



Incorporated in the Cayman Islands with limited liability  
於開曼群島註冊成立之有限公司  
(Stock Code 股份代號: 2138)

NO.1  
Medical Service Provider  
(Non-hospital) in Hong Kong<sup>1</sup>



# Environmental, Social and Governance Report

2020/21 For the year ended 31 March 2021

To bring health, beauty and happiness to everyone  
讓世界變得健康、美麗、快樂

According to research by Frost & Sullivan, EC Healthcare is the largest non-hospital medical service provider in terms of revenue in 2020.  
根據弗若斯特沙利文調研，於2020年收入計，醫思健康為香港最大的非醫院醫療服務提供者

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## ABOUT THIS REPORT

EC Healthcare (“ECH” or the “Company” or, together with its subsidiaries, the “Group”) is pleased to present our annual Environmental, Social and Governance report for the year ended 31 March 2021 (the “Report”).

### Basis of Preparation

The Report is prepared based on the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with related topics and data reported according to their importance with the principles of quantification, balance and consistency. We also complied with the “comply or explain” provisions set out in the ESG Guide in disclosing our administration, strategies, focus issues and data in relation to the Environment Subject Area and the Society Subject Area as set out in the ESG Guide.

### Scope and Reporting Period

The Report covers the Group’s major operations in Hong Kong including medical services, aesthetic medical services, beauty and wellness services as well as the sale of skincare, healthcare and beauty products. Policies and measures of the Group in respect of the sustainable development of the environment and the society are also revealed in the Report. Please refer to the annual report of the Group dated 29 June 2021 for its corporate governance practices.

Information, data and contents extracted in the Report have taken into account the documentation, questionnaires and statistics as well as studies of the Group. The reporting period of the Report is from 1 April 2020 to 31 March 2021 (the “Reporting Period”), for which our progress and performance regarding the environment, the society and our corporate governance are presented, and have aligned with the financial period mentioned in the Group’s 2020/21 annual report.

The Report was reviewed and approved by the board of directors of the Company on 22 October 2021.

### Contact Information

Should you have any questions or enquiries about the Report or its contents, you are welcome to contact us via the following channels:

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## OUR VISION – THE CHAIRMAN’S STATEMENT

Our story began in 2005 with a humble mission to bring health, beauty and happiness to everyone. Today, the Company is connected to thousands of customers through its network of more than 80 clinics and service centers operating in Hong Kong and Mainland China. Since its inception, the Group has been steadfast in its mission and vision to revolutionize the healthcare industry. Just as Hannibal led the elephants across the Alps from Spain, EC Healthcare also faced countless challenges and thrived over them. The Group remains dedicated to making history by constantly innovating, improving the quality of healthcare services, and serving patients from the heart.

As the leading pioneer in the industry, we genuinely believe there should be a balance between economic development, society, and the environment. Therefore, we regard ESG as one of the main priorities in mapping our business development, attempting to realize the sustainable and perpetual growth of the community. Since 2015, the philosophy of United Nations Sustainable Development Goals has been embedded into our corporate mission, integrating “Good Health and Wellbeing” into our Company’s mission of “bringing health, beauty, and happiness to everyone”. We see financial success does not need to come at the expense of society or the environment, and creating a positive impact on society and the environment does not need to come at the expense of profit. By creating shared value within the surrounding communities, we can ultimately bring prosperity to all stakeholders.

Our commitment to sustainability and today’s environmental and societal challenges is an important responsibility. We must be constructive and solution-oriented to advance sustainable, long-term growth in the world. By engaging with different stakeholders – including employees, customers and suppliers – we can do our part to improve sustainability, better serve our community, and simultaneously deliver outperformance for the Group. During the Reporting Period, varieties of internal and external stakeholders were invited to participate in discussing the sustainability policies and measures of the Group. Besides, we appreciate the importance of environmental protection and have actively encouraged our staff to participate in environmental protection activities, such as recycling waste batteries and solid wastes. We encourage employee involvement of their time, talent, and resources to worthy causes through our philanthropic and CSR initiatives.

We shall continue our regular exchanges and communication with different stakeholders, spare no effort in seeking possible methods to ramp up our business sustainability and generate cohesion for our stakeholders to contribute to society. Last but not least, we also recognize our talents as an important asset. I hereby appreciate the contribution from our staff in the past year for their efforts in working for the Group, protecting our environment, and the long-term support from our business partners, suppliers, and customers.

In the future, the Group will strive to turn our ESG vision into reality, one which will make the histories of the former seem like a faded dreaming of its past eminence.

**Tang Chi Fai**  
*Chairman and Chief Executive Officer*

22 October 2021



## STAKEHOLDERS ENGAGEMENT

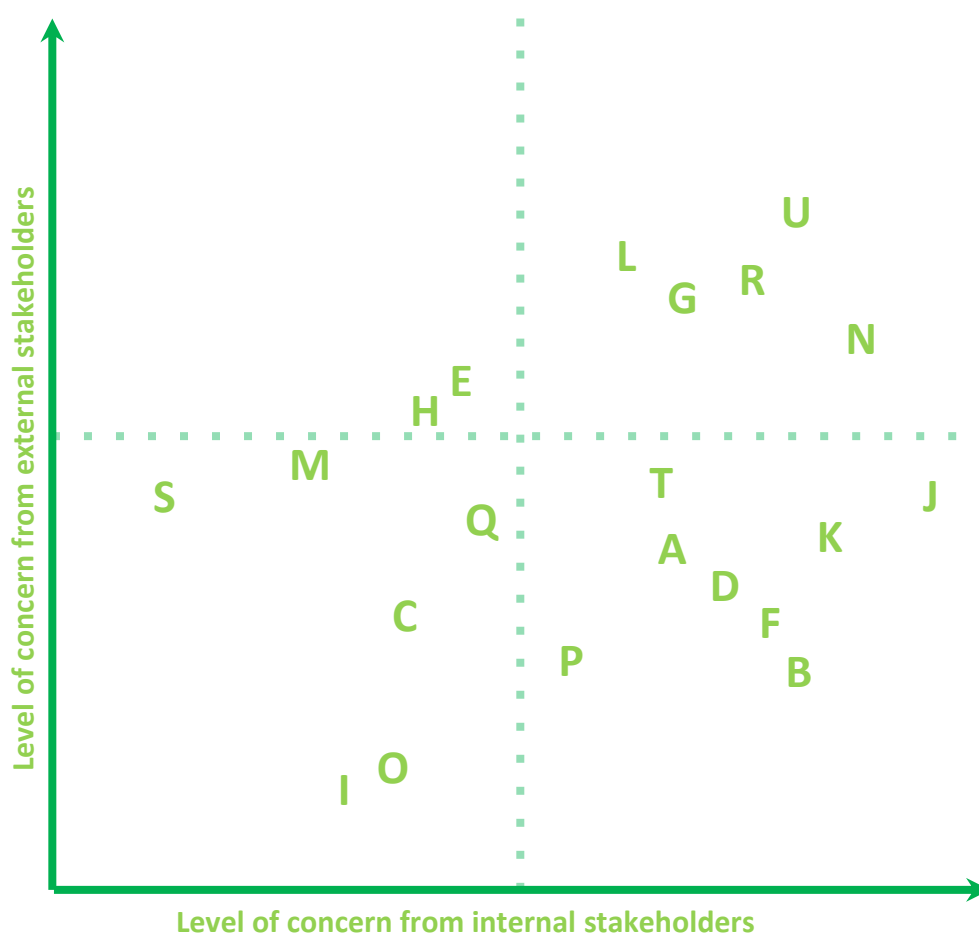
In order to understand the aspiration and concerns of stakeholders in connection with the environmental and social activities of ECH, stakeholders are invited to provide strategic comments on our measures and policies in terms of the environment, society and governance. We have kept interacting with them through various effective communication channels, with a view to perfecting our sustainability strategies in the interest of stakeholders and our ability to grow progressively. The Group's identified stakeholders and our main communication channels are listed in the following table:

	Types of stakeholders	Topics of concerns	Main communication channels
<b>Internal stakeholders</b>	Directors	<ul style="list-style-type: none"> <li>- Risk management</li> <li>- Enterprise reputation</li> <li>- Operation</li> </ul>	<ul style="list-style-type: none"> <li>- Telephone or email</li> <li>- Meetings</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>- Vocational training and development</li> <li>- Remuneration and benefits</li> <li>- Health and safety</li> <li>- Working environment</li> </ul>	<ul style="list-style-type: none"> <li>- Intranet or email</li> <li>- Meetings</li> <li>- Annual appraisal</li> <li>- Training</li> </ul>
<b>External stakeholders</b>	Shareholders/ Investors	<ul style="list-style-type: none"> <li>- Steady investment return</li> <li>- Transparency of Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Announcements and circulars</li> <li>- Shareholders' meetings</li> <li>- Company website</li> <li>- Investor relations enquiries</li> <li>- Performance roadshow</li> <li>- Investors meetings or conferences</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>- Product safety and quality control</li> <li>- After-sales service</li> <li>- Refined complaint system</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Company website</li> <li>- Telephone or email</li> <li>- Customer satisfaction survey</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>- Contract fulfillment morality</li> <li>- Supply chain management system and procurement process under regulation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Telephone or email</li> <li>- Meetings</li> </ul>
	Government and regulatory authorities	<ul style="list-style-type: none"> <li>- Operational and corporate compliance</li> <li>- Commitment to social responsibility</li> <li>- Taxation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Meetings</li> <li>- Tax returns filing</li> </ul>
	Educational institutes	<ul style="list-style-type: none"> <li>- Employment opportunities</li> <li>- Pre-employment training</li> </ul>	<ul style="list-style-type: none"> <li>- Campus seminars</li> <li>- Management trainee programme</li> </ul>
	Community	<ul style="list-style-type: none"> <li>- Community development and contribution</li> </ul>	<ul style="list-style-type: none"> <li>- Volunteer activities</li> <li>- Cooperation with communities</li> </ul>
	Banks	<ul style="list-style-type: none"> <li>- Good credit</li> <li>- Solid financial position</li> </ul>	<ul style="list-style-type: none"> <li>- Annual and interim reports</li> <li>- Meetings</li> </ul>

## IMPORTANCE ASSESSMENT

Based upon our business and daily operation, the Group has compiled a list of sustainability-related topics, which are potentially important, and has invited stakeholders to participate in this assessment. The assessment was founded upon the level of concern from both the internal and the external stakeholders with respect to the related topics, resulting in the importance matrix with the topics listed in the chart below.

By virtue of the importance matrix, we have confirmed that there are five topics which have attracted most of our stakeholders' attention, namely (i) customer satisfaction survey, (ii) right of privacy and data protection, (iii) employee education and training, (iv) occupational safety and hygiene, and (v) product safety as well as quality check and management. Closely keeping in touch with all stakeholders, the Group continues to respond to and improve on the focus topics, based on which Group manages its environmental, social and governance issues.



A	Environmental management policies and measures	I	Information on greenhouse gas emission	Q	Resource management
B	Emission management and regulation compliance	J	Total amount and disposal of hazardous wastes	R	Employee education and training
C	Waste management and recycling methods	K	Energy efficiency and management	S	Forbidding child labour or forced labour policies
D	Water resource consumption and sewage measures	L	Occupational safety and hygiene	T	Supply chain management policies
E	Staff interests and turnover	M	Staff benefits and remuneration	U	Customer satisfaction survey
F	Donation and participation in community interests	N	Right of privacy and data protection		
G	Product safety and quality check and management	O	Emission reduction measures and effects		
H	Anti-corruption policies	P	Total amount and disposal of non-hazardous wastes		

## ENVIRONMENTAL ASPECTS

### EMISSIONS

The operation of the Group is in compliance with the relevant local environmental protection laws, including the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) and the Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong). In order to ensure that the relevant business complies with the above-mentioned environmental laws and regulations, we have implemented different measures in the following areas:

#### Air Emission

Due to the nature of the Group's business, the Group has no significant direct exhaust or direct greenhouse gas emissions. However, electricity consumption in offices and service centres/clinics can cause indirect greenhouse gas emission. We encourage employees to use public transport to reduce the use of non-renewable energy resources, such as gasoline and diesel. The Group has already been using electric vehicles to reduce the burden on the surrounding environment.

#### Sewage

The sewage generated by the Group mainly comprises the water consumption in offices and service centres/clinics, which can be discharged and treated through sewage pipes.

#### Waste Management

As the Group's principal business is the provision of medical, health and wellness services, we generally produce chemical wastes and medical wastes and handle relevant wastes in accordance with the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong). For example, we use yellow packaging to label containers collecting medical wastes and red packaging for hazardous medical wastes, and have engaged a qualified waste recycling company licensed by the Environmental Protection Department to dispose of medical wastes. During the Reporting Period, hazardous wastes weighed approximately 0.85 tonnes, and 0.000005 tonnes per customer (2020: 1.67 tonnes and 0.000019 tonnes per customer). The Group generates general non-hazardous wastes, which include paper, face masks, plastic gloves and plastic bottles. These non-hazardous wastes are collected and handled by the relevant property management company. During the Reporting Period, these non-hazardous wastes weighed approximately 67.75 tonnes, and 0.004 tonnes per customer (2020: 80.61 tonnes and 0.0009 tonnes per customer). The Group's internal policies also ensure the safety of the disposal process of hazardous and non-hazardous wastes.

The main air pollutant emissions generated by the Group's vehicles are as follows:

Vehicle exhaust emissions	Unit	Emissions during the year ended 31 March	
		2021	2020
Carbon dioxide (CO <sub>2</sub> ) emissions	tonnes	11.65	7.47
Methane (CH <sub>4</sub> ) emissions	tonnes	0.0029	0.0019
Nitrous oxide (N <sub>2</sub> O) emissions	tonnes	0.0129	0.0083
Nitrogen oxide (NO <sub>x</sub> ) emissions	tonnes	0.0103	0.0092
Sulfur oxide (SO <sub>x</sub> ) emissions	tonnes	0.000073	0.000047
Particulate matter (PM) emissions	tonnes	0.00075	0.00068

The greenhouse gas emissions generated by the Group's operations are as follows:

		Emissions during the year ended 31 March	
		2021	2020
<b>Total greenhouse gas emissions</b>	<b>Unit</b>		
Greenhouse gas emissions of vehicles	tonnes CO2-e	11.65	7.47
Greenhouse gas emissions generated by electricity consumption	tonnes CO2-e	1523.51	1465.51
<b>Other indirect greenhouse gas emissions</b>	<b>Unit</b>		
Carbon dioxide emissions generated by air travel	tonnes	0	13.43
<b>Greenhouse gas emission intensity per capita</b>	<b>Unit</b>		
Greenhouse gas emissions of vehicles	tonnes CO2-e	0.0050	0.0045
Greenhouse gas emissions generated by electricity consumption	tonnes CO2-e	0.66	0.88
Carbon dioxide emissions generated by air travel	tonnes	0	0.0081

## THE ENVIRONMENT AND NATURAL RESOURCES

The Group has always attached importance to energy conservation, and therefore we have maintained an efficient resource management strategy to reduce energy consumption and create a more environmentally friendly business atmosphere. We are honoured to be awarded the SDGs Enterprise Awards in "Good Health and Wellbeing" and "Clean and Affordable Energy" by Junior Chamber International Hong Kong. The Group will continue to actively promote the e-operation and e-commerce into our business philosophy, including but not limited to energy savings, water savings, waste reduction, paper or printing reduction, green procurement, IT use and disposal, green transportation, green education and awareness, and green innovation. We regularly promote recycling programs to our staff to enhance their environmental awareness and encourage them to save paper, water and electricity.

In order to reduce the use of paper by staff, we encourage them to process daily documents electronically and when necessary, set the default printing as double-sided black-and-white printing. We also set waste paper and used toner cartridge recycling bins in offices to manage paper resources properly and to reduce the burden on the environment.

We also recommend staff to adopt telephone or video conference to reduce the number of business trips, thereby reducing the Group's overall carbon emissions and sulfur dioxide emissions.

Regarding energy equipment, the Group has installed LED lights in offices and warehouses to save electricity. We also regularly clean the filters in air-conditioners to ensure their normal operation and place recycling bins in the offices to collect rechargeable batteries.



In terms of water resources, in order to encourage staff to save water, we have put up signs in offices and medical service centres to remind employees to reduce water consumption. During the Reporting Period, as the Group utilized the local water supply system, we did not find any problems in obtaining suitable water sources.

Due to the nature of the Group's business, there is no significant concern about the packaging materials required for finished products.

The resources consumption of the Group is as follows:

		Consumption during the year ended 31 March	
		2021	2020
Categories of resources consumed	Unit		
Total electricity consumption	kWh	2,304,618	2,196,379
Total water consumption	m <sup>3</sup>	11,509	10,657
Resources consumed intensity per capita	Unit		
Electricity consumption per capita	kWh	992.09	1320.73
Water consumption per capita	m <sup>3</sup>	4.95	6.41

The Group is committed to reducing the environmental burden caused by our business and implementing various environmental protection procedures to save energy, water and other raw materials. We believe that the implementation of these policies and measures will at the same time reduce our operational costs, and bring about a win-win situation for both the environment and the Group's business, and fulfill the philosophy of sustainable development.

Unless otherwise stated, we did not have a significant impact on the environment and natural resources in our daily operation during the Reporting Period.

## SOCIAL PERFORMANCE

The Group has always attached importance to corporate social responsibility and sought to provide different kinds of funding for staff, product management and community welfare projects. The Group believes this management policy will bring positive returns to the Group in the long run.

### EMPLOYMENT AND LABOUR PRACTICES

#### EMPLOYMENT

The effective use of human resources is one of the Group's most important projects. Therefore, the Group strictly abides by the relevant laws and regulations, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong) and the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong). In addition, the Group also makes and regularly updates relevant internal policies and regulations to ensure that each employee is treated equally and free from discrimination. During the Reporting Period, the Group did not notice any significant violations of the relevant laws and regulations listed above.

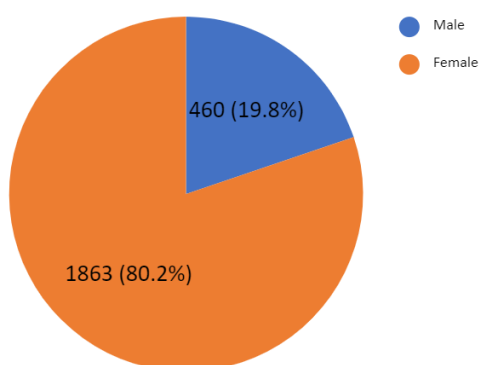
During the recruitment process, the Group ensures that candidates will not be treated unfairly because of their family status, sexual orientation, religion and ethnicity. We employ ethnic minorities to give them an equal opportunity to serve the community. In addition, the Group provides clear career guidance to employees, and communicate regularly with them to listen to their opinions on their positions.

The Group prepares internal staff manual for all employees in relation to matters such as salary, promotion, working hours, benefits and codes. All employees enjoy the leave entitlements set out in the Employment Ordinance, including annual leave, sick leave, volunteer work leave, maternity leave and paternity leave. We fulfill our responsibilities as an employer in terms of the MPF, including creating MPF accounts for staff and making contributions.

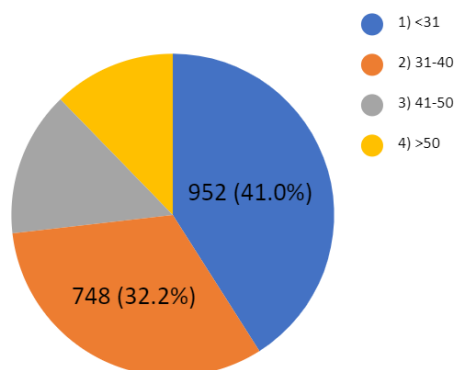
The Group provides different employee benefits, such as medical allowance, corporate discounts for employees and their immediate relatives. These benefits help to develop employees' sense of belonging. In addition, the Company has established a share option scheme and a share award scheme to provide incentives and rewards to eligible employees who have made outstanding contributions to the Group's operation.

As at 31 March 2021, the total number of employees of the Group was 2,323 (2020: 1,663), the majority of which were females and under 40 years old.

**Composition by Gender**



**Composition by Age**



### **HEALTH AND SAFETY**

The Group is committed to providing a safe and healthy working environment for employees and visitors. Our offices and medical service centres have implemented safety procedures and good housekeeping practices in accordance with the applicable regulations.

All employees shall have received an 150-hour training before they officially commence work to ensure that all medicines and apparatuses will be used properly and safely. In order to address such situations and provide a safe and healthy working environment, the Healthy Work Guidelines, Working Instruction Manual, Medical Contingency Plan and Infectious Disease Management and Customer Health Ordinance were formulated by the Group. Unless professionally accredited, the guidelines clearly state that all employees must not use the equipment for any treatment on his/her own to reduce any work-related risks. The Group strictly abides by the Medical Clinics Ordinance (Chapter 343 of the Laws of Hong Kong) and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) along with other relevant laws to ensure that our employees are working under a safe environment. We have implemented various measures for our employees so as to prevent infection, including ensuring hand hygiene, requiring the staff not to wear accessories such as artificial nails or rings and providing each employee with personal protective equipment. We also provide clear guidelines to our staff, including the procedures for handling any injection-related treatments and disposal of the waste.

The Group is committed to fully complying with the relevant occupational health and safety laws in Hong Kong, Mainland China and Macau. The Group has also purchased suitable insurance plans for employees covering medical care and accidents.

### **DEVELOPMENT AND TRAINING**

Development and training have always been an important part of the Group's business development. We attach great importance to ensuring the safety of employees and providing our customers with safe and superb medical services. Therefore, the Group has been providing different training courses and resources to employees and promoting employee development.

Our internal training department will arrange new employee training with respect to the Group's profile, applicable laws including but not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong), the Undesirable Medical Advertisements Ordinance (Chapter 231 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), daily operation of the Group, all operational procedures and practice of treatments. After 150 hours of training, all new employees are required to take and pass an examination before officially performing relevant duties.

In addition, we arrange our employees to receive different types of trainings, including sponsored training programs, seminars, workshops and conferences, peer study programs, on-the-job coaching, and tuition fee subsidy scheme for external training courses regularly. During the Reporting Period, the Group convened medical conferences and invited our registered practitioners and our management to explore the Group's development and future direction on the one hand and on the other hand, to promote the experience sharing and communication among doctors, and encourage cooperation among different staff teams. We also conducted monthly staff meetings, in which employees of the sales department, including consultants and sales managers, were invited to conduct sales data analysis and to analyze and review the performance of each month. Celebrities were also invited to share their success stories. The Group believes that the above activities will not only enhance employees' professional knowledge and improve their efficiency and executive capacity on the technical level, but also increase their sense of belonging and reduce employee turnover rate.

The Group regularly informs the Company's directors of the latest updates on the Listing Rules and other applicable legal and regulatory requirements and rules in relation to matters required when performing their duties.

*Regular Medical Conference*



*Monthly Staff Meeting*



**LABOUR STANDARDS**

The Group strictly complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and their respective subsidiary legislations. Recognizing the requirements under the Employment of Children Regulation, the Group has never hired any child labour or forced labour and is in compliance with the relevant Hong Kong laws and regulations. During our recruitment process, the human resources department would screen out candidates who fail to meet the age requirement for employment. The Group was not aware of any violation of relevant child and forced labour laws and rules during the Reporting Period.

## **OPERATION PRACTICES**

### **SUPPLY CHAIN MANAGEMENT**

Reliable and quality suppliers are equally important in facilitating our provision of services with high standard of safety and professionalism. The Group has established procurement management and regularly review policies to enable the procurement department to conduct research and appraisal for suppliers' performance. We review our policies annually in order to meet the latest industry standards and improve ourselves.

The Group has stringent policies on the selection of suppliers. We consider, inter alia, suppliers' reputation, safety records, past performance records, supply quality, price competitiveness, delivery punctuality, relationship with the Group, completeness of certificates and evidence provided, service quality and types of products supplied. We shall review and assess suppliers' performance and qualifications regularly to ensure their quality by ensuring that relevant suppliers have obtained all necessary permits.

By virtue of the business expansion of the Group, the numbers of suppliers and partners in co-operation are increasing. This has raised the Group's awareness of strengthening our supplier management relative to their performance on corporate social responsibility such as whether they have applied any environmental-friendly technology or implemented any environment management system. We will also rate our business partners according to the "Supplier Assessment Chart" that we have designed and conduct follow-ups. It coincides with our future management direction which emphasises more on the suppliers' performance in this aspect.

### **PRODUCT RESPONSIBILITY**

As a leading provider of medical healthcare service in the industry, we make great efforts to minimize the potential risks for all our products and services, bearing in mind the commitment of ECH to provide services to our customers with integrity. No false information is allowed for any promotional uses.

- All the content, including wordings and pictures, of the Group's advertisements is required to be reviewed in a stringent manner in accordance with the Trade Descriptions Ordinance and the Undesirable Medical Advertisements Ordinance before being published;
- Registered medical practitioners hired by the Group are required to follow the "Code of Professional Conduct" of the Medical Council of Hong Kong, and are not allowed to advertise their services;
- All medical projects are carried out in compliance with professional medical procedures, including: customers have to sign a consent before treatments to ensure their understanding of the risks involved in our medical services;
- Disposable medical supplies are utilized;
- Medical equipment is chosen in compliance with medical regulations; and
- Websites of the brands under the Group set out the terms and conditions for customers to understand the Privacy Policy Statement of such brands alongside service hotline and email for handling customers' enquiry.

The Group abides by the Personal Data (Privacy) Ordinance to ensure that personal information are highly safeguarded. Our employees are prohibited from disclosing any confidential information related to our suppliers and customers orally or in writing or through other non-public media.

### **Protection of Intellectual Property Rights**

Aiming at protecting our intellectual property rights, the Group has enacted a variety of ancillary measures to escort the Group's businesses, strictly complying with the Copyright Ordinance (Chapter 528 of Laws of Hong Kong). During new employee training, new staff will also be provided with explanation and clear illustration that every staff must protect the confidential information of the Group and should take up specific responsibility related to intellectual property rights. If violations are found, the Group will take legal action or intervene by means of mediation.



Besides, the Group has implemented the following measures:

- Electronic sales ancillary measures are promoted, whereby all the booklets regarding matters such as introduction of products and services are displayed with specific tablets only, to prevent certain sensitive information or trade secrets from being misappropriated;
- Trademarks for the brands under the Group are registered at the Trade Marks Registry; and
- Websites of the brands under the Group are registered according to the applicable domains.

### Product Quality Assurance Process

After our suppliers' products have arrived at the Group's warehouses, warehouse supervisors will manage the goods-receiving procedures, inventory transfer, inventory safety rules, dangerous drugs disposal, write-off of expired or damaged inventory and impairment measures with reference to our "Inventory Management System". The protocol explicitly set out details of the working procedures in relation to our inventory officers and system updates for internal management. To ensure product quality, registered medical practitioners are responsible for handling dangerous drugs in compliance with the requirements of the Pharmacy and Poisons Ordinance (Chapter 138 of the Laws of Hong Kong). Based on "Stocktaking Methods and Guidelines", our staff conduct monthly stocktaking and fill in a "Monthly Consumption Log".

### ANTI-CORRUPTION

The Group advocates honesty, integrity and a sense of responsibility as our corporate culture and our "Code of Conduct". We would never allow any form of corruption, including bribery, extortion, fraud and money laundering. Regulations on anti-bribery, fraud and money laundering are explicitly stipulated in the Group's "Code of Conduct". For instance, staff and agents are prohibited from:

- offering or accepting monetary advantages, gifts, loans or other benefits which may affect business decisions or interfere with independent judgment on diagnosis and treatments provided to our customers;
- offering or receiving kickbacks, remuneration or secret commissions for ECH;
- offering bribes to government officers to obtain favorable terms or conditions; and
- engaging in any actual or potential insider dealings.

The Group has implemented a whistle-blowing policy with effect from June 2015. Our staff have been invited by email to express themselves and provide opinions of their positions or the Company anonymously. Our staff can also provide their contact information to our senior management, who will follow up with the matters on a confidential basis. Only the chief executives of the Company are authorized to assess such emails.

The Group encourages our staff to submit inquiries or report illegal or suspicious behaviour, with two reporting channels in place:

- i. For commercial bribery and fraud, directly submit reports to the chief operating officer or the chief financial officer by email.
- ii. For other behaviour violating the "Code of Conduct", directly submit reports to the senior operations manager or the human resources manager by email.

If any violation of the "Code of Conduct" is discovered, the Group will take immediate actions to investigate and report to government authorities. Once confirmed, the employees involved may be penalized depending on the severity of the breaches or, in a worse case, to have their employment contract terminated.

During the Reporting Period, the Group was not aware of any breach of laws and regulations relating to bribery, extortion, fraud and money laundering, and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) have been strictly followed.

## COMMUNITY

### COMMUNITY INVESTMENT

The Group cares about the community and is willing to take up corporate social responsibilities to create a more inclusive society. In addition to encouraging volunteer works and giving, the Group also recognises our staff as an important asset and is concerned about employee-related matters such as staff benefits and support. Besides, the Group appreciates the importance of environmental protection and spares no effort in promoting the protection of the environment.

#### “SDGs Enterprise Awards”

The Sustainable Development Goals (SDGs) have been signed by 193 countries globally, outlining a vision for peace in 2030. The framework of the 17 SDGs is an international common language and road map, enabling public and private institutions and people to fully understand the world's most pressing issues. It allows us to work together at a consistent pace to accelerate the motivation and effectiveness of private or social enterprise implementation of SDGs through competition. This year, we are honoured to be receiving the prestigious SDGs Enterprise Awards in "Good Health and Wellbeing" and "Affordable and Clean Energy". By constantly improving healthcare services and protecting the environment, the Group will continue to create value for all stakeholders.

#### “HERA – Hong Kong ESG Reporting Awards”

We are honoured to be recognised by society for our commitment to upholding the ESG reporting standard. The Hong Kong ESG Reporting Awards (HERA) is an annual event to recognise listed companies for outstanding ESG reporting and business practices. The awards not only recognise the winners but also bolster the efforts companies invest in to pursue improved ESG practices. HERA aims not only to recognise companies for outstanding reporting on ESG matters, but also to build and strengthen the ESG coterie in Hong Kong, China, and Macau. The aim is to highlight the growing interest in ESG in the midst of the ongoing turbulence and how companies can tap into new opportunities, address challenges and adapt their business models to ensure long-term sustainability.

#### “ECH x BOC Life: Free- Pre Covid-19 Vaccination Health Assessment”

We have offered 10,000 quotas to the citizens of Hong Kong for the Pre-Covid-19 Vaccination Health Assessment. This incentive aims at encouraging the public to receive the COVID-19 vaccination, and help them get prepared before taking the vaccines. Together, we could boost the vaccination take-up rate while acting as a good corporate citizen to help Hong Kong become COVID-19 free.



#### “ECH x The Elderly Services Association of Hong Kong”

We have offered 100 quotas of the free Pre-COVID-19 Vaccination Health Assessment to the Elderly Services Association of Hong Kong. All workers of elderly homes in Hong Kong also enjoy a discounted rate to the health assessment to encourage vaccination. It enables the workers to protect themselves and the elderly they serve.

#### “EC Healthcare Consultation Subsidy Scheme”

The initiative aims to relieve the plight of Hong Kong citizens by offering them comprehensive protection through a discounted general consultation fee of HK\$50 inclusive of a 3-day basic medication fee. The scheme aims to provide a professional medical check-up service for citizens at an affordable price.

#### “EC Healthcare x Dr Go x Mental Health Association of Hong Kong - Never Give Up”

This program aims to raise awareness of mental wellness during the COVID-19 pandemic by providing mental health-related training and free telemedical service. A charity concert and charity sales were also held by members from the famous local band MIRROR.



#### “EC Healthcare x Joanne Chan (Registered Dietitian) – Be a Green Chef”

Joanne Chan was invited to host the activity to teach influencer guests and our staff to make DIY healthy fruit bowls for 150+ staff of EC Healthcare. The purpose is to raise awareness of green eating habits for the improvement of gut health, boosting immunity system and achieve an anti-aging effect.

#### “EC Healthcare x Art in Hospital – Art Therapy”

More than 30 staff in ECH was invited to participate in Art Therapy hosted by medical department. Our staff was encouraged to seek stress reliefer through painting and chit chatting with art instructors and other colleagues as well. The purpose is to create a work life balanced environment for ECH staff.



#### “EC Healthcare x Lok Sin Tong Benevolent Society”

The Group is dedicated in giving back to the community, hoping to bring warmth and care to needed groups. We have collaborated with Lok Sin Tong Benevolent Society to give Lucky Bags to over 50 Elderly in the Homantin area.



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