

# SUSTAINABILITY REPORT

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This Sustainability Report has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd (the "Sponsor"). This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).

## BOARD STATEMENT

On behalf of the Board of Directors, we are pleased to present the sixth annual Sustainability Report (the "Report") for Aoxin Q & M Dental Group Limited ("Aoxin Q & M" or the "Company", and together with its subsidiaries, the "Group"), where we share about the significant progress the Company has made over the past year towards achieving its sustainability goals.

In yet another year marked by the coronavirus (COVID-19) pandemic and its socio-economic ramifications, we have remained steadfast in our commitment to deliver sustainable growth and value to our stakeholders, whilst improving peoples' lives and minimising our impact upon the environment. As testament to our dedication to increasing access to high quality oral care, we have participated in over thirty community initiatives throughout the year, during which free dental consultations and treatments were provided to children, elderly and other members of the local community. We have also continued to prioritise the health, safety and well-being of all those with whom we work. In recognition of our efforts in helping the community fight the epidemic, Panjin Aoxin Stomatological Hospital received an honorary banner from the Shuangxing Community Committee and our associate, Acumen Diagnostics Pte Ltd ("Acumen"), also received the President's Certification of Commendation (COVID-19). Both awards were received in December 2022.

China's zero-COVID policy had also brought on significant challenges for the Group, as cities and entire provinces faced lockdowns with little to no advance warning for weeks or months at a time. During the second and fourth quarters of the financial year ended 31 December 2022 ("FY2022"), there was a resurgence of COVID-19 in Liaoning Province, Northern People's Republic of China ("PRC"), where the principal activities of the Group are carried out. There were also days when some of our clinics could not operate as a substantial number of dentists and nurses tested positive for COVID-19 themselves. Over the course of the financial year, the Group's hospitals and dental polyclinics were closed for a total of 844 business days, which led to significant operational losses for the Group. As a result, the Group recorded a 12.8% decrease in overall revenue from RMB 160.2 million in FY2021 to RMB 139.7 million in FY2022.

Moving forward, the Group will remain prudent in maintaining cost discipline and maximising the efficiency of our operations. Following the official end of China's zero-COVID policy on 8 January 2023, we are maintaining a positive outlook on China's economic recovery in the coming year, and we look forward to achieving higher revenues in the coming year. Our associate company, Acumen, has won a tender to progressively roll out a new pipeline of polymerase chain reaction ("PCR") test kits for sepsis, pneumonia, colorectal cancer screening and pharmacogenomics.

Sustainability is a continuous journey, and there remains much more to be done. As the Board of Aoxin Q & M, we are committed to ensuring that sustainability remains a core focus of our business strategy. The Board is responsible for Group's sustainability reporting and will continue to provide oversight over the identification of the Group's material environmental, social and governance ("ESG") factors and see to it that management ensures that these ESG factors are monitored and properly managed on an ongoing basis, as the Group work towards driving meaningful change in the years ahead.

In closing, we would like to thank our employees, customers, suppliers, and stakeholders for their support in our sustainability journey, especially during these challenging times. By working closely together, we can create a more sustainable and resilient future for all.

Sincerely,  
Board of Directors

## ABOUT THIS REPORT

### *Report Scope*

This Report covers the Group's environmental, social and governance ("ESG") performance for the financial reporting period from 1 January 2022 to 31 December 2022 ("FY2022"). In line with our commitment to being transparent with our stakeholders about our sustainability performance, we have included all entities that we have a majority stake in or full operational over within the scope of this Report, i.e., Acumen has been excluded from the scope of this Report.

### *Sustainability Reporting Framework*

This Report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards. The GRI Standards have been selected as it is an internationally recognised reporting framework covering a comprehensive range of sustainability topics that are relevant to Aoxin Q & M's operations. For this Report, we have transitioned to the latest version of the GRI Standards – the GRI Universal Standards 2021.

In compliance with Rules 711A and 711B of Listing Manual Section B: Rules of Catalist ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), this Report describes the Group's sustainability practices with reference to the six primary components, on a 'comply or explain' basis. As Aoxin Q & M does not fall within the TCFD-identified industries, we have yet to include climate-related disclosures in this Report. We are still in the process of setting up our process for collecting and analysing data on our climate-related risks and opportunities and our emissions data, and will continue to monitor and periodically assess the need to include climate-related disclosures in future sustainability reports. The section references for each of the primary components (where applicable) can be found in the SGX Primary Components Index on page 22.

### *Data Assurance*

We have not sought external assurance for this Report. Instead, we have relied on internal data monitoring and verification to ensure the accuracy of all ESG data presented in this Report. We have engaged our internal auditors to complete an internal review of our sustainability reporting policies, processes, and internal controls in FY2022. We have taken into consideration the recommendations arising from the internal review during the preparation of this Report.

### *Feedback Channel*

We value our stakeholders' feedback, and we welcome all suggestions, comments or enquiries on the contents of this Report at [http://www.aoxingm.com.sg/contact-us\\_en.php](http://www.aoxingm.com.sg/contact-us_en.php).

As part of our environmental conservation efforts, this Report has been made available for download on SGXNET and the Company's website.

## ORGANISATIONAL PROFILE

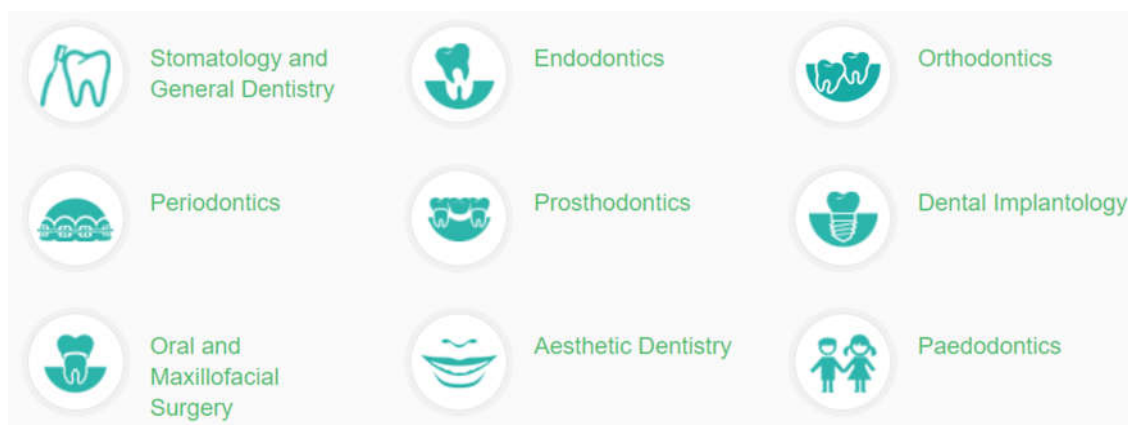
Over the past 20 years, Aoxin Q & M Dental Group Limited has grown to become one of the leading providers of private dental services and dental equipment and supplies in Northern PRC. First incorporated in Singapore as a limited liability company, the Company was listed on the Catalist Board of SGX-ST since 26 April 2017.

As of 31 December 2022, the Group operates and manages 16 dental centres, comprising 6 hospitals and 10 polyclinics, in 8 different cities within Liaoning Province, namely Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Dalian and Anshan. In addition, our dental equipment and supplies distribution network covers the Liaoning, Heilongjiang and Jilin Provinces in the Northern PRC.

### *Our Business Activities*

The Group's key business activities are categorised under the following three segments:

#### **1. Primary Healthcare**



#### **2. Distribution of Dental Equipment and Supplies**

Our subsidiary, Shenyang Maotai Q & M Medical Equipment Co., Ltd. ("Shenyang Maotai"), is engaged in the distribution and sale of dental equipment and supplies, such as dental chairs, ultrasound scanners, and dental instruments, to dental hospitals, clinics, distributors, and laboratories. Our team of certified technicians also provides our customers with maintenance and aftersales support for dental equipment and supplies that are both within and out of warranty.

#### **3. Laboratory Services**

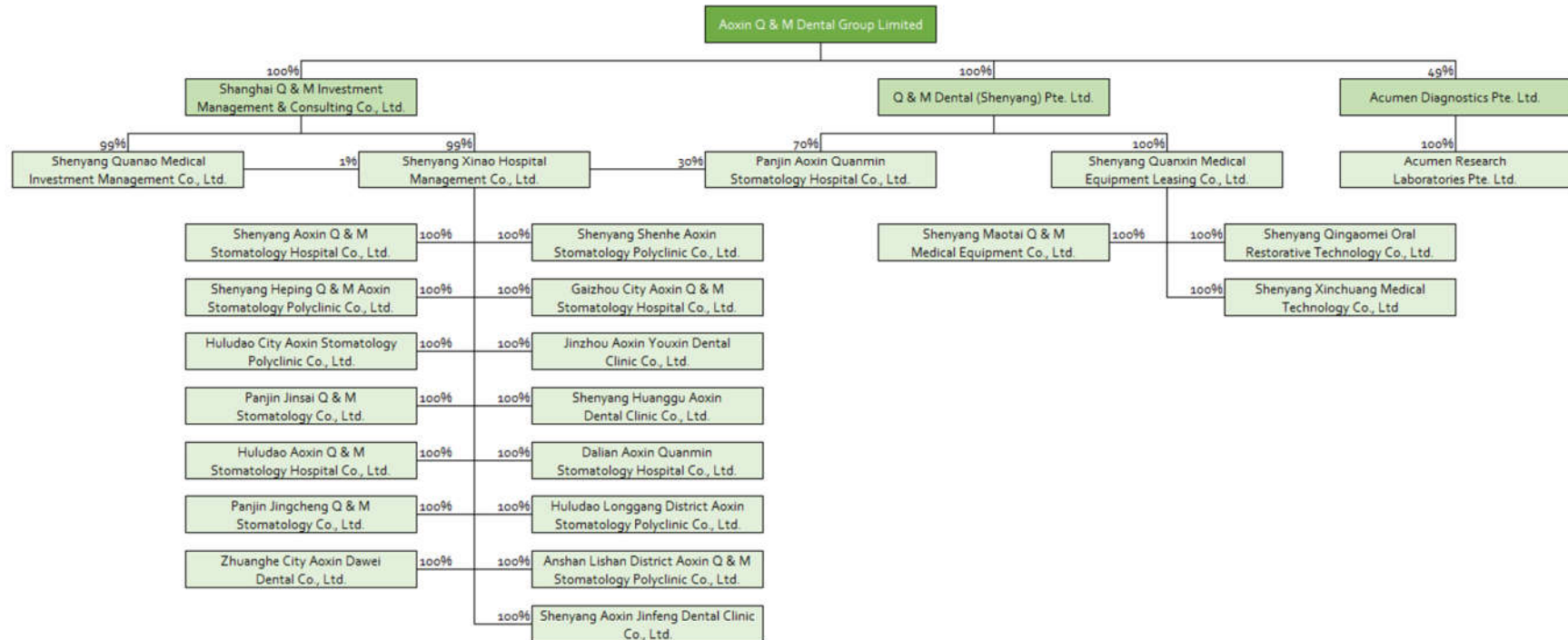
In addition, two of our subsidiaries, Shenyang Qingamei Oral Restorative Technology Co., Ltd. ("Shenyang Qingamei") and Shenyang Xinchuang Medical Technology Co., Ltd., focuses on the manufacturing and processing of porcelain crowns, bridges and dentures, development of dental inlay technology, and provision of technical consultancy services.

As part of our Company's diversification business plan, the Group has also acquired a 49% stake in an associate, Acumen Diagnostics ("Acumen"), a homegrown medical diagnostics and technology company in Singapore.

# ORGANISATIONAL PROFILE

## Our Group Structure

As of 31 December 2022, the entities included within the Group are as follows:



# ORGANISATIONAL PROFILE

## Our Code of Conduct

Across the Group, we are guided by our mission, vision, and core values in all that we do.



As we strive towards providing enhanced value to our shareholders and constantly improving upon our products and services, we expect all our employees to abide by the following principles:

Attitude at Work 工作作风	Service Philosophy 服务理念	Principle of Competition 竞争原则	Professional Behaviour 职业风尚	Concept of Employment 用人观念
To be dedicated, pragmatic, and innovative 敬业、求实、博采、创新	To be people-centred and care for life 以人为本、关爱生命	To be law abiding, honest, sincere, and fair 守法不乱、诚信不欺、取利不诈、享财不霸	Be eager to always lend a helping hand 急人之难、救人之困	Loyalty over value, virtue over ability 忠诚高于价值、德行胜于能力



# ORGANISATIONAL PROFILE

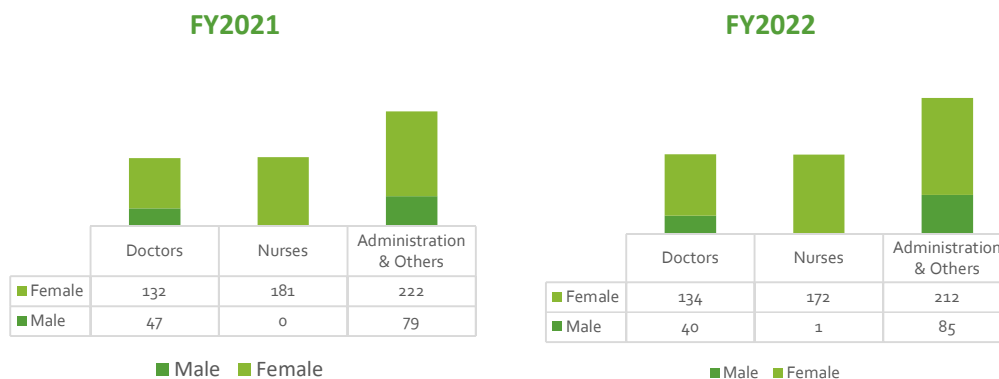
## Our People

At Aoxin Q & M, we believe that having an inclusive, diverse, and supportive workplace culture lies at the heart of a successful company. To this end, we have implemented integrated human capital strategies to attract new talent, improve loyalty, and provide equal opportunities for training and development to all employees. Our employees play a key role in ensuring the resilience of our organization in times of crisis and in driving the Group's long-term growth.

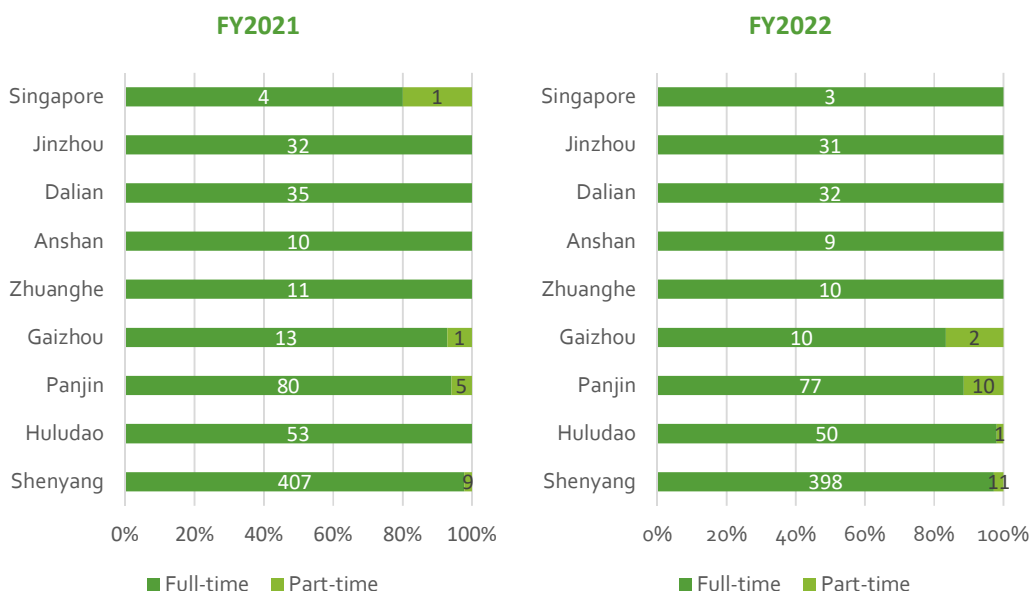
As of 31 December 2022, Aoxin Q & M employed a total of 644 employees, of which 416 were dental professionals (174 dentists, 173 dental surgery assistants, and 69 laboratory technicians).

More details on our employee profile in FY2021<sup>1</sup> and FY2022 are as follows:

### WORKFORCE BY GENDER AND EMPLOYMENT CATEGORY



### WORKFORCE BY REGION AND EMPLOYMENT TYPE



<sup>1</sup> Employment figures in FY2021 has been restated to include employees working from our Singapore office.

## ORGANISATIONAL PROFILE

### Our Value Chain

By working closely with reputable suppliers and vendors across the Group's extended value chain, we aim to deliver safe, high-quality products and services to our customers, whilst minimising any negative ESG impacts upon the local community and the environment.

Guided by the Group's Procurement Policy, we regularly assess our key suppliers against the Group's sustainability criteria to ensure that they are operating in a fiscally, environmentally, and socially responsible manner. This policy also allows for a fair and transparent supplier selection process by specifying the evaluation criteria to be applied, such as cost effectiveness and operational efficiency. Our quality assurance team, consisting of experienced technicians and engineers, is responsible for conducting routine checks on the dental equipment and supplies received from our suppliers. We have stringent quality requirements, and we also make certain that all our suppliers have been registered with the appropriate local regulatory bodies for the sale of dental equipment and supplies before making any purchases.

Shenyang Maotai, a wholly owned subsidiary of the Group, is engaged in the sale and distribution of dental equipment and supplies to dental hospitals, polyclinics, laboratories, and other distributors. Aoxin Q & M's dental centres and laboratories also procure majority of the dental equipment and supplies necessary for their day-to-day operations from Shenyang Maotai, as they are able to leverage on bulk volume discounts to improve the cost efficiency of their operations.

As a key player within the dentistry supply chain in Northern PRC, Shenyang Maotai has maintained long-term distribution agreements with A-dec (Hangzhou) Dental Equipment Co. Ltd. (爱德 (杭州) 牙科设备有限公司) and Shofu Dental Trading (Shanghai) Co. Ltd. (松风齿科器械贸易 (上海) 有限公司), the latter of which we have also secured distribution rights for in certain provinces, including Liaoning Province, within Northern PRC.

#### Shenyang Maotai's Long-Term Suppliers



Shofu Dental Trading (Shanghai) Co. Ltd.



A-dec (Hangzhou) Dental Equipment Co. Ltd.

### Membership of Associations

We are pleased to have achieved strong representation within the Liaoning Stomatological Association. In total, twenty of our dentists have been appointed to its 6<sup>th</sup> Board of Directors for a tenure of five years, beginning July 2022. In addition, four of our dentists have also been appointed as committee members to the 7<sup>th</sup> Pediatric Stomatology Professional Committee, 7<sup>th</sup> Orthodontics Professional Committee, 4<sup>th</sup> General Stomatology Professional Committee and 5<sup>th</sup> Oral Implantology Professional Committee, each with a tenure of three years, starting 2022.

# ORGANISATIONAL PROFILE

## Awards and Accreditations

### Primary Healthcare

We adhere to internationally recognised industry standards for conducting our business in a responsible and sustainable manner. Majority of our dental centres have been accredited as Designated Medical Institutions of Medical Insurance, thereby ensuring the affordability and accessibility of our services.

In FY2021, Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd was awarded the Quality Management System Certificate (GB/T 19001-2016/ISO 9001:2015) for the following scope: "Medical Treatment Service of Oral", valid for a period of three years till June 2024. The ISO certification body also conduct a yearly ISO review.



### Jinzhou Medical University: Training Centres

In collaboration with Jinzhou Medical University, the Group also provides undergraduate and post-graduate training to students and dental professionals. The Group is the only corporation within the Northern PRC to be accredited by a university for the provision of dental training, having met the standards set by Jinzhou Medical University. Students who graduate with dental qualifications from our training centres are thus recognised by reputable PRC universities.

There are five dental centres within the Group that have been designated as training centres for students' practical training. These include:

1. Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd., accredited on 3 April 2009 as a training centre, and on 5 April 2009 as a training hospital;
2. Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd., accredited on 27 March 2019;
3. Jinzhou Aoxin Youxin Dental Clinic Co., Ltd., accredited on 11 April 2019; and
4. Huludao Aoxin Q & M Stomatology Hospital Co., Ltd., accredited on 11 April 2019
5. Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd., accredited on 15 April 2020 as the dedicated hospital for their students' practical training

Dr. Shao Yongxin, our Executive Director and Group Chief Executive Officer ("CEO"), was reappointed Dean of Jinzhou Medical University for another five years in 2018. His reappointment was both a recognition of and a testament to his contributions to raising the standards of dental education in the PRC.

### Professional Awards

We are honoured to announce that our colleague at Shenyang Qingamei, Zhao Yanping, obtained the Excellent Design Award (优秀设计奖) at the inaugural nation-wide Innovative Teeth Bracket Design Competition ("灵齿杯" 支架设计大赛) in FY2022. Dr Guo Lirong also achieved the second prize for the 2022 Quick Reporting and Quick Interpretation Competition (快速报告快解读大赛) organised by iLoveMore (爱乐慕),



whereas Dr. Wang Rui entered the Top 20 in the 2<sup>nd</sup> Case Competition on Edentulous Arches, held in honour of Prof. Brånemark.

## SUSTAINABILITY APPROACH

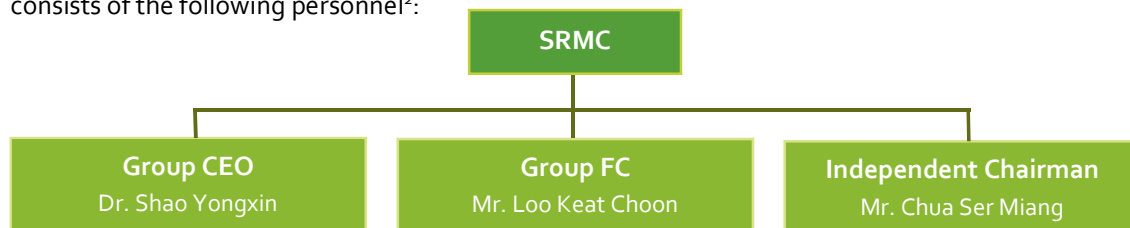
### Sustainability Governance Structure

The Board adheres to a high standard of corporate governance to enhance transparency of the Group and to protect stakeholders' interests. The Board recognises the important role it plays in developing the Group's sustainability strategy and maintaining oversight over the management of risks and opportunities related to Aoxin Q & M's ESG practices. The Board is further supported by the Audit Committee, Nomination Committee, and Remuneration Committee in doing so.



To equip themselves with basic knowledge on sustainability matters, the directors have all attended a sustainability training course in FY2022, in compliance with the enhanced SGX-ST sustainability reporting rules.

In line with the growing importance of sustainability, the Board has established an internal Sustainability and Risk Management Committee ("SRMC") to oversee the implementation of the Group's sustainability strategy, monitor the performance of the sustainability program, as well as the production of the Sustainability Report. As shown in the following organisation chart, the SRMC consists of the following personnel<sup>2</sup>:



The Board's close interaction with SRMC will enable the Board to satisfy itself on the way sustainability governance is structured and functioning through the various levels of management. The Board and SRMC make sure that any issues raised regarding the Group's sustainability reporting is addressed.

<sup>2</sup> The role of the FC was previously assumed by Ms Wan Sin Nee up to May 2022, after which Mr Loo took over this position.







The rest of the organisation also plays a significant role in rolling out new sustainability initiatives and ensuring that the Group's sustainability objectives are met.

# SUSTAINABILITY APPROACH

## Stakeholder Engagement

Building strong, positive stakeholder relationships is key to ensuring the Group's long-term success. By constantly seeking feedback from our dental professionals, patients, customers and other key stakeholders, we are better able to align their needs and expectations with our business interests and objectives.

Throughout the year, we have engaged our stakeholders through both formal and informal engagements, as outlined in the table below, for the purpose of communicating the Group's sustainability efforts.

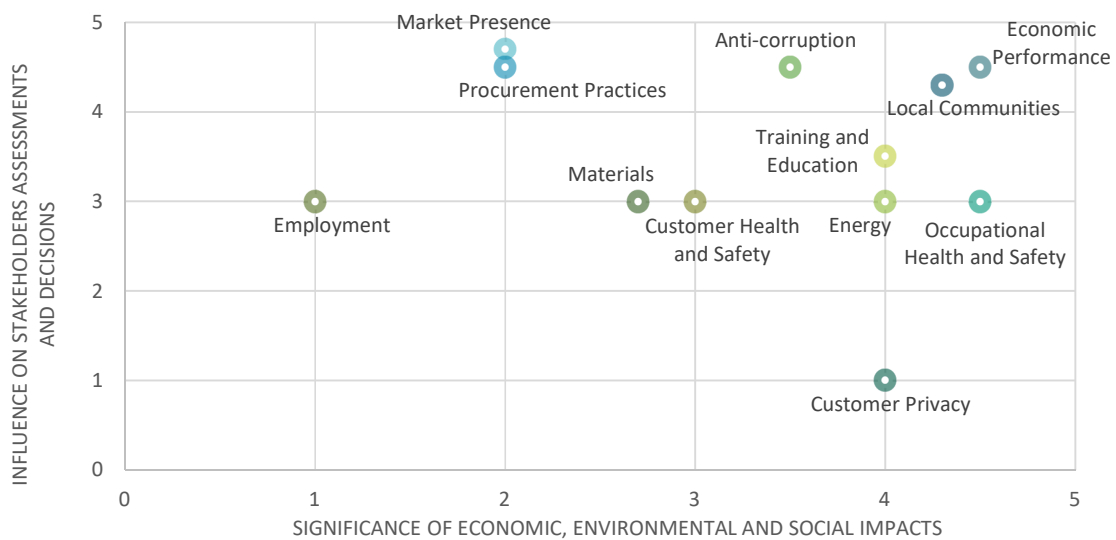
Stakeholder Groups	Engagement Channels	Frequency	Stakeholders' Expectations	COVID-19 Measures
 <b>Customer</b>	<ul style="list-style-type: none"> <li>Frontline interaction at polyclinics</li> <li>Enquiry and feedback channel</li> <li>Customer service hotlines</li> </ul>	On-going	<ul style="list-style-type: none"> <li>Good quality of service and products</li> <li>Seamless after-sales service experience</li> </ul>	<ul style="list-style-type: none"> <li>Safe distancing measures within our facilities</li> <li>All patients are to undergo a PCR test before receiving dental treatment</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Quotations</li> <li>Periodic discussions</li> <li>Supplier evaluation</li> </ul>	On-going	<ul style="list-style-type: none"> <li>Fair procurement practices and high ethical standards</li> <li>Compliance with contractual terms and conditions</li> </ul>	N/A
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Induction and orientation program</li> <li>Employee appraisal</li> <li>Internal memorandum</li> <li>Training</li> </ul>	On-going	<ul style="list-style-type: none"> <li>Employee rights and welfare</li> <li>Personal and professional development</li> <li>Good working environment</li> </ul>	<ul style="list-style-type: none"> <li>Remote working arrangements for employees</li> </ul>
 <b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Annual report</li> <li>Circulars to shareholders</li> </ul>	Annually/ On-going	<ul style="list-style-type: none"> <li>Profitability</li> <li>Transparency</li> <li>Timely reporting and updates</li> </ul>	<ul style="list-style-type: none"> <li>Held our AGM on webcast rather than in a physical location</li> </ul>
 <b>Business Partners</b>	<ul style="list-style-type: none"> <li>Frequent discussions and meetings</li> </ul>	On-going	<ul style="list-style-type: none"> <li>Partnership for opportunities and growth</li> </ul>	N/A
 <b>Government/ Regulators</b>	<ul style="list-style-type: none"> <li>Discussions with government agencies and regulators</li> </ul>	On-going	<ul style="list-style-type: none"> <li>Compliance with relevant regulations</li> <li>Timely reporting and resolution of issues</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitored regulatory updates on the temporary closure of dental clinics</li> </ul>

# SUSTAINABILITY APPROACH

## Materiality Assessment

Aoxin Q & M conducted a materiality assessment in accordance with GRI guidelines. During which, we compiled a list of relevant sustainability topics by taking into consideration the feedback we received from our stakeholders. We then proceeded to rank these topics based on our assessment of the Group’s economic, environmental, and social impacts, as well as their influence on our stakeholders’ assessments and decisions.

In subsequent years since, we have regularly reviewed the materiality of these topics to account for recent business developments as well as our stakeholders’ emerging priorities. The results of this materiality review is as summarised in the following matrix.



The ESG topics that have been rated highly in the above matrix thereby forms the Group’s sustainability focus areas, influencing the immediate and long-term actions we take as we progress in our sustainability journey.

Material Topics (GRI)	Page Reference
GRI 201: Economic Performance	Page 16
GRI 205: Anti-corruption	Page 17
GRI 302: Energy	Page 18
GRI 404: Training and Education	Page 19
GRI 403: Occupational Health and Safety	Page 22
GRI 413: Local Communities	Page 24

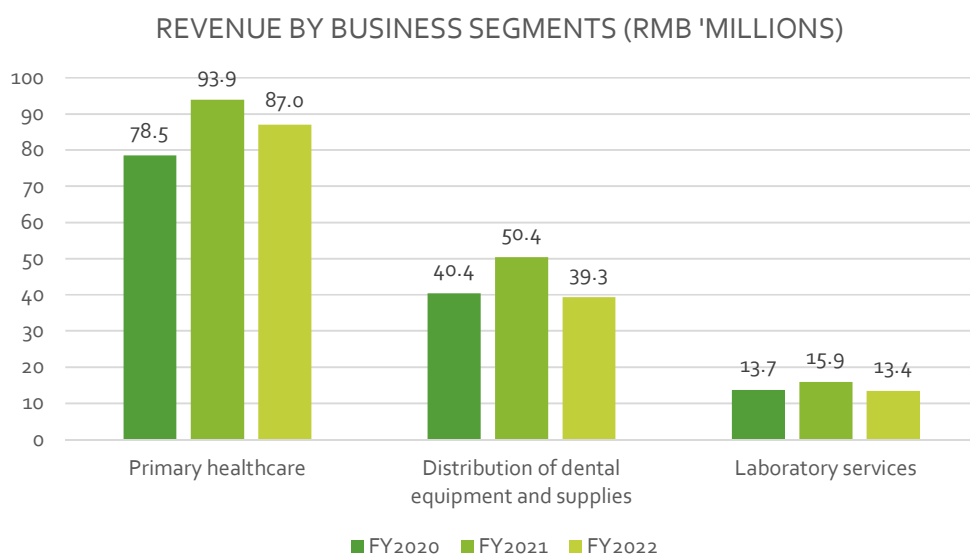
# MATERIAL SUSTAINABILITY TOPICS

## Economic Performance

The PRC government's zero-Covid policy, which continued through FY2022, has had significant ramifications on the regional economy and companies operating in China, as cities and entire provinces were closed and sealed for days and sometimes weeks, often with minimal prior notice.

With most of our business operations based in Liaoning province within the Northern PRC, the Group's economic performance has been negatively affected by the prolonged COVID-19 pandemic as well. In particular, the local health authorities imposed strict lockdowns during the second and fourth quarters of FY2022 in response to a resurgence in COVID-19 cases, which entailed the temporary closure of our dental hospitals and clinics for about 844 business days across the year. As dental services were classified as a non-essential service, there has also been a corresponding decrease in demand for our products and services across all three business segments.

As a result of the above, the Group's revenue decreased by 12.8% from RMB 160.2 million in FY2021 to RMB 139.7 million in FY2022.



With the recent abolition of China's zero-Covid policy and the gradual re-opening of the economy, we expect an improvement in the Group's revenue in FY2023. We will continue to be prudent in maintaining cost discipline and maximising the cost efficiency of business operations.

As always, we remain committed to providing our customers with better quality healthcare, and we are pleased to share that all 16 of our dental hospitals and polyclinics have resumed operations as usual since 8 January 2023.

Please refer to our FY2022 Annual Report for the detailed breakdown and analysis of the Group's economic performance, as well as further details on our business plans for FY2023.



# MATERIAL SUSTAINABILITY TOPICS

## Anti-Corruption

At Aoxin Q & M, we take our commitment to anti-corruption very seriously. We strive to promote a culture of accountability and transparency across the Group by aligning our corporate governance practices with the guidance set forth in the Code of Governance 2018. Adhering to high standards of ethics and integrity in our business operations is key to protecting our shareholders' interest and delivering sustainable growth.

To these ends, we have implemented a range of measures to prevent and detect corruption in our operations, including the following:

### **Conflict of Interest ("COI") Policy**

Our COI policy guides our directors in identifying, disclosing, and managing conflict circumstances. In line with regulatory and disclosure requirements, any potential or actual conflicts of interest in any relation to transactions undertaken by the Group are to be highlighted to the Board. The Board will then take the appropriate steps to manage any identified conflicts of interest, such as by requiring affected employees or board members to recuse themselves from relevant decision-making processes.

### **Whistleblowing Policy**

The Group has also implemented a whistleblowing mechanism to encourage our employees, suppliers, and other stakeholders to raise any concerns about possible improprieties in matters of financial reporting or management, in confidence and without fear of reprisal or recrimination. The Group's Audit Committee will conduct an independent investigation upon receiving any reports about possible irregularities. For more details on our Group's Whistle-blowing policy, please refer to the FY2022 Annual Report Page 37 on "Whistle-blowing policy" and our policy online at [https://www.aoxinqm.com.sg/2022whistleblowing\\_policy.pdf](https://www.aoxinqm.com.sg/2022whistleblowing_policy.pdf).

### **Compliance Training**

All employees receive professional ethics training annually to ensure their familiarity with the Group's code of conduct. In addition, the Group's onboarding program ensures that its new hires are made aware of company's values, ethics, and ethical principles. Employees may be subjected to disciplinary actions in the event of any breaches of the code of conduct.

To combat corruption in PRC's healthcare industry, the National Supervision Commission has been granted the authority to conduct searches, seize properties and freeze assets, for the purpose of reducing improper payments or other benefits received by employees involved in the purchase of medical equipment and supplies and the provision of healthcare services. The local commission plans to use confessions and case studies of corrupt officials to drive its anti-graft efforts, which are currently concentrated on issues that most concern the public, including education, healthcare, food and drug safety, and the environment.




We are pleased to announce that there were zero whistleblowing reports and reported incidents of corruption or other improprieties in FY2022. We aim to maintain our track record of having zero reported cases of business malpractices, by reinforcing a culture of personal and corporate integrity across the Group in the years ahead.

# MATERIAL SUSTAINABILITY TOPICS

## Energy

Governments around the world are stepping up their efforts to tackle the global climate crisis. As outlined in the PRC’s Government Work Plan, the local government has also made similar commitments to mitigating their carbon emissions and promoting sustainable development, with plans to transform the national energy mix to one that relies on natural gas, hydropower, nuclear power, wind power, and other forms of clean power.

As one of the leading service providers within our industry, Aoxin Q & M is committed to minimising our environmental footprint by implementing the following environmental protection measures across the Group. To engage our employees in our day-to-day sustainability efforts, we also conduct quarterly talks and trainings where employees are encouraged to share their tips for going green at work.

Environmental Protection Measures	
 <b>Electricity</b>	<ul style="list-style-type: none"> <li>• Use of energy-efficient LED lamps</li> <li>• Controlled usage of centralised air conditioners and heater</li> <li>• Posters encouraging employees to save electricity by turning off the lights in uninhabited areas during the day</li> <li>• Reminders for employees to switch off the standby power supply of office equipment (e.g., computers, printers) when idle or after work, and to use the stairs as much as possible in their commute</li> </ul>
 <b>Water</b>	<ul style="list-style-type: none"> <li>• Avoid using running water when cleaning mops and rags</li> <li>• Reminders for employees to “save water”</li> </ul>
 <b>Others</b>	<ul style="list-style-type: none"> <li>• Recycle waste batteries to avoid the harmful effects of environmental pollution</li> <li>• Engage in digitalisation efforts to go paper-less</li> </ul>

The table below summarises the Group’s consumption of energy, water, and natural gas over the past three financial reporting periods:

Year	FY2020	FY2021	FY2022
Energy Consumption (kWh)	855,365	1,108,203	1,146,104
Water Consumption (m <sup>3</sup> )	12,123	16,177	14,552
Natural Gas Consumption (kWh)	24,572	38,588	41,458
Gross Floor Area (m <sup>2</sup> )	18,555	18,720	17,425
Energy Intensity Ratio (kWh/m <sup>2</sup> )	46.10	59.20	65.77
Water Intensity Ratio (m <sup>3</sup> /m <sup>2</sup> )	0.65	0.86	0.84
Natural Gas Intensity Ratio (kWh/m <sup>2</sup> )	1.32	2.06	2.38

Despite our initial aim of reducing our total energy consumption by 5% in FY2022, we noted that there has been an increase in energy consumption across the Group, as electricity data from our headquarter building were only included from the second half of FY2022 onwards. The electricity from the headquarter building was previously paid by the developer. While we will continue to initiate new initiatives to reduce our carbon footprint and conduct our business operations sustainably, we are expecting an increase in total energy consumption due to the resumption of our business

activities in China. Once business is fully resumed, an appropriate energy baseline will be established so that targets can be developed for the Group. The energy consumption will also be used to compute our Scope 2 GHG emissions for future TCFD reporting. The Group’s Scope 1 GHG emissions are expected to arise from natural gas consumption as well as the petrol used in mobile vehicles.

## MATERIAL SUSTAINABILITY TOPICS

### Training and Education

At Aoxin Q & M, we believe that investing in our employees’ personal and professional growth is critical to achieving our sustainability goals. We prioritise the continuous education and training of our employees to ensure that they have the necessary skills and knowledge to deliver high-quality dental services to our customers.

#### Internship Programme for Students

Our stomatology training centre in Shenyang provides students with exciting internship opportunities to enhance their soft skills and professional competencies. Under this programme, students will receive general training on public speaking and interpersonal communication as well as professional training on theoretical and practical aspects of stomatology. In FY2022, we are glad to have had a total of 30 students join us for our internship programme (FY2021: 11 students).



#### Orientation Pre-Job Training

To create a smooth transition for our new hires, we have developed an orientation pre-job training programme to provide them with the foundational knowledge and skills necessary to excel in their roles at work. As part of this programme, new hires are to shadow an experienced employee to familiarise themselves with the Group’s operations, and their specific job scopes.

All new employees are also subject to a mandatory probation period, during which their abilities and experience, as well as their work attitude, ethics, and efficiency, will be evaluated.

Assessment Criteria for Staff on Probation
<p>Work attitude:</p> <ul style="list-style-type: none"> <li>• To abide by our code of conduct, i.e., to report for work on time and to maintain good workplace hygiene;</li> <li>• High recognition of corporate culture;</li> <li>• Good learning ability;</li> <li>• Be honest and trustworthy;</li> <li>• Teamwork and cooperation skills;</li> <li>• Have a strong sense of responsibility for their job scope and performance targets; and</li> <li>• Strong execution ability.</li> </ul>
<p>Work skills</p> <ul style="list-style-type: none"> <li>• To master the professional skills required for their job scope;</li> <li>• Strong professional theoretical knowledge and operation skills, and high work efficiency;</li> <li>• Excellent theoretical and practical understanding of stomatology (for medical care and front desk).</li> </ul>

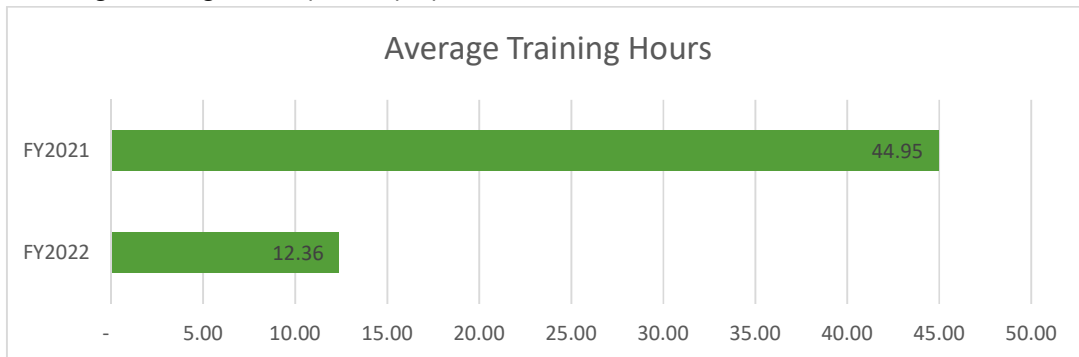
#### Continual Training Opportunities for Existing Staff

As is required by the Shenyang Health Commission (“沈阳市卫健委”), dentists and nurses have specific continuing professional development credit requirements and must participate in a certain

number of courses organised by the Shenyang Medical Association (“沈阳市医学会”) every year. As of 31 December 2022, all dentists and nurses have met the credit requirements for their respective professional and technical titles.

We have also developed a customised training model for our dentists, nurses, front desk staff and administrative staff to provide them with continuous training and career development opportunities throughout the year. In FY2022, our internal training programmes included lectures on “The Ever-Changing World of Orthodontics” and the “Personalised Design of Digital Removable Partial Dentures”. A few of our doctors also attended external training on the use of Invisalign and related orthodontic techniques for adult and infant teeth. Across the Group, our employees received an average of 12.36 hours of training in FY2022 (FY2021: 44.95 hours), and we aim to maintain the average employee training hours of 12.36 hours in FY2023. The decrease in average training hours per employee can be attributed to the fewer number of courses organised due to COVID-19 protocols in FY2022.

The average training hours by all employees in FY2021 and FY2022 are as follows:



To keep up with the latest developments and advancements within the dental industry, we also encourage our dental professionals to attend industry seminars and participate in academic exchanges. In FY2022, three of our orthodontic doctors participated in the 21<sup>st</sup> National Orthodontic Academic Conference co-organised by the Chinese Dental Association and the Guanghua School of Stomatology, Sun Yat-sen University. One of our doctors also spoke at the 2<sup>nd</sup> National Academic Conference of Young and Middle-aged Orthodontists.



As COVID-19 restrictions ease, we expect that there will be more in-person trainings conducted in the coming year, which we believe will also improve the efficacy of our training programmes.

# MATERIAL SUSTAINABILITY TOPICS

## Occupational Health and Safety

Our employees' safety, health and well-being are of utmost importance to us.

At Aoxin Q & M, we view it as our responsibility to mitigate the health and safety risks that our dentists and nurses are exposed to on a day-to-day basis, which includes the transmission of bacterial or viral infections via needles and other sharp objects, spatter, and aerosols. To minimise the risks of infections and exposure to health hazards, we have displayed posters around our polyclinics to remind employees about the safety precautions that should be taken. In addition, to reduce the risk of X-ray radiation exposure, an X-ray hazard signage is also prominently displayed on the X-ray room's door.

We are also committed to ensuring the health and safety of our patients. Under our clinics' operational procedures, each patient is to be provided with a new set of dental consumables (e.g., gloves, a dental bib, a mouth-rinsing cup, needles, and dental instruments) for hygiene purposes. After each consultation/ treatment session, the used set of dental consumables will be properly disposed of, and the dental instruments used will be sterilised. We have engaged maintenance personnel to perform timely maintenance and repair work on our dental equipment.

To effectively maintain oversight over the Group's occupational health and safety ("OH&S") programme, we have established a Health and Safety Committee ("HSC") that comprises a Director, Deputy Director and seven members. Their respective roles and responsibilities are as follows:

Designation	Roles and Responsibilities
Director	<ul style="list-style-type: none"><li>• Overall-in-charge for infection prevention and control</li></ul>
Deputy Director	<ul style="list-style-type: none"><li>• Assist Director in monitoring and managing infection control measures</li></ul>
Member	<ul style="list-style-type: none"><li>• Ensure that hospitals and polyclinics are regularly disinfected, and that dental equipment used are all sterilised before disposal</li><li>• Ensure that waste materials are sterilised and disposed in a proper manner</li></ul>



Each hospital also has a medical safety team that is responsible for ensuring that our dentists, nurses, and administrative staff are operating in adherence with the Group's medical safety policies and procedures. Any OH&S accidents that occur within the hospital premises are to be reported to the medical safety team in a timely manner, for further investigation.

Operating within the healthcare sector, we are subject to strict regulatory requirements by the Ministry of Health. As such, we have arranged for all employees to attend the yearly training conducted by the Ministry's Infection Control Department to stay updated on the relevant health and safety regulatory requirements. Given that the Group is also engaged in the handling and disposal of drugs and medical waste, it is important that we apply for and renew all necessary health certificates issued by the National Medical Products Administration in a timely manner. The National Health Committee ("国家卫生健康委员会") has also issued a guidance on the scope of use of common medical protective articles, with ad-hoc inspections conducted by the Government Health Administrative department ("政府卫生行政管理部门").

As required by labour laws in the PRC, all our employees are enrolled under the five mandatory insurance schemes, which include pension (endowment insurance), medical insurance,

unemployment insurance, maternity insurance, and work injury insurance. In addition to the above, we also purchase accidental industrial injury insurance for part-time temporary employees and liability insurance for all our dentists. To safeguard our employees' mental well-being and allow them to discharge their duties more effectively, we have made it a policy to provide dentists with adequate rest between treatments or surgery.

During the COVID-19 pandemic, we also put in place additional safety measures to protect our employees and customers from the risk of exposure to the virus. Employees on duty are required to be in personal protective equipment, and we have also implemented daily temperature monitoring, enhanced cleaning regimes and other safe management protocols within our workplaces.

	
<p><i>Mandatory temperature screening for visitors/patients/employees</i></p>	<p><i>Personal protection requirements for employees on duty</i></p>

In FY2022, there were zero reported cases of non-compliance with the guidance issued by the Government Health Administrative nor any penalties imposed on the Group by the relevant regulatory authorities. We are also pleased to share that there were zero cases of workplace injury or fatalities across the Group.

Moving forward, we aim to raise the standards of our medical quality and service, while maintaining high standards of medical safety within the Group. We also target to maintain zero serious workplace injuries sustained by our employees.

# MATERIAL SUSTAINABILITY TOPICS

## Local Communities

The Group is committed to providing quality dental care and education for all. While we have been particularly active in expanding our presence within the paediatric dental health market, the corporate market, the medical insurance market, our hospitals and clinics have also been conducting various outreach programs throughout the year to promote dental health awareness within the communities where we operate. This also allowed us to meet our target set in our FY2021 report of broadening our community outreach programmes. For more information on our corporate social responsibility programmes, please refer to FY2022 Annual Report page 15.

### Training Centres

The Group has teamed up with Jinzhou Medical University to provide lectures and practical training to students and dental professionals. As testament to our commitment to educating and training aspiring dentists in the appropriate fields of practice, our stomatology training centre in Shenyang has been fully equipped with a multimedia training hall, a multi-function simulation laboratory, and a technical laboratory. Jinzhou Medical University has also accredited the Shenyang training centre for undergraduate and postgraduate training.

Dr. Shao Yongxin, who is also the Dean of Jinzhou Medical University's Shenyang Department of Stomatology, actively participates in the learning and development of the undergraduates by giving lectures and reviewing their progress.

### Free Dental Check-ups

On "Oral Care Day" on 20 September every year, all our clinics provide free dental treatment sessions to the local community. In FY2022, we had the privilege of offering basic dental healthcare services, comprising of general cleaning, scaling, polishing, and treatment of decay, to over 800 kindergarten children and 4000 primary children. We have also sought to expand our outreach within the local communities by providing oral health services to autistic children and establishing a dental health salon for the professional elite. In addition, free dental consultation were provided for the elderly, cleaners in the city of Gaizhou, as well as flood victims and their families.

Through our regular outreach efforts, we have provided free dental check-ups to over 10,000 individuals. The Group has continued our marketing and media campaigns on various popular online platforms in China to improve brand awareness and our reputation within the region. Building on our experience in working with children with autism during the past year, we plan on providing more specialised paediatric dental services for children with disabilities in FY2023.

More information on our corporate social responsibility efforts can be found in our Annual Report for FY2022.



## SGX PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material ESG factors	Sustainability Approach <ul style="list-style-type: none"> <li>Materiality Assessment</li> </ul>
2	Climate-related disclosures, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures	Not included for disclosure in this Report, as the Company is in the midst of strengthening our climate governance and completing a preliminary analysis of our climate-related risks and opportunities.
3	Policies, practices and performance	Material Sustainability Topics <ul style="list-style-type: none"> <li>Economic Performance</li> <li>Anti-Corruption</li> <li>Energy</li> <li>Training and Education</li> <li>Occupational Health and Safety</li> <li>Local Communities</li> </ul>
4	Targets	Material Sustainability Topics <ul style="list-style-type: none"> <li>Economic Performance</li> <li>Anti-Corruption</li> <li>Energy</li> <li>Training and Education</li> <li>Occupational Health and Safety</li> <li>Local Communities</li> </ul>
5	Sustainability reporting framework	About This Report
6	Board statement and associated governance structure for sustainability practices	Board Statement Sustainability Approach <ul style="list-style-type: none"> <li>Sustainability Governance Structure</li> </ul>

## GRI CONTENT INDEX

<b>Statement of Use</b>	Aoxin Q & M Dental Limited has reported with reference to the GRI Standards for the period 1 January 2022 to 31 December 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	GRI Sector Standards that are applicable to the healthcare industry have yet to be released.

<b>GRI STANDARDS</b>	<b>DISCLOSURE TITLE</b>	<b>PAGE REFERENCE</b>
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	2-1 Organisational details	6
	2-2 Entities included in the organisation's sustainability reporting	7
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	NIL
	2-5 External assurance	5
	2-6 Activities, value chain and other business relationships	6 & 10
	2-7 Employees	9
	2-8 Workers who are not employees	NIL
	2-9 Governance structure and composition	AR: 22 – 23
	2-10 Nomination and selection of the highest governance body	AR: 26 – 27
	2-11 Chair of the highest governance body	AR: 18
	2-12 Role of the highest governance body in overseeing the management of impacts	12
	2-13 Delegation of responsibility for managing impacts	12
	2-14 Role of the highest governance body in sustainability reporting	12
	2-15 Conflicts of interest	17
	2-16 Communication of critical concerns	15
	2-17 Collective knowledge of the highest governance body	12
	2-18 Evaluation of the performance of the highest governance body	AR: 27
	2-19 Remuneration policies	AR: 29 – 30
	2-20 Process to determine remuneration	AR: 29 – 30
	2-21 Annual total compensation ratio	AR: 30 – 31
	2-22 Statement on sustainable development strategy	5
	2-23 Policy commitments	8

## GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	PAGE REFERENCE
	2-24 Embedding policy commitments	15 – 24
	2-25 Processes to remediate negative impacts	15 – 24
	2-26 Mechanisms for seeking advice and raising concerns	17
	2-27 Compliance with laws and regulations	22 – 23
	2-28 Membership associations	10
	2-29 Approach to stakeholder engagement	14
	2-30 Collective bargaining agreements	Not applicable <sup>3</sup>
<b>Material Topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	15
	3-2 List of material topics	15
<b>Economic Performance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	16
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	16
<b>Anti-Corruption</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	17
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	17
	205-2 Communication and training about anti-corruption policies and procedures	17
	205-3 Confirmed incidents of corruptions and actions taken	17
<b>Energy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	18
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	18
	302-3 Energy intensity	18
<b>Training and Education</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	19 – 21
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	20
	404-2 Programs for upgrading employee skills and transition assistance programs	19 – 21
<b>Occupational Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	22 – 23
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	22 – 23
	403-2 Hazard identification, risk assessment, and incident investigation	22
	403-4 Worker participation, consultation, and communication on occupational health and safety	22

<sup>3</sup> All employees within the scope of this SR are not covered by collective bargaining agreements.

	403-5 Worker training on occupational health and safety	22
	403-6 Promotion of worker health	23
	403-9 Work-related injuries	23
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	24