



2019

MicroPort

SOCIAL RESPONSIBILITY REPORT



VISION

People Oriented

Building a Super-Conglomerate of People Centric Enterprises of Emerging Medical Technologies

MISSION

Continuous Innovation

To Provide trustworthy and universal access to state-of-the-art solutions of Prolonging and Reshaping Lives

The Patient Always Comes First

At MicroPort® we firmly believe that every person has the right to high quality medical treatments and to live longer and healthier lives. That belief drives us to seek partnerships and collaborations with doctors and medical societies to foster innovation that could transform medical treatment. Together we are working to ensure that everyone can enjoy this right.

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ABOUT THE REPORT

Founded in 1998, Shanghai MicroPort Medical (Group) Co., Ltd is an innovative high-end medical device group. Its parent company is MicroPort Scientific Corporation (HK: 00853). Shanghai MicroPort Medical (Group) Co., Ltd remained committed to its original intentions, continued to innovate and fulfilled its mission and social responsibilities in 2019. This report aims to describe its practices and achievements during the reporting period.

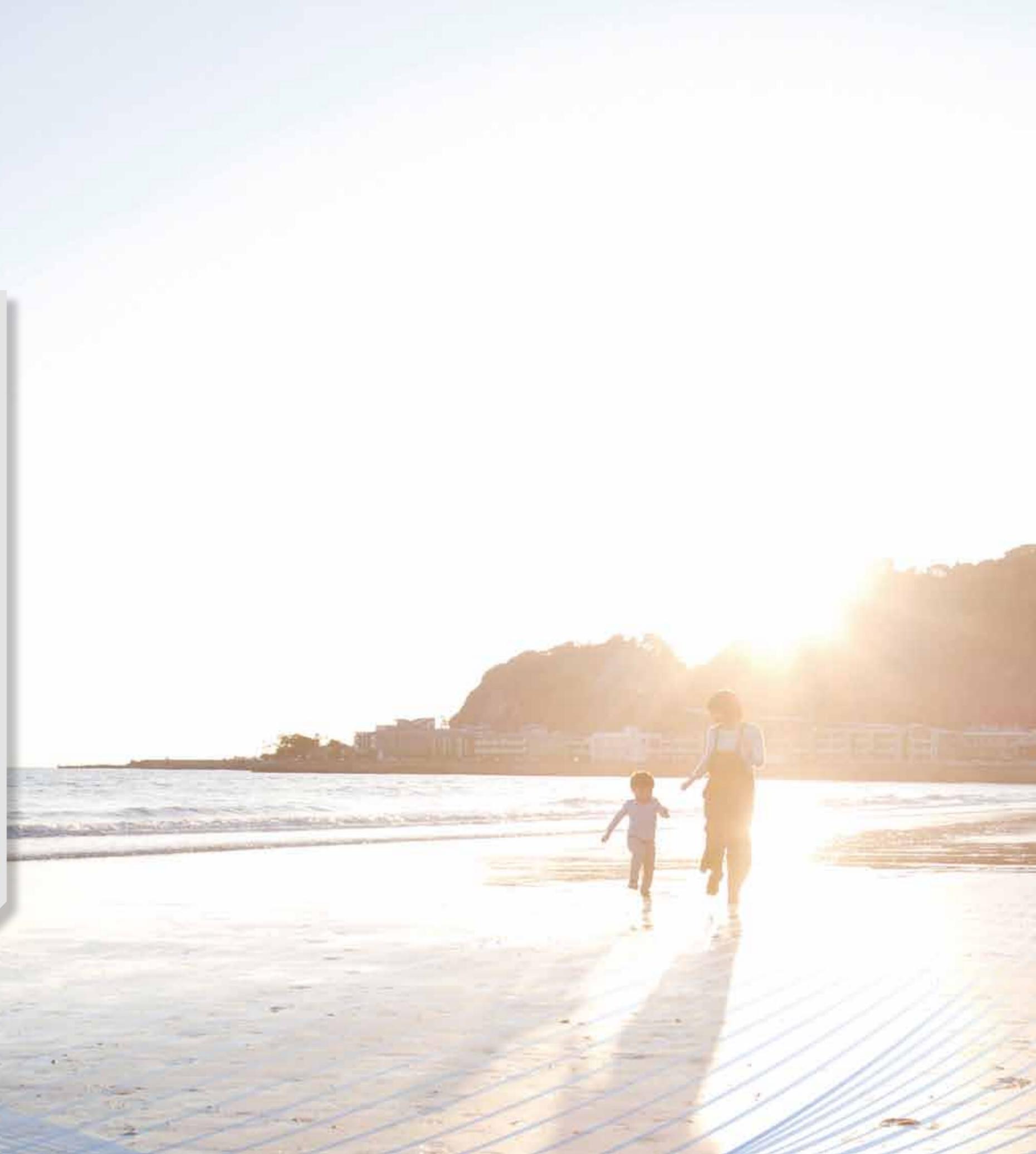
This report is prepared in compliance with the Associations Standards of Shanghai Guidelines for Corporate Social Responsibility (T31/01001-G001-2014) and the Environmental, Social and Governance (ESG) Reporting Guide issued by the Stock Exchange of Hong Kong Ltd.

This report covers the time period from January 1, 2019 to December 31, 2019. Portions of this report can be traced

back to previous years to better reflect the persistent efforts in fulfilling social responsibilities of the Company. Given the sweeping impact of the coronavirus worldwide in 2020, this report also discloses relevant content.

For the convenience of presentation and reading, Shanghai MicroPort Medical (Group) Co., Ltd and its subsidiaries are referred to as “the Company”, “Company” or “MicroPort Medical”. Its parent company MicroPort Scientific Corporation and its subsidiaries are referred to as “MicroPort Group” or “Group”. This report mainly covers MicroPort Medical, unless otherwise stated.

This report is available in simplified Chinese and English, in paper and electronic formats. The electronic version can be downloaded at www.microport.com. In the event of any conflict between different versions, the Chinese version shall prevail.





Dr. Zhaohua Chang
Chairman of the Board and CEO

PREFACE

Chairman's Statement

Dear friends,

MircoPort Medical is committed to the mission: to provide patients and doctors with the best, yet accessible solutions that can prolong and reshape lives through continuous innovation. Population aging has become increasingly prominent worldwide. The public demand for medical devices and services is increasing. China's healthcare reform continues to deepen, bringing in a new trend where we see tightened regulation, quality control and domestic innovation being encouraged. In such context, the Group proactively expanded business globally, exploited synergies among 10 business segments, continued to innovate in research and development (R&D) and made a breakthrough in localization, elevating the full-year results to a new level in 2019.

As an innovative high-end medical device group, the Company is deeply aware of our mission and social responsibilities. We increase R&D investment and do our utmost to provide accessible, high-tech and integrated medical solutions via technical innovation and breakthroughs. Fulfilling social responsibility has been deeply embedded into MicroPort's corporate culture. We have established a sound social responsibility management system, integrated the expectations and requirements of all stakeholders into our daily management and operations, and embodied them in the management requirements, position responsibilities and codes of conduct for different departments at all levels. Thus safe,

efficient, green and harmonious corporate operations are secured from regulation, resource and staff perspectives, pushing social responsibilities to be fulfilled by all staff, in all respects and during the entire process.

We continued to prioritize quality in 2019. We uphold a management credo of "Eyes on Greatness, Hands on Details", pay attention to quality risk management across the product lifecycle. Strict mechanisms for quality safety and reverse reaction test have been developed to cover from product R&D to sales, making sure that the entire process of product R&D, production and sales is safe and error-free. We have launched 115 Care Cards, solving the "last mile" problem of product traceability between patients and medical institutions, manufacturers and regulatory authorities. In case of emergency, the Care Card makes it possible for doctors to obtain information of the implant fast and accurately, so as to protect patients' rights and interests and lives.

We recognize as a corporate citizen the duty to preserve the environment and resources and contribute back to the society. MicroPort has been taking active actions for years by providing charitable medical treatment, improving education environment, living facilities etc. We honor our social responsibilities through concrete actions. The Company has set up several charity projects in China, such as continuous investment in Hope Primary Schools, building up medical clinics in remote areas and providing free medical products and

services to minority areas. At abroad, we also actively participate in local charity projects and community activities, improve local residents' wellbeing and pass positive energy which helps build an image of a responsible Chinese enterprise overseas.

No innovation, no survival. We see forward-looking talent management as the key to continuous innovation. We attract talents around the globe, support employees' career development with a talent cultivation system and provide various opportunities to enhance their professional skills and innovation potential.

We will continue to implement our social responsibility strategies, pay attention and respond to stakeholders' expectations. Your involvement assures our sustainability. I would like to take the chance to express my sincere gratitude to all our employees, customers, partners, shareholders, governments and all communities for your contributions and support. We will not forget our original intentions and will stick to the concept that the patient always comes first. We will always be people-centric, stay committed to providing first-class medical technologies, devices and integrated solutions, and bring hope for and faith in health to more people around the world.

Dr. Zhaohua Chang
Chairman of the Board and CEO



About MicroPort Medical

Founded in 1998 and headquartered in Shanghai Zhangjiang Hi-Tech Park, Shanghai MicroPort Medical (Group) Co., Ltd is a leading innovative high-end medical device group. It specializes in innovating, manufacturing and marketing high-end medical devices around the globe.

By leveraging its parent company MicroPort Group, the Company is operating multiple business segments globally, including cardiovascular devices, orthopedic devices, cardiac rhythm management, endovascular devices, neurovascular devices, surgical medical devices, heart valve business, surgery robots and others. So far, we have launched over 300 varieties of products in the market used by over 10,000 hospitals in around 80 countries or regions, covering main regions such as Asia-Pacific, Europe and America. One MicroPort product is used every 6 seconds worldwide to save patients, improve their quality of life or incubate new lives. The coronary drug stent product is the first domestic drug-eluting stent system and has been leading the domestic market since its launch in 2004. MicroPort Medical launched the first target drug-eluting stent system in 2014, changing its position from a market follower to a leader in the coronary artery stent area. At present, MicroPort's market share in multiple business segments including cardiovascular devices, orthopedic devices, cardiac rhythm management and endovascular devices ranks among the top in the world.

MicroPort Medical is gradually increasing its global footprint. MicroPort Medical has established production (R&D) centers in China (Shanghai, Suzhou, Jiaxing and

Dongguan), the United States (Memphis, TN), France (Clamart), Italy (Saluggia) and the Dominican Republic (Santo Domingo), building a global network in R&D, manufacturing, marketing and services.

MicroPort Medical focuses on indigenous innovation and continues to invest heavily in R&D. Now MicroPort Medical owns over 4600 patents (including applications) and has been awarded the State Science and Technology Progress Prize for five times, one of which is Enterprise as an Innovation Platform Prize, and also several provincial-level Science and Technology Progress Prizes. 20 products have entered green channel in China, which is a special registration procedure for innovative medical devices.

Our products concern the lives of many people every day. We try to live up to people's trust through continuous innovation. MicroPort Medical sticks to the management credo of "Eyes on Greatness, Hands on Details" and emphasizes being people-centric. Pursuing details and innovation has been deeply rooted in our DNA. We aspire to build a global leading medical group that always puts patients first in a high-tech medical field manifested by microtrauma through unremitting efforts.

As a growing company, the Company is ambitious to build MicroPort as an internationally recognized brand. As the business grows, the Company strives to preserve our unique entrepreneurial spirit and stay committed to improving the social wellbeing and continue to demonstrate entrepreneurial achievements and innovation spirit.



Strategy and Responsibility Management

MircoPort Medical is committed to our mission and responsibilities: to provide doctors and patients with the best, yet accessible solutions that may prolong and reshape lives through continuous innovation. We realize the importance of listening to and meeting stakeholders' requests in corporate sustainability. As an innovative high-end medical device company, innovation and quality assurance are essential to our operations. We "do our best in every detail" to provide doctors and patients with integrated solutions that can satisfy people's requirements for higher quality of life.

Fulfilling social responsibility has been deeply embedded into MicroPort's corporate culture. We have established a sound social responsibility management system, integrated the expectations and requirements of all stakeholders into our daily management and operations, and embodied them in the management requirements, position responsibilities and codes of conduct for different departments at all levels. Thus safe, efficient, green and harmonious corporate operations are secured from regulation, resource and staff perspectives, pushing social responsibilities to be fulfilled by all staff, in all respects and during the entire process.

Responsibility Management System

Corporate Functions	Roles & Responsibilities
BoD Strategy Committee	Define CSR strategy
Department of BoD and Shareholders Affairs	Communicate with the capital market and summarize and report the implementation of CSR as a corporate citizen
Strategy Department of "Zhi Xing He 1 (the unity of knowledge and action)"	Monitor the implementation of the CSR strategy
Department of Brand and Communication	Communicate the concept of corporate citizenship internally and externally
Department of Legal Affairs and Compliance	Formulate and implement compliance policies and make sure that the Company conducts businesses with integrity and in a compliant manner
Product Quality Department	Inspect and monitor product quality and make sure that we provide high quality products to customers
Liang Zhi Patient Care Center	Provide before-, during- and after-surgery services to patients treated by minimally invasive surgeries to improve patients' experience in our products and services
Safety Operation and Responsibility Committee	Environment management, production safety and occupational health training
Human Capital Department	Employee training, development, incentives and rights and interests protection
Property Operation and Maintenance Department	Continue to improve working environment
Group General Office	Plan and participate in community welfare activities
Horizontal organizations such as the labor union and women's federation	Care and serve employees and increase employees' sense of identity and belonging

Identification and Involvement of Stakeholders

Stakeholders	Stakeholders' focuses	Communication highlights
Shareholders and all	Performance Compliance operation Risk management and control	Improve the corporate governance system; Performance evaluation; Work brief report; Statutory information disclosure;
Customers and consumers	Quality Service Price	Participate in academic seminars and industrial forums together with academic societies, industrial associations, etc. ; Establish a quality management system and assure product quality and safety; Before-, during- and after-minimally invasive surgery education to patients; Minimally invasive implant card; Organize customer satisfaction survey; Build a sound customer service process and complaint response process; Break the monopoly of imported products to reduce product prices, and provide more cost-effective and accessible medical solutions;
Media and the public	Information transparency Media interviews	Create a Press Spokesperson System to bridge the communication with the media; Disclose information timely via channels such as our websites, official Microblog and Wechat; Keep good cooperation with the media and widen the communication channels for important corporate information;
Employees	Working environment Capabilities development Individual development Rights and interests protection	Set up a labor union with 100% employee participation; Optimize the working environment and provide more convenience; Establish a long-term talent training system; Create dual-channel career development paths; Provide employees with multiple communication platforms such as Wechat, Microblog, DingTalk, intranet, internal journals, woodpecker mailbox and other horizontal organizations;
Suppliers	Supply chain sustainability Win-win cooperation	Establish a normative and transparent process of supplier bidding and management; Cooperation review;
Governments	Compliance operation Tax payment according to law	Operate according to law; Continue to innovate in R&D; Contribute to policy setting; Actively participate in government projects;
Community involvement	Solutions to social problems	Donate to build Hope Primary Schools and continue to support; Actively participate in community welfare activities; Set up encouragement scholarships in colleges and universities; Engage in charitable donations;
Environment	Environmental protection measures and outcomes	Responsible operation; Build an environment management system; Layered management, regular internal reviews and policy update; Environment evaluation by the 3 rd party;

Governance Structure

The Company has established a corporate governance structure in compliance with the modern corporate structure consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the senior management. The General Meeting of Shareholders is the highest authority in the Company. The Board of Directors in its power is responsible for corporate governance and major decisions, including approving and monitoring of corporate policies, overall strategies, finance and budget, internal audit, risk management, material transactions and other significant financial and operational matters of the Company. The Board of Directors has established four committees, namely the Strategic Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Board's affairs. The Board of Supervisors oversees the financial accounting activities of the Company, and monitors if the BoD and senior management violate any laws, regulations or Article of Associations of the Company when performing their duties.

The Company's day-to-day operation is delegated to the senior management. To enhance decision-making efficiency and accuracy and avoid the impact of wrong individual decisions on the Group, the Company has also established three geographically distinctive operational committees, namely Greater China Executive Committee, Inter-Continental Orthopedics Committee and Inter-Continental CRM

Committee. These committees do have overlapping members, but they all remain independent and make collective decisions on their geographically distinctive matters. An interconnection system is also established to ensure efficient cooperation and operations. The Company has established multiple professional committees which are led by each Executive Committee respectively and comprise the senior management, heads of corporate functions and other specialists. They are cross-functional committees that make decisions and coordinate to improve decision-making professionalism and execution efficiency.

One MicroPort Committee aims to explore and evaluate the cooperation, management and strategic synergies among the three Executive Committees. We organize regular exchange activities which serve as a global platform for our employees from Greater China Executive Committee, Inter-Continental Orthopedics Committee and Inter-Continental CRM Committee to exchange ideas with each other, and an occasion where communication between business lines and management can be enhanced. We strive to realize cultural integration under the context of diversified locations and businesses and strike a balance between the commonality of the Group's culture and the individuality of regional operations to mobilize global resources for each module (business) and region (territory), achieve resource synergies and improve management efficiency.



Risk Management and Internal Control

The Company values risk management and control. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and establishes an effective risk management and internal control system. The Audit Committee assists the Board in managing the risk management and internal control system, reviewing its effectiveness regularly and overseeing its design and implementation. The Internal Audit Department independently reviews the completeness and effectiveness of the risk management and internal control system and reports its findings and recommendations to the Audit Committee.

The Company has developed various risk management procedures and guidelines for key business processes, covering businesses in sales, purchasing, financial reporting, expenses, fixed assets, contract management, human resources, information technology and so on. The Internal Audit Department conducts risk assessment regularly to identify risks that may potentially impact the Group's operations, financial processes, information security etc. The senior management

works with department managers to evaluate the risk possibility, come up with solutions and monitor risk management procedures. The Internal Audit Department independently reviews the completeness and effectiveness of the risk management and internal control system and reports its findings and recommendations to the Audit Committee. The Company has established a team of professional internal auditors. There were 640 auditors by end of 2019. Based on the requirements set in the annual quality management plan, auditors organize regular internal audit activities within different departments to identify vulnerable links in quality management.

The Company has developed disclosure policies which provide the Company's directors, senior officers, senior management and relevant employees with general guidelines on handling confidential information, monitoring information disclosure and responding to enquiries. Monitoring procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

When necessary, the Company will appoint a consulting firm to thoroughly review (or monitor) the risk management and internal control system of the Company and its subsidiaries on a regular basis.



Fair Operation

The Company has established a sound compliance management system. We actively facilitate responsible commercial activities in accordance with the rules, regulations and governance in all countries (regions) where we conduct business.

The Company has remained complied with laws and regulations concerning anti-corruption and anti-bribery, privacy and data protection, export control, money laundering etc., including the Criminal Law of the People's Republic of China, Anti-unfair Competition Law of the People's Republic of China, Anti-money Laundering Law of the People's Republic of China, the US Foreign Corrupt Practices Act (FCPA) and Export Administration Regulations in countries where the Company conducts business.

The Company actively organizes anti-corruption education. All employees and distributors are required to sign the MicroPort Group Regulations on Clean Conduct and Terms of Compliance Standards respectively to build a line of defense against corruption together with the Company. The Company organizes anti-corruption and anti-bribery trainings and communication in different forms every year, targeting at groups including but not limited to directors, new hires, salespersons and distributors. Such trainings cover the interpretations of laws and regulations, case warnings, interpretations and practices on compliance policies, etc. In total 31 trainings were organized in 2019 for more than 1700 people.

The Company upholds the highest standards of integrity in the course of its business and has established the Code of Business Conduct and Ethics, policies and guidelines on interactions with health care professionals and business partners to regulate and guide our business globally where the Company operates.

No case of corrupt practices against the Company was recorded in 2019.

Compliance management

The Company recognizes the importance of compliance with legal and regulatory requirements and is gradually setting up a sound compliance management system to deal with potential non-compliance. These is a professional team in the Department of Legal Affairs and Compliance who are familiar with domestic and international laws and regulations and are very experienced. They identify risks timely based on relevant laws and regulations at home and abroad, introduce measures for internal management and control, communicate internally and organize trainings to make sure that the Company continues ongoing compliance with applicable laws, regulations and industry standards in the targeted markets, including but not limited to those promulgated by China's Ministry of Commerce, Administration for Market Regulation at all levels, Development and Reform Commissions and industry authorities concerning market supervision, trade,

anti-bribery and anti-corruption, individual and data privacy, cyber security etc.

The Department of Legal Affairs and Compliance continues to supervise the implementation of compliance policies, follows up to assure a closed loop, so as to effectively improve compliance management and reduce non-compliance. Online and offline speak-up channels have been established to enable employees at all levels and all parties who have direct or indirect businesses with the Company to report real or suspected non-compliance via phone calls, emails, letters etc. The Company takes effective confidentiality measures to assure that complainants and whistleblowers are protected during the investigation. Together with the Internal Audit Department, the Department of Legal Affairs and Compliance forms a working team to investigate complaints and report to the Executive Committees for action approval and execution in a timely manner.

Required laws and regulations for corporate operations (examples)

Process	Relevant laws, regulations, rules and ordinances in places where we operate
Clinical trial	Provisions for Clinical Trial of Medical Devices
Product registration	Relevant rules issued by the National Medical Products Administration
The New Approach to Technical Harmonization and Standardization (EU)	Extend such culture to other areas through interpersonal communication and collaboration among companies for further development in 3 areas. Use society as a platform to gradually communicate and realize essential safety
Production safety	Good Manufacturing Practice for Medical Devices Provisions for Quality Systems of Medical Devices
Environmental protection	Environmental Protection Law of the People's Republic of China Environmental Policy in the European Union
Labor employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Provisions on the Prohibition of Using Child Labor

The Company has received product sampling inspections for the latest 3 years conducted by regulatory institutions, including the National Medical Products Administration and Shanghai Pudong Medical Products Administration, and our quality management system has been reviewed

by other 3rd-party inspection institutions such as DEKRA and CMD (Beijing Hua Guang Certification of Medical Devices). The passing rate in both sampling inspections and quality management system reviews are 100%.

Sampling status for the latest 3 years

	2017	2018	2019
Sampling inspection	2 times	2 times	1 times
Passing rate	100%	100%	100%

Quality management system review status for the latest 3 years

	2017	2018	2019
Review	6 times	6 times	7 times
Passing rate	100%	100%	100%



CUSTOMER EXPECTATIONS AND INNOVATION MISSION

"Being people-centric" is part of our corporate culture, and "Breaking barriers to support billions of people thrive beyond 115 years" is our original intention. With these in mind, MicroPort Medical continues to invest heavily in R&D for highly competent R&D centers, develop strong patent technologies, acquire and attract key talents globally and build advantages in core-technology based innovation to quickly respond to the needs of customers (including patients, doctors and distributors) and provide them with the best yet accessible ways and means to prolong and reshape lives.

MicroPort respects and admires craftsmanship spirit and always pursues perfection in detail. The Company aims to exceed customers' expectations with our perfect products and meticulous services. We have built a sophisticated customer feedback and service system to systemically monitor our market performance and customers' needs. With a fast response system in place, we support patients globally and continue to boost customer satisfaction, thus maintaining and adding value to shareholders' capital.



Listen to Customer Voices

MicroPort's core market segments or main customers are distributors, doctors and patients. Based on the requirements for products and services and the concept of exceeding customers' expectations, the Company has built a sophisticated customer feedback and service system to systemically monitor our market performance and trend. Also, with fast

countermeasures in response, we support patients globally and continue to boost customer satisfaction, thus maintaining and adding value to shareholders' capital.

Targeting at different customer groups, the Company has established various systems to listen to customers and collect and respond to their needs.

Understand needs of and feedback from different customers

Target	Listening channels	Content
Doctors/experts	MicroPort Heartful Review	Understand product reviews, characteristics and market information of both the Company and competitors
	"Micro Lecture", "expert interview" and Product Satisfaction Questionnaire	Understand doctors' and experts' perception of MicroPort as a brand, familiarity with products, relevance between brand and product and their product reviews
Sales teams/agents	Marketing and sales channels, including business communication, return visits and annual channel meetings	Onsite communication with hospital staff, doctors and patients and build an information base about customers' likes, preferences and brand loyalty
Society	Service hotline 400-840-0501	Product consultation, needs, patients' comments and suggestions

Innovation Responsibilities

Population aging has caused an increase in cardiovascular and cerebrovascular diseases. Improvements in living standards put demands in improving life quality. The national healthcare reform also requires more cost-effective products. All these facts require Chinese medical device companies to be more innovative, break foreign companies' technological monopoly and provide Chinese with high-quality, yet accessible solutions.

medical device company, sees meeting customers' needs as the source for our continuous innovation. Since its inception in 1998, the Company has developed the first balloon dilation catheter, the first coronary bare stent system and the first coronary drug eluting stent system in China, breaking foreign companies' monopoly in cardiac interventional devices. Our market share in China has always remained first.

MicroPort Medical, as an innovative high-end

After 20 years' efforts and catch-up, the Company now owns 4,116 patents (including applications)

with more than 300 varieties of products in the market, covering cardiovascular devices, orthopedic devices, cardiac rhythm management devices, endovascular devices, neurovascular devices, heart valve business, surgery robots and others.

We not only focus on the domestic market, but also actively respond to the national policy of “Chinese enterprises going global” by building our brand and aiming to become a world-class company of medical devices. We stick to indigenous innovation, build advantages in core technology-based innovation, actively develop core brand strategies for an innovative brand strategy, build brand management system, continuously strengthen brand building and explore a new path for brand internationalization.

MicroPort products have entered global mainstream markets. Our core products also take a lead in domestic market. We have broken the monopoly of foreign enterprises in several market segments, alleviating patients’ burden and leading to high-speed development of the industry. As of 2019, we held accumulatively 2,085 trademarks (including applications) in 66 countries. 406 trademarks (including applications) were newly added in 2019.

One MicroPort product is used every 6 seconds worldwide to save patients, improve their quality of life or incubate new lives.



On June 26, 2019, the 16th World Brand Conference themed “Global Leadership and China’s Brand Rebuilding” was held in Beijing. An analysis report of 2019 China’s 500 Most Influential Brands was released by the World Brand Lab in the conference. In this annual report based on the analysis of financial data, brand strength and consumer behaviors, MicroPort Medical with a brand value of 7.829 billion RMB became the first selected medical device company since the first such report was released 16 years ago.

Intellectual Property Management, Protection and Application

During its over 20 years of development, the Company has set up an intellectual property management system that suits the development of advanced science and technology. The Company has formulated a Handbook of Intellectual Property and its third edition was revised in May 2019 and has built an Intellectual Property Department with a professional team for intellectual property management, application and protection. The Company has paid attention to the commercialization of technological achievements and intellectual properties. We have regulations on intellectual property reward which state clearly how to reward and remunerate for patent applications. This move is to encourage the protection of inventions through intellectual properties. As of 2019, the Company has successfully developed and launched more than 300 varieties of products thanks to our unique “Innovation Reactor” model. With our independent innovation and patent planning in place, MicroPort has marketed great products to over 80 countries, and has taken advantages of the partnership between doctors and engineers, patent alliance, science and technology capital, and its strong commercialization capability to build a healthcare-focused ecological intellectual property operating

Shanghai Medical Awarded with the “Dual Integration Demonstration Base”

In 2019, the Company became one of the first companies that were awarded with the “Technological Innovation and Science Popularization Integration Demonstration Base of Pudong New Area” (“Dual Integration Demonstration Base”). The Dual Integration Demonstration Base is intended to fully implement the principle of an important speech made by General Secretary Xi Jinping, which states that “technological innovation and science popularization are the two key elements for innovation, and equal importance should be set to science popularization and technological innovation”. The bases are established in accordance with the Law of the People’s Republic of China on Promulgation of Science and Technology, and the principles of

relevant documents released by Shanghai City and Pudong New Area. The Science, Technology and Economy Committee of Pudong New Area is responsible for organizing and carrying out the program.

Organizations and institutions that made to the list in the first batch mainly focus on the development and industrialization of high technologies. They have made important technological innovation achievements, led national or Shanghai major technological innovation projects, or own major technological innovation platforms, such as large-scale scientific facilities, national key laboratories or key laboratories in Shanghai.

system.

We are committed to respecting and protecting the intellectual property rights of other parties, including patents, trademarks and copyrights. The utilization of other parties’ properties must be in compliance with applicable laws and regulations. Any form of infringement of intellectual property rights is prohibited.

Data Security and Privacy

The Company has taken strict measures to protect IT resources and data privacy of the Company and its stakeholders, including employees, business partners and customers. Our privacy policy and IT policy stipulate the principles and responsibilities on personal data protection and are also used for checking information leakage. Employees in high risk positions are required to sign confidentiality agreements. Disciplinary actions are taken against individuals who have violated the policy.

The Company takes the responsibility to ensure that

no unauthorized person is able to access confidential information. We conduct information security audit periodically to monitor the effectiveness of our existing measures and raise the security level as needed. To minimize cyber risks, the network at the manufacturing area has been modified so that it is isolated from other networks. IT security system was upgraded with a focus on protecting R&D technologies in 2019. Management systems are in place to control information access to all, including visitors and in meeting rooms. We provide trainings to employees of all levels to raise their awareness on cybersecurity issues.

On October 21, 2019, the Shanghai Municipal People’s Government and World Intellectual Property Organization (WIPO) for the first time jointly issued the Shanghai Intellectual Property Innovation Award. Shanghai MicroPort Medical (Group) Co., Ltd was among the first to be awarded the Shanghai Municipality Intellectual Property Innovation Award (Application) for its outstanding achievements in utilizing intellectual properties.

Quality Responsibility

MicroPort Medical develops and manufactures interventional medical devices. Our senior management is fully aware that “quality” is the foundation for development and product quality concerns the life and health of every patient and therefore must not be compromised at all. Each employee is “full-heartedly committed to providing patients with safe and efficient medical devices”. Securing high-quality and safe medical devices is what the Company must do and also plays a vital role in the survival and development of the Company. Since the inception of the Company, we have been focusing on building a brand that belongs to patients and doctor with doctors’ and patients’ satisfaction as our ultimate goal. The Company understands that “product quality concerns patients, not only affecting their lives but also the happiness of their families”. Such value has driven the whole Company to pursue zero-defect product quality and zero tolerance for insufficient services. We continuously improve the quality through technological innovation and employees’ efforts. We do our utmost to pursue perfection in detail and combine “products”, “patients” and “MicroPort”, forming a community of common destiny which means “mutualism, coexistence and common destiny”.

Compliance with Laws and Regulations

As a leading medical device company, the Company has taken compliance with laws and regulations as the basis for operations and complies with all applicable laws and regulations for product quality and safety in locations where we operate, including but not limited to the Product Quality Law of the People’s Republic of China, relevant requirements from National Medical Products Administration and the European Union and industry standards. The Company sticks to lawful operations, prohibits any behavior that is against laws and regulations, industry standards and quality management systems, and prioritizes product quality throughout raw material purchasing, product design and development, production, sales etc.

Employees’ legal awareness greatly affects the Company’s quality management, and therefore the

Company has made continuous efforts to improve employees’ legal awareness and standard awareness. We have organized trainings in different forms on various topics to provide employees with long-running education on relevant laws.



Establishing a Quality and Safety Responsibility System

The Company has created a tier-based quality and safety responsibility system. The head of product quality is responsible for coordinating and promoting the development of the quality management system. The Company has established a quality management system that complies with relevant laws and regulations globally. With ISO 9001 and ISO 13485 as the basic framework, we have created process documents and management systems to regulate the implementation. The passing rate of external audits is 100%.

The Company actively audited our quality management systems internally. In 2019, it took the Company 182 persons/day to conduct the quality management system internal audits for all subsidiaries to assess the effectiveness of each quality management system and identify areas for further quality improvement.

The Company pays attention to develop quality management internal auditors. Each year, we collect and update internal auditors’ information and evaluate their performance on a regular basis. The Company finished the 2019 Group internal auditors’ evaluation in December 2019 and chose 52 senior auditors, 189 auditor and 394 intern auditors. This continues to contribute quality professionals and internal auditors to our quality management system from the group level.

Participation in National Standardization Technical Institutes

Number	Technical Committee
1	Subcommittee on Materials and Orthopedics Implants of National Technical Committee on Implants for Surgery and Orthopedic Devices of Standardization Administration
2	Subcommittee on Cardiovascular Implants of National Technical Committee on Implants for Surgery and Orthopedic Devices of Standardization Administration
3	Subcommittee on Active Implants of National Technical Committee on Implants for Surgery and Orthopedic Devices of Standardization Administration
4	National Technical Committee on Medical Electrical Equipment of Standardization Administration
5	Subcommittee on Medical Electrical Instruments Standardization of National Technical Committee on Medical Electrical Equipment of Standardization Administration
6	National Technical Committee on Medical Syringes of Standardization Administration
7	National Technical Committee on Biological Evaluation on Medical Device of Standardization Administration
8	National Technical Committee on Quality Management and General Requirements for Medical Device of Standardization Administration
9	National Technical Committee on Extracorporeal Circuit Equipment of Standardization Administration
10	National Technical Committee on Disinfection Technology and Equipment of Standardization Administration
11	Particular Work Group of Medical Robots Standardization
12	Technical Committee on Assisted Reproduction Products of Standardization Administration



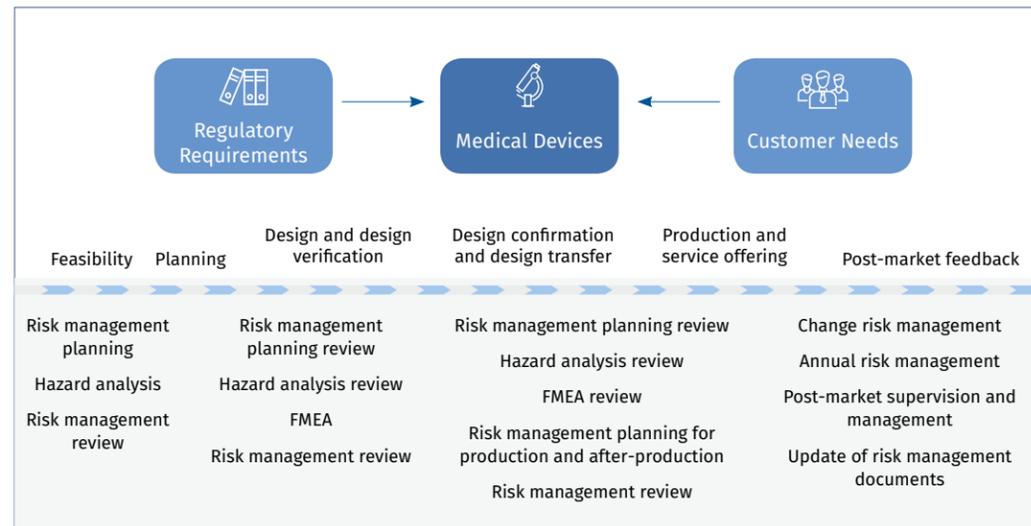
Product Whole Process Management

To ensure product safety and quality, our Quality and Legal Departments strictly follow the quality management system to monitor product quality and safety during the whole process from concept formation in the very beginning to Service offering. This provides a complete and effective guarantee for product quality and safety.

Eliminating and Preventing Product Defects

In terms of product conformity, we conduct a series of tests on raw materials, semi-finished and finished products throughout the product R&D and manufacturing processes. Unqualified products are labeled and separated according to the control procedures, which then will be arranged for rework or disposal, and clear records are kept. To minimize

Product Management and Control Requirements throughout the Process



direct human contact with products and maximize efficiency of quality control and the product passing rate, the Company makes the most of technology and builds automated quality control systems as a significant step towards smart manufacturing.

To eliminate and prevent product-related flaws and hazards, our Corrective Actions and Preventive Actions Committee conducts nonconformity review before implementing corrective action plans. The committee comprises representatives from relevant departments, ensuring that the entire product lifecycle has been considered in the analysis of the cause of nonconformity.

Product Recall

The Company has developed a Warning System Control Procedure and a Product Recall Management System in accordance with relevant laws, regulations and management systems in countries where we operate. Based on different targeted markets and local regulatory requirements, we establish a handling procedure of adverse events for detection, investigation, analysis, report and corrections. In case

of the need for emergency measures (e.g. product recall), a response team for corrective measures (recall team included) is established in accordance with the procedure to issue advisory notice, execute product recall and take other corrective measures for market safety. The team proactively follow up and take the quality responsibility and legal obligations. The Company rehearses product recall situations to make sure we can recall products quickly once an emergency occurs to secure customers' rights and interests. No product recall was recorded in the Company during the reporting year.

Customer Complaint Response

The Company pays much attention to whether its products meet customers' needs. A "Product Quality Alarm Center" has been established to supervise post-market products, including handling of and response to customer complaints, adverse event report and trend analysis. Via our online complaints handling system, we receive and respond to customer complaints, analyze and summarize customer complaints data regularly, and provide supporting

information to improve our product design and the effectiveness of our quality management system. In 2019, the Company revised the Regulations on Customer Complaints Management, based on which Office for recalled products, together with employees from quality, R&D and manufacturing will test and analyze returned products and follow the complaint/response process according to actual situations.

The Company manages customer complaints quantitatively, setting a complaint rate of warning level at ≤0.10% (due to quality). The complaint rate for the latest 3 years has been far lower than the warning level.

We keep contact with complainants (including health care professionals and patients) to ensure timely and fair handling. We test, analyze and evaluate the complained product to identify the reason. Complaints that do not involve quality issues, patients' injuries or deaths, and do not need to be reported to authorities, are handled directly; adverse events are promptly reported to authorities according to the laws and regulatory requirements. Cases that involve suspected quality issues are investigated by quality and other departments and improvement plans are made to optimize related production processes and technologies. If there is any change or important quality issue subsequent to the delivery which needs to inform customers or notified bodies, an advisory notice will be issued, and a recall management process will be put in place.

In addition, we present our customer complaints analysis to relevant departments in our monthly and annual meetings. We also review and evaluate our quality management system and product risk management on an annual basis.

Customer Satisfaction

We believe that customer satisfaction is the ultimate expression of quality of the Company and see continuously identifying and meeting customers' needs as the driving force for our innovation-driven development.

Standing in customers' shoes, the Company has established and improved a sophisticated customer satisfaction evaluation system which targets at all products and segmented markets. With this system in place, we can clearly understand customers' perception of our products and other similar products in the market, and their suggestions. Customer satisfaction focuses on three aspects, namely identifying measurement index for products and services, multi-dimensional random sampling of targeted customers and the combination of online and offline channels. Together with a 3rd party, the Company conducted an online customer satisfaction survey, targeting at doctors and distributors. With 239 valid samples, our customer satisfaction reaches 92.2%. The 2019 result showed a 91.4% satisfaction rate on the new product Firebird 2™ stent which is especially recognized for its flexibility, as well as 92.2% on the Firehawk™ stent.

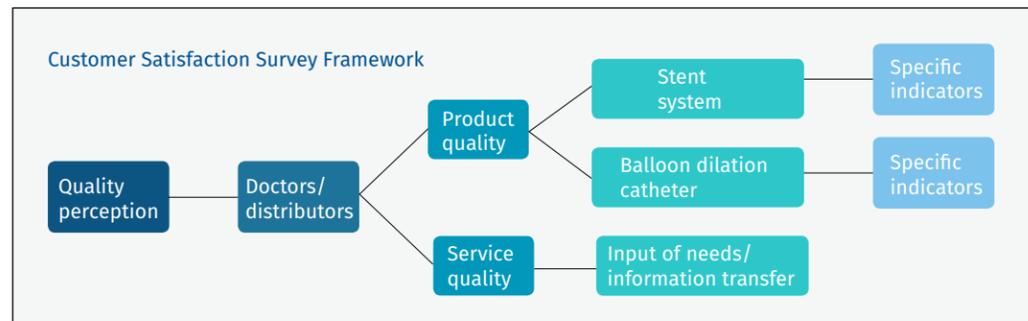


Customer Satisfaction Evaluation Method



Key areas for customer satisfaction evaluation

Product and service characteristics	Multi-dimensional random sampling	Online to Offline (O2O) channel combination
Compare customers' key requirements with the satisfaction rate of current products based on two dimensions: the importance of product and service characteristics and corresponding satisfaction rate of MicroPort products and services.	Choose doctors and surgeons who use MicroPort coronary products and have rich clinical experience and authorized distributors via random sampling from multi-dimensions such as product lines, regions, product penetration and sourcing platforms.	Online survey can be done without regional limits but a large amount of research data can be received in real time. This avoids errors that may occur from manual data collection and increases project execution and management efficiency.



Quality Culture Development

The Company believes that we must always be loyal and respectable to quality. Everything starts from “small detail” and we strive for innovation and progress during the course of refinement. This is the spirit that drives the sustainable development of MicroPort, and we have embedded the pursuit of perfection in detail in the DNA of our corporate culture. We develop “chemistry” to “synergies” and eventually to “synthesis”. Focusing on “details” is a typical feature of our products and innovation and is also the core of our culture featuring “refined details”.

values, the Company has established a complete quality operation management system to assure the effective implementation of key processes. The Company makes a Quality System Annual Plan in the beginning of each year which defines the annual quality targets of the Company and each department, brings forward quality system improvement items and plans, and identifies the plan for quality system annual review. Meanwhile, the Company organizes quality culture activities in different forms to imperceptibly integrate the quality culture in employees' behaviors, daily work and all operations.

With “quality” on top of our eight corporate



115 Care Card

Liang Zhi Care UDI and 115 Care Card synthesized data base for medical devices, which supervises the whole process from product R&D, manufacturing to after-launch. This solves the “last mile” problem of product traceability between patients and medical institutions, manufacturers and regulatory authorities, and pushes doctors to inform patients after surgeries of information (including implanted devices and safety precautions). In case of emergency, the Care Card makes it possible for doctors to obtain information of the implant fast and accurately, so as to protect patients' rights and interests and lives.

Awards and Honors in Quality

- [2018 Shanghai Quality Gold Award, February 2019](#)
- [2018 Quality Award of Shanghai, February 2019](#)
- [2019 National Quality Model Enterprise, September 2019](#)
- [APQO Innovation Class Award, September 2019](#)

Key Quality-themed Activities

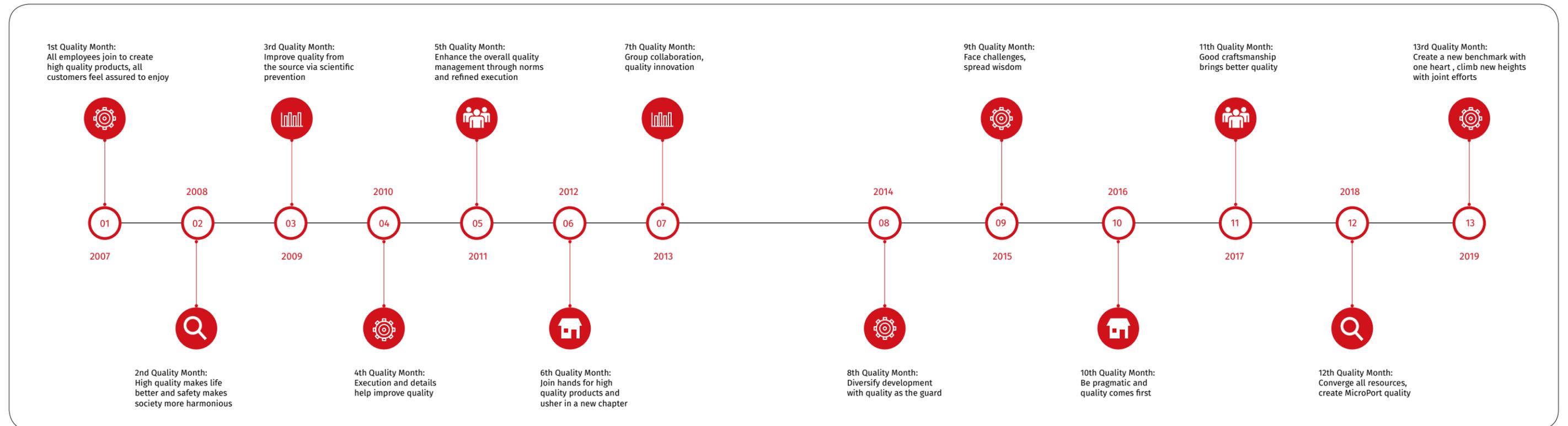
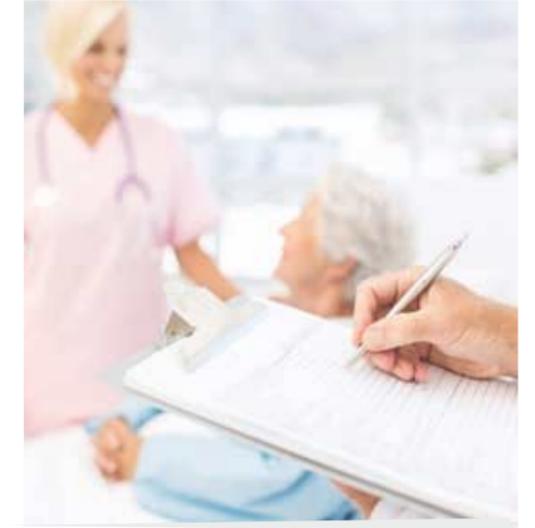
Form	Content	Participant	Frequency
Forum of quality and regulations	Change in laws and regulations, standards interpretations, audit requirements and understanding, etc.	External experts, peers, Product Quality Department, Registration Department, etc.	Once per year
Quality training camp	Quality development trend, internal practices and experience, etc.	Product Quality Department mainly	Once per year
Quality month	Quality trainings, special lectures, case sharing, etc.	All employees	4th quarter
QC activities	Quality task force, onsite improvement, etc.	All employees	Whole year

2019 Series Activities of Quality Month in MicroPort

Number	Activity
1	Special training: QFD Application in Quality Engineering
2	2019 on-site appraisal of 6S
3	2019 press conference of QCC
4	2019 product quality training camp
5	2019 press conference of six sigma green belts/black belts
6	2019 Group's internal review of quality management system
7	2019 Group's appraisal of internal auditors

Quality Month Activities of MicroPort Medical in 2019

Initiated by our Quality and Standardization Committee, the Product Quality Department, its counterparts in all subsidiaries and other horizontal organizations such as MicroPort RocWing, Thumb-up Alliance co-hosted the 2019 MicroPort quality month activities themed “Create a new benchmark with one heart, climb new heights with joint efforts” from October to December 2019. This quality month activity deeply promoted our overall quality management, actively guided all employees to improve quality during the entire process and in all aspects and created a new chapter for the high-quality development of the Company.





SUPPLY CHAIN MANAGEMENT AND ACCOUNTABILITY

Our products concern the life and health of our customers. Product quality is the foundation for corporate development. With "Quality First" as our principle, MicroPort Medical works together with upstream and downstream supply chain players to build a sustainable commercial partnership. We are committed to maintaining fairness and transparency of the industry and upholding transparent procurement and accountable marketing to build a sustainable commercial industry chain and support industrial development. We are complementary and mutually beneficial to each other for win-win cooperation, and together we ensure high quality for each implantation inside our patients.

Supply Chain Management

MicroPort Medical develops and manufactures high-end medical devices and is in the midstream of the whole medical industry. We self-develop, introduce and absorb new technologies for advanced production in the long-run development, and have also gained strong support from upstream and downstream members to gradually create and optimize a supply network covering products, technologies and services.

Supplier Management

Our suppliers include raw materials, packaging, service suppliers, etc. Quality has always been the top criteria when we select suppliers. We also focus on supplier quality and process control during daily management. The Company revised the supplier management system in 2019 which incorporated 3rd-party professional management institutes such as DEKRA (EU homologation) and Blue (3rd-party review service supplier for Active Pharmaceutical Ingredients production in the EU) into our qualified supplier management process.

Based on different performance criteria, the Company has clearly defined requirements for supplier selection and evaluation. Suppliers are categorized by their nature and risks of the products provided, including raw materials, general materials and services. Suppliers providing key materials are required to be certified with ISO 9001 or ISO 13485. Approved suppliers are listed in our qualified suppliers' list.

The Company continues to monitor and manage our suppliers. We conduct supplier performance reviews

quarterly through questionnaires, interviews and on-site audits. Supplier performance reports are prepared based on acceptance rate, on-time delivery rate, quality and compliance history etc. The number of qualified suppliers increased from 2017 to 2019 in a row and more and more suppliers were awarded in our annual supplier conference.

Supplier benefit maintenance

The Company adopts the Vendor Managed Inventory (VMI) system to continuously optimize our supplier management process and push for front-loading supplier management and services. The aim is to reduce cost and improve efficiency internally and for suppliers via measures such as increasing suppliers' batch production, goods inspection done at supplier end and unified management of internal and external inventory. The Company completed strategic suppliers' VMI management for 2 types of key materials, showing positive results.

Establish long-term partnership

The Company pays attention to strengthening commercial and technological cooperation with all suppliers and has signed long-term cooperation agreements with key material suppliers and cooperation agreements with multiple suppliers around the globe, making our supply network even closer. The Company has held the annual supplier conference for 4 years in a row which is to increase suppliers' knowledge and understanding of the Company and the medical industry. In the conference, we also reward excellent suppliers to encourage collaboration between suppliers and the Company for shared development.

Returns from strategic suppliers' VMI management for 2 types of key materials

Key returns indicator	Hardware cost	Turn-over efficiency	Capital stock
Returns	Site fees and personnel costs reduction of 140000 RMB/year	Efficiency increase of 230% (from 5 working days to 1.5 working days)	Around 5 million RMB savings



Accountable Marketing

Accountable marketing is also an important link we have introduced to ensure product quality and improve customer satisfaction. The Company is deeply aware of the importance of fair dealing and truthful advertising in preserving the reputation of the Company. In 2019, MicroPort Medical member companies strictly complied with the laws and regulations in product and service labeling in locations where we operate. There was no incident of non-compliance relating to product and service information and labeling. There was no instance of investigation and punishment by regulatory authorities due to non-compliance relating to advertising issues during the marketing process.

Our marketing and sales team strictly carries out compliance operation measures for marketing and promotion, making sure that compliance operation agreements are signed with business departments. The sales department, salespersons and agents are accountable for compliant operations and strictly comply with national laws and regulations. For marketing plans and related contract approval



processes, each responsible department plays its own role and cooperate to prevent in advance, monitor during the process and do audit afterwards to ensure that corporate operations comply with relevant laws and regulations.

We continue to enhance the trainings for marketing employees. We enhance agents' knowledge and understanding of our products through pre-planned academic education and training programs, so they become more professional. The Company collects market feedback in the form of evaluation sheet based on different products, and also builds customers' confidence in our products via communication with terminal customers.



In March 2019, 30 sales representatives received Evolution product training in the Japan office.

We also organize academic meetings, product demonstrations, physician trainings, academic exchanges, simulations and others to enhance physicians' understanding of our products.

“Detail” Focused Surgery Live Streaming:

In 2019, we continued to organize a “detail” focused surgery live streaming in cooperation with Dr. King APP and Complication Intervention Club. The surgery demonstration and online streaming was successfully held in the People's Liberation Army General Hospital. 10 experts and their elite teams were invited to participate in the surgery live and comment on cases. The top clicks for the single live streaming on that day reached up to 11000 clicks covering more than 30 cities nationwide.

Cross-strait Academic Exchange Forum on Coronary Artery Intervention Themed “MicroPort Teaching”:

Activities for cross regional academic exchange forum themed “MicroPort Teaching” were held in Tianjin Medical University General Hospital, Yantai Yuhuangding Hospital, Baoding NO. 82 Military Hospital, Shijiazhuang Jingxing Hospital and other hospitals in different locations. A well-known Taiwan expert in coronary artery intervention was invited as a lecturer and academic exchange activities were conducted such as surgery demonstration and case discussion.

“Contemporary Bethune” Activity:

The Company, Bethune Medical Development Association of Canada and Meizhou People's Hospital in Guangzhou co-hosted the Canadian “Contemporary Bethune” activity in Meizhou People's Hospital from October 21 to October 23, 2019. A Canadian delegation of 6 people was invited, including Dr. Michael Cucek, cardiovascular intervention expert from Faculty of Medicine, University of Toronto and Dr. James Swan, echocardiography expert and fellow from the Royal College of Physicians of Canada. Vice mayor of Meizhou City and the management team from Meizhou People's Hospital also participated.



Engage in Industrial Standards Setting to Enable Industrial Development

The Company takes “setting international and national standards, leading the medical device industry” as our vision and upholds a working guideline that “combines R&D and standard setting, so standards are in place and must be followed”. With GB/T 15496, GB/T 15497, GB/T 15498 and GB/T 19273 as main references, we have established a modern company standard system which is complementary to management standards and working standards.

The Company has accumulatively been engaged in almost 80 projects for revising national standards, industrial standards and standards of associations, among which over 60% are related to national and industrial standards. Standards have been issued for implementation in almost 30 projects. The Company proactively engages in standardization technical committees (including technical subcommittees or standards work groups) and works as committee member, member or communication member in 12 standardization technical committees/ subcommittees or standards work groups.

Involvement in the draft, discussion and verification of industry standards

Number	Type of standard	Project	Status	Role
1	National standards	Cardiovascular Implants-Vascular Device-drug Combination products—Part 1: General Requirements	Under inspection	Leading role in the drafting
2		Cardiovascular Implants — Cardiovascular Absorbable Implants	Under discussion	Participating in the drafting
3		GB/T25440.1-2010 Retrieval and Analysis of Surgical Implants-Part 1: Retrieval and Handling	Under inspection	Participating in the drafting
4		GB/T19973.1 Sterilization of Medical Health Care Products-Microbiological Methods-Part 1: Determination of a Population of Microorganisms on Products	Registered to solicit opinions	Participating in the drafting
5		Cardiovascular Implants- Cardiac Valve Prostheses—Part 1: General Requirements	Under inspection	Participating in the drafting
6	Industry standards	YY/T 0809.2 Implant for Surgery-Partial and Total Hip-joint Prostheses-Part 2: Articulating Surfaces Made of Metallic, Ceramic and Plastics Materials (revision)	Under inspection	Participating in the drafting
7		Test Methods for Determination of Total Knee Replacement Constraint	Under inspection	Participating in the drafting
8		Standard Guide for Conducting and Evaluating Galvanic Corrosion Tests in Electrolytes	Under inspection	Participating in the drafting
9		Implants for Surgery-Content Test of Lactide Monomers in Polylactic Acid Materials	Under inspection	Participating in the drafting
10		YY/T 1681-2019 Basic Terms of UDI System for Medical Devices	Released	Participating in the drafting
11		Test Method for Determining Transformation Temperature of Nickel-Titanium Shape Memory Alloys by Bending and Free Recovery	Verification completed	Participating in the drafting
12		YY/T 0681.15-2019 Test Methods for Sterile Medical Device Package-Part 15: Performance Testing of Shipping Containers and Systems	Released	Leading role in the drafting
13		Design and Evaluation Guides on Preliminary Soft Medical Device Packaging	Under inspection	Participating in the drafting
14		YY/T 0681.16-2019 Test Methods for Sterile Medical Device Package-Part 16: Test for Climatic Stressing of Packaging System	Released	Leading role in the drafting
15		YY/T 1268 Product Adoption and Process Equivalence for Ethylene Oxide Sterilization	Project registration approved	Participating in the drafting
16		Analytical Method for Medical Device Bioburden Control Level	Finalized	Participating in the drafting
17		Cardiovascular implants - Endovascular Devices-Part 1: Endovascular prostheses.	Under inspection	Participating in the drafting
18	Standard Guide for In Vitro Axial, Bending and Twist Durability Testing of Vascular Stents	Under inspection	Participating in the drafting	
19	YY/T 0664 Software Lifecycle Management Standards	Inspection completed	Leading role in the drafting	
20	YY0945.2-2015 Medical Electrical Equipment Part 2 to Part 31: Particular Requirements for the Safety Of External Cardiac Pacemakers with Internal Power Source	Under inspection	Participating in the drafting	
21	Cardiovascular Implants-Cardiac Valve Prosthetic Devices	Under inspection	Participating in the drafting	
22	Association standards	Standard Test Method for Measurement of Radio Frequency Induced Heating on Straight Tubular Stents During Magnetic Resonance Imaging	Under verification	Participating in the drafting
23		Routine Process Management of Ethylene Oxide	Vote through	Participating in the drafting
24		Test Method for Self-expandable Vascular Stents Shape Recovery Ability	Under verification	Participating in the drafting
25		Occluder Pulsatile Fatigue Performance	Under verification	Participating in the drafting
26		Release Model of Self-expandable Vascular Stents In Vitro Nickel Ion	Under verification	Participating in the drafting
27	Evaluation of Occluder Shape Recover Ability	Under verification	Participating in the drafting	

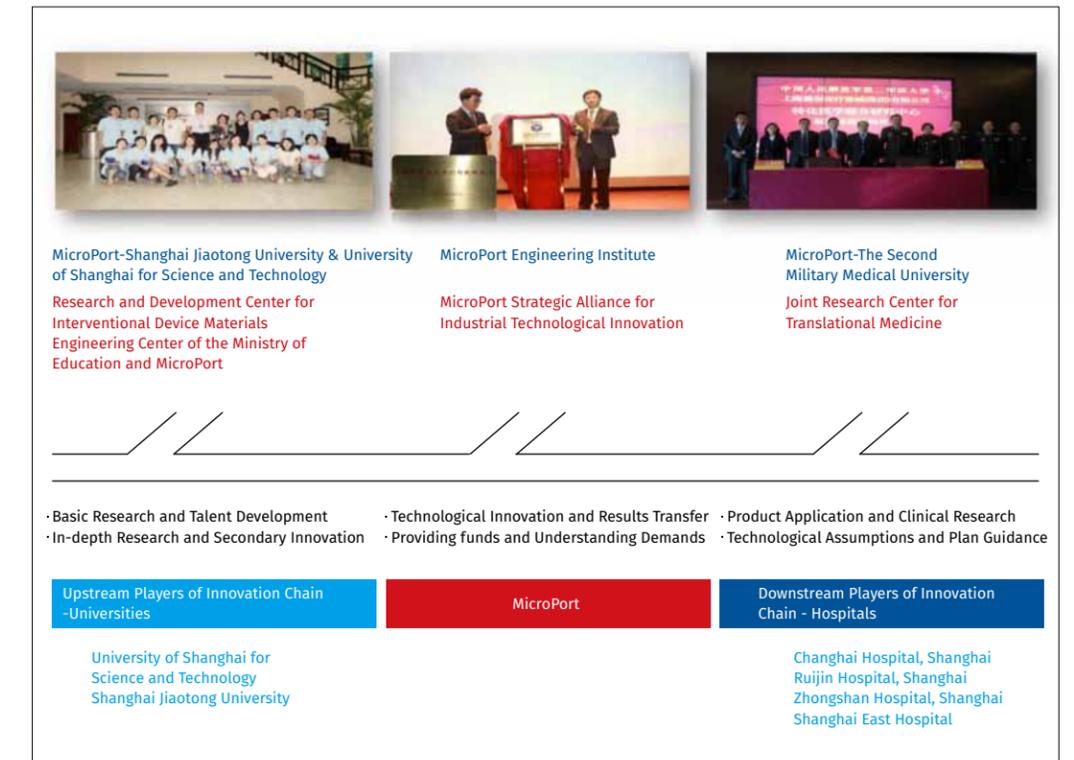
Industry-University-Research Cooperation

Our partners also include industry experts, university research institutes and hospital laboratories. In 2009, the Company established the first “working station for academicians, experts and enterprises” within the microtrauma industry in China so academicians and experts can play their role in supporting and driving enterprises to cultivate professionals, effectively improving enterprises’ capabilities of indigenous innovation. We have successfully transferred 5 innovative technologies into products.

From the upstream industrial chain perspective,

MicroPort has established industry-university-research alliance with University of Shanghai for Science and Technology, Shanghai Jiao Tong University and other universities and sent a large number of professionals to enhance enterprises’ technological capabilities. From the downstream industrial chain perspective, MicroPort has successively established strategic partnership with Shanghai Zhongshan Hospital, Changhai Hospital of Shanghai and Beijing Fuwai Cardiovascular Disease Hospital. Together with allied hospitals, we perform clinical trials of innovative products to accumulate experience for optimization which lays a solid foundation for new products launch and their fast and effective application.

Cooperation between Upstream and Downstream Players of the Industrial Chain





ENVIRONMENTAL PROTECTION RESPONSIBILITIES

Protecting the environment is a company's basic responsibility, a requirement to build a resource-conserving society and also an important way to improve company image, boost company reputation and realize sustainable development. MicroPort Medical is a low energy consumption, low-pollution and environmentally friendly high-tech company, but we still highly value environmental protection by promoting energy conservation and emission reduction, reducing pollution and protecting biodiversity during the entire production process. We encourage employees to actively participate in environment, health and safety (EHS) activities and management, increasing employees' awareness of EHS and strengthening their behavior expression. We strive to conduct a successful business without sacrificing the environment and pursue sustainable development.



The Company has created a comprehensive Environment, Health and Safety (EHS) management system which is led by Responsibility & Safety Operation Committee. The Committee is responsible for environment management, production safety and occupational health training. To protect the environment, the Company promotes green office measures and clean production projects, aiming to increase resource and energy efficiency and reduce impacts on environment. For health and safety, the Company carries out occupational safety policies and follow relevant laws and regulations to create a healthy and safe working environment. We also organize trainings to enhance employees' awareness of safety and avoid accidents.

Environmental Management Regulations

The Company integrates environmental considerations into its operational strategy, ensuring that required resources are allocated to support effective implementation of the environmental management system. Under the guidance of the senior management, we have addressed environmental issues across various levels in the Company. We regularly review relevant laws and regulations and update internal policies of the Company in aspects of environment and health, making sure that all applicable regulations concerning environment are abided by in places around the globe where we conduct business.

The Group is committed to preventing pollution, proactively controlling our environmental risks and complying with legal requirements including

the Environmental Protection Law of the People's Republic of China, Tennessee Waste Minimization Law in the US and the EU Environmental Policy. Relevant laws and regulations that have a significant impact on the Company mainly relate to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste. During the reporting period, no non-compliance of relevant laws and regulations in the above-mentioned areas was recorded in the Company.

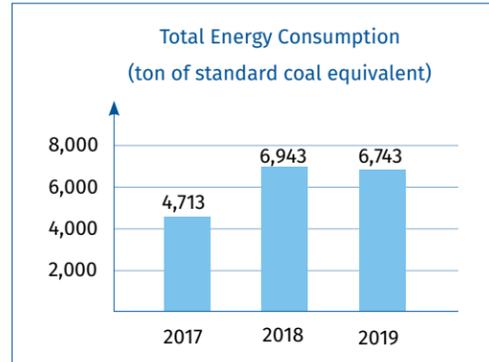
Resource Consumption

The Company strives to optimize our resource usage efficiency in operations to lower resource consumption, emissions and waste generation/discharge. We scrutinize the resources consumption pattern of our production processes for the development of targeted measures to reduce and mitigate environmental impacts arising from our operations.

Energy Utilization

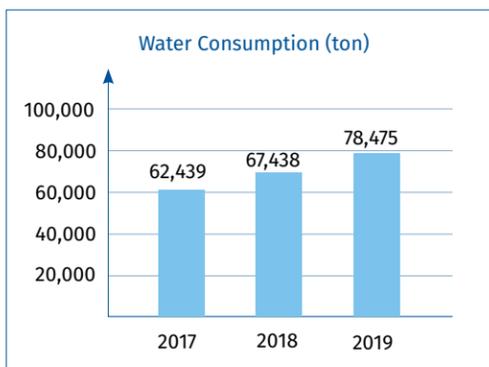
Our energy consumption includes direct consumption in the form of petrol, diesel and natural gas, and indirect consumption in the form of electricity.

During 2019, the total energy consumption was 6743 tons of standard coal equivalent, comprising 22,531,241 kWh of electricity (19,964,955 kWh in 2018), 47,334 cubic meters of natural gas (0 in 2018); 31,300 liters of diesel (54,622 liters in 2018) and 6,896 liters of petrol (6,825 liters in 2018). The energy consumption intensity is 0.035 ton of standard coal equivalent per RMB 10,000.



Water

The Company consumes water for production and daily operations. In 2019, the Company consumed a total of 78,475 tons (67,438 tons in 2018) of water with a consumption intensity of 0.408 ton of standard coal equivalent per RMB 10,000.



Packaging Materials

Our packaging materials comprise plastic bags, cartons and cardboard boxes, etc. Although we use raw materials for finished products to ensure product quality, we have been recycling cardboard boxes used in production to the greatest possible extent. In 2019, the Company consumed 3 tons (4 tons in 2018) of plastic bags and 55 tons (55 tons in 2018) of cartons and cardboard boxes.



Resources Conservation and Protection

The company advocates the idea of building a resource-conserving enterprise, commit itself to achieving successful business without harming the environment, and focuses on creating an environmentally sustainable business. The company strives to optimize the resource utilization rate in production, thereby reducing resource consumption and pollutant discharge. We carefully monitor the resource consumption patterns in production to formulate targeted measures that reduce and mitigate the impacts of operations on the environment.

Energy Conservation

Best practices of energy use and management can increase our operational efficiency, reduce costs and conserve more natural resources. In view of this, the Company has abided by relevant laws and regulations including the Law of the People's Republic of China on Conserving Energy and Regulations of Shanghai Municipality on Energy Conservation. The Company has been exploring opportunities to optimize its management approach and improve its energy efficiency. In 2018, the Company established a new energy monitoring platform in Shanghai to

strengthen its energy management system. In 2019, we took measures to update our energy management facilities, such as adjusting the frequency of the central air-conditioning water pump and adding a pre-cooled solution dehumidifier in purifying air-conditioners. By adopting these concrete measures, we have managed to achieve automatic energy reduction in our operations, with an estimated annual energy saving of approximately 657 tons of standard coal equivalent.

In addition to upgrading our management system, we have also formulated an energy consumption model through monthly data analysis, and improved energy efficiency by adopting new energy-saving measures. For example, in office decoration projects, we make every effort to use environment friendly building materials, strengthen environmental protection and energy conservation, use energy-saving lighting, develop management regulations for the operation of central air conditioning, and set air conditioner temperature and operating time according to national energy conservation regulations. We have appointed administrators to make sure that energy-saving measures are implemented in office areas: using natural lighting as much as possible, reasonably reducing idle energy consumption of air conditioners, computers, photocopiers and other electric equipment, turning off electric equipment when not needed timely, utilizing recycled paper appropriately, and using technologies to promote environmental protection. The Company encourages teleconferencing which not only increases operational efficiency, but also significantly reduces social resources needed for meetings, travelling, etc.

Water Conservation

We keep track of the water consumption pattern by regularly monitoring water meters and producing



monthly water consumption reports to spot any unusual water usage. We carry out regular checks to identify and promptly deal with water leaks from factories, water supply systems and other facilities. Water use for office cleaning has been strictly monitored, and any unauthorized switch of the control valves on the company's main water pipeline has been prohibited.

Recycling and Treatment of Packaging Materials

The company has devised methods for recycling and treating packaging materials in accordance with the principles of classified recycling and outsourcing treatment, to improve the recycling rate and reduce environmental pollution. The Office Department takes the lead to ensure relevant business departments collect and recycle cartons and cardboards based on material conditions. The well-preserved materials will be registered and stored in the warehouse for future uses. The severely damaged materials will be stored separately, and together with other wastes, given to certified recyclers for recycling and treatment. Plastic bags will also be collected and then stored separately, and finally be treated by certified recyclers.

more environmentally friendly products for green production, and reducing pollutants with flue gas purification devices.

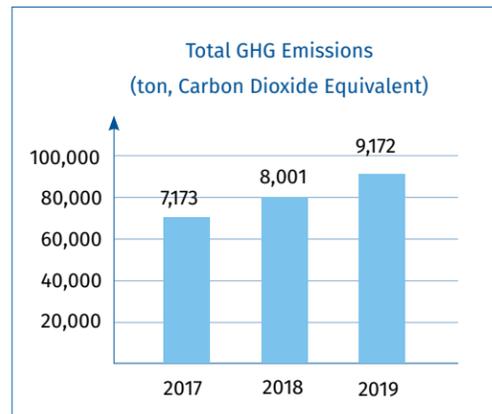
The Company has installed activated carbon adsorption devices to deal with the environmental and health effects caused by volatile organic compounds (VOC), as a result of which we have effectively reduced the VOCs generated by the preclinical medical research center to a standard level.

Pollutant Discharge and Control

Gas Emission

Major emissions at the Company include mobile-source (vehicles) emissions and stationary-source (production) emissions (such as pickling, electrolytic polishing, chemical reagent purification and drug spraying).

The Company controls emissions from mobile sources by implementing vehicle policies that set CO2 emission limits, and updating or replacing old vehicles; and reduces emissions from stationary sources by improving facility energy efficiency, using



Noise

Noise, at the Company, is generated by wind turbines, air compressors and other equipment used in operations. In 2019, we strengthened our capability of managing operation noise by adopting new noise reduction measures, such as installing silencers at the exhaust ports of air compressors and building sound insulation panels around the air compressors. The operational noise level at the Company has been within the limits provided by the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise and other laws and regulations.

Pollutant Discharge

As a manufacturer of medical equipment, the Company produces various pollutants including hazardous waste (medical waste, chemical waste), waste liquid and non-hazardous waste during operation, but ensures that all pollutants are properly collected and processed in the production process in accordance with relevant national and municipal (Shanghai) regulations on the management of pollutant discharge. Hazardous wastes are stored separately in a special warehouse, and treated

by a certified third party entity according to legal requirements. All the waste liquid produced in the production are transported to special companies that have been granted Shanghai Hazardous Wastes Treatment License for harmless and centralized treatment. The company strongly advocates the recycling of recyclable non-hazardous waste, and entrusts qualified third parties with the task of properly treating non-recyclable non-hazardous waste.





EMPLOYEE CARE, HEALTH AND SAFETY

MicroPort Medical sees our employees as one of the most important stakeholders. Their dedication and diligence are indispensable to the Company's success. We believe that "employees should be cared for and given opportunities to develop together" and regard our employees as our core resources and the key driving force for sustainable development. We therefore have made continuous improvements in staff structure, function adjustment, working environment, salary incentives, performance evaluation, social security, employee training and many other areas, to protect employees' basic rights and interests and create a harmonious working environment, which secures the pipeline of talents and talent systems and institutions for the Company's long-term stable development.



Employee Development Recruitment

The Company sets up control procedures to standardize such processes as recruitment channels, recruitment and interviews. We abide by relevant laws and regulations of the jurisdictions where we operate, including but not limited to the Labor Law of the People's Republic of China, and the Labor Contract Law of the People's Republic of China. We commit ourselves to prohibiting any form of child labor and forced labor, according to relevant laws and regulations on the prohibition of child labor. To avoid the use of child labor, we check the identification documents of new employees. We sign labor contracts with employees in accordance with the principles of equality, voluntariness, and consensus through consultation, and ensure the completeness and legality of major clauses, such as contract duration, job responsibilities, work protection and working conditions, compensation, work rules, contract termination conditions, and liability for breach of contract. We treat all our employees equally regardless of their nationalities, ethnicities, races, genders, religious beliefs and cultural backgrounds.

Promoting Equal Opportunities

As an employer of equal opportunities, we follow fair practices related to compensation and dismissal, recruitment and promotion, working hours, breaks, opportunities, diversity, anti-

discrimination and other interests and benefits. Our employees can directly report any suspected cases of discrimination or harassment to the Human Capital and Organization Ability Department through a reporting system. The Company's Human Capital and Organization Ability Department and Compliance Department will promptly investigate each reported case, and if a complaint is confirmed to be true, appropriate corrective measures will be taken, and any retaliation against employees will be subject to disciplinary action, including dismissal.

Talent Development

"Maturity, value, remuneration and care" are the key words of MicroPort's talent strategy. The Human Capital and Organization Ability Department formulates an overall strategy of human capital based on the Company's general strategy, and gives priority to building talent pipelines, and attracting and developing outstanding talents. The talent strategy has three components, namely "one check, two channels and three programs", which are introduced to advance the Company's talent development system and achieve its strategic goals while enabling employees to realize their own values through two career development paths.

A Talent Strategy of "One Check, Two Channels, Three Programs"

One Check: the first component of our talent strategy, "One Check", consists of two processes. One is to assess our pipeline of managerial staff, with an aim

of optimizing our human resources and enhancing our core competitiveness. We have introduced such policies as “promoting the talented, not the idle”, “promoting the competent, not the incompetent”, “valuing the industrious, not the unenterprising”, and “letting talents compete and not judging them”. We evaluate our talent pipeline on an annual basis, so we can identify and develop those promising employees, prepare them for middle and senior management positions, and enhance our operation sustainability with such a solid talent pipeline.

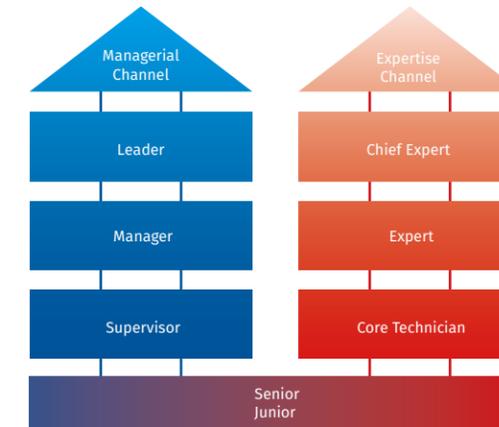
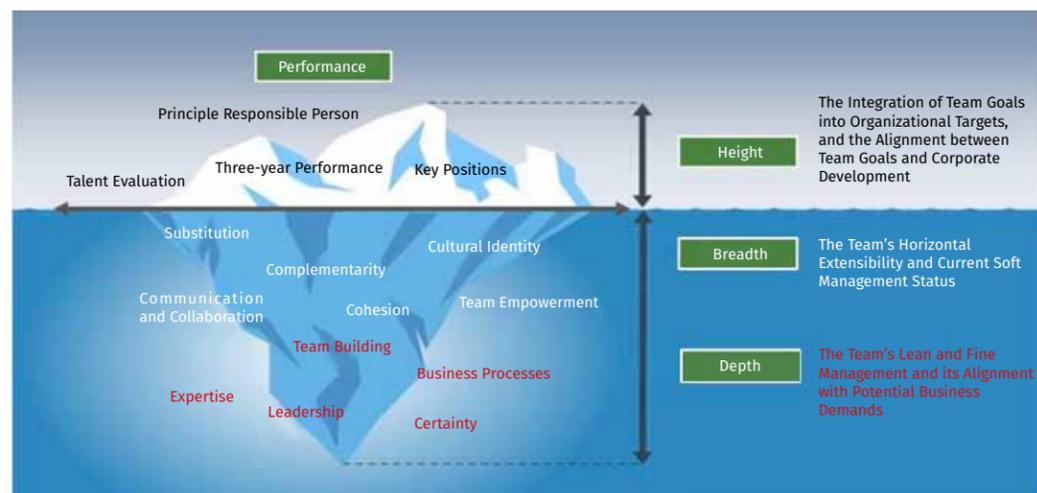
When we review our talents, we adopt unified standards to evaluate the current performance and potential of the management team, and identify talents through recommendations, interviews and evaluations. After the review, we will tailor a career development plan for each talent to satisfy their development requirements and realize their potentials. While helping them build capabilities quickly, we also provide competitive salary and compensation.

The other process of the “review” component is to take stock of team conditions, which is performance-oriented and carried out from three perspectives namely “height, breadth and depth”. Team conditions are examined to understand the management situations of various teams within the Company, strengthen their edges, locate areas

of improvement, and enhance their management capacity comprehensively.

Team reviews draw on the psychological theory of iceberg. Height, the part above the water, assesses the integration of team goals into organizational targets, and the alignment between team goals and corporate development. It measures four indicators namely team leader, three-year performance, key positions and qualified talent. Breadth, the part below the water, assesses the team’s horizontal extensibility and current soft management status. It measures six indicators namely substitution, cultural identity, cohesion, complementarity, team empowerment, communication and collaboration. Depth assesses the team’s lean and fine management and how well it matches potential business demands. It measures five indicators namely expectation, communication and cooperation, complementarity, cultural identity, team empowerment and cohesion. Team reviews are carried out through both online surveys and offline interviews and use SWOT to identify and analyze key factors: advantages, opportunities and challenges and self-improvement.

Two Channels: in order to help employees to gain a clearer idea of their professional prospects, to help specialist to polish up their expertise, and to help generalists to extend their knowledge, the Company has established dual development channels for



employees: management positions and specialty positions (related to technology, practical skills, science, clinics, etc.). We encourage employees to bring their expertise into full play, and find a career path that suits themselves the best. Professional development levels and qualification standards have been set for both channels, and we provide employees with relevant appraisal and consultancy and development incentives to assist them in advancing their careers.

In order to guarantee that all employees receive adequate attention and effective development opportunities, the Company has developed a “coefficient for talent development and promotion”, which adds service years for well-performing candidates so they get promoted regardless of their disqualifications in certain areas.

Three Programs: in order to attract more excellent researchers from both home and abroad to join us, and to develop, recognize, motivate and retain key researchers, we have developed three award programs, namely “Oversea Return Leadership Program”, “Next Generation Leadership Program”, and “Fledgling Future Talent Program”. Corresponding selection and evaluation standards have been set, and every year the winners are decided by the Technological Innovation Committee and the Human Capital and Organization Ability Department after qualification review and evaluation, and will receive generous awards.

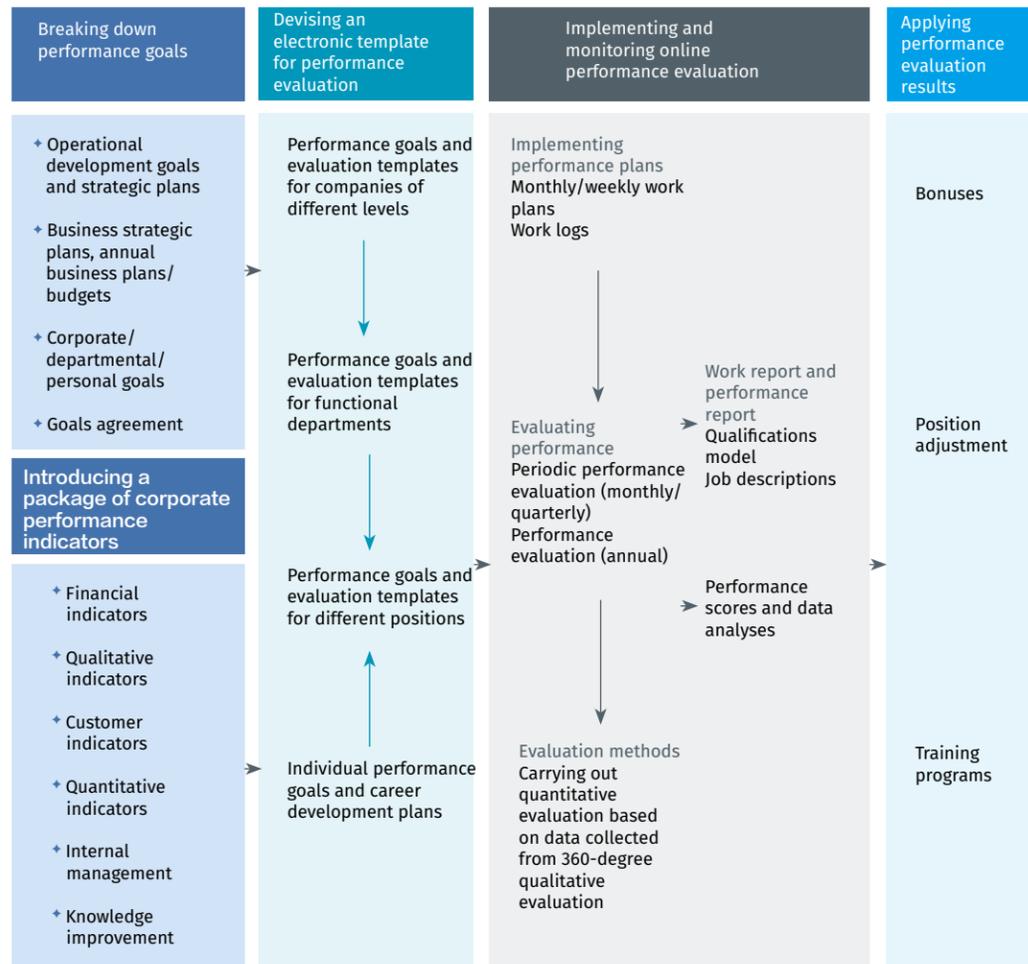
Management of Employee Performance

The Company implements “total performance management” which emphasizes the consistency between organizational and personal goals and shared development of both the organization and individuals, so as to form a “multi-win” situation. We believe that it is important to involve both the managers and the staff in all performance management processes, so that we can appropriately evaluate employees’ performance and recognize their contributions. Total Performance Management is a management process based on a PDCA cycle, which enables managers and staff to communicate with each other, and develop performance plans together according to departmental performance goals.

Guidance from managers to employees and communication between them are embedded into all aspects of daily work throughout the assessment cycle. Managers provide timely and effective guidance to employees regarding their performances in daily work. During the final assessment, they work with employees to sort out the implementation and completion of various indicators set in the performance plan. Managers consider both the performance plan and its completion and communicate with employees before they properly evaluate employees’ performances, and conduct accurate diagnosis and guidance on unfinished projects, so that they could help employees to improve their performances more efficiently. When managers formulate a performance plan at the beginning of each assessment cycle, they start with the deficiencies and improvement areas that have been identified in the previous assessment cycle, communicate with employees and provide targeted coaching. We believe that by following such a cycle that begins with original purposes, we will be able to improve the Company’s performance spirally.

Competitive Compensation and Benefits

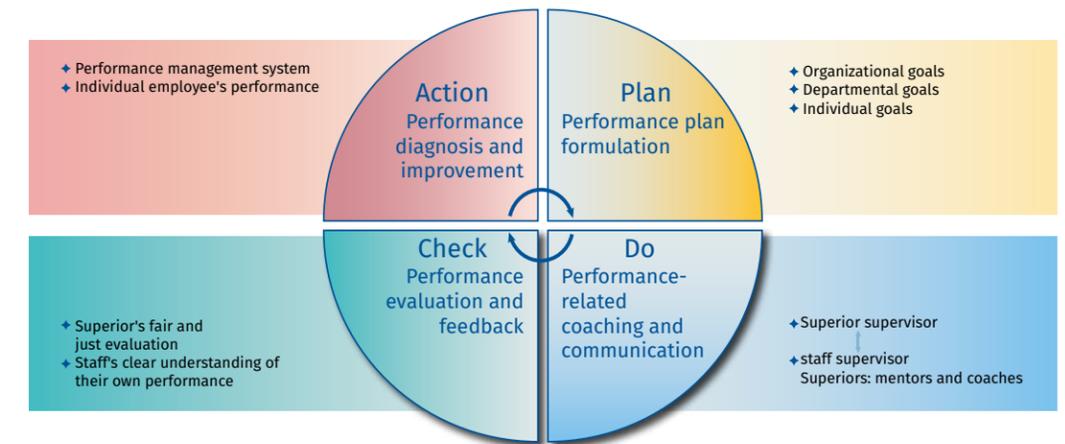
The Company has developed a comprehensive



plan of competitive compensation and benefits to reward employees whose hard work contributes the Company's growth. We actively review our employee benefit policies to maintain employees' satisfaction. We advocate a concept of total remuneration, and work on the following five aspects to attract, motivate and retain talents, and encourage employees' engagement namely performance and recognition, work-life balance, career development, welfare and cash remuneration.

We, as a listed company, have adopted a shares-based reward plan and an options-based incentive plan, in hope of incenting employees to contribute to the implementation of the Company's long-term development strategy with capital returns. Multiple sub-plans have been set up under these two plans

based on the development needs of different subsidiaries and businesses to benefit more employees in the Company's long-term incentive plans. We have also come up with two retirement/pension plans to incent and retain the middle management, and resolve their retirement worries. One of the plans is called "Laying a Solid Foundation for a Shared Future at MicroPort", and the other "No Retirement Worries for MicroPort Group's Mainstay Talents". Our long-term employee incentive plans are developed based on a number of factors, such as employees' learning and development needs, diligence, sense of responsibility, rank, job difficulty and self-challenge, and are customized to employees at various positions, which in turn keeps our employees happy at work and give them a sense of belonging at the Company.



Training and Development

With the growth and expansion of our business, we have gradually transformed our human capital strategy, which is one of the Company's important development strategies, from the one that serves business to the one that supports strategic development. We aim to produce excellent talents and build a learning organization through trainings. Considering the Company's overall development strategy and human resource plan, we combine the work of helping employees build their knowledge and skills and the work of meeting job requirements, balance employees' personal growth and career development, and integrate the work of talent development into our human capital strategy. After years of innovative practices, we have formed a comprehensive system of human resources training and development, and done our best to provide employees with the best hardware and learning tools, both of which have made it possible for employees to stand out with their personal qualities, such as intellect, knowledge and passion in the global competition of innovation, do what they are good at in their positions, embrace challenges and advance their careers.

In terms of employee training and development, we have established an innovation academy, which sees the purpose of learning and development as "allowing each employee to master their superiors' ability, and each grassroots manager to develop basic qualities of senior management". The academy offers modules

for general skills, leadership, professional skills, and customized training, each of which is implemented through the following training methods:

- ◆ Online courses: mainly for knowledge-based contents, such as information security, English learning, etc.
- ◆ Offline courses: mainly for skills-based contents, such as communication skills, presentation skills, innovative thinking, coaching, motivation, etc.
- ◆ Mentoring plan: this is part of the customized programs and is designed for specific personnel to help improve their skills fast with the guidance of mentors.
- ◆ Feedback and coaching: we see superiors giving subordinates feedbacks and coaching as a very important way of after-class learning and development.
- ◆ Knowledge contest: these are held to help participants learn from each other, exchange ideas, gain more interest in learning and become more innovative and creative.
- ◆ English corner: every month an English event called "I have a date with English" is held by in-house and outside instructors, to help participants improve their listening, speaking, reading and writing skills.
- ◆ Seminars: at "Tuesday Seminar", participants share their opinions and experiences on a certain topic.

Emolument

- ☑ Salary
- ☑ Allowance
 - ◆ Talent-based (Three-Star, Three-Programs, etc)
 - ◆ Position-based (project manager, senior engineer, team leader, shift, ray, special positions, technological skills, etc)
- ☑ Adjustable emolument
 - ◆ Sales bonus
 - ◆ Bonus
 - Performance bonus
 - Bonus for advanced workers
 - Bonus for PIP Project
 - Intellectual property bonus
 - ◆ Encouragement
 - Instant bonus
 - Long-term incentives (equities, profit sharing, small and medium-sized packages)

Welfare

- ☑ Social insurance
- ☑ Supplementary public reserve fund
- ☑ Annual physical examination
- ☑ Commercial insurance
- ☑ Paid vocation
- ☑ Nutritious working meal
- ☑ Wedding gift money
- ☑ Articles for daily use
- ☑ Holiday gift money
- ☑ Subsidies for phone calls
- ☑ Subsidies for family visit transportation

Talent development

- ☑ Talent inventory
- ☑ Dual channels for professional development
- ☑ Learning opportunities
- ☑ Allowance for further studies
- ☑ Orientation and on-the-job training
- ☑ External seminars
- ☑ In-class learning
- ☑ E-learning learning system
- ☑ Leadership and managerial capacity development
- ☑ Professional skills development
- ☑ Customized training
- ☑ General skills
- ☑ Internal trainer training program

Acknowledgement rewards

- ☑ Advanced teams
- ☑ Advanced individuals
- ☑ Small and medium sized packages
- ☑ Instant rewards
- ☑ Three-star talents
- ☑ Three-programs talents

Corporate culture

- ☑ Eyes on Greatness and Hands on Details
- ☑ Eight core values
- ☑ A talent philosophy focusing on talent maturity, value, remuneration and care
- ☑ Big-family concept
- ☑ Putting people first
- ☑ global leading medical group that always puts patients first

Work-life balance

- ☑ Flexible worktime
- ☑ Paid vocation
- ☑ Life happiness level
- ☑ employee care plan
- ☑ Traditional Chinese Medicine therapy and consultancy
- ☑ Gym
- ☑ Family Open Day
- ☑ Horizontal Organizations' Activities

A List of Executive Lecture Examples in the 4th Quarter of 2019

Date	Executive Lectures
Oct 23 rd , 2019	Pacemaker as I know it
Nov 7 th , 2019	About procurement: how to identify sources, bargain and negotiate
Dec 4 th , 2019	Let's read Getting to Yes together, a Harvard negotiation bestseller
Dec 16 th , 2019	Progress in material performance, application and processing technology of polyether block amide

Participation of the Senior Management

◆ Executives Lecture Room

Each executive, as an expert in a certain area, is invited to share his/her knowledge, experience and opinions within the Group in the Lecture Room. Colleagues within the Group are encouraged to participate online or offline. We see the Lecture Room as an important way of passing down, promoting and disseminating our corporate culture of self-learning, self-development, and exchanging and sharing at MicroPort Medical.

◆ 3F Brainstorming

Brainstorming, with its potential of stimulating innovative thinking through "the response of association, the infection of enthusiasm and the sense of competition", will become a corporate culture and practice. Managers and relevant technicians need to lead everyone to solicit opinions

extensively, think outside the box and be open-minded, and apply those sparks of opinions and golden ideas into management reforms, production operations, product development and sales strategies.

◆ Friday Talk & Tuesday Seminar

We hold "Tuesday Seminar" on Tuesday evenings and "Friday Talk" on Friday evenings which serve as a platform for participants to share their own insights and industry knowledge. Both speakers and participants are rewarded with certain points of learning and development.

◆ "Meet with the Executives"

Executives communicate and coordinate to resolve intra-departmental and cross-departmental issues and respond to employees' concerns at lunch time.

Learner Friendly Policies

We give those who attend or teach courses positive recognition and encouragement in the form of learning points, which gives an important weight in the employees' year-end performance review. Meanwhile, the Company also provides those who teach courses with material rewards.

Innovations in Internal Trainer Training System

As a medical device company, we find external training and consultancy inadequate in terms of providing our employees with necessary professional trainings, and therefore we have established an internal trainer training system to develop in-house trainers, so that our employees could receive more targeted and relevant trainings. To train the internal trainers, we not only offer the candidates basic TTT

course, but also hold trainings in such basic skills as case identification, courseware production, guidance skills, pronunciation. We keep track of the learning processes for the candidates and reward them with learning points, and have established a career ladder development system and an incentive package.

Online Training and Management System

We have introduced an online training and management system called "Cloud Academy" (Yun Xue Tang), a product that has a leading market share in the sector of online training and management in China. The system not only has basic functions such as position-based course allocation, course categorization, course opening, course registration, course approval, attendance, evaluation, checkout, exams, research, automatic mail sending service,

training records, but also has advanced functions such as online training and online course production. What's more, the system recommends skills-related courses to employees based on their individual positions, so as to make it easier for the employees to sign up for the right courses. With the application of AI technologies, the system enables employees to learn and share more conveniently. Last but not the least, the app of the system makes mobile learning and fragmented learning possible which improves learning efficiency.

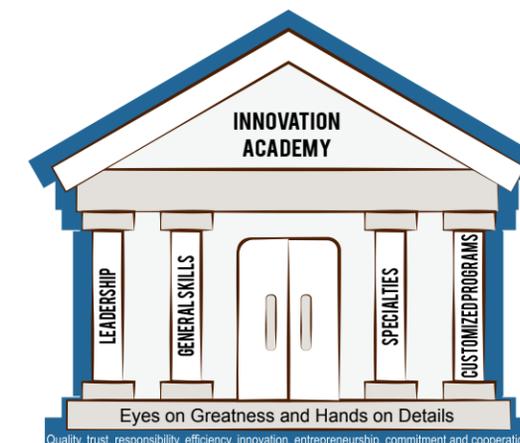
We have established the "Association of Model Employees", which admits those who are awarded the prize of "Model Employee of the Year". These model employees, after they are assembled into different classes, are encouraged to make the most of the association's resources by attending professional trainings and professional lectures, participating in capacity development activities and having study tours and investigations. All these events provide the employees with opportunities to learn new things, develop new skills and receive new trainings, and have indeed seen them make significant all-round development. We also earmark resources for these events every year to help employees improve their

own value. Different from other companies that make such investment only after their employees sign the so called "return agreement", we do not charge our employees for these activities, because we intend to improve the quality of employees throughout the industry. This talent strategy has differentiated us from our peers, and has been proven one of the fundamental impetuses that drive our company's vigorous development.

We value the worth of all-rounders who are versatile and multi-skilled. In the meantime, we also believe in the importance of having professionals who specialize in one subject or one area, stand out in some aspects and dare to take the lead. At MicroPort, we encourage employees to challenge authorities and analyze problems from different perspectives, even if this means much trial and error.

Occupational Safety and Health ("OSH")

Staff categories	Individual demands	Safeguards
Front-line staff	Demands for health and medical security	Arranging regular physical examinations and health certificate check-ups, and providing employees with both statutory and corporate welfare services
	Demands for work payment	Optimizing salary structure, adjusting welfare services for shift workers, increasing subsidy standards, and introducing incentive mechanisms for frontline workers
	Demands for personal safety	Scheduling shifts appropriately, improving techniques, enhancing working environment, conducting investigations and tests on working places, and intensifying occupational safety trainings
Junior and middle management	Demands for ability development	Working out training demands regularly, and providing internal and external training and learning opportunities by introducing multiple online and offline channels
	Demands for promotion	Refining promotion channels based on position features, and developing career paths for various position lines
Technical staff	Demands for self-fulfillment	Strengthening incentive mechanisms for technological innovations and other technical innovations, and assisting employees in applying for various external rewards
	Demands for continuous development	Developing career paths, and providing more exchange programs
Senior management	Demands for a successful career	Increasing cooperation opportunities, holding events such as Executive Lecture Room and Meet with Executives, and enhancing their sense of belonging and fulfillment



Leadership
intended for the management, and focuses on leadership, time management ability and working philosophy. It aims to enable the management to better lead their teams to realize goals and implement strategies, such as team development, decision making, coaching, strategy development and implementation, etc.

General skills
This is intended for all employees, and aims to improve their core competence, thus meeting the company's basic talent demands in its continuous development, such as time management ability and communication skills.

Specialties
This focuses on the skills required by specific positions of various departments. Relevant employees are encouraged to participate in both internal and external learning courses on lean management, quality system, etc.

Customized training programs
It is intended for certain target groups. They are provided with customized development plans, such as Advanced Class, Project Manager Selection Program, Executive Lecture Room, etc.

Healthy Working Environment

The Company understands that productivity is closely related to employees' health. We are committed to providing a safe and healthy working environment for all employees. We have established an OSH management system and hold OSH trainings for employees to reduce risks of occupational injuries and diseases. In 2019, we developed "Microport's Training Materials on Environment Safety and Occupational Health (2019)", and sent issues to employees for their reference.

Our Chinese business strictly complies with China's national laws and regulations, including but not limited to the Law of the People's Republic of China on Production Safety Law and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases. We are committed to providing a safe and healthy working environment for all employees. As we use chemicals and special equipment in the production process, we also observe the Regulations on the Safety Management of Hazardous Chemicals, Regulations on the Safety Supervision of Special Equipment and other relevant laws and regulations. We have set up an Accountability and Operational Safety Committee to monitor and ensure the compliance of daily operations and review relevant policies on a regular basis. All the latest OSH information is available to the employees in our internal system.

In 2019, the Company introduced ISO 14001 and ISO 45001 (management systems of environment and occupational health and safety) by establishing documents, conducting internal reviews, managing reviews, conducting external reviews and resolving problems. We not only managed to obtain certification, but also identified 22 important environmental factors and 7 important risk factors. On this basis, we introduced 11 environmental goals and indicators for the year of 2019, regularly monitored their conditions and strived to make continuous improvement, so as prevent and resolve problems and make further progress.

The Company has established a complete emergency response mechanism, which includes a "Comprehensive Emergency Response Plan for Security Accidents", and regular emergency response drills. In 2019, we organized a total of 17 drills and exercise for fire, temporary power failure, elevator failure, limited space and chemical leakage. Such activities involved more than 2,000 people and enhanced their capability of dealing with emergencies.

Employees' Wellbeing, Rights and Interests

We comprehensively protect employees' legal rights and interests in social security, health and democracy

in accordance with the regulations and standards of the jurisdictions where we operate. As a response to the government's requirement of building a sound social security system for employees, and establishing a multi-level social insurance system, we pay pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for employees, in time and in full, to protect employees' legal rights to the greatest extent. At the same time, we actively implement various remuneration and welfare policies and follow the principle of performance-based distribution and equal pay for equal work. We pay employees in full and on time, improve the distribution system, and develop and carry out relevant policies to bring the employees' devotion and initiative into full play.

All our employees are provided with a regular health checkup every year. We believe that it is important for employees to do regular health checkup, because they can keep track of their own physical fitness and health status, prevent diseases and receive treatment as early as possible once any symptoms are identified. We strictly implement relevant national laws and regulations. Commonly used medicines are available on each floor of the Company. A variety of cultural and sports activities and facilities are also available, such as health rooms, gyms, and staff clubs.

The Company has established a labor union according to law, and held two conferences of employee representatives in 2019. The first meeting was held on March 14th, on the theme of "Reviewing Labor Union's Work in 2018 and Introducing the 2019 Work Plan". The second meeting was held on September 10th, to discuss and approve the special contract for the protection of special rights of the Company's female employees.

We strive to make our employees feel that they are part of the company by respecting them,

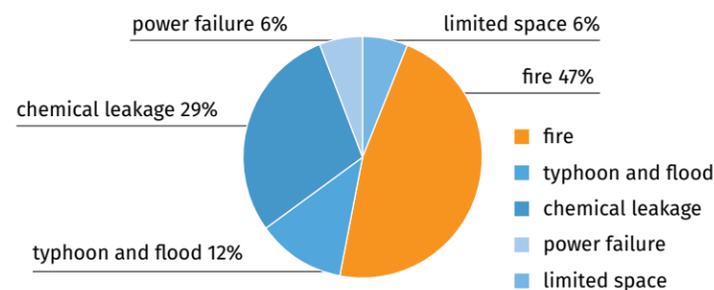
understanding their demands and resolving their concerns. We take care of the employees in need by getting to know their working and living conditions and helping them resolve practical problems. The Company provides rental subsidies for low-income employees who live in rental houses in Shanghai (with a monthly salary of less than 10,000 yuan). This program covered a total of 248 employees, and granted 1.3 million yuan in 2019.

We have set aside "mothers' love rooms" for pregnant female employees, where they can find magazines on pregnancy care, sanitary products, etc. These mothers' love rooms were rated five-star by the Labor Union of the Pudong New Area, Shanghai, in 2019.

The company has also developed a unique management model called "Integrated Horizontal and Vertical Organization", which not only values the significance of building the capacity of functional departments (vertically), but also stresses the importance of the integration and interaction between different departments (horizontally). The Company currently has 18 horizontal organizations. Unlike those vertical organizations that impose restrictive recruitment and appointment systems on their members, MicroPort allows its employees to join or quit any horizontal organization voluntarily. In terms of management mechanism, each horizontal organization has its own elected management committee, and all executives can only join horizontal organizations as ordinary members, to ensure democratic management and de-administration.

We have built on the resources we enjoy as a horizontal medial organization, to enrich employees' spare time by holding such activities as outdoor team building, suburb trips, competitions and sports events when employees could have a break from work and exchange ideas with each other.

MicroPort's Emergency Response Drills (2019)





Production Safety

As an R&D oriented manufacturing enterprise, we regard production safety as our first responsibility. We have established a safety committee and a "MicroPort Safety Team" under it to ensure the safety of employees in production and operation. We have also formulated different rules and regulations in accordance with national regulations and standards, such as the "Operating Procedures for Microbiological Laboratory", "Operating Procedures for Occupational Safety and Health Management System", "Operating Procedures for Chemical Laboratory", "Standard Operating Procedures for Personal Protective Equipment" and "Operating Procedures for Environmental Safety". In addition, we provide employees with production safety trainings to help identify job risk factors. Meanwhile, we are aware of the complexity and ever-changing nature of our working and operating environment,

so we have made every effort to identify and tackle environmental factors and hazard sources, carry out safety improvement activities, resolve hidden dangers once spot, coordinate relevant departments to formulate emergency plans, purchase epidemic prevention equipment, and share all prevention and control measures with relevant stakeholders. As a result, we have achieved desirable results and protected our employees to the best.

The Company fully implements standardization management in safety production, implements standard requirements, and is in line with international standards. At the same time, we widely disseminate the safety culture values of "humanistic care internally and communication ideas externally". During the process of safety standardization, we constantly sum up experience and pursue innovation in the following areas:

Developing safety principles, goals and management plans	Breaking down annual safety work plans and conducting inspections and evaluations on the implementation; evaluating safety performance, and monitoring the overall conditions of the Company's safety management system.
Improving organizational structure, defining position responsibilities, and establishing a safety management department	Setting up an environment safety taskforce and an emergency response taskforce, defining all parties' tasks and responsibilities, bringing the role of the safety committee into full play, guaranteeing regular updates based on the Company's plans and personnel changes every year, so as to standardize all safety-related work.
Scaling up safety investments, and implementing various reforms and measures	Eliminating onsite safety risks through technical means and management measures; Prioritizing the establishment of safety funding, and fully guaranteeing funds and project implementation; Comprehensively monitoring and tracking the procurement, maintenance, examination of safety equipment and facilities and other expenditures (including those spent on heatstroke prevention, labor protection equipment, education and training).
Developing safety policies and operating procedures, and ensuring compliance during management	Continuously improving all safety management policies, making adjustments based on managerial functions, perfecting the Company's EHS management system, and revising EHS management policies; Strengthening the identification of danger sources in safe operation procedures by introducing more positions, increasing employees' safety awareness by ensuring signs of safe operation procedures are properly posted; Increasing knowledge of relevant laws and regulations through various channels, and ensuring legal compliance within the Company.
Carrying out safety training and improving overall qualifications	Developing training plans based on the Company's safe production conditions, and providing the management of various levels, special operators and new recruits with safety trainings; Disseminating safety-related knowledge, building safety culture within the Company, and increasing all employees' safety awareness and qualifications, through various activities such as promotion, trainings and conferences; Obtaining evidence from special operators, conducting reviews and giving them trainings in accordance with requirements relevant to safety education, training and management; giving three-tiered safety trainings to new recruits, and employees who are transferred to new positions or have just resumed their work, and ensuring all of them are covered.
Targeted response and reasonable inspection	Carrying out special inspections on key areas and risky work in accordance with standard operating procedures and government requirements, strengthening daily safety inspection systems, carrying out regular inspection, irregular inspection, holiday inspection, quarterly inspection, special inspection, and routine inspection, issuing rectification notice once problems are identified, providing rectification time limits, and monitoring rectification progress; Summarizing inspection results every month, and submitting monthly reports to the safety leading group. Meanwhile, relevant results are put into the Shanghai Risk Screening System for further analyses, improvement and monitoring. In the end a closed loop is formed.

Establishing an accident forecast mechanism, and carrying out targeted monitoring

Screening risk sources, conducting annual identification and evaluation of risk sources, and identifying, updating and setting down improvement requirements of techniques, materials, production lines, equipment and new projects;

Monitoring important risk sources and key areas, tightening control points supervision, carrying out daily inspection of the safety conditions of related control points, and reporting the operational status and annual inspection results of the alarm systems within the control points;

Uploading risks timely: giving employees trainings on risk identification, and encouraging them to spot risks onsite; allowing employees to report risks to the ERT Team, which then reviews and corrects problems, and following up on the final effects;

Establishing an accident analysis and forecast system, having the Safety Committee publicize every accident, holding team-based reflections, adhering to the "four bottom lines", predicting the occurrence probability of accidents of the same kind through accident analysis, and implementing comprehensive rectification measures with a focus on both direct and indirect causes of accidents.

Establishing an accident early warning system, and implementing overall risk control

Preparing response plans and carrying out prevention drills	Adopting a three-tiered plan that has been reviewed by a panel of experts, which includes a comprehensive emergency response and rescue plan, a special emergency response and rescue plan, and an onsite response plan, and covers all the accidents that could possibly occur within the Company; carrying out targeted trainings, drills and evaluations of all the three response and rescue plans; and gaining the approval of the Administration Bureau of Production Safety of Pudong New Area of Shanghai Municipality, and submitting filings online.
Human-wise control measures	Implementing visualized management, which requires warning signs to be posted in highly risky areas and key areas, and lists of risk sources to be posted onsite; organizing emergency rescue teams, emergency command teams, flood and typhoon rescue teams, medical rescue teams, communications and power facilities rescue teams; sparing space for emergency supplies; and storing rescue equipment in highly risky areas.
Tech-wise control measures	Installing a fire monitoring system, a security monitoring system, a combustible gas detection system, mechanical protection equipment, a ventilation system and various interlocking systems, to form a safety net for the whole company.
Introducing safety standards and fostering a safety culture	Encouraging communication between individuals and cooperation between companies to disseminate and improve this safety culture, and more importantly, develop and promote it at three levels, and in the end, spread the culture and achieve essential safety with the help of the whole society.

In 2019, the Group carried out a total of 18 unannounced inspections and determined inspection frequency based on the subsidiaries' hazardous level. The Group's branches and subsidiaries conducted monthly safety inspections and followed up on identified problems according to their severity. In 2019, the Group made more than 800 items inspections in total, implemented corresponding rectification and reform and tracked improvement measures.

In 2019, the Company saw zero occurrence of fatal work accidents, traffic accident liabilities, work accidents that caused economic losses of more than 1 million yuan, and accidents of serious injuries and occupational diseases. The rate of work injuries per 1,000 workers did not fall out of the target range. Every safety risk was addressed, and no administrative penalties were incurred by superior administrative authorities.





Employee Satisfaction

By soliciting reasonable advice, holding performance interviews, communicating with employees, and organizing meetings between different levels of management, we have identified the key factors that influence employee rights, satisfaction and enthusiasm namely salary and welfare, work-related protection, learning opportunities, promotion prospects, work recognition and personal respect.

In 2019, the Company held an event called "FRIDAY TALK" every Friday. Throughout the year, a total of 45 talks were held, covering such topics as literary appreciation, life skills, experience sharing, skills learning, etc. This event provides employees with an opportunity to share and communicate with each other. The Company also organized farm activities on weekends for 1600 employees.

In order to encourage our employees to read more books, we have established a public library with a collection of nearly 10,000 books, which is free for all employees of the Company. We have also opened a bookstore called Zhi Xing to encourage our employees to read more books. The official account of Zhi Xing Bookstore on Wechat publishes over 70 issues in a year, which together with the offline bookstore, further arouses employees' reading enthusiasm.

To help employees to improve their health and release work pressure, we have set up a fitness center in the office area where employees can work out using gym equipment and regularly practice yoga, Tai Chi and other exercises with external trainers. The Company has also introduced Chinese medicine massage and other physiotherapy projects, so that employees can relax and recover from physical and mental pains after busy work.

Our leadership pays close attention to the opinions



On March 15th, 2019, the Company organized a flower arranging event. Nearly one hundred colleagues came to learn the art of flower arranging and enriched their spare time life.



At the end of September 2019, the Company organized a "Labor Competition", which involved more than 1,500 participants, and granted 400,000 yuan to 65 winning projects.



In April and September 2019, the Company organized a spring tour and autumn tour for front-line employees. More than 900 participants took part.



In November 2019, the Company established a cycling club for employees, whose cycling lovers finished a tour of Shanghai on a weekend. The trip amounted to 302.16 kilometers and lasted 17 hours and 32 minutes.

of employees. We conduct surveys and statistical analysis of employee satisfaction every year. We take relevant indicators into consideration such as employee turnover rate, complaint rate, absenteeism rate and safety, make evaluations and analyses to identify areas for improvement, and assign the Human Capital and Organization Ability Department to develop and implement measures and programs to improve employee satisfaction under the supervision and inspection of all employees. All these actions are introduced to protect employees' rights and interests and improve employee satisfaction and work enthusiasm.

In July 2019, Shanghai MicroPort Medical (Group) Co., Ltd was granted the award of "National Model Enterprise Featuring a Harmonious Employer-Employee Relation" by the Ministry of Human Resources and Social Security, the All-China Federation of Trade Unions, China Enterprise Confederation/China Enterprise Directors Association, and the All-China Federation of Industry and Commerce.

Impacted groups	Key factors	Possible impacts
Frontline workers/ work positons	Work intensity and working environment	Health, satisfaction
	Compensation and benefits	Satisfaction, work enthusiasm, work stability
	Work safety	Accidental injuries, occupational safety
Lower and middle management	Capability improvement	Doing regular surveys of training needs, and bringing about more training and learning opportunities through online and offline channels
	Promotion	Introducing more specific promotion channels based on the features of different positions, and developing various career development paths
	Career development	Promotion opportunities, long term development
	Teamwork	Initiative, team performance
	Working environment	Interpersonal relations
Technical staff	Compensation and benefits	Satisfaction and stability
	Career development	Promotion opportunities and long-term development
	Training opportunities	Learning opportunities
Senior management	Respect and recognition	Sense of fulfilment and satisfaction
	Corporate culture	Sense of belonging



COMMUNITY SERVICE AND PUBLIC WELFARE ACTIVITIES

Caring for the society and devoting to public welfare activities is an important part of MicroPort Medical's corporate culture. To achieve the harmonious coexistence with the general society, MicroPort Medical has been continuously improving the internal charity management system. The Company has carried out targeted charity activities to support education, children care and poverty alleviation, and contribute our share to the healthy development of society. Meanwhile, we also encourage employees to participate in volunteer activities, motivate them to contribute to the public good, and foster a corporate culture that values dedication.

Support in Education

MicroPort Medical has deeply integrated the concept of "social responsibility" into its corporate culture, and advocates that enterprises feel grateful to the society and give back to the public. Since 2007, our employees have built two MicroPort Hope Primary Schools in Shandong and Guizhou, and have helped thousands of children return to school. In addition, for many years in a row, we have invited some good students of good characters to come to Shanghai to participate in a summer camp called "Eye-opener", to help children expand horizons and experience the latest technologies. In August 2019, we invited 24 students from the two Hope Primary Schools in Shandong and Guizhou to our Shanghai headquarter, for a five-day trip of culture, inspiration and aspiration. During the five-day event, our employees took great care of the students, helped them set goals in life and encouraged them to study hard, strive to be strong and self-reliant, use knowledge to change life and one day contribute their talents to the development of the country and the society.

To support the development of China's education and encourage biomedical engineering students to study hard and become outstanding professional talents, MicroPort Medical has established encouragement scholarships in many universities in China, the United States and Europe, and has donated to

Shanghai Zhangjiang Innovation College, University of Shanghai for Science and Technology and Shanghai Jiaotong University, with a total amount of more than 20 million yuan.



MicroPort Scholarship Fund



MicroPort builds two Hope Primary Schools, one in Wulian County, Shandong Province, another in Zunyi City, Guizhou Province, both of which have been open to students.



MicroPort launched a summer camp called "Eye-Opener"

Health Charity

MicroPort Medical has launched several health charity projects. We set up medical clinics in the remote border areas of Heilongjiang Province and donated basic medical facilities such as treatment equipment and first aid equipment, and provided free medical products and services to the local people in Tibet and Xinjiang. As of 2019, we have provided more than 1 million yuan in support to China's medical-related charity funds.

Volunteer Services

MicroPort Medical established a volunteer team in 2008 with the aim of fostering a harmonious corporate culture and helping employees cultivate the volunteering spirit of dedication, friendship, mutual assistance and progress. The team has included more than 100 members by 2019. These volunteers adhere to the philosophy of "serving the society, dedicating to the society, being united and friendly, helping each other, cultivating love and making joint progress", aim at "creating a home for volunteers, building a bridge between volunteer services and fostering a synergy between them", and actively advocate the volunteering spirit of dedication, friendship, mutual assistance and progress. They abide by the Constitution, laws, regulations and national policies, follow social morals, and vigorously popularize the concept of volunteer service. They connect their volunteer work with corporate cultural development by actively participating in the publicity and service of the national cultural-ethical standards, which effectively enhances the Company's image. The slogan of the volunteer team is "Volunteer Service Starts from the Heart".

The MicroPort volunteers actively promote and practice the volunteering spirit, and fully participate in social welfare activities, such as "People's Sentries", Shanghai Rail Transit Volunteering and Volunteering with Seniors.

Targeted Poverty Alleviation

The Company actively implements and promotes the Chinese central government's decision of "targeted poverty alleviation and elimination" and relevant arrangements and makes the most of itself to participate in targeted poverty alleviation. In 2018, MicroPort and its subsidiaries actively participated in a targeted poverty alleviation project called "Ten Thousand Enterprises to Help Ten Thousand Villages". MicroPort Medical signed an agreement with Gansu Yuanda Investment Group to purchase poverty-alleviation products, at the "Agriculture and Poverty Alleviation Forum" and the launching ceremony and signing ceremony of "Poverty Alleviation Express" which was held by the Department of Poverty Alleviation and Social Service of All-China Federation of Industry and Commerce, the China Society for the Promotion of the Guangcai Program of the United Front Work Department, and the Chamber of Commerce for Agricultural Enterprises of All-China



In 2019, MicroPort's volunteers participated in a volunteer program called "People's Sentries", and provided assistance to pedestrians at the third exit of Jinkelu Station of Metro Line 2 on weekends, such as explaining traffic rules, giving away tea and water to sanitation workers, lending umbrellas to pedestrians and helping them measure blood pressure. More than 130 colleagues took part in the program throughout the year, and 10 boxes of sparkling water were given away to sanitation workers.



In 2019, MicroPort's volunteers took part in "Running in Zhangjiang", an event hosted by the People's Government of Zhangjiang Town. Our volunteers were responsible for maintaining the order inside the field, and helping the participants with directions outside the field.

Federation of Industry and Commerce. This has given MicroPort an opportunity to directly help quinoa farmers in Tianzhu County of Gansu Province increase income and get out of poverty. In 2019, MicroPort donated 100,000 yuan to the poverty-stricken county of Dangshan to improve residents' living environment



In 2019, MicroPort's volunteers worked during the morning rush hours (7:30 to 8:30) on weekdays, at the Jinkelu Station, and Guanglan Station, Zhangjiang. They helped passengers with rides, propaganda, directions and other information service. More than 220 colleagues took part in the program throughout the year.

and purchased poverty-alleviation agricultural products worth 150,000 yuan in Linquan County. All these are our efforts to support the government's work of poverty alleviation, and help those living in poverty to improve their life.



MicroPort colleagues hold free lectures and see patients on a voluntary basis.

COVID-19 Responses



Faced with the sudden pandemic of COVID-19, we, as a company for patients and doctors, have not only contributed money and resources to respond to the pandemic, but also made the Company's internal prevention and control mechanism more effective and orderly. As part of our efforts to resume business and production, we have maintained close and effective communication with overseas employees and customers, showing the image of a responsible and dependable Chinese private company.

Mobilizing Global Resources to Assist China in Fighting COVID-19

After COVID-19 hit China, the Company immediately donated two million yuan in cash to Wuhan through Shanghai Pudong Guangcai Career Promotion Association. We also contributed coronary stent systems and other high-tech medical materials worth of 14 million yuan to hospitals in Wuhan, and ensured they were delivered on the same day as these devices were mainly used to carry out emergency surgeries for coronary heart diseases such as myocardial infarction.

We procured 3,500 pieces of medical protective clothing from Australia on behalf of the Pudong New Area Health Committee which later were sent to the Shanghai Medical Team in Wuhan;

We purchased more than 40,000 N95, Type IIR and other medical and surgical masks from around the world, and contributed them to 22 hospitals in seriously affected areas such as Wuhan, Huanggang and Xiaogan in Hubei.

We donated three air sterilization stations (total value of 1 million yuan) to the medical team of Ruijin Hospital Affiliated to Shanghai Jiaotong University School of Medicine in Wuhan, and purchased a large amount of quinoa biscuits for the team members;

We donated 300,000 yuan to Fuwai Hospital for the procurement of COVID-19 supplies.

We actively mobilized the employees from the US and French subsidiaries, the Sharing Service Center in Costa Rica, the production base in the Dominican Republic, and the Group's overseas business units in South America, Southeast Asia, and the Middle East, Africa and Russian-speaking regions to respond to the pandemic. Within one month, we procured a large number of masks, protective clothing and other medical supplies, most of which were donated to the frontline hospitals.



MicroPort procured 3,500 pieces of medical protective clothing from Australia, and Mr. Peng Bo (third from the left), Chairman of MicroPort Greater China Executive Committee, donated them to Pudong New Area Health Committee on behalf of the Company.

Contributing to China's COVID-19 Response through Independent Technological Innovation

MicroPort (Shanghai) MedBot Co., Ltd. (hereinafter referred to as "MedBot"), one of our subsidiaries, has independently developed a robot for bronchial surgery (hereinafter referred to as "bronchial surgery robot") that can be used in the diagnosis and treatment of the coronavirus pneumonia. On April 24, 2020, the team led by Professor Sun Jiayuan, director of the Respiratory Endoscopy Center of Shanghai Chest Hospital, first applied bronchial surgery robot in a bronchoscopic alveolar lavage in Shanghai Chest Hospital. This robot system is the first of its kind that is developed for bronchial surgery in the diagnosis and treatment of the coronavirus pneumonia. By allowing medical workers to remotely perform surgeries with the help of a robot, the system physically insulates medical workers from possible infections, which not only reduces the risks of medical workers infection, but also increases the diagnosis rate and the cure rate of the coronavirus pneumonia.

Bronchoscopy surgery is proven to be an important diagnosis and treatment method for the coronavirus pneumonia but can also pose the highest infection risk to the medical workers at the health setting. In order to solve the difficulties in diagnosis and treatment of the coronavirus pneumonia, the Respiratory Endoscopy Center of Shanghai Chest Hospital, MicroPort (Shanghai) MedBot Co., Ltd., and Shanghai Jiaotong University have worked together to mobilize the best scientific researchers to translate the idea of remotely performing a robotic surgery for bronchial diseases caused by the coronavirus pneumonia into a reality. The researchers went through multi processes of technical research, system construction, assembly testing, animal experiments before they completed the first human test. Although the robot is developed for the diagnosis and treatment of the coronavirus

pneumonia, it also has important application value for the diagnosis and treatment of other highly infectious respiratory diseases such as tuberculosis. No other robots worldwide have so far been reported to be applied in the surgery for bronchial diseases caused by the coronavirus pneumonia.

Dr. He Chao, General Manager of MedBot, said that "the whole world is now faced with a severe pandemic caused by the coronavirus. MedBot has been following the clinical needs arising from the pandemic. To develop this robot system, we made the best of our R&D capacity and raced against the clock to apply our work results in practice. It is the joint research achievement of the industry-university-research-hospital cooperation. It is our hope that with this product, we could contribute our share to the fight against the coronavirus, protect our medical workers and save more lives. We will adhere to our vision of "exploring the unknown and providing intelligent robotic surgical solutions", make continuous innovation and provide patients and doctors around the world with more high-quality integrated medical solutions that prolong and reshape lives"



Putting People First and Adopting a Combination of Prevention and Control Measures

MicroPort established a working group for the prevention and control of the coronavirus right after the breakout, and set up corresponding teams in all the subsidiaries. The working group and teams followed a people-oriented perspective, cared every employee's health and safety, made full use of information technology and other high-techs, and adopted a combination of prevention and control measures.

◆ At the beginning of the pandemic, Dr. Chang Zhaohua, Chairman and CEO of MicroPort, sent an internal letter to all overseas employees, introducing the measures the Group had adopted to protect the Chinese employees and actions to control the spread of the coronavirus, and he also conveyed the message of confidence that China would win the fight, which eased the concerns of overseas employees.

◆ The Greater China Executive Committee of the Group specially sent a letter of sympathy to greet and comfort the employees who were quarantined due to the epidemic. In addition to full payment of wages, a "special pandemic subsidy" of 50 yuan per day was also given to the quarantined employees.

◆ Between February 12th and March 6th, a total of 504 meals (lunch and supper) were provided to the employees who were quarantined at home.

◆ A donation activity was initiated during the pandemic among employees, and the collected money would be given to the employees who were in financial difficulties or suffered other major hardships due to the pandemic. As of the end of April 2020, our employees have donated nearly 600,000 yuan to help those colleagues in difficulties.

◆ Online courses on mental health, business resumption and remote working were offered to employees, to help them stay in a positive and healthy psychological state.

Properly Preventing the Pandemic and Orderly Resuming Production



MicroPort donated to the medical team of Ruijin Hospital Affiliated to Shanghai Jiaotong University School of Medicine.

MicroPort has taken strong measures to prevent and control the pandemic and resume business and production and paid equal attention to both. Pandemic prevention plans and operation resumption plans, as well as alternative strategies, have been well developed.

To avoid large-scale cross-infection, MicroPort draws on the managerial grid model of social management, carefully divides the Group into nearly two hundred managerial grids, and assigns a responsible person for each grid who has comprehensive control over grid, in the sense of coordinating various functions of the Company and the grid, collecting employee health statuses, distributing materials and handling emergencies.

The Company requires employees to come to work and get off work in three different periods of time. The Company takes special management measures in places with high risk of transmission, such as elevators, restaurants and washrooms. Such restrictions are in place for elevator management as elevators only stopping at the 6th floor and above, limiting the number of elevator passengers per ride, and strengthening the air-changing capacity of elevator cars. Controlling measures are also adopted in the canteen. Employees now have meals at their cubicles, and the food are delivered by the canteen and distributed by grid responsible persons. The Company is aware that employees who commute by public transportation are concerned about becoming infected on the way, so we have recruited volunteers who have private cars to provide free rides.



Measure body temperature at the gate.



The lunch is prepared and delivered by the canteen and distributed by grid responsible persons.

Participating in the Global Response, and Being a Responsible Chinese Enterprise

MicroPort currently employs nearly 7,000 people worldwide and operates in more than 80 countries in major regions such as Asia Pacific, Europe and America. As a private company that has expanded its business abroad, MicroPort, when first challenged by the COVID-19 pandemic, emphasized the importance of putting prevention and control measures in place for employees travelling abroad, giving them health check-ups, and properly allocating resources through telecommuting, and making the most of local resources and third-party resources. At the beginning of the pandemic, Dr. Chang Zhaohua, Chairman and CEO of MicroPort, sent an internal letter to all overseas employees, introducing the measures the Group had adopted to protect the Chinese employees and actions to control the spread of the coronavirus, and conveying the message of confidence that China would win the fight, which eased the concerns of overseas employees. In the letter he also shared the guidelines of World Health Organization (WHO) for COVID-19 prevention and control, and urged all employees to take care of themselves by strictly following the prevention and control policies of their countries and regions, and work together to curb the global spread of the coronavirus. At the same time,

in order to ensure the health and safety of overseas employees, the Group also canceled all business trips to China in February. Through timely and transparent communication and with a decisive attitude, we have reassured all overseas employees that the Company and even all the other Chinese enterprises are determined to defeat the coronavirus.

When the pandemic sweep s through other regions of the world, MicroPort actively participates in the international response. Our subsidiaries work with local governments and communities to keep watch for and help take care of each other. We also maintain close and effective communication with overseas employees and customers and promote our image as a responsible and dependable Chinese enterprise.

MicroPort has donated more than 2,000,000 medical masks to over 30 countries/regions including the United States, Italy, France, the United Kingdom, and Dominica. While coordinating our response overseas, the Group, together with its overseas employees and business partners, have actively conveyed the positive message to the world that the Chinese government and Chinese enterprises have the confidence and the resolve to defeat the coronavirus.



On March 30th, MicroPort donated 2,500 masks to 9 cardiac intervention training centers in Indonesia.



On March 27th, MicroPort donated 50,000 masks to Health System of the Dominican Republic to help respond to COVID-19 pandemic.