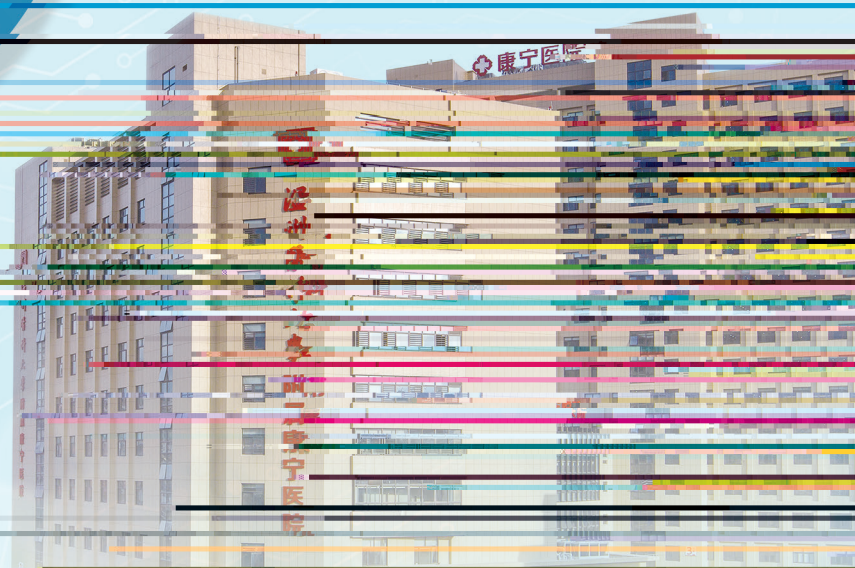


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1. About the Report

Wenzhou Kangning Hospital Co., Ltd. (“Wenzhou Kangning” or the “Company”) and its subsidiaries (together the “Group” or “we”) are pleased to announce our Environmental, Social and Governance Report. The Report summarizes the Group’s practice in sustainable development concept as well as what we have done with regard to the fulfillment of our corporate social responsibilities.

Reporting Standards

The Report is in compliance with the reporting principles regarding “Materiality”, “Quantitative”, “Balance” and “Consistency” contained in the Environmental, Social and Governance Reporting Guide (《環境、社會及管治報告指引》) (hereinafter referred to as the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (《證券上市規則》) on the Stock Exchange of Hong Kong Limited, the content of which covers all the “comply or explain” provisions as set out in the Guide.

Reporting Scope

The Report presents the Group’s overall performance regarding sustainable development from 1 January 2020 to 31 December 2020 (hereinafter referred to as the “Year” or the “Reporting Period”). Unless otherwise stated, the Report covers healthcare business directly controlled by the Group. Please refer to the section headed “Corporate Governance Report” in the annual report or the Group’s official website (<http://www.knhosp.cn/en>) for detailed information about the corporate governance of the Group.

Reporting Language

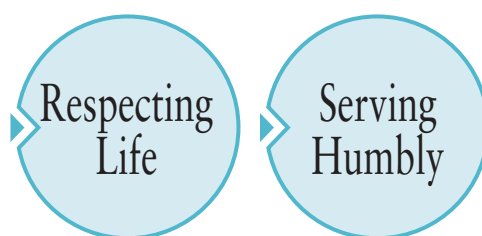
The Report is released electronically in both traditional Chinese and English. In case of discrepancy, the traditional Chinese version shall prevail.

Feedback on the Report

Please contact us via email (email address: ir@knhosp.com) for any inquiries or suggestions on the Report or the sustainable development strategies of the Group.

2. About the Group

With Wenzhou Kangning Hospital (Kangning Hospital affiliated with Wenzhou Medical University) as its core, the Group operates a principal business of managing a network of healthcare facilities that primarily focus on providing psychiatric specialty care across various regions in China. Wenzhou Kangning Hospital is a non-government 3A Class psychiatric specialty hospital in China, a Key National Hospital for Specialized Clinical Psychiatry, a national base for providing standardized training to psychiatry resident doctors and an institution for national drug clinical trials. Wenzhou Kangning was listed on the Main Board of the Stock Exchange of Hong Kong on 20 November 2015, becoming the first listed psychiatric specialty hospital company in China.



Core Value

Adhering to the core value of “Respecting Life and Serving Humbly”, the Group is devoted to providing dignified healthcare services to patients with mental disorders. Wenzhou Kangning has put forward the innovative management concept of “changing care into management”. Its unique hospital management and development model has been included in the case database of Harvard Business School, becoming the first hospital case of China.

While the Group’s owned hospitals business grew healthily and steadily, the Group has actively explored a new service pattern of “Internet + medical health”, developed businesses such as drug provision for other Internet hospitals, prescription service provision for drug e-commerce platform and the business of re-diagnosis and prescribing drugs through its own Internet platform. It initially constructed an Internet mental health management platform with Internet hospitals, Medical Group, drug supply chain and medical informatization as its main business. On the other hand, leveraging on the opportunities arising from the construction of social mental service system encouraged by the nation, the Group created a new model for mental services with Wenzhou area as the hub and close collaboration between online and offline channels, so as to cultivate a market targeting patients with moderate illness by using social mental services as the breakthrough point.

The following are the awards/honors received by the Group during the Reporting Period.

Award/honor	Awarding authority
Advanced Unit for fighting Against COVID-19 (抗擊新型冠狀病毒肺炎疫情先進單位)	Zhejiang Social Medical-group Association (浙江省社會辦醫協會)
Silver Award for Caring Company’s Donation Work for Red Cross (紅十字捐贈工作愛心集體銀獎)	Red Cross Society of Wenzhou (溫州市紅十字會)
Certificate of Appreciation for Helping Hubei to fight the Virus (援鄂抗疫感謝狀)	Leading Group for Prevention and Control of Virus under Chinese Non-government Medical Institutions Association (中國非公立醫療機構協會疫情防控工作領導小組)
2019 Top 100 Enterprises in Lucheng District (2019年度鹿城區百強企業)	Enterprise Association of Lucheng District, Wenzhou (溫州市鹿城區企業聯合會)
2019 Meritorious Enterprise in Lucheng District (2019年度鹿城區功勳企業)	CPC Wenzhou Lucheng District Committee (中共溫州市鹿城區委), People’s Government of Lucheng District, Wenzhou (溫州市鹿城區人民政府)

3. Chairman's Statement

Dear stakeholders,

Looking back to 2020, the COVID-19 epidemic has continuously brought people burdens in varying extents.

4. Sustainable Development Strategy

The Group attaches importance to the management of sustainable development of enterprises and actively fulfills its corporate social responsibilities. We integrate sustainable development concepts into the overall business development plan, implement sustainable development policies in the healthcare team, healthcare services, environment, community and other sectors, so as to continuously improve the ESG performance, and create value for all stakeholders.

4.1 Environmental, Social and Governance System

We have issued the Notification Concerning the Establishment of the ESG Working Group 《關於成立環境、社會及管治專責小組的通知》 and set up an ESG working group composed of the executive directors, the general manager, the board secretary and representatives from main departments of the Group. The Working Group formed an environmental, social and governance structure covering the board of directors, management and various functional departments to strengthen the standardized management of sustainable development.

The Board of Directors	• Undertake all obligations towards ESG strategies and reporting • Identify, evaluate and determine ESG-related risks • Establish appropriate ESG risk management and internal control systems
The Management	• Evaluate and manage risks during operation • Ensure the effectiveness of the risk management and internal control systems to the board of directors
The ESG Working Group	• Identify significant ESG matters • Review and supervise relevant policies and practices • Report to the board of directors and propose appropriate suggestions on a regular basis
Each Department	• Execute ESG policies • Collect internal policies and data • Give feedback on the effectiveness of policies and provide recommendations for improvement

Environmental, social and governance structure

4. Sustainable Development Strategy

4.2. Communication with Stakeholders

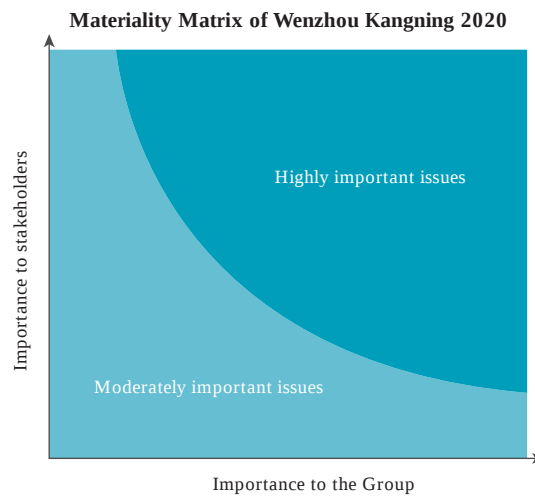
The Group listens to stakeholders' opinions with regard to ESG issues by establishing diversified communication channels to understand the issues and expectations they concern and works out the sustainable development strategies of the Group. In the Year, we contacted our stakeholders in various sectors, including patients and their families, employees, shareholders/investors, government and regulatory authorities, counterparties/business partners, suppliers, media, and communities/non-government groups, with the expectation to establish a long-term and trustful relationship.

Stakeholders	Communication channels
Patients and their families	• Daily operation/communication • Service center • Consultation group • Satisfaction survey and feedback form • Telephone

4. Sustainable Development Strategy

4.3 Materiality Assessment

In the Year, with reference to the disclosure obligations covered in the Guide and the “Materiality Map” of the Sustainability Accounting Standards Board (SASB) of the United States, etc., taking into account its business operation status and the issues concerned by various stakeholders and benchmarking against the best practice of its peers, the Group sorted out the important ESG issues identified. In the end, we identified 35 important issues, including 22 highly important issues and 13 moderately important issues, as the basis for the preparation of the Report.



4. Sustainable Development Strategy

Highly important issues

- Climate change
- Effective utilization of resources
- Up-to-standard discharge of wastewater and measures for emission reduction
- Establishing and improving medical waste management procedures
- Formulation of guidelines and objectives for environmental protection
- Provision of competitive remuneration, benefits and promotion channels
- Setting up School of Mental Health in cooperation with Wenzhou Medical University to cultivate medical talents
- Employment in compliance with laws and regulations
- Employment relationship
- Provision of training and skill enhancement courses for employees
- Safe working environment
- Attention to employees' safety and health
- Establishment of a sound medical quality management system
- Safeguarding customers' legal rights and interests
- Safeguarding customers' privacy
- Establishment of an effective mechanism for handling customer complaints
- Emergency management
- Strict implementation of admittance and review standards for suppliers
- Respecting and protecting intellectual property rights
- Allocating more resources to support the development of neighboring communities
- Promoting health education
- Inclusive medical health services

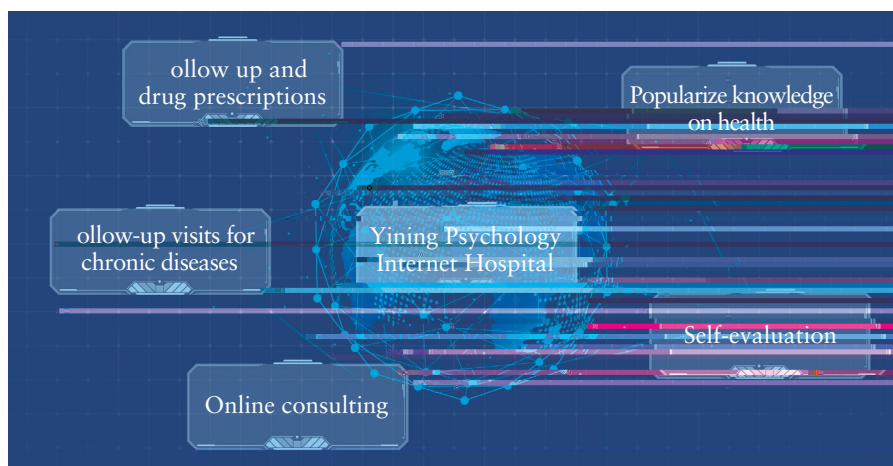
Modestly important issues

- Up-to-standard discharge of waste gas and measures for emission reduction
- Greenhouse gas emission reduction
- Energy consumption
- Utilization of water resources
- Employee equality and diversity
- Promotion of investment activities for the advancement of the medical undertaking
- Formulation of policies and systems for preventing bribery, extortion, fraud and money laundering
- Service compliance
- Business ethics
- Enhancing sustainable operation capability
- Economic performance
- Engagement in public charity and volunteer activities
- Corporate image

5. Standardizing Hospital Management

Implementing the core value of “Respecting Life and Serving Humbly” and adhering to the professional ethics of “K00q@W0q27

5. Standardizing Hospital Management



Yining Psychology Internet Hospital

In order to further improve the quality of healthcare services, the Group has actively explored a new service pattern of “Internet + medical health” by setting up Yining Psychology Internet hospital, and realized “remote”, “accurate” and “smart” mental health services through the application of the Internet diagnosis and treatment platform with information technology and big data. In addition, the Group has independently developed mobile nursing system, personnel management system, medical record management system, hospital information management system, laboratory information management system, electronic medical record system, cloud hospital system, cloud office system, cloud life system, etc., which are suitable for specialty hospitals, so as to effectively improve the work efficiency and medical quality of medical staff and to meet the needs of medical management of the Group.

5. Standardizing Hospital Management

5.2 Management of Business Information

The Group handles business-related information prudently and strictly abides by the Law of the People's Republic of China on Guarding State Secrets (《中華人民共和國保守國家秘密法》), the Regulations on the Implementation of the Law of the People's Republic of China on Guarding State Secrets (《中華人民共和國保守國家秘密法實施條例》), the Regulations on the Protection of Computer Software of the PRC (

5. Standardizing Hospital Management

We pay close attention to the professional ethics of the medical staff, and have zero tolerance towards any form of bribery, such as receiving drug kickbacks from pharmaceutical companies without permission. In order to enhance the supervision on the personal conduct of our medical staff, we set up a tip-off hotline to encourage our staff, the public, patients and their families to report potential internal illegal activities of the Group. We will keep the informant's identity strictly confidential in an effort to discover and correct all kinds of misconduct in a timely manner. During the Reporting Period, there was no record of litigation or any corruption, bribery, extortion, fraud and money laundering against the Group or our staff.

5.4 Supply Chain Management

A sustainable supply chain is an important part in maintaining the stable development of the Group's healthcare business. The Group is in strict compliance with the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》), Regulations for Implementation of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), Regulations for the Control of Narcotic Drugs and Psychotropic Drugs (《麻醉藥品和精神藥品管理條例》), Measures for the Administration of Medical Toxic Drugs (《醫療用毒性藥品管理辦法》), Regulations for the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and Management Provisions for Medical Device Distributing Enterprise License (《醫療器械經營企業許可證管理辦法》) and other laws and regulations. We have also established the Administrative Measures for Suppliers (《供應商管理辦法》) and the Procurement Management System (《採購管理制度》) to regulate and manage business-related procurement activities.

When selecting suppliers, we will appraise the new suppliers' qualification and give priority to suppliers with strong production, technical and quality assurance capabilities, normal production management, reasonable prices, and eco-friendly materials. In order to strengthen the prevention of environmental and social risks related to the supply chain, we will conduct review on the independence of suppliers with a total contract amount exceeding RMB100,000 in accordance with our Contract Management System (《合同管理制度》) and also enter into an anti-commercial bribery agreement with relevant suppliers. In addition, we constantly supervise the quality of warehousing materials and perform quarterly and annual appraisal on our suppliers, in a bid to ensure that the selection of suppliers meets various business needs.

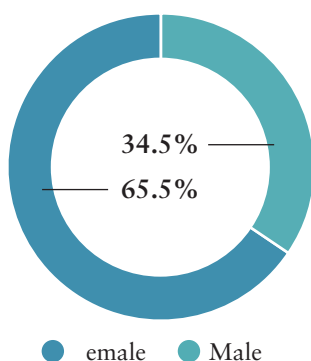
5. Standardizing Hospital Management

In the Year, a total of 140 medical device suppliers were involved in the Group, all of which are from the PRC. The

6. Professional Medical Team

Employees are important and valuable assets of the Group. We attach great importance to the building and management of our talent team. We have formulated the Employee Manual 《員工手冊》 and established a sound human resource management system to strive to create an ideal working environment for our employees. As at 31 December 2020, the Group had a total of 3,338 staff members. The graphs below show the percentage of employees by gender and age group.

Percentage of employees by gender



Percentage of employees by age group



6.1 Management of Employee Recruitment

6. Professional Medical Team

During the recruitment process, we undertake a rigorous review of candidates' identity documents and conclude labor contracts with employees on a mutually agreed basis after negotiation to prevent the employment of child labor or forced labor. In addition, we implement a flexible working schedule and a two-day break per week to match the standard working hours to preserve the legitimate rights and interests of our employees. In the event of forced labor, such employees have the right to terminate the employment relationship in accordance with the relevant terms of their labor contracts. Regarding employee resignation, the human resources department will look for reasons for the resignation, and identify and manage matters related to employee resignation. We will also make arrangements in accordance with relevant laws and regulations and the terms of the labor contract, eliminating any unfair treatment to any party.

6.2 Employees' Benefits and Remuneration

The Group offers attractive remuneration packages to employees to attract and retain talents. Besides the PRC statutory holidays, our employees are entitled to annual leave, marriage leave, compassionate leave, maternity leave, miscarriage leave, paternity leave, lactation leave, sick leave, work injury leave, personal leave, etc. We also provide employees with food allowances, night meal allowances, allowances for working under high temperature, holiday subsidies, as well as accommodation arrangements or housing subsidies and other benefits. In accordance with the relevant PRC laws and regulations, the Group also makes contributions to the national pension schemes for eligible employees. Such social security coverage includes basic medical insurance, basic endowment insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund and corporate annuities.

We have set up the Employee Ranks and Remuneration Scheme 《員工職級及薪酬方案》 to improve the employee salary management system. Remunerations to our employees consist of monthly basic salary, post salary, seniority salary, education allowances, title allowances and year-end bonuses. The Human Resources Department is responsible for conducting the annual performance appraisal of employees. Substance and terms of an assessment varies, depending on profession and position of an employee, however, assessment items basically cover performance indicators such as working plans and advice, moral merits, duty performance, work execution capability, labor discipline and service quality. The results of the annual performance appraisal of employees will be applied as the basis for selecting outstanding employees, issuance of year-end bonuses, salary and job adjustment, ensuring that reasonable compensation is given to different employees.

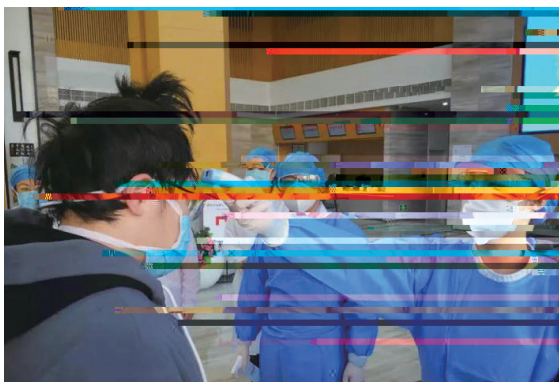
6. Professional Medical Team

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6.3 Occupational Health and Safety

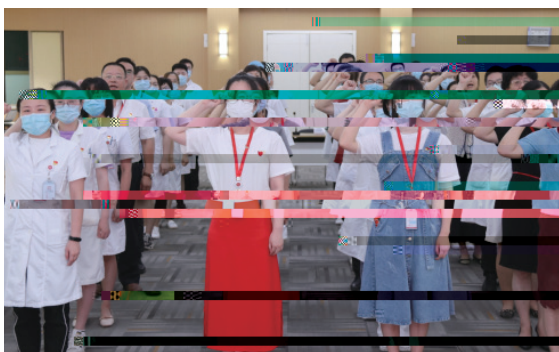
As a provider of professional medical services, we pay special attention to the physical and mental health of our employees. The Group strictly complies with the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Measures for the Administration of Occupational Health Examination (

6. Professional Medical Team



Temperature testing before admission

To help employees balance life and work, we kept organizing a variety of staff activities amidst the pandemic from time to time such as the New Year Eve Party and Tao Tao Bar Charity Sale. Under the leadership of the Party committee within our Group, we held the “Red Engine” on the Party’s celebration day, “Hundred People and Hundred Songs” and other activities to motivate employees to think positively like a party member would do. The Group also offers employees free access to our gym, swimming pool, etc. with an aim to create a culture of occupational safety and health.



“Red Engine” activity on the Party’s celebration day

6. Professional Medical Team

6.4 Development of Medical Personnel

The Group puts great emphasis on the training and development of medical personnel, proactively establishes “in-hospital teaching” and promotes the coordinated development of medical practice, education and research. We formulate annual plans for employee training, ward clinical teaching and emergency drills according to the job requirements of each professional position, and provide employees with pre-job training and on-the-job professional knowledge training to continuously improve their professional quality. The percentage of employees trained and average training hours of employees of the Group by gender and employee type during the Reporting Period are as follows.

	P rc ntage of Employ ees Train d	Av rag Training Hours
By g nd r		
Female employees	84.0%	20.0 hours
Male employees	77.6%	23.2 hours
By mploy ty p		
Junior employees	80.3%	23.9 hours
Middle management	91.4%	27.0 hours
Senior management	100.0%	14.0 hours

We are also actively engaged in different forms of training to ensure the professional improvement of our medical staff. In the Year, Wenzhou Kangning Hospital has been admitted as one of the standardized training bases for resident doctors in the PRC in the third round of selection by the relevant authority. According to the teaching syllabus of medical schools and the teaching requirements of clinical departments, the teachers of “in-hospital teaching” will plan the teaching tasks for the academic year/semester, carry out targeted assessment and intensive training for trainees, conduct simulated examination, and organize assessment of both theoretical knowledge and skills, so as to ensure the quality of standardized training for resident doctors.

Wenzhou Kangning Hospital has been approved to establish the post-doctorate workstation in Zhejiang Province, which is committed to training young postdoctoral scholars as clinical research talents. It has also carried out special research in the aspects of mental health of children and adolescents, such as being tired of learning, dropping out of school, family relations, as well as the pathogenesis of mental illness such as children’s hyperactivity disorder, autism, etc., and digital psychiatry, with a view to promoting the development of psychiatry.

6. Professional Medical Team

In addition, the Alzheimer's Disease International Diagnosis and Treatment Center (阿爾茨海默病國際診療中心) jointly established by Wenzhou Kangning and Wenzhou Medical University has become an international science and technology cooperation base for digital psychiatry and Alzheimer's disease, mainly carrying out science and

7. Green Hospital Management

7.2. Energy Management

The Group continuously monitors the power consumption in the process of business operation and implements energy management from various aspects. We strictly comply with the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), the Notice on Issuing of the “13th Five-Year” Plan for the Conservation of Energy Sources by Government Agencies (《關於印發公共機構節約能源資源“十三五”規劃的通知》), the Regulations on Energy Conservation of Public Institutions (《公共機構節能條例》) and other laws and regulations, so as to implement the measures for energy conservation and consumption reduction. Wenzhou Kangning has established a work leading group to promote the “Energy Conservation Campaign by Public Institutions”, and enhanced its education regarding energy conservation on the medical staff through different channels.

In order to improve the energy efficiency, the Group divided the hospital into several different zones with lighting energy consumption. The Group has established a work leading group to promote the “Energy Conservation Campaign by Public Institutions”, and enhanced its education regarding energy conservation on the medical staff through different channels.

7. Green Hospital Management

7.4. Paperless Office 583,8398 (7.4. The Group actively advocates paperless)-2010

7. Green Hospital Management

In the Year, Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. consumed a total of 14,262.8 kg of papers, with an intensity of 0.5 kg per person, representing a decrease of nearly 70% as compared to last year, which shows that we are gradually realizing paperless office.

7.5 Waste Management

The Group supports the responsible use of all kinds of materials and advocates waste reduction from the source. We encourage our employees to reduce the use of disposable and unrecyclable products and repeatedly use envelopes, spring binders and other stationeries. The Group also calculates the inventories of various materials and assesses the consumption from time to time to avoid excessive purchase.

In respect of waste disposal, the Group strictly complies with the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), Regulations on the Prevention of Solid Waste Pollution in Zhejiang Province (《浙江省固體廢物污染防治條例》), Administrative Measures for Kitchen Waste in Urban Areas of Wenzhou City (《溫州市區餐廚垃圾管理辦法》) and other laws and regulations to collect wastes by category and manage various kinds of wastes, and recycle waste paper, metal, plastic products and discarded batteries. We have installed oil fume purification units for canteen and oil-water separators, and set a dedicated recycle bin at the designated place to collect waste oil from kitchen which would be handed over to the professional environmental service contractors approved by the relevant administrative and regulatory departments for further disposal so as to strengthen our pollution prevention.

In respect of medical waste, the Group has employed qualified third parties to properly collect, store and dispose medical waste for all our medical institutions in accordance with the Regulations on the Administration of Medical Waste (《醫療廢物管理條例》), Implementation Measures of the Management of Medical Waste for Medical Institutions (《醫療衛生機構醫療廢物管理辦法》), Technical Specifications for the Centralized Disposal of Medical Waste (《醫療廢物集中處理技術規範》), and other applicable laws and regulations. We make wise use of the qualified packing bags and sharps boxes specifically for medical waste to pack and collect various medical waste by category, and store them in a recycle case at the designated temporary storage point of medical waste for further disposal by designated qualified third parties. We have set a radioactive liquid waste treatment facility in our hospital and regulated the operations in the use, storage and disposal of radiation sources and liquid wastes to enhance the safety management on wastes of biological and radiation sources.

In the Year, Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. recorded a total output of non-hazardous waste of 4,301.6 tonnes, with an intensity of 161.7 kg per person. The total output of hazardous waste included 46.4 tonnes of medical waste, computers, waste ink cartridges and waste batteries, with an intensity of 1.7 kg per person.

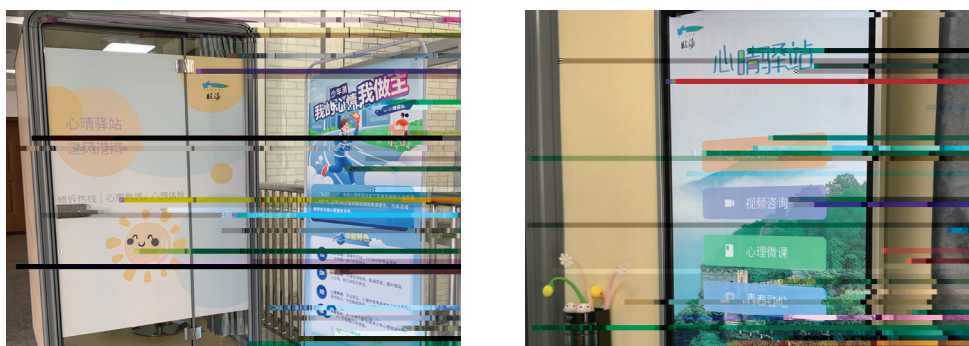
8. Building a Healthy Community Together

The Group always adheres to the corporate belief of “It is More Blessed to Give than to Receive”. While promoting the development of healthcare services, the Group cares about social welfare, as such, it promotes a healthy society mainly through medical specialties, and wishes to build a healthy community with people from all sectors. During the Reporting Period, the Group invested more than RMB8.79 million in social welfare projects.

8.1 Inclusive Medical Health Services

As a psychiatric specialized medical service provider, the Group pays special attention to the mental health of the public. In order to meet the increasing mental health needs of the public, we actively responded to China’s policy of “strengthening the construction of the social mental service system” and launched online and offline social mental services.

By means of information technology, the Group created “Internet + mental service” to provide health education, question answering, psychological consultation and other services for residents. It also constructed the electronic archives of social mental service and the post hospital management system for patients with severe mental illness, with a view to promoting the collection and visualization of big data, and carrying out the three color early warning system and crisis intervention management regarding social mentality.



Mobile terminal “Xinqing Post” (心晴驛站)

The social mental service platform independently developed by the Group’s branches makes use of powerful functions such as “user interaction”, “psychological education” and “big data deployment” to provide online professional mental services for the public around the clock and provide testing, evaluation and management services for the construction of regional social mental service system. The public can obtain “psychological micro-course” (心理微課), psychological tests, psychological consultation and other services through the “Wenzhou Kangning Social Mental Service” (溫州康寧社會心理服務) application or the mobile terminal “Xinqing Post” (心晴驛站).

8. Building a Healthy Community Together



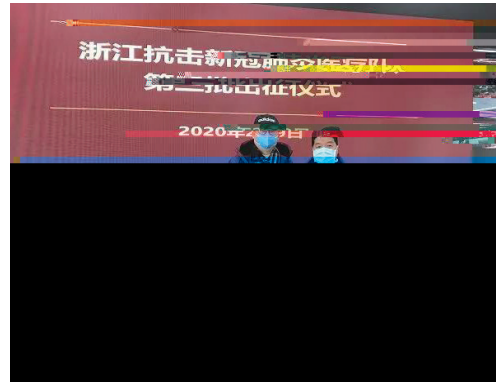
Offline service experience center

Regarding offline, leveraging on its strong expert team, psychiatry and crisis intervention specialty, Wenzhou Kangning has set up a number of offline service experience centers, including Xinfu Workshop in Ouhai District (瓯海区心福工坊), Social Mental Service Center in Longwan District (龙湾區社會心理服務中心), Xinhai Workshop in Economic Development Zone (經濟開發區心海工坊), Nanxin Workshop in Yongjia County (永嘉縣楠心工坊), etc., to undertake community mental service work comprehensively. The experience centers, together with our medical team, regularly carry out mental health education lectures, salons, group counseling, “bringing education home” (送教上門), “working in villages and homes” (駐村入戶) and other activities, and provide people with services such as mental health examination, psychological counseling, stress relief experience, psychological knowledge experience, psychological crisis intervention, etc.

8. Building a Healthy Community Together



Medical patrol and drug delivery service



A team of psychiatrists went to the outbreak area in Wuhan

During the COVID-19 epidemic, when people's activities were limited, the Group made use of remote diagnosis and treatment and "medical patrol and drug delivery team" to ensure the supply of drugs for patients of long-term medication with chronic mental disorders, and also organized a team of psychiatrists to provide psychological crisis assistance services in the outbreak area in Wuhan. The hospital's doctor team also voluntarily gave up the Lunar New Year holiday and provided free psychological crisis intervention for people in the country or abroad at home and in the office through the psychological counseling hotline, Internet hospital platforms and third-party counseling platforms.

In addition, immediately after the outbreak, we released dozens of psychological crisis intervention and education videos on the public media platform. We also published a series of educational articles related to the psychological crisis under the epidemic jointly with well-known third-party media such as DXY (丁香园) and the medical community, as well as we-media such as the official website and WeChat public account of Wenzhou Kangning, in an effort to publicize the mental health knowledge of coping with the epidemic to the public and reduce their psychological fear. We also participated in the programs offered by Phoenix TV and other media to explain the severity of psychological crisis under the epidemic and the necessity of intervention, and to answer people's questions in a timely manner.



8. Building a Healthy Community Together

8.3. Organizing Charity Activities

Most patients in the special care ward of Wenzhou Kangning Hospital are chronic mental disorder patients with long-term decline. They have a long course of disease, weak social adaptability, and need a long time to recover. In order to help these patients solve their life difficulties, the general Party branch of Wenzhou Kangning Hospital insists on carrying out the Party building work of “Dexin Project” (德馨工程) in the hospital, with a view to continuously advocating party members to play the role as pioneers and fine examples by taking care of patients with mental disorders. The general Party branch allocates a fund for helping the disadvantaged from the funds for Party members’ activities to purchase toothpaste, toothbrushes, soap, towels and other items needed for hospitalization for these patients and provide financial assistance to the patients with chronic mental disorders, thereby conveying the message of care.

In addition, in various festivals and holidays, we also organize different forms of public welfare activities, such as live broadcasts/lectures for popularizing knowledge, community voluntary visits, free expert diagnosis, parent-child classroom activities, so as to care for children with autism and Attention Deficit Hyperactivity Disorder (ADHD) as well as patients with various illness, and we also answer questions for the public, improve parent-child relationship, and bring positive psychological energy.



General Party branch’s activity for caring and helping the disadvantaged

Appendix I: Sustainability Data Statement

The following is the sustainability data statement in the subject area of environment of Wenzhou Kangning, Cangnan Kangning Hospital Co., Ltd., Yongjia Kangning Hospital Co., Ltd. and Wenzhou Yining Geriatric Hospital Co., Ltd. for the Year.

	Unit	2020
Emissions		
Nitrogen oxides (NO _x)	kg	162.5
Sulphur oxides (SO _x)	kg	0.5
Particulate Matters (PM)	kg	15.3
Greenhouse gas emissions		
Direct greenhouse gas emissions (Scope 1)	Tonnes of CO ₂ e	364.4
Indirect greenhouse gas emissions (Scope 2)	Tonnes of CO ₂ e	6,489.3
Other indirect greenhouse gas emissions (Scope 3)	Tonnes of CO ₂ e	6,753.9
Total greenhouse gas emissions (Scope 1, 2 & 3)	Tonnes of CO ₂ e	13,607.6
Greenhouse gas emissions per person [^]	Tonnes of CO ₂ e/person	0.5
Energy consumption		
Natural gas consumption	m ³	114,334.0
Liquefied petroleum gas consumption	Tonnes	5.1
Gasoline consumption	Litre	31,041.8
Diesel consumption	Litre	5,863.1
Consumption of purchased electricity	MWh	10,636.4
Consumption of purchased electricity per person [^]	kWh/person	399.9
Water consumption		
Water consumption	m ³	389,499.0
Water consumption per person [^]	m ³ /person	14.6
Paper consumption		
Paper consumption	kg	14,262.8
Paper consumption per person [^]	kg/person	0.5
Waste production		
Non-hazardous waste production	Tonnes	4,301.6
Production of non-hazardous waste per person [^]	kg/person	161.7
Hazardous waste production	Tonnes	46.4
Production of hazardous waste per person [^]	kg/person	1.7

[^] Calculated based on the number of employees at the end of the Year and the number of discharged patients during the Reporting Period

Appendix I: Sustainability Data Statement

The following is the Group's human resources data statement for the Year.

2020

Appendix II: Hong Kong Stock Exchange ESG Reporting Guid Index

Relevant sections

A. Environment

A1:	General
Emissions	disclosure

Appendix II: Hong Kong Stock Exchange ESG Reporting Guideline

			Relevant sections
A2: Use of resources	General disclosure	Policies on the efficient use of resources	Green Hospital Management – Energy Management, Water Resource Management, Paperless Office
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Green Hospital Management – Energy Management, Sustainability Data Statement
	A2.2	Water consumption in total and intensity	Green Hospital Management – Water Resource Management, Sustainability Data Statement
	A2.3	Description of energy use efficiency initiatives and results achieved	Green Hospital Management – Energy Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Green Hospital Management – Water Resource Management
	A2.5	Total packaging material used for finished products and with reference to per unit produced	Not applicable, the Group's business does not involve packaging materials
A3: Environment and natural resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Green Hospital Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Green Hospital Management

Appendix II: Hong Kong Stock Exchange ESG Reporting Guide Index

			Relevant sections
B. Social			
B1: Employment	General disclosure	Information on (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Professional Medical Team – Management of Employee Recruitment, Employees’ Benefits and Remuneration
	B1.1	Total workforce by gender, employment type, age group and geographical region	Sustainability Data Statement
	B1.2	Employee turnover rate by gender, age group and geographical region	Sustainability Data Statement
B2: Health and safety	General disclosure	Information on (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Professional Medical Team – Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities	Professional Medical Team – Occupational Health and Safety
	B2.2	Lost days due to work injury	Professional Medical Team – Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Professional Medical Team – Occupational Health and Safety

Appendix II: Hong Kong Stock Exchange ESG Reporting Guid Index

			Relevant sections
B3: Development and training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Professional Medical Team – Development of Medical Personnel
	B3.1	The percentage of employees trained by gender and employee category.	Professional Medical Team – Development of Medical Personnel
	B3.2	The average training hours completed per employee by gender and employee category.	Professional Medical Team – Development of Medical Personnel
B4: Labor standards	General disclosure	Information on (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Professional Medical Team – Management of Employee Recruitment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Professional Medical Team – Management of Employee Recruitment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Professional Medical Team – Management of Employee Recruitment
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks of the supply chain.	Standardizing Hospital Management – Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Standardizing Hospital Management – Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Standardizing Hospital Management – Supply Chain Management

Appendix II: Hong Kong Stock Exchange ESG Reporting Guid Index

			Relevant sections
B6: Product responsibility	General disclosure	Information on (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Standardizing Hospital Management – Quality of Healthcare Services, Management of Business Information
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's healthcare business
	B6.2	Number of products and service related complaints received and how they are dealt with	Standardizing Hospital Management – Quality of Healthcare Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Standardizing Hospital Management – Management of Business Information
	B6.4	Description of quality assurance process and recall procedures	Standardizing Hospital Management – Quality of Healthcare Services
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Standardizing Hospital Management – Management of Business Information

Appendix II: Hong Kong Stock Exchange ESG Reporting Guid Index

			Relevant sections
B7: Anti-corruption	General disclosure	Information on (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Standardizing Hospital Management – Adhering to Honest Medical Practice
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Standardizing Hospital Management – Adhering to Honest Medical Practice
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Standardizing Hospital Management – Adhering to Honest Medical Practice
B8: Community involvement	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Building a Healthy Community Together
	B8.1	Focus areas of contribution	Building a Healthy Community Together
	B8.2	Resources contributed to the focus area	Building a Healthy Community Together

溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co.,