculation method and the source of the conversion factors used.
Consistency	The same ESG reporting framework is used for the statistics and calculation of key performance indicators for the annual ESG report to enable meaningful comparisons.

# Environmental, Social and Governance Report

## Reporting Period and scope

This report covers the overall sustainable development practiced by Kindstar Global from January 1, 2021 to December 31, 2021 (the “**Reporting Period**”). The financial threshold principles are adopted to select the scope of this report, which covers the Group’s Wuhan headquarter and major subsidiaries in Beijing, Xinjiang, Shanghai, Western China, Chengdu and Tianjin.



## Reporting language

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

## Contact information

For more details of the Group’s corporate governance, please refer to the section headed “Corporate Governance Report” set out in this Annual Report and the official website of Kindstar Global at <https://www.kindstar.com.cn/>.

# Environmental, Social and Governance Report

## 1. About Kindstar Global

### 1.1. Introduction of the Group



Kindstar Global is a large-scale group providing high-end medical specialty esoteric testing services in China. It is committed to advancing the specialty esoteric testing technologies and services in China and promoting the development and improvement of specialty diagnosis and treatment and personalized medicine in China. With the objective of putting patients' interests first and physicians' needs first, Kindstar Global follows international specifications, standards and industry guidelines, introduces and researches on the world's advanced technologies and specialty esoteric testing methods, and provides comprehensive, advanced and accurate specialty esoteric testing services to large class III hospitals, specialty hospitals and general hospitals in China.

#### Development milestones of Kindstar Global:



**In 2003**, we introduced internationally-advanced testing technologies, created testing platforms, and established Wuhan Kindstar Medical Laboratory.



**In 2004**, we trained personnel, cooperated with Wuhan Union Hospital of China, provided in-hospital esoteric testing services, and completed the preliminary survey of Wuhan's medical testing market.

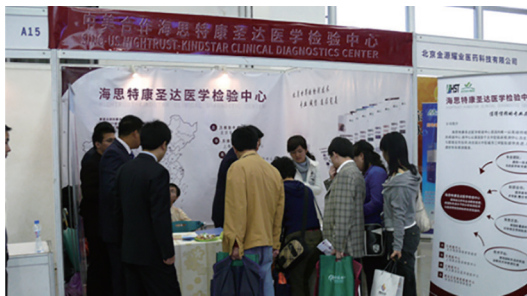
## Environmental, Social and Governance Report



**In 2005**, we provided medical testing services for some hospitals in Wuhan, invested in the establishment of Beijing Hightrust Medical Laboratory, and started esoteric testing services in Beijing.



**In 2006**, we provided medical testing services for all regions of Hubei Province.



**In 2008**, we obtained the venture capital of Hong Kong Morningside Group; provided hematological esoteric testing services in 18 provinces and cities nationwide and built a service network covering the whole province of Hubei. Wuhan Kindstar Medical Laboratory was rated by Science Times as one of the “top ten independent medical laboratories” in the field of laboratory medicine in China.



**In 2009**, we merged with Beijing Rongheng Global Gene Technology Co., Ltd. to establish Kindstar Global Esoteric Testing Group. Meanwhile, we introduced high-end esoteric testing services for solid tumor molecular pathology to keep abreast of the latest developments in international oncology.

## Environmental, Social and Governance Report



In 2011, we signed a strategic cooperation agreement with Mayo Clinic in the U.S. to introduce high-end testing programs in various specialties; we opened a business segment in Tibet, achieving nationwide coverage of our service network.



In 2012, we integrated laboratories nationwide, conducted the transfer of Mayo esoteric testing technology in a comprehensive manner, and expanded new specialty areas nationwide.



In 2013, we were awarded the certificate of "High and New Technology Enterprise" in Hubei Province; we had a cumulative of 3,350 hospitals under cooperation and have signed contracts with 1,685 hospitals.



In 2014, upon accreditation by the China National Accreditation Service for Conformity Assessment (CNAS), Wuhan Kindstar Medical Laboratory met the requirements of ISO15189:2007 and was awarded an accreditation certificate by CNAS in July.

## Environmental, Social and Governance Report



**In 2015**, with the approval of the Ministry of Human Resources and Social Security of the People's Republic of China, Beijing Hightrust established a post-doctoral research station.



**In 2016**, the new office building of Kindstar Global headquarters was completed. Tejiankang Health Management Center was formally established. Beijing Hightrust won the CNAS ISO15189:2012 laboratory accreditation certificate.



**In 2017**, the Huaxi Blood Disease Esoteric Testing Center of Huaxi Kindstar Medical Diagnostics (Sichuan) Co., Ltd., jointly established with West China Hospital, Sichuan University, was formally established. Kindstar Global once again passed the ISO15189 audit.



**In 2018**, the Expert Forum on Adult Hematologic Tumor and Pediatric Hematologic Tumor was held in the headquarters.

## Environmental, Social and Governance Report



**In 2019**, Kindstar Global made its international debut and officially joined the American Society of Hematology (ASH). A contract was signed for “Kindstar Global – Cleveland” International Digital Pathology Consultation.



**In 2020**, during the COVID-19 outbreak, we were the third-party testing unit designated by Huoshenshan Hospital and Leishenshan Hospital.








**In 2021**, the Science Association of Wuhan Kindstar Medical Laboratory Co., Ltd was formally established. In October, the latest research and development results of flow cytometry testing of Kindstar Global were recognized by ICCS.



# Environmental, Social and Governance Report

## 1.2. Honors of the Company

Wuhan Kindstar:

Certificates and Medals	Award Name	Awarding Institution
	2020-2021 Annual Excellent High-tech Enterprise	Wuhan Hi-tech Industrial Association
	Advanced Unit in the Fight against COVID-19 in Hubei Province (September 2020)	People's Government of Hubei Province
	2021 China Talent Management Technology Model Award	Beisen Cloud Computing
	National Standard Enterprise for Operation Specification for Drug Cold Chain Logistics GB/T28842-2012	
	Member of China Federation of Logistics & Purchasing Pharmaceutical Logistics Branch	

## Environmental, Social and Governance Report

Certificates and Medals	Award Name	Awarding Institution
	Group Standard Drafting Unit of IVD Cold Chain Logistics Warehousing and Distribution Integration Management Standards	
	Recommended Enterprise of Pharmaceutical Cold Chain Logistics Service in 2020-2021	

Beijing Hightrust:

Awards	Award Name	Awarding Institution
Corporate Awards	Certificate of High and New Technology Enterprise	Beijing Municipal Science & Technology Commission/Beijing Municipal Finance Bureau/Beijing Municipal Tax Service, State Taxation Administration
Corporate Awards	Zhongguancun High-tech Enterprise	Administrative Commission of Zhongguancun Science Park
Corporate Awards	Advanced Unit for Building Harmonious Labor Relations	Social Affairs Bureau of Beijing Economic-Technological Development Area

In January 2021, our subsidiary Kindstar Global (Wuhan) Medical Esoteric Technology Co., Ltd. was awarded the honorary title of “2020-2021 Annual Excellent High-tech Enterprise” by Wuhan Hi-tech Industrial Association, which further highlighted the Group’s leading role and important position in terms of business model and technological innovation.

In April 2021, Wuhan Kindstar attended the third meeting of the first council of Wuhan Hi-tech Industrial Association and the launch event of the “Eagle Plan” as a council member. We will actively promote high-tech industrial innovation and cooperate with various organizers to build a support system for high-growth enterprises and jointly create a sound innovation ecology.

# Environmental, Social and Governance Report

## 1.3. ESG Strategies and Management

Kindstar Global knows clearly the importance of environmental, social and governance to the sustainable development of the Group's business. Therefore, in 2021, we established an environmental, social and governance committee ("**ESG committee**") and an environmental, social and governance working group ("**ESG working group**") and specified the relevant responsibilities.

The ESG committee is composed of senior management members with different functions upon appointment by the Board. Its main responsibilities are as follows:

- Formulate and review ESG related strategies and management methods;
- Supervise ESG issues and related risks;
- Communicate with other committees on a regular basis to ensure that relevant committees are aware of the latest ESG issues affecting the Company;
- Communicate with ESG working group and coordinate ESG related work on a regular basis, and;
- Approve and review objectives and major initiatives on a regular basis.

The ESG working group is composed of general staff from different functional departments. Its main responsibilities are as follows:

- Formulate and implement ESG related policies and procedures;
- Monitor and track the progress of ongoing objectives and initiatives, and;
- Provide feedback to ESG committee.

The Board obtains ESG related information of the Group through the work results of the ESG committee and ESG working group, and performs ESG related responsibilities through participating in the discussion of the committee, including formulating the management policies and strategies on environmental, social and governance, such as the evaluation of materiality and prioritization of ESG issues, and the management of material environmental, social and governance issues (including risk management) and the process thereof, and reviewing the progress according to relevant environmental, social and governance goals.

As this report is the Group's first ESG report prepared according to the standards of the Hong Kong Stock Exchange, there is insufficient data for the Group to make effective analysis and set goals this year. The group was also unable to review the set goals in accordance with the standards this year. The Group will strive to improve the governance and supervision system and determine the base year and set relevant ESG goals after collecting sufficient data.

# Environmental, Social and Governance Report

## 1.4. Communication with Stakeholders and Materiality Assessment

The Group always attaches importance to and maintains effective communication with all stakeholders, and fully considers the impact of its own business on all stakeholders. During the Reporting Period, we identified seven major stakeholders, including shareholders and investors, regulatory authorities, customers, employees, business partners, higher education institutions and research institutions and non-governmental organizations. We carefully understand and listen to the expectations and requirements of stakeholders through diversified communication channels, and actively respond to the different demands of stakeholders in various fields. We will also fulfill the key responsibilities of relevant environmental, social and governance issues to promote the sustainable development of the Group.

The group of stakeholders, their expectations and their typical communication channels with the Company are as follows:

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 shareholders Enterprise annual reports, announcements and other information in the public domain Telephone/email enquiries through official website on "Investor relations" column Investors' conferences
Regulatory authorities	Operational compliance Ensure product quality and safety Promote economic development Promote healthcare development	Compliance reports Written responses to consultation Involvement in community activities
Customers	Ensure product quality and safety Ensure high quality and efficient services Protection of customers' privacy Provision of professional esoteric testing services	Website and emails of the Group Hotlines Customer service centers Customer satisfaction surveys and opinion forms Online service platform
Employees	Compensation and benefits Career development Safe working environment Vocational training Humanistic care	Job performance assessments Staff activities Training and seminars Employee researches
Business partners/ Suppliers	Integrity and mutual benefit Supply chain management	Supplier evaluation system On-site inspections Meetings

# Environmental, Social and Governance Report

Major stakeholders	Expectations and requirements	Main communication channels
Higher education institutions and research institutions	Scientific research innovation Promote healthcare development through cooperation Nourish industry talents	Scientific research base meetings Participation in summits Industry seminars
Community/ Environment/ Non-governmental organizations	Job opportunities Effective use of resources Support community development Reduce pollutant emissions	Carry out charity activities Participation in seminars/lectures/work conferences Environmental protection campaigns

We communicate with different types of stakeholders through different channels to understand their opinions and expectations on the Group and establish a long-term and mutual trust relationship, so as to determine the scope of this report. At the same time, by communicating with the stakeholders, Kindstar Global can timely understand the stakeholders' views and requirements on the Group. We arrange the management and employees of each department of the Company to review the operation of the Company and identify relevant ESG issues in terms of their functions. After careful analysis by the Board and management and evaluation of the materiality and relevance of these ESG issues to our Company, the following materiality assessment results are obtained:

## Environment

1. Compliance operation
2. Greenhouse gas emissions
3. Safe disposal of medical waste
4. Energy use
5. Water resources use

## Employee

6. Employee welfare and rights
7. Employee career development
8. Workplace safety and health
9. Corporate culture

## Service

10. High quality development
11. Product quality and safety
12. Customer service and privacy protection
13. Responsible supply chain
14. Intellectual property right
15. Anti-money laundering and anti-corruption
16. Complaint handling

## Community

17. Community participation
18. Public benefit activities

## Environmental, Social and Governance Report



Based on these results, the Company will continue to improve its ESG performance to meet the expectations of stakeholders and address the risks faced by the Company, so as to develop a sustainable development strategy of the Group. The details of our work and key performance indicators defined in the ESG report guidelines that are considered relevant and significant to the Company's operation are divided into six categories — "high quality for development", "extraordinary products and services", "strictly compliant operation", "guarantee humanistic care", "building a green ecology together" and "public welfare harmony community", which are integrated with our business development to achieve sustainable development operation.

## 2. High Quality for Development

### 2.1. Leading independent esoteric testing service

Since our inception in 2003, we have strategically focused on clinical esoteric testing to meet a large amount of unmet medical needs in China. After years of development, we have become a leading independent clinical esoteric testing service provider in China. The independent clinical esoteric testing serves as an important part of medical infrastructure. Compared with routine testing, the independent clinical esoteric testing falls in the field of specialty, with major technical and operational challenges. We boast a wide range of testing items that can provide comprehensive and customized services and advanced technology that can analyze and test all kinds of specimens. In the market competition, we are the market leader of the rapidly developing independent clinical esoteric testing industry and the main supplier of hematology esoteric testing services. In the past 17 years, we have established a comprehensive testing portfolio, extensive hospital network and advanced technology platform. Among all independent esoteric testing suppliers in China, we boast the largest esoteric testing portfolio, providing more than 3,500 kinds of testing items on the service list, including more than 2,300 kinds of hematology testing items. More than 1,100 testing items are completely developed internally, and about 2,400 testing items are developed by or introduced from third parties upon authorization.

The vision of Kindstar Global is to be the leader of the specialty diagnosis and treatment and customized medical diagnosis. We provide clinical testing services to hospitals and their patients primarily in six major specialty areas in esoteric testing, including hematology, genetic diseases and rare diseases, infectious diseases, oncology, neurology and maternity-related diseases. Our testing services include: (i) clinical testing services, where we provide comprehensive testing services to hospitals, or through them, individual patients, ranging from sample collection and transportation, testing, to analysis of testing results and issue of clinical reports, and (ii) testing services for R&D projects and others, where we provide testing services for CROs, sponsors of clinical trials, pharmaceutical companies and research institutes, for scientific research and development of precision medicine as well as esoteric testing services.

In 2021, our hematology testing segment added 50 new projects. Neurology testing segment added 143 partnering Class III hospitals. The sales of multiple steroid hormone tests doubled for genetic disease and rare diseases testing. Revenue from oncology testing services increased by 13.4%, and new technologies empower new products to overcome difficulties in clinical diagnosis. 28 infectious pathogen testing items were added. Our maternity-related testing services include the prenatal, reproductive and gynecologic oncology testing, safeguarding the health of both mothers and babies from all directions.

## Environmental, Social and Governance Report

Kindstar Global has internationally-advanced centers of 40,000 square meters for clinical testing, scientific research cooperation and applied R&D with national qualification in Beijing, Shanghai, Wuhan, Chengdu, Urumqi and Tianjin, including a series of technical platforms and professional laboratories. It provides sophisticated diagnostic tests for more than 3,000 hospitals in more than 600 cities across the country. Meanwhile, it also provides medical research, drug testing and translational medicine research services to clinicians all over the country.

Adhering to the mission of “giving priority to patients’ interests and doctors’ needs”, Kindstar Global is also committed to integrating the strategies of environment, society and governance into all businesses, products and services of the Group, with a view to achieving green operation, building a harmonious society and realizing responsible economic operation, and creating sustainable development value for shareholders, investors, customers, employees, business partners and other stakeholders.

### 2.2. Innovation-leading service

Throughout the economic development, innovation has always been an important force to promote the development of enterprises. The development of medical enterprises is inseparable from the innovation in medical technologies. The Group goes deep into the field of medical diagnosis and is committed to the path of innovation-driven development. Guided by clinical experience and diseases, the Group develops industry cooperation and industry-university R&D to transform advanced technology so as to enhance its corporate innovation ability and make innovation the driving force in leading corporate services.

The Group develops its innovation and cooperation ability from two dimensions. The first is to develop its own core technology system. Our R&D team consists of medical and scientific experts in hematology, genetics, oncology and other specialty areas, which enables us to provide high-quality esoteric testing services customized for our customers’ needs and cater to the evolving market demands. During the Track Record Period, we developed an average of around 100 new testing items in-house each year. The second is the innovation in industry-university-R&D cooperation system. We have been continuously enhancing our R&D capability through our extensive collaborations with renowned medical institutions and pharmaceutical companies. As the market pioneer, we are committed to establishing strong connections with various participants in the esoteric clinical testing industry, including physicians, hospitals, pharmaceutical companies, CROs, academic institutions and regulators. We aim to deepen our existing strategic partnerships and continue to widen our collaboration network, to facilitate the growth of our business and enhance the overall development of China’s esoteric testing industry. We will further strengthen our clinical trial programs to meet the research and clinical needs of our partners.

# Environmental, Social and Governance Report

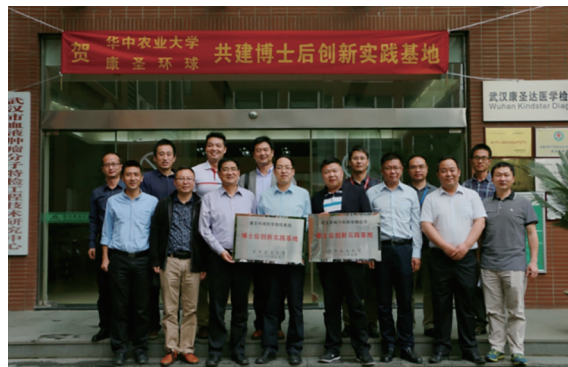
## Examples of self-developed core technology system:

The Company established Kindstar Biotech (康聖貝泰) in September 2021, which is committed to the immune repertoire research. A team has been established to carry out research and development in this field for nearly three years, and has currently completed the development of second-generation sequencing technology of immune repertoire and conducted numerous tests on clinical samples. Comparing with other technical methods, the early data detection results are found highly reliable and fully suitable for clinical diagnosis. The Company will also continue to actively build cutting-edge technology platforms in various forms to explore the future technological development direction of the clinical esoteric testing industry.

In addition, we will also take advantage of the win-win cooperation model to cooperate with NeolImmune, an immunohistochemistry company, to make full use of our respective unique advantages in product R&D, data accumulation and sales channels, effectively carry out strategic coordination, jointly explore the clinical application of the latest technology in the immunity field, and promote common high-quality development.

## Examples of innovative development in industry-university-R&D cooperation:

Medical enterprises fall within the knowledge-intensive industry. The industry-university-R&D cooperation has become a strategic measure to accelerate the innovation and development of the industry, the transformation of technological achievements, and to enhance the competitiveness of products and enterprises. In May 2016, the Group and Huazhong Agricultural University (“HZAU”) jointly built a postdoctoral innovation practice base to open up a new way for promoting the industry-university-R&D integration of the Group. The heads of operation, sales, production, R&D and other departments had in-depth communications with experts and professors of HZAU, and reached numerous consensus on the establishment direction of precision medicine and big data analysis platform, and the development strategy based on market demands while emphasizing integration, speed and stability.



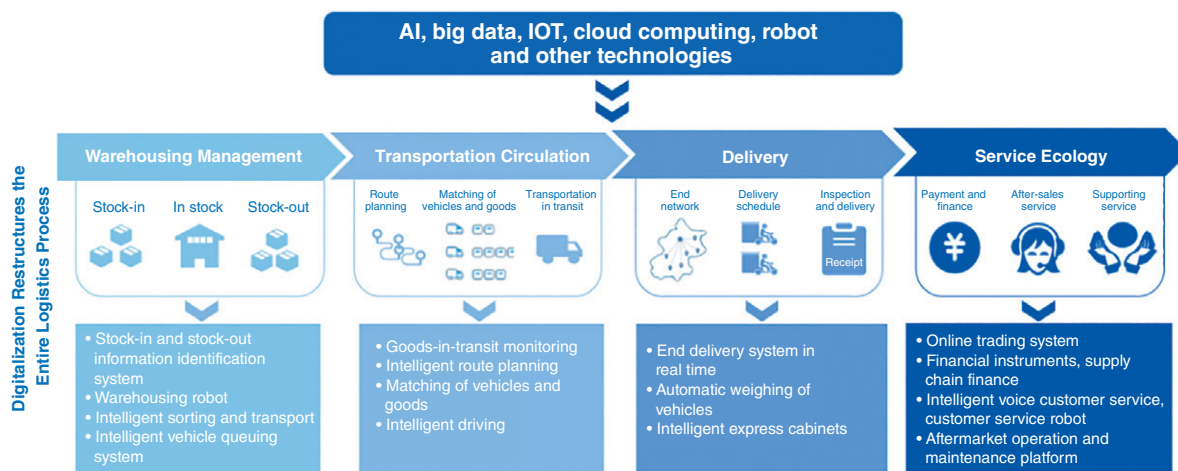
## Environmental, Social and Governance Report

We also collaborate with renowned medical institutions and pharmaceutical companies globally to complement our proprietary R&D and consistently introduce innovative and proven high-quality testing services. We have engaged in more than 30 international and domestic collaboration programs over the past ten years in areas such as esoteric testing of hematological malignancies and oncology as well as metagenomic NGS tests and circulating tumor cell tests, focusing on the development of advanced technologies with wide clinical applications. We have entered into partnerships with medical institutions and global pharmaceutical companies. For example, we set up a co-laboratory with a public hospital in Southwest China in 2016 focusing on the development of hematology esoteric testing in the region. We have also collaborated with a well-known biotech company headquartered in the United States for the validation and clinical adoption of its key sequencing and screening technologies. Through collaborations, we have in-licensed over four testing technologies and co-developed 20 testing items to promote a win-win development for industry-university-R&D.

We focus on research and development of innovative testing technologies and continuous expansion of our testing portfolio. We also closely monitor the latest technology developments in the field and engage in regular dialogue with key opinion leaders and physicians to master the unmet clinical needs for esoteric tests. Our strong R&D capability allows us to promptly expand our testing services to meet evolving market demands. For example, we initiated COVID-19's nucleic acid testing research in February 2020, which allowed us to undertake the testing services for Huoshenshan and Leishenshan, the two major emergency specialty field hospitals in Wuhan, China built during the outbreak. We conducted over one million tests for COVID-19 during the pandemic, which greatly contributed to the nationwide fight against the pandemic.

The expansion of the Company's service range is also backed by its in-house logistics function and cold-chain capability. The Company has successfully set up a logistics team of over 1,000 employees, which could effectively cover the medical institutions nationwide. Meanwhile, the Company has a centrally managed customer service center, a nationwide logistics service network and a professional quality monitoring system to ensure high-quality logistics services. The Company also applied cold-chain technologies to ensure the activity and effectiveness of the sampling during the delivery. On July 27, 2021, the Company obtained the Certificate of Enterprise Compliance with the National Standard of "Pharmaceutical Cold Chain Operation Standard" issued by the Cold Chain Logistics Sub-Committee of the National Logistics Standardization Technical Committee and the China Logistics and Procurement Joint Committee, which is a great recognition of the Company's work in sample cold chain logistics transportation. The Company will further strengthen the construction of its logistics service network and focus on continuous innovation and digital development of logistics services.

## Environmental, Social and Governance Report



Innovation and digital planning of logistics service

The Group strictly complies with the *Patent Law of the PRC* (《中華人民共和國專利法》), the Implementation Regulations for the *Patent Law of the PRC* (《中華人民共和國專利法實施細則》) and the *Trademark Law of the PRC* (《中華人民共和國商標法》). Innovation is the life of an enterprise. In order to encourage innovation in intellectual property rights, the Company has formulated the *Notice on Patent and Software Copyright Incentives and Implementation Plan* (《關於專利、軟件著作權獎勵及實施方案的通知》) in accordance with the relevant laws and regulations of the PRC, with the aim of mobilizing the enthusiasm of R&D personnel and bringing their creativity into full utilization. In addition, 17 patents in total pending or granted in terms of intellectual property rights, including 16 utility patents and 1 patent for appearance design; and 15 patents in total are being applied, all of which are utility patents. In 2021, 23 scientific research articles in aggregate were published.

### 2.3. Winning the future

#### 1. Fortify the Leading Position of the Company in Hematology Esoteric Clinical Testing in China, Actively Explore New Specialty Esoteric Testings

The Company will leverage its strengths to increase its market penetration in hematology esoteric clinical testing. Furthermore, the Company will keep developing hematological testing platform with worldwide advanced technologies, transforming pioneering technologies into companion diagnostic applications to promote precision medicine in hematology. We will also reproduce the Company's successful experience in hematology esoteric testing, accelerate the development of esoteric testing services for hereditary diseases, infectious diseases, oncology and neurology. In the next three to five years, we will actively develop certain numbers of new esoteric testing service specialty areas.

#### 2. Deepen Strategic Collaboration with Leading Industry Participants

The Company will continue to collaborate with the leading international pharmaceutical companies to promote the application of esoteric testing services in precision medicine, and the Company will strategically focus on prospective and retrospective studies on emerging clinically relevant biomarkers. In addition, the Company will further advance the collaboration with the top Chinese research institutes to introduce more sensitive DNA mutation detection technologies to hospitals in China, in order to facilitate the classification of diagnosis, the prognostic prediction, the selection of precision medicine for patients and monitor the changes in patients during follow-up treatment.

## Environmental, Social and Governance Report

### **3. *Migrate Across the Industry Value Chain to Enhance Business Competitiveness***

The Company further enriches its service offerings and optimize user experience through diversifying and digitalizing its service offerings. For instance, the Company will work with medical institutions, physicians and insurance companies to facilitate health management for patients with chronic diseases and online medical services through remote testing diagnosis. The Company is able to generate a comprehensive personal health profile for each patient based on the Company's data analytics capability and clinical records, which will assist physicians in issuing follow-up esoteric tests and monitoring the health conditions of patients during and post treatment. Such technology-empowered services can significantly improve market penetration of the Company in a cost-efficient manner, especially in the remote areas in China.

### **4. *Expand Service Scope to South East Asia and "The Belt and Road Initiative" Countries***

The Company plans to expand its footprints into Southeast Asia, led by advanced technologies. To facilitate its global expansion, the Company will develop a platform fully integrating cloud-based data collection, cleaning, and interpretation. Through its cloud infrastructure, the Company will be able to re-distribute its diagnostic capacities and resources among the laboratories based in and outside of China. The Company leverages the operational flexibility afforded by online business model to create a 24-hour real-time seamless responsive network for hospitals and medical institutions across the globe. Going forward, the Company intends to build a worldwide cooperation network consisting of carefully selected operational advisors and network partners to support its global expansion in key aspects of its business, such as business development of hospital customers, coverage of medical insurance reimbursement, and global expansion of esoteric-testing-related services.

### **5. *Application of AI Technology and Laboratories Intellectualization***

After more than 2 years, the Company has successfully developed a chromosome AI system. The system integrated years of work experiences of Kindstar Global's analysis team and assisted by highly efficient and completed engineering interface, realizing the intellectualization of chromosome analysis. The utilization of AI analysis system is 4-6 times faster than conventional analysis software, dramatically improving the performance of karyotype analysis, shortening the reporting cycle from 14 days to 5-7 days and providing strong support for the diagnosis and treatment of genetic and haematological tumour-related diseases in a timely manner. The self-development of chromosome AI system is unquestionably a milestone step for the Company. The Company has been also in the full process of building an automated laboratory and increasing its investment in instrument and equipment as well as automatic construction of each laboratory.

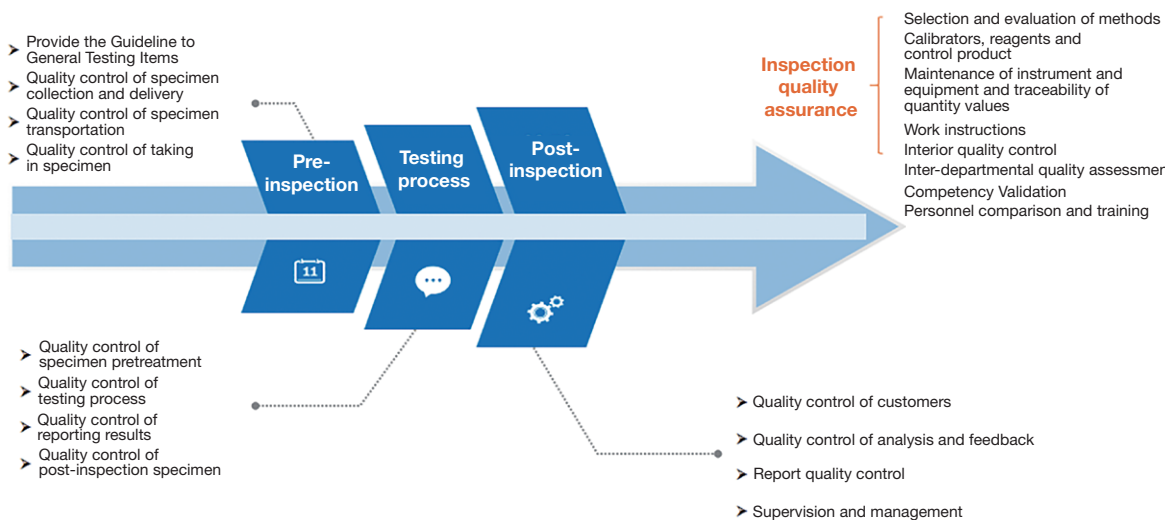
## 3. Extraordinary Products and Services

The Group strictly complies with all laws and regulations in the places where it operates and carries out its business prudently. Through lean management and standardized corporate governance, we strengthen our internal controls and engage in providing superior esoteric testing services to our customers and safeguard the legitimate rights and interests of the Group and our customers. Focused on the relentless pursuit of quality, Kindstar Global adheres to its core value which the most important corporate culture of quality is life. Kindstar culture is mainly composed of missions, visions and core value. The core value is the bible to guide the behaviors of all Kindstar person, which can cohere the strength of the organization and the team to ensure that all Kindstar person moving with same pace and unified actions towards the vision under the guidance of the shared mission.

### 3.1. Strengthening Quality Management

Kindstar Global is committed to be excellent in quality philosophy and has established a comprehensive quality management system. On the basis of a medical institution practice permit, the Company has also obtained the quality management system certifications conforming to ISO9001: 2015, ISO14001: 2015 and ISO45001: 2018, the acceptance certificate of technique used by clinical gene amplification testing laboratory (臨床基因擴增檢驗實驗室技術驗收合格證書) and the certificate accreditation conforming to ISO15189: 2012 from the China National Accreditation Service for Conformity Assessment (CNAS).

Quality is life: product quality is the cornerstone of the industry to determine the reputation and weight of enterprises in the hearts of its customers, and is also the basis of enterprises to achieve long-term development. Guided by the concept of overall quality management, Kindstar Global has divided management systems construction into pre-inspection, inspection and post-inspection results report commencing with the business process management.



## Environmental, Social and Governance Report

Before the testing of the sample: relevant systems such as *Pre-testing Procedures*, *Logistics Manual*, *Sample Management Procedures*, *Standard Operating Procedures for Sample Handover and Rejection* have been established. Pre-analytical quality control over testing application, patient preparation, collection, identification and receipt of clinical sample, transportation and registration of sample, and other pre-test work is well conducted to ensure the accuracy of the test results.

During the testing: relevant systems such as the *Selection of Testing Methods and Assessment Procedures*, *Assessment Procedures of Testing Procedures*, *Establishment of Biological Reference Interval and Assessment Procedures*, *Evaluation Procedures of Measurement Uncertainty and Comparison Management Procedures* have been established. Establishment, selection, validation and assessment process of testing methods shall be standardized to ensure proper execution of the testing procedures and achievement of expected goals to meet customers' requirements.

Results reporting after the testing: the *Results Reporting Procedures* has been established. Effective control on the preparation, review and modification of test results ensures that test reports from laboratories are accurate, clear, certain, objective, complete and readable so as to provide stable and reliable services for patients and clinicians. The laboratories will store the specimen after testing in accordance with the storing conditions in *Guide on General Testing*. Specimen after testing will be processed as medical wastes after the expiration of storing periods.

In addition, the *Quality Assurance Procedures for Testing Work*, *Internal Review Procedures*, *Procedures for Management Review*, *Risk Management Control Procedures*, *Safety Management Procedures of Laboratories* and *Quality Manual* have also been established to ensure the safe and reliable implementation of quality, and the monitoring methods are: monthly quality supervision, annual internal review, management review, external supervision and inspection, unannounced inspection, assessment of testing procedures and regular participation in inter-departmental quality evaluation and comparison activities at the national, provincial and municipal level or organized by the Ministry of Health. We shall ensure that laboratory operations meet the requirements of accredited organizations and national laws and regulations.

Nowadays in 21st Century, products and technologies experienced quick updates and replacements across industries, and the growing rate of an enterprise becomes a benchmark to measure its presence in the industry it operates and a determinant factor of keeping pace with the times; meanwhile, as a player in healthcare industry, the timely issuance of a medical examination report is sometimes related to the health or even life of a patient, and responding quickly to the demands of doctors and patients is an indication highlighting enterprise belief.

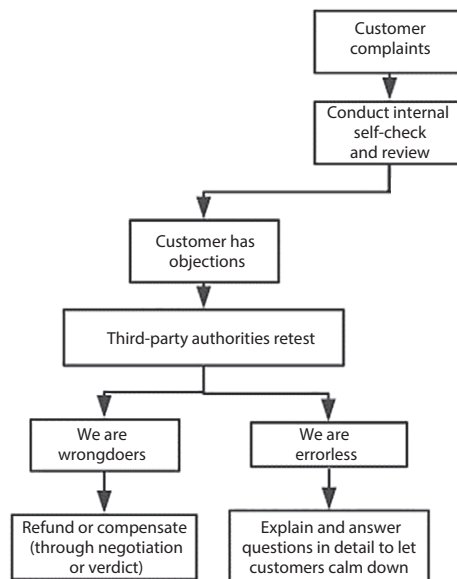
### 3.2. Valuing customer feedback

Kindstar Global is dedicated to creating a sound customer service system, valuing customer feedback and setting up customer service centers for professional and timely response to the feedback from all levels of medical institutions and customers nationwide. In terms of improving our customer service system, we have formulated the *Medical Counselling Control Procedures*, the *Satisfaction Monitoring and Abnormal Feedback Handling Procedures*, the *Corrective Actions Control Procedures*, the *Preventative Actions Control Procedures*, the *Internal Review Procedures*, the *Procedures for Management Review*, and the *Management Procedures for Revocation, Addition, Trial and Modification of Testing Items*, which mainly clarify the control procedures for all types of consultation and complaints, and different handling measures shall be taken based on different cases. In addition, the Group also organizes training for customer service department to form a relatively sound and standardized working mechanism for resolving complaints. During the year, we had received a total of 8 complaints, including 3 cases of pretreatment, 1 case of customer service and logistics department, 2 cases of molecular, 1 case of clinical chemistry, 1 case of hemopathology and 1 case of invalid complaint, all of which have been properly handled. There have been no complaints on testing quality or issues on service quality in the past two years.

The Company establishes a sound customer complaint handling mechanism and timely delivers information through online customer service hotline, official WeChat account, Weibo, or by contacting sales personnel and other forms. Via online teleconferencing, on-site training and other forms, we internally analyze the root cause of the issues and formulate solutions. In the annual satisfaction assessment, the timeliness of sales problem solving was 100% affirmed by customers.

The Company regularly reviews and assesses customer complaints, conducts graded and classified analysis of customer complaints, and focuses on the analysis of key issues. By disaggregating information, reform is conducted for common problems while individual problems are solved separately. The information on complaints shall be timely understood and solved. We shall timely communicate with customers, identify the key link of the issues and the direct responsible person thereof, and put forward solutions to ensure the fastest solving of issues; timely summary and post-issue sorting shall be made, after which a timely notice shall be posted in the group, and regular online conferences shall be held to summarize and discuss the issues, thereby giving reminders to other regions; positive feedback and dealing with abnormal situations are required to timely reassure customers. We regularly arrange laboratory professionals to conduct training for laboratory related issues; we collect market opinions and feedback from the customers, and timely update the marketing strategies; we will reflect on issues with our partners according to the content of complaints firstly, and improve and upgrade the projects.

## Environmental, Social and Governance Report



### Process for Handling of Customer Complaints

In respect of reducing complaints, on the one hand, the quality department maintains rigorous requirements for quality management and conducts inspection and verification regularly; on the other hand, we communicate with customers closely to avoid events arising from misunderstanding and incoordinate understanding based on good trust from customers while serving them.

In respect of complaint messages, we find out the key point of the issues and key factors for the emergence thereof so as to consider process optimization from the start point. As for the inevitable weakness in our products and technologies, we need make honest statements without deceiving to reach a consensus, based on which both parties can reduce the error rate.

## Environmental, Social and Governance Report

### 3.3. Customer Privacy Protection

Kindstar Global pays high attention to information security. We provide strict protection for our users' privacy through rigorous security management system and advanced technologies of hardware and software. The Group strictly complies with the *Law of the People's Republic of China on Guarding Secrets* 《中華人民共和國保密法》, *Implement Measures for Law of the People's Republic of China on Guarding Secrets* 《中華人民共和國保密法實施辦法》 and other laws and regulations in respect of information security to manage data collection, usage and storage of all kinds, regulate information security management and ensure data availability, integrity and confidentiality so as to protect customers' privacy in all respects.

The Group formulated *Risk Management Procedures for Information Security* 《信息安全風險管理程序》, and with these strict procedures, we can understand information security risks by means of information assets identification and risk grade assessment, and choose appropriate objectives and approaches to put information security risks under control at an acceptable level by taking into account risks, thus maintaining sustainable development of the Company's businesses to meet the requirements under the Company's information security management guidelines. These procedures attach key identifiers to the hardware and software facilities carrying security information, which serves as the basis of risk assessment for making risk management strategies. Risks can be controlled at an acceptable level by the sound information security management of the system. We obtained a certificate that recognizes our management system integrating informatization and industrialization in terms of information security. We were applying for a certificate of ISO27001 Information Security Management System.

We also established *Kindstar Global's Customer Information Management Policies* 《康聖環球客戶信息管理制度》, which states the principle that all of the Group's business should comply with personal privacy information management rules in course of operation, for the staff of the Group to follow. Corresponding management initiatives were adopted for all nodes. Customer information entry shall be initiated in a designated module and then reviewed and approved by all departments level by level to ensure information security. Customer information will be reviewed regularly in the management afterwards. Not only each of the functional departments participates in the information circulation, but also the IT department plays a key role in customer information maintenance. In addition, our staff are required to proactively take part in trainings on information security awareness and information security skills organized by the Company to improve their information security awareness.

## Environmental, Social and Governance Report

The Company obtained filling certification in grade II for national classified protection of information system security on December 15, 2021. During the evaluation process, Wuhan Anyu Information Security Technology Co., Ltd. (“Anyu”) conducted an inspection on the machine room, network interconnection equipment and security equipment, security management documentation, personnel and other specific objectives of the Company to evaluate the security of production network of Kindstar from all directions. During the process of evaluation for certification, the production network system of Wuhan Kindstar passed the testing for 135 indicators required by grade II of Baseline for Classified Protection of Cybersecurity (GB/T22239-2019) and other provisions, such as information protection, security audit and communication security, etc. The testing conclusion of Wuhan Kindstar was good in the Classified Evaluation Report on Production Network of Kindstar under Classified Protection of Cybersecurity provided by Anyu on February 25, 2022, which indicated that the Company reached the national standards in terms of network security and data protection, established sound network security protection system and was able to provide reliable and safe services for users in terms of physical security, network security, data security, management system, personnel management, operation and maintenance management of system, etc. The Company has always kept security as first priority. The fact that we obtained the filling certification in grade II of classified protection of information system security from Ministry of Public Security convincingly demonstrates our strength and good qualifications.

### 3.4. Regulating Procurement Management

The Group attaches importance to supplier management. We established *Procurement Management Policies* (《採購管理制度》) to regulate the procurement processes and related activities of the Group, in order to improve work efficiency and quality, effectively reduce procurement cost, and guarantee smooth procurement processes. The procurement department of Kindstar Global is the specialized department for management and implementation of the Company’s procurement work and responsible for establishing the procurement management system. When selecting suppliers, we consider their corporate qualification, quotation, service capability and other factors and actively conduct investigation and assessment on suppliers to improve their awareness of responsibility. In addition, we will enter into *Letter of Honesty and Integrity Commitment by Suppliers* (《供貨服務商廉潔誠信承諾書》) with procurement assessors to guarantee transparency, justice, integrity, honesty and legitimacy during procurement processes.

We assess and supervise suppliers regularly and aim to establish sustainable supply chains based on product and service quality, efficiency, customer service, service stability and other assessment indicators. There are more than 172 major suppliers involved in the business of the Group during this year. The table below sets forth their regional distribution by product and service type:

Type/Region	Central China	East China	South China	North China	Southwest and Northwest China
Products and devices	76	57	13	12	2
Services	6	4	1	1	–

## 4. Strictly Compliant Operation

### 4.1. Righteous Operation

Kindstar Global has always been operating in a righteous manner with the mission of putting patients' interests and doctors' needs first, and has been strengthening the construction of compliance management in all aspects of our operation. We integrate the concept of sustainable development management into our business operation, build a sustainable development management system, adhere to the principles of ethical and compliant management, and continuously strengthen communication with stakeholders to ensure the sustainable development of the Company and give back to our customers and society.

Following the principle of fair competition in the market, Kindstar Global consciously maintains the market order, establishes an open and transparent pricing system, and conducts business activities in compliance with laws and regulations. The Group issues compliance management reports and conducts compliance publicity and training to raise employees' compliance awareness and promote our compliance and sustainable development.

The Group applies the principle of good faith throughout our business processes, including investigation before entering into contract, implementation management of the business process, standardization of the contract signing process, contract performance and archiving. We standardize business behavior from our business process and strengthen the supervision of the performance process to prevent business risks. In 2021, we had no cases of default arising from breaches of the terms of business activities.

### 4.2. Anti-Corruption Construction

The Group abides by a series of laws and regulations aimed at preventing corruption, bribery and other unethical business practices, including the *Anti-Money Laundering Law of The People's Republic of China* 《中華人民共和國反洗錢法》 and the *Company Law of The People's Republic of China* 《中華人民共和國公司法》. All Group companies comply with the laws and regulations of their respective operating regions and actively promote anti-corruption work.

Kindstar Global is committed to meeting the highest ethical standards in its business dealings and abiding by the essence and spirit of all relevant laws, regulations and provisions. According to the law, we have formulated the Anti-Bribery Compliance Manual, which defines the targets of anti-bribery and the boundaries of bribery, and prohibits bribery in all aspects.

In an effort to combat corruption and uphold integrity, the Group has established a reasonable organizational structure starting from the environment with prevention as a prerequisite, provided correct guidance from the perspective of values, and advocated a corporate culture of integrity. The Company organized anti-corruption and anti-bribery training during the reporting year, which aimed to explain anti-corruption and anti-bribery and provide related prevention programs to employees, promote integrity management in the company, and enhance employees' integrity awareness and ethics. During the reporting year, we had no cases of corruption.

# Environmental, Social and Governance Report

In order to maintain the integrity and dedication of all employees of Kindstar Global, protect the interests of the Company and individuals from infringement and ensure the healthy development of the Company, every employee should abide by the Anti-Bribery Compliance Manual and other anti-bribery regulations. Each employee shall sign the Anti-Bribery Policy Compliance Certificate to ensure that he/she is aware of the Company's requirements for integrity and anti-bribery.

The following are the Company's compliance practices:

## Anti-corruption:

The Group aims to educate employees about anti-corruption regulations and corruption loopholes. Starting from anti-corruption management, the Group has developed a series of preventive measures in multiple business dimensions to provide enterprise operation benefits and establish a good culture of compliance with the laws and regulations.



Anti-corruption Management Steps

# Environmental, Social and Governance Report

## In terms of anti-bribery:

Firstly, the Company defines the prohibited behaviors relating to anti-bribery in product sales activities. Secondly, the Company implements third-party management and control, and prevent corruption and bribery risks through due diligence and compliance investigations, high-risk transaction signal alerts, payment of remuneration to third parties and signing of agreements and anti-commercial bribery terms and anti-corruption compliance statements to prevent corruption and bribery risks.



The Company has also established scientific and systematic commercial bribery risk assessment procedures to identify, analyze, evaluate and dispose of risks, and regularly reviews the effectiveness of risk assessment procedures and assessment results. For the assessment targets including partners, business agreements, third-party management and control and other areas that may have potential corruption and bribery risks, a comprehensive assessment shall be conducted at least once a year.

In the event of risk warning, the spot check evaluation procedure can be started for specific matters. Evaluation methods may include spot-check evaluation and comprehensive evaluation. The evaluation procedure includes 1) risk identification; 2) risk analysis and evaluation; 3) risk disposal.

## Environmental, Social and Governance Report

The Company has established a reporting and internal investigation system for corruption and bribery risks, strengthened internal compliance management, timely stopped and corrected various misconduct of the enterprise and employees and protected the legitimate rights and interests of the whistleblowers in accordance with the law. The Company has set up a special reporting telephone or mailbox as reporting channel. A whistleblower can report by telephone, SMS, letter, email, face-to-face reporting and other methods. Anonymous reporting shall be allowed. The Company protects the personal rights, property rights, work rights, reputation rights and other legitimate rights and interests of the whistleblowers. For the reported cases that have been investigated and verified, enterprises are encouraged to give corresponding rewards to the whistleblower according to the nature of the case. The enterprise shall establish the internal investigation system to investigate the reported matters or compliance risk matters found in the regular evaluation of the enterprise. The internal investigations can be carried out by the enterprise itself or by a third-party professional organization upon engagement. After completion of the internal investigation, the enterprise shall take corresponding measures against the violators and third parties according to the investigation conclusions, including punishment measures, management and control measures, etc. The Company's internal control loopholes found in the internal investigation shall be rectified in a timely manner, and the internal compliance management of the enterprise shall be strengthened by revising relevant policies, improving relevant procedures, strengthening training and other measures.

### **In terms of anti-corruption and fraud:**

In this part, the Company reviewed the global investigation report on occupational fraud and abuse of authority in 2020 and learned lessons from some cases. The Company has formulated the anti-corruption policy to regulate the behaviors of employees in Kindstar Global from four aspects: gifts and entertainment, charity and donation, third-party management, books and records. In addition, we have made an anti-corruption statement. Kindstar Global believes that commercial corruption affects fair competition in the market, which has a very negative impact on the society, economy and development of the enterprise itself. Kindstar Global insists on operating with integrity, abides by business ethics, complies with all applicable laws and regulations of the place where it operates business and adopts a "zero tolerance" attitude towards corruption.

Kindstar Global has taken active and effective measures and established relevant management systems to prevent commercial corruption. Kindstar Global requires all employees or entities and individuals engaging in business activities on behalf of the Company not to bribe public officials or other entities and individuals in any direct or indirect manner to obtain business opportunities. If suppliers, agents, consultants and other business partners (hereinafter referred to as "**partners**") do so to employees of the Company for the same purpose, employees must refuse and report such acts to the Company. When conducting business cooperation with partners, the Company requires the partners to comply with the Company's anti-corruption policy and restrain their behaviors through the terms of the agreement and corresponding monitoring procedures.

## 5. Guarantee Humanistic Care

Kindstar Global attaches great importance to talent development, believing employees are the most important assets in our operations. To this end, the Company has formulated the *Kindstar Global Human Resource Management System* 《康聖環球人力資源管理制度》 and *Employee Handbook* 《員工手冊》, which specify procedures including recruitment and employment, labor services, attendance management, performance management and training and development, to strengthen human resources management, effectively protect the legitimate rights and interests of employees, continuously improve employee welfare and enhance employees' sense of belonging. As of December 31, 2021, the total number of employees of the Group which fall within the scope of this report is 2,760.

### 5.1. Equal Employment System

Kindstar Global strictly abides by the *Labor Law of the People's Republic of China* 《中華人民共和國勞動法》, *Labor Contract Law* 《勞動合同法》, *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》, *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》, *Prohibition of Child Labor* 《禁止使用童工》 and other laws and regulations related to labor and employment, and provides employees with a harmonious, inclusive, equal, and non-discriminatory working environment. We have formulated the *Kindstar Global Human Resource Management System* 《康聖環球人力資源管理制度》, which includes recruitment management, labor service management, attendance management, salary and welfare management, performance appraisal management and training and development management. The Company appoints talents based on the principle of "open personnel process, equal opportunities, merit-based recruitment" (人事公開、機會均等、擇優錄用).

We strictly abide by Article 94 of the *Labor Law of the People's Republic of China*, which specifies that "where the employing unit illegally recruits minors under the age of 16, the administrative department of labour shall order it to make corrections, and impose a fine thereon. If the circumstances are serious, the administrative department for industry and commerce shall revoke its business license". For the purpose of avoiding the employment of child labor, we ask candidates to show their identity documents for verification during the employment process to ensure that he/she meets the minimum working age requirements. When a new employee joins the Company, the Human Resources Department signs an employment contract with the employee and requires the employee to present documents such as an ID card, proof of academic qualifications, proof of termination of employment with the previous company and a personal photo when handling formal employment procedures to ensure that the employee's identity is genuine and valid and prevent illegal employment.

In addition, the Group specifies the standard working hours for its employees to ensure sufficient rest time for its employees and avoid forced labor.

During the Reporting Period, the Group did not violate any relevant laws and regulations relating to remuneration and dismissal, recruitment and promotion, working hours, equal opportunities, diversity, anti-discrimination, prevention of child labor or forced labor.

# Environmental, Social and Governance Report

## 5.2. Remuneration and Benefits of Employees

The Group offers its employees with competitive remuneration and benefits based on individual capabilities and performance management to fully utilize the value of our talents in the enterprise. Through a comprehensive employee performance appraisal system, we are able to achieve the Group's overall development strategy while improving the quality and performance of our employees.

The Company has developed a complete remuneration and benefits system for its employees, whose remuneration includes basic salary, assessment salary, overtime salary, various subsidies, business commission and bonuses, etc. We also pay social insurance such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and housing provident fund for its employees according to regulations. In terms of benefits, in addition to offering statutory holidays, the Company also provides paid annual leave and various types of conditional leave in order to protect the legitimate rights and interests of employees.

In addition, the Group also provides various kinds of care for employees in respect of welfare. Every meaningful holiday, the Company will organize employee activities, such as "Offline round fan making on Mother's Day" and "Offline rice dumpling making on Dragon Boat Day". The Company also sends cakes and wishes to employees on their birthdays. The labor union of the Company will buy birthday gifts for union members every month and hold birthday parties according to the actual condition. During the Dragon Boat Festival, Mid-Autumn Festival, Spring Festival and other festivals, the Company will buy holiday gifts for all members, and on Children's Day, the Company will buy gifts for members with children.

The Company also maintains an open communication attitude, and employees can provide feedback and suggestions and seek solutions through the Company's open and formal communication platforms and channels. In order to create convenient and effective communication channels and improve the promptness and feedback efficiency of communication, the Company has set up online and offline communication channels, enabling employees to reflect their opinions to the management and improve their sense of belonging. The channels mainly include:

- Offline information release and interaction platform: Publication of internal information of each system
- Online information release and interaction platform: Kindstar Lexiang, company mails, OA system
- Instant information release and interaction platform: Enterprise WeChat, telephone

## 5.3. Focusing on talent development

### *Training systems*

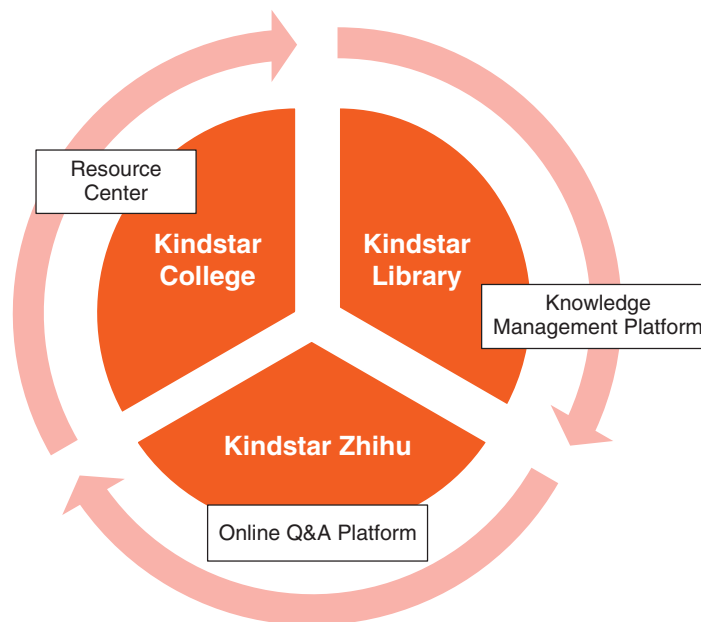
The Company is committed to providing training and development opportunities for employees to help them give full play to their business potential and management talents. Meanwhile, the Company advocates for building a learning and sharing mechanism and precipitating organizational wisdom. Employees can based on their work and personal growth needs, apply for training resources in a targeted manner through the Company's online learning platform and various offline training courses.

In order to build an efficient and cohesive team, the Group has established a complete employee development and training system to standardize the implementation and management of training for employees at each level, and to continuously improve the talent cultivation mechanism. The Group's employee training programs are set in a scientific and reasonable way in order to cultivate various types of talents. The training system is classified as:

- (I) New recruits training system: New recruits who have joined the Company for less than 3 months can learn the Company's enterprise culture, rules and regulations, and business processes through the online self-learning (test) and offline training modes, so that they can fit into the Company and departments in the shortest time, and become a full member after passing the assessment on the new recruits upon training.
- (II) General ability development system: The Company helps employees master general professional skills by setting different thematic learning programs and courses through offline training, online live broadcast and video on demand, etc., so that they can complete their jobs better and obtain career development.
- (III) Leadership development system: The Company sets up different training programs for employees at different management levels, to help them change their role awareness and improve their management ability to be competent for their positions.

The Company has diversified talent cultivation channels, and builds our talent cultivation system through various ways. We have created the online platform of "Kindstar Lexiang", which is accessed by the "workbench" of the Enterprise WeChat, and can be used for studying online courses, including related online system accesses such as Kindstar College (Classroom), Kindstar Library (Knowledge Base), Kindstar Zhihu (Question-and-Answer) and other comprehensive learning tools.

## Environmental, Social and Governance Report



The Group also has a professional lecturer team for our training system. The Company welcomes employees with experience and expertise who are willing to share to join our lecturer team. In the team, you can share work skills, professional skills, work experience, cutting-edge information, interests, industry information and other areas of expertise or knowledge.

### ***Empowerment plan***

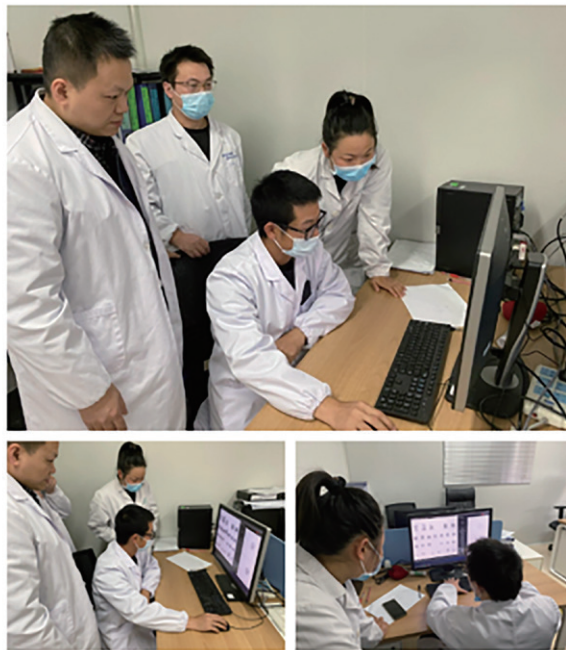
During the reporting year, we also held a series of eagle programs to promote mutual learning among employees, including the Kindstar Global Group Genetic Karyotyping Professional Competition and the “Pfizer Cup” Golden Collar Talent Campus Simulation Job Search Competition.

The pandemic situation in 2021 still affects everyone’s heartstrings. In order to improve the detection efficiency, the ability of karyotype analysts to process the details of chromosome reports, and the ability to accurately and quickly judge a large number of morphologically normal or abnormal forms, the Group held a professional competition for genetic karyotyping on November 5, 2021. The participating units include many companies of the Group. After a long period of study and accumulation, the karyotype analysts greatly improved their abilities. The winners were also selected after the competition. The event optimized the talent training system of the Group.

## Environmental, Social and Governance Report



Huaxi Kindstar cytogenetic platform competition site



The examiners double-checked the questions raised by the contestants

In October 2021, the 11th Pfizer Cup “Golden Collar Talent” Campus Simulation Job Search Competition of Hubei University of Chinese Medicine was jointly hosted by the Student Affairs Office of Hubei University of Chinese Medicine and Wuhan National Bio-Industry Innovation Base Co., Ltd. to show the professional skills such as workplace awareness, adaptability, teamwork, and interpersonal communication skills from various scenarios. During the ask and answer session, the contestants were calm and flexible, showing good communication, expression, collaboration and adaptability. In the final, Kind stars led by Kindstar Global won the championship.

Environmental, Social and Governance Report



# Environmental, Social and Governance Report

## Training dynamics

During the year, a total of about 86%<sup>(Note 1)</sup> of employees received training, and the average training hours per employee was 19.85 hours<sup>(Note 2)</sup>. Information on the training by gender and rank of employees is as follows:

	Number of trainees	Percentage of trainees <sup>(Note 3)</sup>	Total training hours (hour)	Average hours (hour) of training completed by each employee <sup>(Note 4)</sup>
By gender of employee				
– Male	766	82%	17,525	18.86
– Female	1,598	87%	37,264	20.35
By employee rank				
– Senior management employees	21	78%	566	20.96
– Medium management employees	348	87%	10,969	27.49
– Other employees	1,995	85%	43,255	18.53

Note 1: The total number of trainees divided by the number of employees at the end of the year.

Note 2: The total training hours of employees divided by the number of employees at the end of the year.

Note 3: The number of trainees who belong to the related type of employees divided by the number of employees trained.

Note 4: The hours of training received by the related type of employees divided by the number of the related type of employees at the end of the year.

## Environmental, Social and Governance Report

### 5.4. Employee health and safety

Kindstar Global takes the protection of the health and safety for employees as the top priority, strictly abides by 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》), the *Regulations on the Supervision and Administration of Workplace Occupational Health* (《工作場所職業衛生監督管理規定》) and other laws and regulations, builds a safety management system, creates a safe and healthy working environment and carries out comprehensive safety education for employees. In the face of the ongoing impact of the COVID-19, the Company has been taking reliable protective measures to protect the health and safety of its employees.

#### **Workplace Safety**

In order to ensure safe production and a safe workplace, Kindstar Global has built a comprehensive safety production system, formulated the Safety Manual, and provided safety management specifications in terms of protection, biosafety management, and emergency response. The Company has obtained safety certifications in the fields of biosafety laboratory credentials, clinical inspections, microbiology, and COVID-19, and meets the requirements of ISO15189: 2012 in all these fields.

In order to strengthen the biosafety management of pathogenic microorganism laboratories (hereinafter referred to as laboratories) and protect the health of laboratory staff and the public, biosafety management regulations have been formulated, which define pathogenic microorganisms in detail and list possible dangerous links. Regarding the transportation of pathogenic microorganism samples, we have also formulated corresponding measures and emergency plans to ensure the safety of the highly pathogenic microorganisms (viruses) or samples during transportation. In terms of storage, the preservation institution has also formulated a strict safety preservation system, made records of the entry, exit and storage of pathogenic microorganisms (viruses) and samples, established a file system, and designated a special person to take charge. Special libraries or special counters shall be set up for storage of highly pathogenic microbial strains (viruses) and samples.

The unit establishing the laboratories should formulate a scientific and strict management system in accordance with the provisions of these regulations, and strengthen the management of the daily activities of the laboratories. Moreover, the unit should regularly inspect the implementation of relevant biosafety regulations, and regularly inspect, maintain and upgrade laboratory facilities, equipment, and materials to ensure that they conform to the national standards.

#### **Physical and mental health of employees**

The Group is committed to providing employees with a healthy and comfortable working and living environment. As a medical enterprise, it is imperative for us to care about both the physical and mental health of employees. The Company arranges annual physical examinations for employees which pays attention to their physical health. In addition, the Company also organizes employee care actions. For example, the Company held the "Care for Employees' Eye Health Thematic Activities" and other series of activities focusing on employee health on March 16, 2021.

## Environmental, Social and Governance Report

In the production field, necessary protective equipment will also be provided in the process of collection, transportation, storage and disposal of medical waste, and regular health checks will be carried out; if necessary, relevant personnel will be immunized to prevent them from health damage.

During the Reporting Period and the past three years, the Company had no record of work-related death, or any major violations of relevant health and safety laws and regulations.

### ***Fight against the pandemic***

Under the continuous impact of COVID-19, the Group has responded to the call of the state and incorporated pandemic prevention and anti-pandemic management into normal management. In order to ensure the safety of employees, the Company has specially formulated the COVID-19 Prevention and Control Emergency Plan, and established a pandemic prevention and control leading group to be responsible for dispatching personnel and supplies, including the procurement and distribution of anti-pandemic materials and communicating with department heads, so as to ensure that pandemic prevention and control measures are implemented by every individual. In order to protect the life safety of employees, the following anti-pandemic measures are implemented in the Group and its subsidiaries:

1. Place recycling bins for the discarded masks;
2. Update pandemic prevention information in time;
3. Announce the latest pandemic prevention policies to employees;
4. Register the vaccination information about employees;
5. Monitor employees' body temperature in real time;
6. Register and measure temperature of visitors;
7. Disinfect the office area regularly;
8. Require scanning the site code for entering or leaving the office;
9. Adjust working hours, locations and methods for employees affected by the pandemic;
10. Carry out health monitoring for employees who travelled to and from medium-risk, high-risk or low-risk areas in accordance with pandemic prevention regulations;
11. Forms related to pandemic prevention: registration form for staff temperature measurement, registration form for disinfection and pandemic prevention, registration form for distribution of pandemic prevention materials and registration form for visitors' health information.

# Environmental, Social and Governance Report

## 5.5 Summary of data in social category

Social category	Unit	2021
<b>Number of employees by gender</b>		
Male	Persons	929
Female	Persons	1,831
<b>Number of employees by employee rank</b>		
Senior management employees	Persons	27
Intermediate management employees	Persons	399
Other employees	Persons	2,334
<b>Number of employees by age group</b>		
Under 30	Persons	1,053
30 to 50	Persons	1,512
Over 50	Persons	195
<b>Number of employees by geographical region</b>		
China	Persons	2,757
Overseas (United States of America)	Persons	3
<b>Number and rate of employee turnover (overall rate and by gender)</b>		
Total employee turnover rate <sup>(note 1)</sup>	%	20%
Male employee turnover and turnover rate <sup>(note 2)</sup>	%	194 (21%)
Female employee turnover and turnover rate <sup>(note 2)</sup>	%	369 (20%)
<b>Number and rate of employee turnover (by age group)<sup>(note 2)</sup></b>		
Under 30	%	324 (31%)
30 to 50	%	209 (14%)
Over 50	%	30 (15%)
<b>Occupational health and safety</b>		
Lost days due to work injury	Days	101
Work-related fatalities (for the last three years)	Persons	0

Note 1: Number of employees who left office divided by the number of employees at the end of the year.

Note 2: Number of employees in this category divided by the number of employees in this category at the end of the year.

## 6. Building a green ecology together

While maintaining quality growth, Kindstar Global also upholds the concept of caring for the Earth and protecting the environment. We have established a sound environmental management system and measures to ensure that we work with our employees and customers to build a green ecology together. In the light of the increasingly severe global environmental risk situation, we must also take actions to establish the concept of ecological civilization featuring respecting and protecting nature and take the path of sustainable development. During this Reporting Period, we did not violate any laws and regulations on environment.

# Environmental, Social and Governance Report

## 6.1. Tackling climate change

Climate change is currently a global challenge that affects everyone's life. In 2015, almost all countries adopted a milestone international agreement, the Paris Agreement, agreeing to significantly reduce global greenhouse gas emissions with a view to limiting global warming within 1.5 degrees Celsius this century. This Agreement has underlined the urgency of the climate-related conditions.

In 2020, at the United Nations General Assembly, our country made it clear that China aims to peak CO2 emissions before 2030 and achieve carbon neutrality before 2060. In recent years, Kindstar Global has also taken an active part in the carbon emission reduction scheme, proactively following the global trend of green and low-carbon development and actively laying out a carbon neutral pattern. During the reporting year, the Company also developed the Environmental, Social and Governance Policy specific for climate change, which also states how to assess significant climate-related issues and how to respond to them. We monitor the impact of weather changes on enterprise business in real time and assess the magnitude of the impact. Then we develop countermeasures based on the assessment results to prevent the impact of extreme weather on our business.

Our greenhouse gas ("GHG") emissions from operations came mainly from the use of fuel in vehicles for business travel and the use of purchased electricity. The Group also put a number of measures in place to address GHG emissions, the details of which were set out in the "Practicing Green Operations" section.

The summary of the Group's GHG emissions<sup>note 1</sup> for the year is as follows:

Category of GHG emissions	Unit	Discharge amount
<b>Emissions of greenhouse gases</b>		
Scope 1 Direct GHG emissions	Carbon dioxide equivalent (tons)	97.19
Scope 2 Indirect GHG emissions from energy consumption	Carbon dioxide equivalent (tons)	3,973.06
Total GHG emissions	Carbon dioxide equivalent (tons) <sup>note 2</sup>	4,070.25
<b>Intensity of GHG emissions</b>		
Per employee (Scope 1/2)	Carbon dioxide equivalent (tons)/employee	1.47

Note 1: The calculation is made with reference to How to prepare an ESG Report - Appendix II: Reporting Guidance on Environmental KPIs published by Hong Kong Exchanges and Clearing Limited and Greenhouse Gas Accounting Tool for Chinese Cities published by World Resources Institute.

Note 2: Carbon dioxide equivalent (tons) is a unit of measurement based on the greenhouse effect from each ton of carbon dioxide. It can measure and compare the greenhouse effect from the emissions of various greenhouse gases including carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O).

## Environmental, Social and Governance Report

### 6.2. Practicing green operations

Taking into account all the industry features, Kindstar Global has been committed to alleviating the impact of its operation on the natural environment, promoting and practicing green operations and incorporating green philosophy into our daily operation. The Group mainly impacted the environment in these aspects: electricity and water consumption in the offices, management of waste, water consumption and waste water disposal in the laboratory and the fuel used by the vehicles of the Company for operational purpose. The Group has made efforts to practice green operations and contributed to building a harmonious ecology. It has taken a series of measures for medical waste/general solid waste management, energy consumption, water resource management and gas emission reduction.



#### **Medical waste management/general solid waste**

Falling in the esoteric testing service industry, the Group produces medical wastes during daily operation. Pursuant to the requirements, we set up the medical waste disposal flowchart, the classified catalogue of medical waste, the Regulations on the Management of Medical Waste, the Medical Waste Temporary Storage Room Management System and objectives and disposal measures for hazardous wastes. We strictly comply with a number of relevant regulations such as the *Regulations on Administration of Bio-safety* (《生物安全管理條例》), the *Classified Catalogue of Medical Waste* (《醫療廢物分類目錄》), the *Regulations on the Management of Medical Waste* (《醫療廢物管理條例》), *Standard of Packaging Bags* (《醫療廢物專用包裝物》), *Containers and Warning Symbols Specific to Medical Waste* (《容器標準和警示標識規定》), the *Implementation Measures of the Management of Medical Waste* (《醫療衛生機構醫療廢物管理辦法》) and the *Biosecurity Law of the People's Republic of China* (《中華人民共和國生物安全法》).

## Environmental, Social and Governance Report

Medical waste is classified into infectious waste, pathological waste, damage waste, drug waste and chemical waste. In disposing the medical waste, we make daily records, including the source, category, weight or amount, delivery time, disposal method, destination and the handler's signature of the medical wastes. The records shall be maintained for at least 3 years. We eventually transfer the medical wastes to a third-party entity with the qualifications approved by the government for disposal. We have also established the rules and regulations in connection with the safely disposal of medical waste and the contingency plan for accidents. We set up the monitoring department or full (part)-time personnel to inspect, supervise and implement the medical waste management in the entity. In addition, we also conduct training on legal expertise and professional techniques, safety protection and emergency response for our employees and management members who collect, deliver, store and dispose medical wastes.

Our offices also produce general solid waste during operation. The daily garbage produced will be transported and disposed by qualified environmental sanitation firms to ensure garbage sorting and disposal. During daily operation, the Company reuses resources by daily recycling to reduce the waste of resources. The Company encourages employees to recycle the printing papers and other stationeries to reduce waste discharge. Due to the small amount of non-hazardous waste produced by the Group, no statistics was made.

Hazardous waste	Units	Year 2021
Medical waste	ton	123.61
Other wastes	ton	3.57
Total	ton	127.18
Hazardous waste intensity	ton/employees	0.05

### Energy use

The Group insists on reducing the consumption of resources (including energy, water, etc.) as much as possible under the condition of efficient operation, supporting the use and promotion of clean energy, and improving the comprehensive utilization rate of resources. The Group manages the use of energy such as water, electricity and fuel oil, focuses on the management of major energy-consuming equipment, calculates the consumption monthly, and standardizes the equipment operation process to fully and effectively utilize energy. If we investigate any abnormal or excessive consumption, we will find out the cause and look for rectification measures. The operation of the Group does not involve packaging except a small amount of testing kits' package. Considering its minimal impact on the environment, the Group did not collect relevant data. In the future, if the operation of the Group involves usage of a large number of packaging, the Group will collect and disclose such information in detail. Looking forward to the future, we will continue to identify feasible opportunities to reduce consumption in our operations. To achieve sustainable development, the Group regularly circulates environmental protection information to employees and provides practical suggestions on environmental protection lifestyles.

## Environmental, Social and Governance Report

The Company has made the following measures for energy use, energy conservation and emission reduction:

1. The administrative manager is responsible for the dispatch and use of vehicles, and approves and arranges the use of vehicles in various departments to ensure the effective use of office vehicles;
2. The motor vehicles in the Company are inspected monthly, and the safety technical inspection and vehicle inspection are carried out once a year. Only when they meet the national standards can they be allowed on the road. Establish and improve vehicle management rules and regulations and safety management accounts to ensure driving safety;
3. All vehicles of the Company are refuelled with a unified fuel card, and the system of one vehicle one card is implemented. Drivers refuel vehicles with a fuel card, so that the Company can put vehicles under management;
4. Phase out old-fashioned vehicles and purchase vehicles with new China VI vehicle emission standards;
5. Reduce the use of fuel vehicles and switch to pure electric vehicles;
6. According to the temperature requirements and usage time of air conditioners in different departments and functional areas on each floor, the air conditioner controllers in different blocks are grouped by using the management software of the central air conditioner remote monitoring system, and the automatic closing operations at different time points are set respectively to reduce circumstances that the air conditioner is always on in the unmanned area after work due to personnel negligence, which effectively reduces the consumption of unnecessary electricity;
7. Strictly control the classification of domestic waste and medical waste to reduce the generation of medical waste;
8. Control the use of raw materials in the laboratory and reduce the amount of discharge gas.

## Environmental, Social and Governance Report

With the Group's efforts to improve energy efficiency and strengthen the promotion of energy conservation information to employees, the main energy consumed by the Group is electricity used in operations and diesel and gasoline used for vehicles. The energy consumption and its intensity in the reporting year are as follows:

Classification of energy	Unit	Year 2021
Indirect energy: power consumption	MWh	4,571.65
Total power consumption intensity	MWh/employees	1.66
Direct non-renewable energy: gasoline consumption	liter	44,568.75
Gasoline consumption intensity	liter/employees	16.15

### Water resource management

The water used by the Group is concentrated in office and domestic water, testing water, water for cleaning experimental apparatus and equipment, water for cleaning work clothes and water for washing hands of experimental personnel. For the waste liquid generated in the laboratory, we will use a special chemical waste liquid storage barrel to properly store it, file the relevant information with the Hubei Province Hazardous Waste Supervision Internet of Things, and then entrust the designated qualified chemical sewage treatment agency to deal with it. For the medical wastewater generated in the production process (water for preparing solution, water for cleaning labware and water for cleaning the laboratory), we are equipped with sewage treatment facilities with a daily treatment capacity of 30 tons, which can fully deal with the standard discharge of experimental wastewater. The wastewater discharge standard is in line with the Discharge Standard of Water Pollutants for Medical Organization (GB18466-2005); our sewage treatment is also subject to external supervision. A third-party testing agency with relevant qualifications will conduct sewage testing twice a year and issue test report, and we are also subject to random inspection by Wuhan Center for Disease Control & Prevention. Office water and basic sanitary water are discharged into the municipal sewage pipe network after pretreatment, and the collected sewage meets the tertiary discharge standard of Integrated Wastewater Discharge Standard of China.

Kindstar Global attaches importance to the impact of water consumption on the environment and has formulated a series of water-saving measures. Water-saving reminders are installed in each water-using areas to improve employees' water-saving awareness. The non-contact induction faucets installed in the laboratory can help save water.

For the year ended December 31, 2021, the water consumption of the Group and its intensity are as follows:

	Unit	Year 2021
Water consumption	ton	29,329.80
Total water consumption intensity	ton/number of employees	10.63

# Environmental, Social and Governance Report

## Reduce air emissions

The air emissions of the Group mainly come from the exhaust gas discharged by the Company's vehicles. We have taken effective emission reduction measures to reduce air emissions. We control car usage by implementing the system of "one fuel card for one car". The mileage of vehicles is registered every month to avoid invalid and random use of vehicles. In addition, the Company is gradually replacing old-fashioned vehicles with large displacement with pure electric vehicles for transportation to reduce emission of air pollutants from fuel combustion.

During the year, the types and data of the Group's air emissions<sup>note 1</sup> from vehicles are as follows:

Type of emissions	Unit	Year 2021	Intensity <sup>note 2</sup>
Nitric Oxides (NOX)	kg	121.21	0.04
Sulfur Oxides (SOX)	kg	0.66	<0.01
Particulate Matter (PM)	kg	14.01	0.01

Note 1: The calculation is arrived at with reference to the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" published by Hong Kong Stock Exchange and the "Guide to the Techniques for the Preparation of a List of the Emissions of Atmospheric Pollutants from Road Vehicles (Trial)" (道路機動車大氣污染物排放清單編製技術指南(試行)) published by the Ministry of Ecology and Environment of the People's Republic of China.

Note 2: Intensity is calculated as emissions divided by 2,760 employees as of the end of the Reporting Period.

## 6.3. Promote Low-carbon Emission and Environmental Protection

In recent years, China has continuously incorporated "promoting green and low-carbon development and improving the quality of ecological environment" into its national economic development plans to strengthen efforts in ecological environment protection. China has accelerated the planning and implementation of peaking carbon dioxide emissions and the construction of a carbon emissions trading market to push ecological and environmental protection as a whole and lay the foundation for realizing carbon neutrality by 2060.

As a global citizen, the Group reviews its economic behavior on a regular basis and integrates environmental protection into its strategic planning. In 2021, we established an environmental, social and governance leading group and working group led by the Board. Through frequent communications and discussions, we formulated management policies on environmental, social and governance to guide ESG issues involved in business operation. At the same time, according to the recommendations of the relevant taskforce on climate-related financial disclosures (TCFD), we disclosed specific data on emissions in the report, endeavored to reduce the Group's carbon footprint during its operation and promoted a low-carbon culture.

In addition, in order to practice the concept of green and low-carbon development, we organized activities to protect the environment. On March 4, 2021, we organized an activity with the theme of "Caring for the Environment Begins with Me", leading employees to clean up the white trash on Erfei Hill near the Company as a form of exercise. We started from the surroundings and took practical actions to protect the environment.

# Environmental, Social and Governance Report

The Company also organized training on environmental protection compliance in the reporting year to the practice the philosophy of low carbon and environmental protection; the training topics are related to:

- I. The new challenges and trends of “pursuing the liabilities of not only the offender but also the Party committee and discipline inspection authorities” for corporate environmental compliance;
- II. Common types of corporate environmental violations;
- III. Common administrative vulnerabilities of corporate environmental compliance.

## 7. Public Welfare Harmony Community

As a corporate citizen who actively fulfills its social responsibility, the Group has been adhering to and practicing the principle of “What is taken from society is used in society”, giving back to society in various forms, benefiting people and actively participating in social welfare projects and activities. We are courageous in assuming our responsibility to the society and adhere to the core value of putting quality first and regard it as the fundamental of our healthy development. The Group implements sustainable corporate strategic development through activities such as initiatives of caring for employees, condolences to people in needy communities, participation in the fight against COVID-19 in communities and lectures on medical knowledge. The Group will also continue to explore diversified ways of making its contribution to the harmonious and healthy development of communities.

### 7.1. We Are Fighting Against COVID-19 Together

As a third-party organization that conducts nucleic acid testing for COVID-19, Kindstar Global formed its own team as soon as it received the news and joined the battle against the pandemic. The promise of “Life first, people first” is our most striking value in the fight against the pandemic. We have the responsibility and obligation to take up this social responsibility and contribute the power of Kindstar to universal screening.

In order to better prevent the spread of the COVID-19 pandemic, the Company set up an emergency working group for pandemic prevention and control, led by general manager Mr. Tu Zanbing and assisted by the heads of various departments. In light of the characteristics of business, the working group made corresponding plans to prevent and control the COVID-19 pandemic for staff and workplaces.

1. At the beginning of the COVID-19 pandemic, Kindstar Global was one of the first third-party institutions designated by the Hubei Provincial Government to conduct nucleic acid testing for the COVID-19, as well as the contractor of comprehensive external testing services for the Huoshenshan and Leishenshan Hospitals in Wuhan.
2. In order to help enterprises in Wuhan resume work safely, Kindstar Global provides visiting testing services to ensure the safe resumption of work and production of enterprises. During the resumption of work and production, the Company sampled up to 6500 cases/day, and the total number of samples collected was close to 200,000. Its services covered the entire city and benefiting entities of various industries including banks, factories, telecommunications operators and state-owned enterprises.

## Environmental, Social and Governance Report

3. We participated in the meeting to discuss the universal nucleic acid testing program, and participated in the ten-day Wuhan universal nucleic acid screening campaign. We set up sites in major communities for nucleic acid sampling and testing and collected nearly 1 million samples in the ten-day campaign.
4. In order to fight against the pandemic in Xinjiang, the employees of Xinjiang Branch worked hard 24 hours a day, and Wuhan Kindstar sent a support team to Xinjiang to quickly complete the coordination of medical supplies such as testing instruments, medical consumables and protective supplies. They assisted the local branch to carry out universal nucleic acid screening, and completed more than 1 million cases of testing in three phases.
5. Before the Chinese New Year in February 2021, in order to avoid the gathering of people, we developed a WeChat applet for online appointment of tests in different periods of time to conduct nucleic acid screening for enterprises, institutions, individuals, etc. to return home for the Chinese New Year.
6. In August 2021, we participated in the universal nucleic acid screening in Jingzhou, Jingmen and Wuhan regions. On August 2, the universal nucleic acid screening was launched in Wuhan region, and the cumulative number of nucleic acid tests was about 2,546,000. The cumulative number of nucleic acid tests in Jingmen and Jingzhou was about 441,700.
7. During the period of universal nucleic acid, we developed “Xiaokang Battle Epidemic” applet, and later, at the request of the Health and Welfare Commission, we docked with “Health Wuhan Official Microblog” to improve the efficiency of information entry; we communicated with the community about sampling personnel and sampling areas, reasonably allocated sampling materials and consumables, and arranged on-site personnel to dispatch and deal with emergencies at any time; we promptly arranged vehicles to the pandemic sealing and control areas for specimen delivery; we uploaded test results, etc.
8. Wuhan Kindstar provided testing services for COVID-19 nucleic acid and physiological and biochemical indicators for all athletes participating in the Olympic Sports Area during the 14th National Games in 2021, providing a strong guarantee for the athletes’ smooth participation;
9. Kindstar Global supported the COVID-19 nucleic acid test in Yanliang District, Xi’an, with a total of 830,000 tests, which lasted for one month from December 26 until all cases in Xi’an were cleared.
10. Kindstar Global is equipped with a mobile cabin vehicle, which is a polymerase chain reaction (“PCR”) mobile chain laboratory, covering an area of 40 square meters, and comprising 10 Applied Biosystems ABI 7500 real-time quantitative fluorescence PCR amplifiers. The interior of the laboratory was divided into regions for reagents preparation, specimen preparation, amplification analysis and high-pressure disinfection. Through gene amplification, one-stop nucleic acid tests could be completed. Its COVID-19 hybrid nucleic acid test volume per day could achieve 100,000, which could greatly shorten the time of testing and meet the requirement of large-scale nucleic acid testing nationwide. In 2021, the mobile cabin vehicle supported the nucleic acid screening in Shangrao, Jiangxi, with a total of 283,200 tests completed. From December 2021 to January 2022, the mobile cabin vehicle supported the nucleic acid screening in Xi’an, with a total of 836,100 tests completed.

## Environmental, Social and Governance Report



As a social government-accredited nucleic acid testing agency for COVID-19, we rely on our professional testing service capabilities to help companies do a good job in work resuming screening, minimize the risk of COVID-19 infection in companies resuming work and eliminate the potential risk of infection as early as possible, so as to protect the safety of companies resuming work at all times. Therefore, we have been recognized by the government and the community, and we have also demonstrated our commitment to fight against the pandemic.

### 7.2. Healthcare Inclusion

#### *"Screening for two cancers"*

"Two cancers" refers to breast cancer and cervical cancer, which are two major "killers" threatening women's health. Early detection, early diagnosis and early treatment can reduce the mortality rate of "two cancers" among women. In October 2021, in order to care for women's health, raise women's awareness of reproductive health and take early precautions, Kindstar Medical Laboratory cooperated with Dangyang Maternal and Child Health Hospital to carry out a free two-cancer screening program for women of the appropriate age, sampled by the hospital and timely collection of samples by Kindstar on a daily basis and delivery to Wuhan laboratory for testing. From October 14 to 29, a total of 3,053 people were tested.

## Environmental, Social and Governance Report



### ***“Genetic screening”***

We provided leukemia genetic screening detections for 1,000 children with leukemia nationwide by high-throughput sequencing technology: Free NGS-based fusion gene screening for ALL child patients; NGS-based gene mutation screening for AML child patients. The public welfare program provided free detection services for nearly one thousand children with leukemia, which helped standardize the diagnosis and treatment of leukemia in China.

### ***“Detection of chronic granulocytic leukemia”***

As a commercial laboratory certified by international standards, we have actively taken part in the public welfare programs of the industry, providing a total of over 18,000 free molecular detections for more than 9,000 patients with chronic myeloid leukemia (CML) nationwide, to help improve the level of standardized detection and treatment of CML throughout China and enable patients to ultimately benefit from the scientifically standardized detection.

## **7.3 Care for communities**

### ***“Public welfare activity for health detections”***

On October 28, 2021, the staff representatives and professional nurses of Kindstar came to the meeting room on the second floor of Qingheli Community in early morning to arrange the relevant activity site for a charity of health detection. After listening to the lecture for the popularization of high blood pressure, hyperlipidemia and hyperglycemia, the elders in Qingheli community had a deeper understanding of high blood pressure, hyperlipidemia, hyperglycemia and daily monitoring. After the selection of programs, glycosylated hemoglobin detection was given to them through this activity.

## Environmental, Social and Governance Report

The activity started at 10:00 am. Everyone wore masks and queued up at intervals according to the pandemic prevention requirements. The Company's staff did the registration, pasted bar codes, distributed sample tubes, and patiently explained the benefit of the detection program and its difference from conventional finger blood collection to the elders who were in doubt again and again. As the elders are susceptible to disease, community workers demanded strict control of the number of people in order to respond to pandemic prevention requirements and reduce the risk of gathering, so a total of 31 people were detected in this charity activity. When the detection reports come out, we will interpret the reports to the elders with abnormal results, and urge and remind them to change their living habits, pay attention to diet adjustment, or seek medical treatment in time according to their own situations.



*Blood collection site for this activity*

### ***“Public welfare activity of eye examination”***

In order to care for the eye health of its employees, strive to improve their health level, make them enjoy the health services of expert diagnosis and treatment nearby, and promote the life concept of healthy work, Kindstar held a public welfare activity of eye examination on March 16, 2021. The examination items included naked eye vision examination, glaucoma screening, keratoconjunctivitis, xerophthalmia, cataract, lacrimal passage and other eye diseases screening. Nearly 50 people signed up for the activity.

### ***“Organizing activities for child patients on Children’s Day”***

We hold activities for child patients from the pediatric hematology department of Fujian Union Hospital on every Children’s Day, including site layout, materials preparation and construction, small gifts and programs such as children’s paintbrushes, hoping to alleviate their suffering from diseases and bring them hope and positive attitude to life. We receive recognition and feedback from child patients and their families every year.

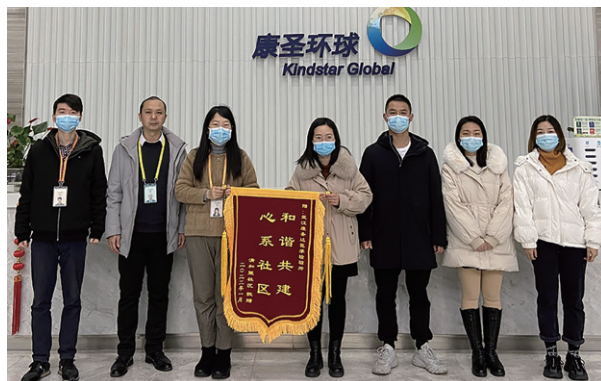
## Environmental, Social and Governance Report

### ***“Caring the elders in difficulties – The public welfare activity for consoling in Dragon Boat Festival”***

At 10:00 a.m., June 9, 2021, accompanied with the staff of Qingheli community in Jiufeng street, the staff representatives of Wuhan Kindstar Medical Laboratory Co., Ltd. brought specifically prepared gifts for Dragon Boat Festival such as rice, flour and oil and extended festival condolences to five families with deaf-mute, disable, mental disorder and other families in difficult life in the community, and reminded them to ask organizations or community for help timely when facing difficulties, and we will make efforts to help. The five families were delighted for the visiting of the staff of enterprise and the community.

### ***“Caring for the children in difficulties – The public welfare activity for learning supplies donation”***

On October 16, 2021, aiming at children’s healthy growth, the staff representatives of Wuhan Kindstar Medical Laboratory Co., Ltd. conducted the “Sail the Childish Dreams” activity for teenager-caring in Qingheli community. The staff representatives visited 20 families with children in difficulties in the community, sent out school bags, educational toys, books and other resources. The staff representatives enquired the children about the situations of life and learning in detail. The caring and consoling activity not only materially helped the families with children in difficulties, but also made them feel the warm concern from social families.



## **7.4. The public welfare science popularization**

### ***“Small vision leading to a great world, lighting up life with science”***

On the morning of July 28, 2021, under the leadership of the Group’s leading teachers, 23 teenagers from Qingheli community took the bus specially assigned by Kindstar to Kindstar Global Building located in D2, Biolake, East Lake High Tech Zone. The staff representatives of Kindstar who were waiting at the entrance of the building early received them and started the exploration of science with them.



Lecturing site

## Environmental, Social and Governance Report

During the question-and-answer session, the kids were very enthusiastic. We also prepared small gifts for those who answered actively:



*Question-and-answer session site*

### ***“Have you paid attention to three high”***

In response to the “Healthy China” initiative advocated by the State, Wuhan Kindstar Medical Laboratory Co., Ltd., after intensive preparations in the early stage and under the guidance of our colleagues, held a health science popularization lecture on “Have you paid attention to three high” for the elderly residents in Qingheli community on October 25, 2021. This event explained to the elderly residents of the community about hypertension, hyperglycemia, and hyperlipidemia, which are the most common diseases among the elderly and are often neglected in the early stage, also illustrated what the “three high” are, their causes, the harm to the body, and how to early detection, early treatment, regular medication, diet safety, disease prevention, etc. During the lecture, we used pictures and cases, which were easy to understand. Everyone listened very carefully and interacted actively. After the lecture, the representatives of the Party Committee from Kindstar distributed small gifts of love to the residents. Through this event, we believe that the elderly residents in the community can pay more attention to their health, their diet, and actively detect diseases and seek medical treatment early, so that their health awareness can be enhanced, which can greatly improve their quality of life and maintain a healthy living condition.

### 7.5. Contributing to Social Wellness

On March 5, or the Day to Honor Comrade Lei Feng (雷鋒紀念日), Kindstar Medical Laboratory Co., Ltd. organized a blood donation activity. The Company's headquarters posted a notice that this activity was an act to salute Lei Feng and to advocate volunteerism. Leading by the employee representatives, a total of 31 employees signed up for this volunteer activity, including one with a rarest blood type, all of whom hoped their blood could help people in need.

Beautiful Moments of the Blood Donation by Angelic Staff

