ANGELALIGN TECHNOLOGY INC. 時代天使科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6699

2022 ANNUAL REPORT



用科技创造影响世界的微笑

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About the ESG Report

Angelalign Technology Inc. ("the Company" or "Angelalign") and its subsidiaries ("the Group" or "We") hereby release the 2022 Environmental, Social and Governance ("ESG") Report, which is our second ESG report to present our ESG strategy, philosophy and practice.

Reporting Scope

The ESG Report is an annual report dated from January 1, 2022 to December 31, 2022 (the "**Reporting Period**"). To ensure the completeness and coherence of the statements, some of the contents may be beyond the aforementioned timeframes.

Compared with 2021, as our Chuangmei Center in Wuxi (無錫) was officially put into operation in 2022, this report includes Chuangmei Center in the reporting scope of environmental KPIs (Key Performance Indicators) in this reporting period. Other information and KPIs disclosed in the ESG Report cover the Company and its subsidiaries, which are consistent with those disclosed in the annual report.

Data Description

The data and information of the ESG Report are from our internal statistical reports or official documents, and the amount of currency involved is denominated in RMB.

Reporting Principles

The ESG Report is prepared in accordance with the provisions of the "Environmental, Social and Governance Reporting Guide" (環境、社會及管治報告指引) (the "ESG Guide") in Appendix 27 to the Main Board Listing Rules (主板上市規則) of The Stock Exchange of Hong Kong Limited, and in the following reporting principles:

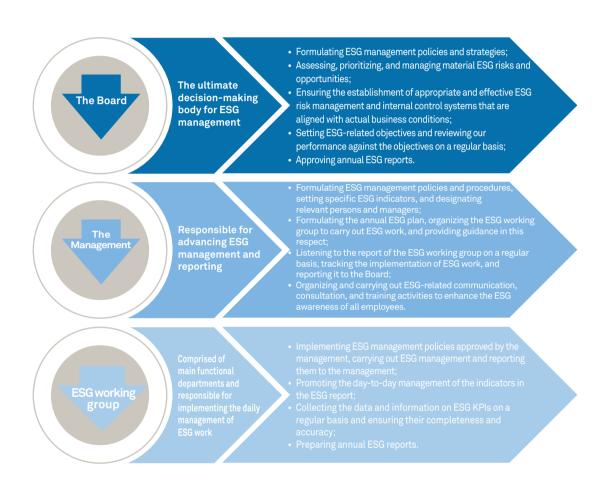
- Materiality: We identify important ESG issues through stakeholder engagements and materiality assessments, and make targeted disclosures in the ESG Report;
- > Balance: The ESG Report faithfully presents our environmental and social performance;
- Quantitative: The ESG Report discloses the standards, methods and sources of the conversion factors adopted for emission and energy data report;
- Consistency: The KPIs and statistical methods of the 2022 ESG Report are consistent with those set forth in the 2021 ESG Report to facilitate comparability.

ESG Management

In 2022, against the COVID-19 pandemic and the complexity and variability of the global macro environment, Angelalign has always determined to develop, and responded to the challenges of the external environment with active persistence. Fully aware of the importance of sustainable development, we integrated the ESG factors into our business strategy and daily operations to ensure orderly business development and timely delivery of products. Adhering to the core value of "putting people first", we worked together with doctors, patients, employees and other stakeholders to overcome difficulties and practice our social responsibility. This helped realize our sustainable development and contributed our share to the sustainable development of the society.

ESG governance structure

We constantly improve the sustainable management system and the awareness of ESG management. We have established a tertiary ESG governance structure consisting of the Board, the management and the ESG working group, determining the main responsibilities of each tier to implement and monitor ESG work in a top-down manner.



The tertiary ESG governance structure of Angelalign and the responsibilities of each governance level

Stakeholder engagement

Stakeholder engagement is important for us to obtain constructive opinions and advice from all parties and for our long-term development. Through research and analysis, we have identified such key stakeholders as governments and regulators, shareholders and investors, employees, clients, suppliers, communities and the media. We have also established a diversified communication system under which we maintain contact with stakeholders and discuss about the ESG issues of their concern, to meet their expectations and address their concerns.

Stakeholder	Expectation and Concern	Communication Channel
Governments and regulators	Operation compliance Strict compliance with regulatory requirements Anti-corruption	Due diligence and investigation Reporting Official communications
Shareholders and investors	Returns on investments Compliance management Corporate Governance Information disclosure	Announcements and circulars Financial reporting General meetings Receptions Roadshows
Employees	Employee rights and benefits Remuneration and welfare Talent development Occupational health and safety	Surveys on employee satisfaction Employee training Internal announcements and emails Employee care activities Employee publication
Clients	Product quality and safety Protection of consumer rights Compliance advocacy	Client surveying Satisfaction survey Channel for complaints
Suppliers	Commercial ethics Win-win cooperation	Business visits Routine meetings Academic conferences
Communities and media	Contributions to community development Healthy community Raising public awareness	Charitable services Volunteering activities Media publication and communication

Materiality assessment

We determine important ESG issues and key areas of ESG work based on the "materiality" principle in the ESG Guide and by going through the materiality assessment procedures:

Step 1 – Identifying ESG issues

 According to the ESG Guide, we identified 17 ESG issues relevant to us by comprehensively considering the characteristics of the industry as well as our operational characteristics and strategic direction.

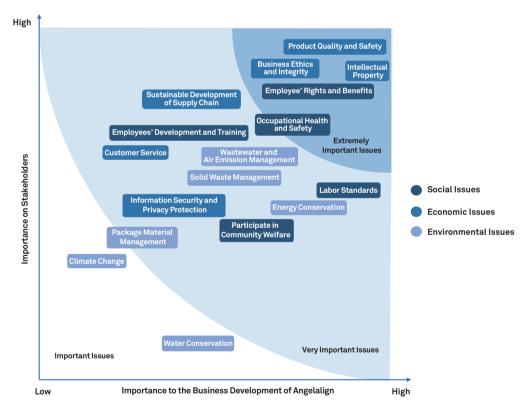
Step 2 – Assessing the materiality

We invited key internal and external stakeholders to assess the materiality of ESG issues through online questionnaires. We conducted analysis from the two dimensions of "importance to the business development of Angelalign" and "impact on stakeholders" to form a materiality assessment matrix to prioritize ESG issues.

Step 3 – Verifying the assessment results

 With reference to the opinions of the third-party, the management discussed the materiality assessment results, reported them to the Board and finally prioritize them.

In 2022, there was no material change in the Group's business mode. After reviewing the ESG issues and materiality assessment results, the Company has adopted the following ESG materiality matrix:



The materiality Assessment Results of Angelalign

Stabilizing Production, Ensuring High-quality Delivery

We endeavor to tide over the pandemic and stabilize production by practicing the mission that "Bring people confident smiles with technologies" and adhere to our original intention of "Customer first". With product delivery and quality guaranteed, we stay focus on product innovation, customer service and sustainable procurement to provide customers with better quality products and services.

Production guarantee and quality control

We attach great importance to product quality and are always committed to providing customers with reliable products. In the process of operation, we strictly follow the requirements of the Product Quality Law of the People's Republic of China (中華人民共和國產品質量法), the Provision for Supervision and Administration of Medical Devices (醫療器械生產監督管理辦法), Good Manufacturing Practice for Medical Devices (醫療器械生產質量管理規範) and other relevant laws and regulations, and carry out product life cycle quality control covering product design and development, raw material procurement, and production and sales processes, to ensure timely delivery.

Stabilizing production to ensure delivery

Ensuring production has become a top priority against the continuing challenges of the pandemic. In 2022, when the pandemic broke out, we have held several special meetings to cope with the pandemics, and quickly formulated multiple emergency plans and measures, to ensure production efficiency and output. In order to achieve high-quality delivery of products, our Huishan Production Center and Chuangmei Center have volunteered to organize production. Employees of all departments have maintained high quality work and manage to eliminate production bottlenecks. When Huishan Production Center and Chuangmei Center started closed-loop management due to the pandemic in the same year, the delivery of our products has been completed smoothly with high quality. No order was delayed. During the Reporting Period, Huishan Production Center and Chuangmei Center also set a number of production records.

Enhancing quality control

In 2022, based on the ISO 9001 quality management system, ISO 13485 medical device quality management system and China's Good Manufacturing Practice of Medical Products ("**GMP**") as well as the standards and regulations of the United States, the European Union and other exporting countries, the Group further refined the quality management system covering the whole life cycle of products and strictly controlled each process, so that the whole process could be tracked. During the Reporting Period, our Chuangmei Center successfully obtained ISO 13485 medical device quality management system certification and Huishan Production Center passed the BSCI Social responsibility certification for the first time, obtaining a class C certification.

We continued optimizing the quality management system. We managed the whole process of design and development, raw material purchase, production and service control, quality verification and risk management. In 2022, we strengthened the quality management of front-end processes such as Research and Development (R&D) processes, production-supporting software and medical protocol design, and developed new product introduction (NPI) processes. This aimed to ensure that the R&D results are feasible for stable mass production and the results could meet the delivery standards through project input, review management, data management and trial production process. For nonconforming products, we conducted timely review and took corrective measures to prevent their unintended use or delivery.

In addition, we evaluated the effectiveness of the implementation of the quality management system through feedback collection, customer complaint handling, internal audit, nonconforming product control, data statistical analysis, corrective and preventive measures, annual management review and other ways, in order to constantly improve the quality management system. We carried out annual internal audits on the quality management system. If any non-compliance items were discovered, rectification action would be taken at the first time.

In March 2022, we won the "Quality Management Excellence Award" of Wuxi Mayor Quality Award for 2021, which is a recognition of our superior performance in quality management by the society.

Product tracing and recall

According to the Measures for the Administration of Medical Device Recalls (醫療器械召回管理辦法), and the requirements of ISO13485, GMP and other regulations and standards, we have formulated and improved the Product Recall Procedure (產品召回程序) and the Release and Implementation Procedure of Advisory Notice (忠告性通知發布與實施程序) to provide requirements of and procedures for product recall in China and foreign markets. As a result, in the event of any form of product change or quality problems, we can notify customers in time and recall products immediately if necessary. We have also established a comprehensive product tracing system, based on which the production records of each batch of products can be traced back to raw materials, equipment, personnel and other information. Therefore, in the case of customer complaints and adverse events, we can find out the causes and take timely measures.

During the Reporting Period, we had no product recalls due to safety or health problems.

Constant investment in R&D and innovation

As an enterprise driven by scientific and technological innovation, we strive to create value by developing innovative and diversified clear aligner solutions for customers. We have formulated the "Three major R&D Strategies" ("Utilize cutting-edge theories and technologies, Implement an R&D talent strategy, and Strengthen domestic and international collaborations"), established the Digital Stomatology Research Institute, developed various technologies and data platforms, and made constant investment in R&D. We grant cash rewards to patent inventors in accordance with the Provisions of the Measures for Patent Award of Angelalign, to kindle the enthusiasm of the R&D team, which injects a constant stream of impetus for technological innovation and development.

During the Reporting Period, due to continuous iteration and upgrading of innovative technology, our products have been included in the Catalogue of Innovative Products for Promotion and Application of Wuxi and the Directory of Excellent Products for Promotion of Jiangsu Province in information consumption key fields. In addition, with "the innovative application of industrial Internet platforms for clear aligners of Angelalign", we have been selected on the 2022 list of innovation pilot applications of industrial Internet platforms issued by the Ministry of Industry and Information Technology.

Intelligent manufacturing

We have kept accumulating and upgrading our intelligent manufacturing technologies, promoting the production model of "mass customization" and expanding production capacity, in order to ensure the sustainable business growth. We have equipped all production facilities with advanced intelligent manufacturing technologies, to control the quality of clear aligners and satisfy customer requirements. In addition, we have used intelligent innovation technology to upgrade the information system, process and equipment technology of the existing automated production line:

- Digitally expanding the Manufacturing Execution System ("MES") to realize visual management of data in the production process;
- Deploying a next-generation intelligent aligner hot-forming polymeric sheet system for clear aligners and applying the computer visual technology, to achieve quality control in process and production;
- Adopting an automatic outer packaging system to make product outer packaging more automated.

In 2022, we have been recognized by various authorities in the field of intelligent manufacturing, and selected into the List of Excellent Scenes of Intelligent Manufacturing for 2022 by the Ministry of Industry and Information Technology with "Advanced process control". Huishan Production Center was awarded the "Intelligent Manufacturing Demonstration Plant of Jiangsu Province" by Jiangsu Provincial Department of Industry and Information Technology and selected as a "Pilot Plant for the Implementation of Management System Standards for the Integrating Informatization and Industrialization".

Promoting digital diagnosis and treatment

As a leading enterprise in the industry, under the context of regular pandemic prevention and control, we have actively promoted the digitalization of the whole process of oral diagnosis and treatment. Through digital imaging, digital orthodontic intelligent service platforms, intelligent diagnosis treatment planning, remote monitoring and communication between dental professionals and patients and other services, we have striven to enable the accessibility of digital technology and services to doctors and patients in an all-round way.

Leading new industry ecosystem

We always hope to lead the sustainable development of the industry through our professional strengths by taking medical science as the basis. Therefore, we highly value industry-academia-research cooperation and promote scientific research and their industrial application, to boost industrial technological innovation. Since 2014, we have organized the A-Tech Forum on an annual basis. On the forum, authorities and experts from all over the world gather together to share, discuss about and exchange ideas and thoughts on the most edge-cutting orthodontic technology and the latest innovations, to promote the innovative development of the dentistry industry. The A-Tech Forum has become an important international communication platform for "academy, exploration and cooperation" in the field of orthodontics and strengthened our brand influence on scientific and technological innovation. In June 2022, we organized and hosted the 9th A-Tech Forum via live streaming.



2022 A-Tech Forum of "Together to the Future"

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In addition, since 2015, through the "Joint Innovation A+" Plan, we have cooperated with China's most renowned stomatology hospitals, higher education institutions, medical schools and other research institutions, including Zhejiang University, Ninth People's Hospital, Shanghai Jiaotong University School of Medicine and Sichuan University Huaxi Stomatology Hospital, in promoting the innovation in the products, technologies and materials related to clear aligners. Fortunately, we have made ground-breaking innovation in a number of fields.

In 2022, we collected application guidelines for the special scientific research project of "Joint Innovation A+" as well as clinical research topics for dental practitioners and institutions, in order to jointly explore innovative methods and technologies of clear aligners, and promote the innovative development of dental medical treatment.

We participate in a wide range of industrial activities, aiming to promote efficient interaction and technological innovation in the industry. In 2022, we participated in different conferences/campaigns, including the Dental South China, the second Academic Conference of Young and Middle-aged Orthodontists, and the 21st Annual Meeting of the Chinese Orthodontic Society to share edge-cutting technologies of extraction and orthodontics, and to discuss the development direction of innovative technologies of clear aligners with the doctor participants.

In addition, we also participate in the formulation of industry standards, committed to promoting the development of the clear aligner industry. In 2022, YYT 1819 Dentistry Diaphragms for Orthodontic Aligner, the first domestic industry standard in the field of the clear aligner, was jointly drafted by the Oral Medical Device Testing Center of Peking University School of Stomatology and us, and then officially promulgated by the National Medical Products Administration.



2022 Dental South China



A special session for Angelalign at the second Academic Conference of Young and Middle-aged Orthodontists

Improving customer service quality

"Customer first" is an important part of the corporate values of Angelalign. We pay close attention to customers' opinions and feedback attach importance to every customer request, and do our best to provide them with high-quality services. In strict compliance with the Law of the People's Republic of China on the Protection of the Consumers Rights and Interests (中華人民共和國消費者權益保護法) and other laws and regulations, we have formulated the Customer Service Management System (客戶服務管理制度), Angelalign Regulations on Complaint Handling (時代天使投訴處理規範) and other internal policies and systems to standardize the service process and complaint handling process, in order to provide the accurate, timely and effective solutions to customers' problems, and enhance customer experience and satisfaction.

We take customers' feedbacks seriously and constantly improve our internal customer service management system. We take the initiative to understand needs and expectations by collecting their feedbacks through the WeChat group, customer communication system, corporate hotline, corporate customer service email and other channels, and take corresponding action based on customers' comments and suggestions. According to the Angelalign Regulations on Complaint Handling (時代天使投訴處理規範), we classify and manage the complaints by different dimensions such as complaint severity, complainants and potential risks, in order to handle all complaints in time.

Meanwhile, we regularly organize meetings on customer satisfaction analysis, service quality inspection and service quality analysis to summarize complaints and suggestions of customers. Accordingly, we make timely rectifications and continuously refined the complaint management mechanism, to improve customer satisfaction and trust. We regularly train customer service staff to strengthen their business skills and improve their service awareness and service standards, to further improve customer service quality.

During the Reporting Period, we have received and handled 2,245 complaints with a resolution rate of 100%.

Building a sustainable supply chain

A stable supply chain is the decisive factor to ensure the robust operation of companies. Adhering to principles of balancing efficiency, services and quality in procurement, we cooperate with our supplier partners to jointly construct a responsible and sustainable supply chain. During the pandemic outbreak in Shanghai in 2022, we maintained close communications and cooperation with suppliers to keep raw material procurement stable.

We strictly implement the provisions on suppliers' approval, regular review and assessments, change, termination and other stages in the Policy on Supplier Audit Management (供應商審核管理制度) and the Procurement Management Policy (採購管理制度). We carry out the lifecycle quality management on suppliers to ensure that the appropriate materials are procured and the procurement process is standardized.

As of the end of the Reporting Period, we had a total of 398 long-term suppliers partnerships. The following table shows the number of suppliers by region:

Region	Number
East China	318
South China	29
North China	33
Other regions	18

Approval

To ensure product quality, we always choose suppliers based on the quality of materials and services provided, classify suppliers by material type, service type, the degree of impact on final products, and manage suppliers with pertinence. In the screening stage, we require all potential suppliers to provide relevant documents such as business licenses and quality certification. In addition, we prioritize selecting reputable and environment-friendly suppliers in the industry. Furthermore, we conduct strict on-site inspections on our key suppliers whose products directly affect the quality, main features and performance indicators of the final products, to ensure that they are able to deliver satisfactory products and services. The suppliers can only be included in list of qualified suppliers after the inspection and review is approved. After the approval of suppliers, we will set up supplier files and maintain the relevant materials regularly.

Regular review and evaluation

In addition to classified management of suppliers of different grades, regular on-site inspection and performance appraisal, we perform comprehensive annual evaluation of suppliers from the aspects of the quality, technicality and delivery capacity of materials and services with the Supplier Performance Appraisal Form (供應商績效評價表). If the comprehensive score of a supplier performance appraisal is lower than the required threshold, we will formulate a supplier development plan based on the supplier's performance, provide reasonable suggestions, and urge them to make rectifications within a prescribed time limit. If the suppliers have material defects that may affect the quality of our purchase, we will consider suspending the purchase and assess the risk to which products are exposed due to the use of the purchase.

Change and termination management

Prior to making any change that may lead to the failure of the purchased products to meet the specified requirements, the suppliers shall notify us of the relevant change in writing in advance. After that, the suppliers shall initiate the change in accordance with the Change Notification Procedure (變更通知程序) to ensure the quality of the purchased materials.

When a supplier is no longer suitable due to quality problems, its own reasons or other reasons, we will appraise the supplier before terminating partnership with it, and will remove it from the supplier list after obtaining relevant approval.

Compliance Management, Responsibility First

We stay true to the bottom line of compliance management while strictly complying with relevant laws and regulations. To that end, we will further improve the construction of our compliance system by integrating the corporate culture featuring integrity, honesty, fairness and justice into all aspects of management and operation. This will help further improve our ability to prevent and respond to major compliance risks, in order to lay a solid foundation for our sustainable development.

Business ethics management

Bearing in mind our concept of business integrity, we strictly comply with relevant laws and regulations on anti-corruption, anti-extortion and anti-fraud, such as the Criminal Law of the People's Republic of China (中華人民 共和國刑法), Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法) and the Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定), for putting an end to any form of corruption and bribery. During the Reporting Period, no corruption lawsuit was brought against us.

We have established a monitoring system for implementing systematic anti-bribery and anti-corruption procedures and policies, which will help reduce the risks of violating of laws and regulations by employees and enterprises, and thus fostering a positive and transparent working atmosphere. In 2022, we have formulated the Management Policy for Conflicts of Interest of Management (管理層利益衝突管理制度), which defines the situations and handling principles for internal and external conflicts of interest of the management and effectively prevents conflicts of interest between the management and the Company. Also, we amended the Sunshine Practice Management Policy (陽光從業管理制度) in order to further clarify the management responsibilities of all departments, to improve the integrity management system of the Company, and to provide online training to all employees for their better understanding and implementing the policy. For the sake of corporate culture featuring integrity, honesty, fairness and justice, all employees are required to sign the Integrity Practice Commitment Declaration Form (員工廉潔從業承諾書), which clearly prohibits any form of bribery, soliciting or accepting bribes, and regulates employees to properly deal with conflicts of interest. In addition, we extend the requirements of integrity and professional ethics to the supply chain, requiring suppliers to sign the Sunshine Agreement (陽光協議), to jointly build a defense line against corruption.

We attach great importance to fostering anti-corruption culture, requiring the Board, the management and all employees to maintain a law-abiding, incorruptible, honest and self-disciplined personal conduct and work style. We issue Monthly Compliance Questionnaires (月度合規問卷) to employees from key departments for their self-examination, so as to help them better understand our core values and ethical bottom line, and thus further strengthen the compliance awareness and risk identification ability of all employees. In order to further reduce the risk of violating laws and regulations by our employees and the Company, we held a series of training sessions for all employees and the management in 2022, effectively improving the compliance awareness of all employees.

We encourage our employees to participate in building our business ethics and compliance culture in an all-round way. We put in place a comprehensive whistleblower mechanism by setting up reporting email addresses and telephone numbers to support real-name or anonymous reports of illegal and dishonest acts, while keeping the reporting information and the identities of the whistleblowers confidential. After receiving the report, the relevant departments will launch an investigation within three working days. Once the reported matter is verified, we will take such strict measures as fines, demerits, termination of labor contracts, and handing it over to judicial authorities.

Responsible Marketing

Fair trading and accurate advertising are crucial to maintaining our reputation. With that in mind, we rigorously implement the requirements of relevant laws and regulations such as the Advertisement Law of the People's Republic of China (中華人民共和國廣告法) and the Interim Measures for the Administrative of Censorship of Advertisements on Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purpose (藥品, 醫療器械, 保健食品, 特殊醫學用途配方食品廣告審查管理暫行辦法), and practice responsible marketing, to avoid misleading the clients by exaggeration or false dissemination. All these efforts will help protect clients' rights and interests, which in turn will reinforce our brand image. To carry out our sales and marketing practices in accordance with laws and regulations, social norms and ethical standards, we have organized compliance training for further standardizing external publicity and marketing activities during the Reporting Period.

We develop and implement a strict advertising review process for the pre-review and final review of all promotional materials released to the public. The promotional materials can only be submitted to the Market Supervision Administration after the final approval of the Ministry of Justice. All other promotional materials and channels released by third-party platforms, self-media and other partners shall also be approved by us in writing before they can be used.



Advertising review process

In addition, we follow closely to the changes in the latest laws and regulations on brand logos, and update and release the Opinions on the Use of Brand and Product Logos (品牌及產品標識使用意見) and the Opinions on the Use of Technical Logos (技術類標識使用意見) based on the actual operations of the Company, to ensure the standardized and orderly use of brand logos.

Information Security Management

We attach great importance to the protection of business information and customer information and their privacy security. We have made further efforts in improving the information security management system and integrated information security management and privacy protection into every aspect of the operation while strictly abiding by domestic laws and regulations such as Civil Code of the People's Republic of China (中華人民共和國民法典), Cybersecurity Law of the People's Republic of China (中華人民共和國網絡安全法), Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法) and other overseas laws and regulations such as the GDPR. During the Reporting Period, we have been certified with ISO/IEC 27701 Privacy Information Management System and ISO/IEC 27001 Information Security Management System, and our core business systems have been certified as Grade III for Protection of Information System by the State (國家信息系統安全等級保護).

We implement the system of information security and privacy management. To that end, we have formulated a series of systems, including Regulations on Data Security Management (數據安全管理規定), Regulations on Information Asset Security Management (信息資產安全管理規定), and Rules for the Implementation of Data Backup (數據備份實施細則), categorizing data and information by their importance and confidentiality, and clarifying the requirements for the acquisition, processing, transmission and storage of all types of data and information, which ensures information security in all aspects, to avoid business interruption or loss due to information system failure, data loss, and sensitive information leakage. All these efforts secure the confidentiality, integrity and availability of all kinds of data. In addition, with our new data loss prevention (DLP) products, and disaster recovery drills and security drills, we have further improved our management of data and information systems, and thus ensured the protection of data and information security of the Company's operation and maintenance system in an all-round way.

In order to effectively protect the security of customer information, we have launched the PDS system in 2022, which encrypts and desensitizes users' privacy information to prevent their personal privacy being infringed. On WeChat Mini Programs, apps and other online platforms, we have published personal privacy protection policies, covering the purpose, method and scope of personal information collected and used by us, the personal privacy protection measures, and in a reminder for clients to read the policies. We do not collect personal information without authorization by the customers.

We require all our employees to consciously implement various information security regulations, correctly identify the potential security risks and report information security incidents in a timely manner. In order to improve employees' awareness of information security, we carry out annual information security training for all employees, and require new employees to participate in pre-job data security training, all of which will facilitate a more faithful implementation of such information security policies.

Intellectual property protection

Staying true to the concept of intellectual property protection, we were working more on the standardization, institutionalization and refinement of the management and use of intellectual property by strictly implementing the Patent Law of the People's Republic of China (中華人民共和國專利法), the Trademark Law of the People's Republic of China (中華人民共和國商標法) and other relevant laws and regulations on intellectual property and trademarks. Moreover, we have established the intellectual property protection system and formulated relevant internal policies such as the Control Procedure for the Acquisition of Intellectual Property (知識產權獲取控制程序), the Control Procedure for the Maintenance of Intellectual Property (知識產權維護控制程序), the Procedures for the Dispute Resolution of Intellectual Property (知識產權爭議處理程序) and the Measures for Trademark Management (商標管理辦法). We encourage innovative research and development and intellectual property applications. As of December 31, 2022, we had 406 trademarks, 143 patents, 16 software copyrights and 35 domain names registered worldwide.

As an innovation-driven company, we are committed to further improving our internal intellectual property management, maintenance and application, which serve as the foundations for solidifying our core competitiveness. During the Reporting Period, we have carried out training on patent basics for further strengthening employees' awareness of intellectual property protection.

Always Striving for Green Development

Coping with the challenge of climate change globally, the Group has always consisted on green operation and takes protecting the ecological environment as one of our major responsibilities. To that end, we strictly comply with environment-related laws and regulations such as Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of People's Republic of China on Environmental Impact Appraisal (中華人民共和國環境保護 税法). Also, we have set up a Safety and Environmental Protection Department to manage our environmental affairs in an all-round way. We have established a sound environmental management system and integrating the concept of sustainable development into our daily production and operation to follow the call for low-carbon activities.

Facing the challenges imposed by COVID-19, we remain committed to green development. Aiming at "strengthening green operations by promoting energy conservation and emission reduction, and reducing resource consumption, for ensuring compliant emissions", we actively fulfill our environmental protection responsibilities and promote energy conservation and emission reduction, for the sake of building an environmentally friendly business development model.

Resources conservation

To regulate the use of resources, we have developed the Energy and Water Conservation Management System (節 能節水管理制度), which will help improve the utilization of resources and reduce the waste of energy and resources, hence enabling us to move faster to a conservation-oriented enterprise. The main resources we use in our production include electricity, water and packaging materials.

In line with the principles of environmental protection and conservation, while focusing on our customers' experience, we work more on improving our product packaging design for the best use of packaging materials and thus to reduce the negative impacts on the environment. We constantly upgrade our production equipment and explore new technologies for energy reuse for less energy consumption in the production process. We collect waste heat from the air compressor for heating in the polishing workshop in winter to reasonably utilize energy waste and helps reduce electricity costs.

We attach importance to the management and promotion of low-carbon and energy-saving concept, and advocate adopting "green office" measures for reducing the negative impact on the environment in our daily operation. Following the call for energy conservation throughout the country, we formulated a series of energy-saving measures themed "Green and low-carbon, energy saving first", and issued the Initiative on Low-carbon Office of Angelalign《時代天使低碳辦公倡議書》 in 2022. "Green office" measures such as garbage sorting, encouraging employees to reduce the use of disposable cutlery, installation of energy-saving LED office lights and printing on double-sided paper were adopted to implement the concept of low-carbon and environmental protection in practice.

Our key performance indicators for the use of resources for the Reporting Period are as follows:

Use of Resources	2022	
Electricity (MWh)	9,726.0	
Total indirect energy (MWh)	9,726.0	
Total energy consumption (MWh)	9,726.0	
Energy consumption intensity (MWh/RMB mn in sales revenue)	7.7	
Total water consumption (t)	64,317.0	
Total water consumption intensity (t/RMB mn in sales revenue)	50.7	
Total packaging materials (t)	309.7	
Cartons (t)	309.7	
Packaging materials intensity (t/RMB mn in sales revenue)	0.2	

Notes:

- 1. Our water sources are all municipal water, so we are assured of adequate and suitable water.
- 2. Since there are no other environment and natural resources involved in our operations, Aspect A3 (Environment and natural resources) and A3.1 (Description of the significant impacts of business activities on the environment and natural resources and actions taken to manage such impacts) are not applicable.

Reducing emission impact

We are committed to minimizing the negative impact on the environment by reducing emissions. Therefore, we strictly comply with the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法), the Water Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國水污染防治法), the Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise (中華人民共和國環境噪聲污染防治法) and other relevant laws and regulations. Moreover, we control the emissions of wastewater, exhaust gas, solid waste and noise, implement effective emission control measures, and regularly employ third-party professional testing agencies to evaluate and supervise the emission levels of our business operations, in order to ensure that all emissions meet the relevant standards.

Wastewater and exhaust gas management

Our wastewater is mainly generated from production, which shall be treated to meet the standards in the wastewater treatment station on our premises before being discharged into the municipal sewerage network.

Our main exhaust gases are non-methane hydrocarbons ("NMHC") from the cleaning process and particulate matters from the polishing process, all of which are treated by exhaust gas treatment facilities and then discharged when the standard is met. We have installed a "monitoring and alarm device" network on the exhaust gas treatment facilities to realize real-time and accurate monitoring of the operation of exhaust gas treatment facilities, which will prompt us taking measures once abnormalities occur. Meanwhile, in order to reduce the production and emission of NMHC, we continue to explore new materials and technologies, and use low-volatile cleaning agents instead of high volatile cleaning agents in addition to the regular maintenance of the air emission treatment facilities and the enhanced workshop management to reduce untreated emissions. All these efforts aim at reducing NMHC production and emissions.

In 2022, we continued to upgrade our facilities to optimize exhaust gas treatment throughout the entire process cycle from emission collection to back-end treatment:

- Installing the post-treatment cleaning equipment with baffles to reduce exhaust gas escape and thus improve NMHC collection efficiency;
- Optimizing the exhaust gas treatment facilities of Chuangmei Center, and using the "two-stage water spray + two-stage activated carbon adsorption" treatment process to improve the efficiency of NMHC treatment;

Our key performance indicators for wastewater and exhaust gas for the Reporting Period are as follows:

Emissions	2022
Wastewater volume (t)	51,453.5
NMHC (t)	0.2
Particulate matter (t)	0.2

Note: Our total emissions of NMHC and particulate matter are equal to the emission rates of NMHC and particulate matter multiplied by the operating hours of the exhaust treatment facilities during the Reporting Period where the emission rates were tested by a third-party professional testing company.

Waste management

Our waste is mainly derived from hazardous waste and general solid waste generated in the production and R&D processes. By formulating and implementing systems such as the Solid Waste Management System (固體廢物管理制度) and Solid Waste Operation Guideline (固體廢物作業指導書), we have clarified and standardized the waste disposal process and methods, ensuring the compliant waste disposal. For hazardous waste, we regulate the management of hazardous waste by classified storage, posting signs, regularly entrusting disposal units with hazardous waste disposal qualifications for disposal, and timely and truthfully record the hazardous waste ledger while strictly following the requirements of relevant laws and regulations; for general solid waste, we outsource all the treatment.

Our key performance indicators for hazardous and non-hazardous waste emissions for the Reporting Period are as follows:

Waste	2022
Total hazardous wastes (t)	528.1
Cleaning waste liquid (t)	456.6
Activated carbon (t)	33.7
Resin drum (t)	37.7
Hazardous waste intensity (t/RMB mn in sales revenue)	0.4
Total non-hazardous waste (t)	356.6
Photochemical model (t)	347.8
Gypsum model (t)	8.8
Non-hazardous waste intensity (t/RMB mn in sales revenue)	0.3

Note: Our hazardous waste types and emissions are sourced from the Circulate Forms for Transferring Hazardous Wastes (危險廢物轉運聯單).

Noise management

We regularly monitor the noise conditions and promptly take various effective sound insulation measures, such as equipping the cover plate of the air compressor shells with sound insulation cotton and cutting down the noise of the sorting workshop by reducing the sound of the equipment valves and installing buffer pads to rigorously comply with the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法) and Emission Standard for Industrial Enterprises Noise at Boundary (工業企業廠界環境噪聲排放標準). All these efforts are aimed at ensuring that the noise generated from production workshops and workplaces meets the emission standards, thus to reduce and prevent the impact of noise on the environment.

Addressing climate change

At present, climate change has gradually become a systemic challenge faced by all countries, industries and enterprises around the world. We pay close attention to climate change trends and relevant policies and action plans at home and abroad in order to minimize the adverse impacts of climate change on our business operations.

We actively identify operational risks arising from extreme weather and natural disasters such as typhoons, heavy rains and floods. Also we formulate the Extreme Weather Emergency Response Plan (極端天氣應急預案) to prevent and control the adverse impact from extreme weathers, so as to ensure the safety of personnel and minimize losses the extreme. In 2022, to cope with typhoons, we quickly formulated emergency plans, organized safety inspections, and provided emergency supplies in advance for reducing the impact of extreme weather. During the Reporting Period, we have not experienced any significant impact on our business operations or financial performance as a result of climate change or extreme weather conditions.

Our greenhouse gas emissions are primarily from electricity consumption in our production centers (Scope 2: Energy indirect greenhouse gas emissions). In our production and operations, we take various measures to improve energy efficiency and reduce greenhouse gas emissions.

Our key performance indicators for greenhouse gas emission for the Reporting Period are as follows:

Greenhouse gas emissions	2022
Energy indirect greenhouse gas emissions (Scope 2) (t CO ₂ e)	6,842.2
Total greenhouse gas emissions (t CO ₂ e)	6,842.2
Greenhouse gas emission intensity (t $\rm CO_2e/RMB~mn$ in sales revenue)	5.4

Note: Greenhouse gas accounting is presented in terms of carbon dioxide equivalents. The carbon dioxide emission factors of our purchased power are derived from the average carbon dioxide emission factors of the East China regional power grid in China Regional Power Grid Average Carbon Dioxide Emission Factors in 2012 (2012 年中國區域電網平均二氧化碳排放因子).

Joining Hands with Employees, Caring for Partners

We always regard talents as the core competitiveness of our sustainable development. We adhere to the people-oriented principle, protect the legitimate rights and interests of employees, and secure the safety and health of employees. Moreover, we improve the diversified training system and clear channels for promotion, to help employees achieve their career development. During the period of lockdown in Shanghai due to the pandemic, we paid close attention to both the physical and mental health of our employees, cared for them in all rounds, and worked with them to overcome the difficulties together.

Caring for employees in all rounds, fighting against COVID-19 pandemic all together

To create a dedicated and happy working atmosphere, we not only care for employees in daily work and life, but also help each other in difficult times, all of which create a warm and friendly working environment. Since the outbreak of the pandemic in Shanghai, we have responded quickly and formulated a series of emergency measures. Under the leadership of the pandemic prevention and control team, we have worked on pandemic prevention and logistical support in a stable and orderly manner, to try our best to ensure the physical and mental health and normal life of our employees.

Securing supply of materials

In the early days of the pandemic, we stocked up pandemic prevention materials, food and daily necessities, making full preparations for the potential lockdown. During the lockdown, we continued to care about the needs of our employees all the time. Through the efforts of various parties, we distributed fruits and vegetables to every employee and opened the internal purchase channel on relevant platforms. In particular, we have distributed food and pandemic prevention materials to pregnant women and other special employees for many times to ensure the health and life stability of employees.

Creating a relaxed remote environment

In addition to ensuring employees' basic living needs, we organized a number of online activities with different themes during the pandemic lockdown period, such as online fitness classes, "the most inspiring desk at home" competition, online party, etc. These efforts help realize our real-time attention to employees' physical and mental health, and ensure smooth internal communication, so that everyone can relax while working at home, and feel the care and warmth of the Company.

Ensuring workplace safety

In the early days of the pandemic, we carried out strict and intensive daily disinfection, arranged nucleic acid testing for all our employees once a week, and worked out an emergency response plan. These measures guaranteed the safety of employees and eliminated the possibility of outbreaks in crowded workplaces. To help employees master the correct knowledge of pandemic prevention and improve their awareness of pandemic prevention, we launched a series of publicity activities called "Guidelines for Pandemic Prevention (防疫注意事項指南)", which provides employees with correct guidance in terms of daily disinfection and prevention, thus avoiding infection risks from daily activities. Since the resumption of work, we have adopted a series of measures to ensure workplace safety:

- Teaming up security personnel and establishing a pandemic safety notification mechanism for each department;
- Setting up disinfection points and the red, yellow and blue isolation areas in the office, and ordering meals for employees according to the requirements of the government;
- Implementing strict visitor management and requiring external personnel to conduct antigen detection in advance and make registration.

Caring more for employees in daily work

We provide daily care for our employees in all rounds, including but not limited to holiday gifts, high-temperature allowance, transportation allowance, afternoon tea, oversea travel refueling pack, etc. In order to enrich the cultural life of employees and create a pleasant working atmosphere, we actively organize various activities such as holiday activities, staff birthday parties, and care for women activities, in an effort to improve team cohesion, and enhance the employees' sense of identity and belonging. In 2022, we organized Mid-Autumn Festival fete, Christmas activities, Family Day, sports day and various sports activities for the sake of creating a colorful career environment and an atmosphere of dedication and happiness for our employees.





Hiking Team Building Activity

Family Day

Protecting employees' rights and interests

It is our basic principle to ensure compliance of employment. In strict compliance with the Labor Law of the People's Republic of China (中華人民共和國勞動法), the Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法) and other laws and regulations, we have formulated relevant provisions in our Employee Handbook (員工手冊) for recruitment and hiring, attendance and leave, compensation and benefits, training and development, performance appraisal, equal opportunity, diversity, and anti-discrimination.

ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT

We have formulated the Recruitment Management System (招聘管理制度) and Internal Recommendation System (內部推薦制度), constantly optimizing our internal and external recruitment channels and processes based on the actual experience, in order to improve the efficiency and quality of external and internal recruitment, and ensure the introduction of diversified talent through a variety of recruitment channels. During the Reporting Period, we carried out school-enterprise cooperative recruitment projects with 8 colleges and universities, and continuously enriched the ways of talent introduction through "modern apprenticeship training class", "Internship base cooperation", and campus activities sponsorship. During the pandemic, in order to reduce the risks of cross-infection caused by personnel gathering, we initiated contact-free recruitment to protect the health of candidates to the greatest extent through online digital management tools.

We are committed to creating an equal and fair working environment for our employees, so as to ensure that every employee can get the same respect and opportunity in their work. When hiring employees, we prohibit any form of discrimination in terms of race, color, religion, gender, sexual orientation, ethnicity, nationality, age, marital status, disability, etc. In order to promote the humanitarian spirits of helping the disabled and of social care, we provided employment, including Shanghai social welfare security and provident fund, for 5 disabled people during the Reporting Period, so as to guarantee their rights and interests to participate in social life on an equal footing.

We resolutely resist and strictly prohibit such illegal employment practices as child labour and forced labor. In order to ensure that our employment is in compliance with the Provisions on the Prohibition of Using Child Labor (禁止使用童 工規定), we will check the applicant's valid identification to ensure that the applicant is of legal employment age when they are hired, and conduct background checks on candidates in accordance with the Recruitment Management System to prevent careless recruitment of child labor.

We strictly follow the procedures for departure (including resignation and dismissal) in accordance with the laws and regulations related to labor contracts, and implement the Entry and Exit Management System (入離職管理制度) to strictly regulate the entry and exit management standard process, so as to ensure that employees' rights and interests are not infringed.

We have formulated the Attendance Management System (考勤管理制度) and advocate a "method – and efficiency-oriented working mode". In principle, employees are not encouraged to work overtime. All employees are entitled to national statutory holidays and paid annual leave, bereavement leave, wedding leave, maternity leave, personal leave and sick leave.

As of December 31, 2022, we had 2,144 employees, all of whom were full-time.

Employees category		Number of employees	Percentage of employees	Employee turnover rate
Gender	Male	1,057	49.30%	21.2%
	Female	1,087	50.70%	24.4%
Age groups	<30 years old	1,216	56.72%	22.7%
	30-40 years old	802	37.41%	23.0%
	≥40 years old	126	5.88%	22.3%
Region	Shanghai	450	20.99%	19.7%
	Wuxi	1,073	50.05%	24.9%
	Other regions	621	28.96%	21.7%

Note: Employee turnover rate = the number of departed employees during the Reporting Period/the average number of employees in the Reporting Period, and the statistical range of the number of departed employees include resignations and those who retire and terminate their employment relationship. The average number of employees in the Reporting Period = (Number of employees at the beginning of the Reporting Period + number of employees at the end of the Reporting Period)/2

During the Reporting Period, we issued the Compensation and Welfare Management System (薪酬福利管理制度) and established a market competitive compensation and welfare system and equity incentive plan based on basic salary, position salary, allowance and performance bonus to attract and retain outstanding talents according to the characteristics of different positions and geographical areas. In order to further improve management, we have formulated the Performance Management System (績效管理制度) and the Management Measures for Performance Appraisal and Bonus Payment (績效考核及獎金發放管理辦法), constantly improving the assessment mechanism and indicators, conducting regular performance appraisals for employees in each position and rewarding those with excellent performance in various forms, including cash rewards.

Talent development and cultivation

To facilitate business development, we attach great importance to the capacity building of employees and the construction of the Company's talent pool. We have formulated and implemented the Employee Promotion Policy (員工晉升政策), built a dual-track job ranking system for the management and the professionals, and clarified the criteria, evaluation and promotion process of different career development channels, ensuring fair and equitable promotion opportunities for every employee, and effectively guiding their career development.

With the mission to "provide opportunities and room for the sustainable development of employees", we have formulated the Training Management System and created a training system with the characteristics of Angelalign. By providing a variety of training courses, we constantly stimulate employees' potential and accelerate their career growth. At present, a training mechanism based on the two systems of induction training and on-the-job training has been formed. By integrating internal and external resources, we provide employees with opportunities to improve their professionalism and enhance their professional skills, and help them grow together with us.

- Induction training: From the date of arrival to the expiry of probation, we arrange business training and company rules and regulations training for new employees to accelerate their role transformation. In addition, we have formulated New Employee Training System (新員工培訓制度) to specify the standards and procedures for new employees' on-the-job training in detail.
- On-the-job training: Each department shall formulate specific annual training plans to provide flexible and practical business training for on-duty employees. On-the-job training falls in various forms, such as cross-training, business improvement training and training on new specifications and technologies. In 2022, we enriched the training forms and contents, and stimulated the enthusiasm of employees for learning by teaching through lively activities. We also invited external lecturers to give lectures, which further improved the staff's business ability.

During the Reporting Period, the coverage rate of employee training was 100% for both online and offline, with a total of 90,233 hours spent on centralized training.

Trainings

Category	Indicators	2022 Average training hours
Gender	Male	47.0
	Female	37.3
Rank	Management General staff	13.2 44.0

Guarding the well-being of employees

We attach great importance to occupational health and safety, giving top priority to the protection of employees' lives and health. Committed to creating a healthy and safe working environment for employees, we have established a sound employee safety management system in accordance with the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法), the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (中華人民共和國職業病防治法) and other relevant laws and regulations, and in line with the characteristics of our operations. In the past three years during the Reporting Period, we did not have any work-related deaths of employees. During the Reporting Period, we lost a total of 274.5 working days due to work-related injuries, of which 212.5 days were due to traffic accidents.

Safety production management

In order to ensure production safety, based on the principle of "people-oriented, life first", we have formulated the Safety Production Responsibility System (安全生產責任制) and the safety production policy of "safety first, precaution crucial, and comprehensive management" to strictly regulate our production safety behavior. We have established the Safety and Occupational Health Committee consisting of the Vice President, Safety and Environmental Protection Department members and managers of each department to implement and strengthen the supervision and management of safety risks and employees' health in all aspects.

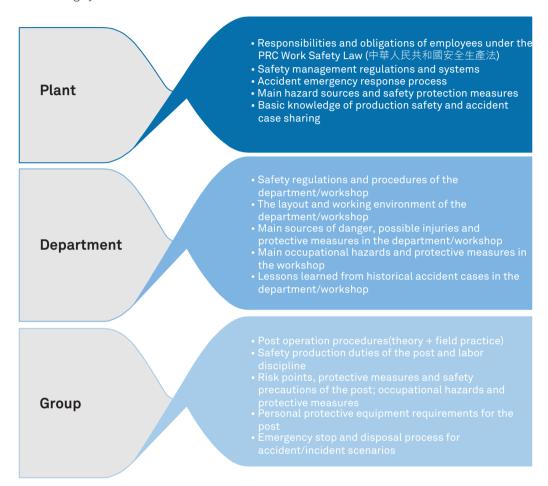
In addition, to strictly implement the safety production requirements, we have formulated the Safety Hazard Investigation and Management System (安全隱患排查治理制度), classified accident hazards, and organized specialists to carry out investigations of potential accident hazards and management in each production area and other key areas to realize closed-loop management of security hazard screening and troubleshooting.

We have installed scientific and effective occupational disease protection devices at workplaces for employees who are exposed to the occupational hazards, including dust, noise, ionizing radiation, and ethyl acrylate, and we have provided them with personal protective equipment in line with national and industry standards, organized regular health checkups and occupational disease checkups for them, and kept an eye on employees' physical conditions, in order to ensure their health and constantly improve occupational health and safety management.

Safety training drills

To reduce safety risks from the source and prevent safety accidents, we take the initiative to improve the safety awareness of employees, organize safety education, training and emergency drills for all employees, and strengthen the publicity on emergency rescue laws, regulations, accident prevention, risk avoidance, disaster avoidance, firefighting, general knowledge of self-rescue and mutual rescue, so as to improve the awareness and emergency response capability of employees and ensure the safety of the employees, the equipment, facilities and assets.

Based on the characteristics of our operations and the actual conditions of the Company, we put forward clear and specific safety training requirements for the persons in charge, safety management personnel, special equipment operators, special operators and other employees. For other employees, we have built a characteristic tertiary safety education and training system.



To cope with emergencies and improve employees' first-aid ability, we assign employees to professional institutions for first-aid knowledge training and obtain relevant first-aid skills certificates. During the Reporting Period, we organized fire evacuation drills to enable employees to personally experience fire scenes through simulated props, and improve their fire safety awareness and emergency evacuation ability.

Public Welfare, Transmitting Warmth Trough Public Services Activities

In order to spread kindness through public welfare, we aspire to take concrete actions to serve social livelihood. We took an active part in public welfare activities, fulfilled our social responsibility to fight the pandemic and overcome difficulties together, and made our own contributions to the common prosperity of the country.

Fighting COVID-19, Protecting Shanghai Together

In 2022, faced with sudden difficulties and challenges, we always rewarded our customers and the society with the most sincere care.

Donating supplies to offer warmth

To fight against the pandemic, we donated masks and other medical supplies to doctors during the lockdown period. In Hong Kong, we donated N95 masks, rapid test kits and other supplies to the Hong Kong Society of Orthodontics and the Hong Kong Society of Dentists, so as to protect the medical workers at the front line of pandemic prevention. In Shanghai, we donated pandemic prevention gift kits to Dinghai Community, Yangpu District to provide security for families losing their only children, elderly people living on subsistence allowances and families living in extreme poverty, to help them fight the pandemic together.



Voluntary activities to show love

After the outbreak of the pandemic, the nurses of Tianzhi Clinic, a subsidiary of Angelalign, overcame difficulties and made full use of their professional advantages to fight against the pandemic on the front line. They assisted the community workers in nucleic acid testing for many times and contributed to the sampling work of several neighboring communities.

We encouraged our employees to take an active part in the fight against COVID-19 and work together with the community to overcome the difficulties on the basis of ensuring their own protection. Our employees took the initiatives to join the volunteers of the community, assisting the neighborhood committee in the delivery of materials, community disinfection and other work, providing security for families with only child loss, elderly people living on subsistence allowances, families living in extreme poverty and other disadvantaged groups, and helping them jointly fight the pandemic and protect the safety of the city.

Exerting advantages and contributing to the society

Yulong Plan (育龍計劃)

To promote the healthy development of clear aligner industry in China, we actively responded to the policy of China's Oral Health Action Plan (2019-2025) (健康口腔行動方案(2019-2025)) and partnered with the China Oral Health Foundation (中國牙病防治基金會) on the three-year "Yulong Plan" project in September 2019, which provides clinical skill training on standardized clear aligner technology for master and doctoral students of orthodontic specialty in dental colleges and universities, builds a guided growth education platform, and helps cultivate next generation practical dental clinical orthodontic talents for the state.

Over the past three years, a total of 183 "trainees" under "Yulong Plan" have completed their own clear aligner cases under the guidance of their mentors. In December 2022, the conclusion meeting of the first phase and excellent case review of "Yulong Plan" was held, on which 60 excellent cases were selected. The second phase of "Yulong Plan" was launched in 2022. We will continue to cultivate orthodontic talents and contribute to the development of the industry.

Champion Smile Program (冠軍微笑計劃)

The "Champion Smile Program" is a public benefit project jointly launched by Angelalign and the General Administration of Sport of China (國家體育總局). It aims to provide professional oral care and orthodontic services for athletes and coaches, and show more "Chinese smiles" on the world stage.



Champion Smile Program

We have cooperated with outstanding partners across the country to establish the Champion Cooperation Clinic, providing professional oral examination services for several sports teams in the training base of the General Administration of Sports of China (國家體育總局). Since we launched the "Champion Smile Program" in September 2017, we have helped hundreds of national team athletes and coaches with professional orthodontic services.

Angel Loves Smiling (天使真愛笑)

By integrating our advantages in products, technologies and services, we launched the "Angel Loves Smiling" public welfare project together with the Shanghai Adream Charitable Foundation (上海真愛夢想公益基金會). Focusing on the vision of "protecting the innocent smile of Chinese children", we have, by combining ideological education and protective practice, improved the oral health level and oral health awareness of children in underdeveloped areas, so as to help realize the long-term goal of improving the oral health status of all Chinese people.





Organizing oral knowledge video viewing activities for children

The program broadcasted a series of videos of oral knowledge for children through various channels, such as the school where the "Dream Center" of Adream is located and through cooperative oral organizations of Angelalign, so as to popularize the scientific concept of children's oral health, enable more children to develop good oral behavior habits that will benefit them in their whole life, and cause more parents to pay more attention to the prevention, protection and treatment of oral health, which is conducive to reducing the cost burden caused by oral diseases. In addition, special oral care packages were distributed to children at the schools where they watched the videos, which contained dental care manuals and various dental tools to help children develop good oral care habits through the "integration of knowledge and practice". As of the end of 2022, three oral knowledge videos had been recorded and promoted, covering 53 schools, and more than 2,600 care packages had been distributed.

"Angel Baby Smile" program, as part of the "Angel Loves Smiling" public welfare project, conveys the scientific idea of pedodontics through the joint efforts of more organizations and families, guides the children to participate in public charity activities and help the peers in remote areas, and encourages them to pass on positive social energy with practical actions. As of the end of 2022, "Angel Baby Smile" program had attracted more than 100 organizations to participate in, with an aim to light up more Chinese children's healthy smiles through the power of public welfare.

As a leading provider of clear aligner solutions in China, we always pay attention to children's oral health and are committed to raising children's oral health awareness through public welfare activities. The "Angel Loves Smiling" public welfare project will help more school-age children and their parents improve their awareness and ability to prevent oral diseases, and help children develop good oral behavior habits.

Appendix: ESG Index

Aspects	Description	Corresponding chapters
A1	Emissions	Always Striving for Green Development
Disclosures	Information on: (a) the policies; and (b) and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Always Striving for Green Development
A1.1	The types of emissions and respective emissions data.	Reducing emission impact
A1.2	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions from energy use in total and intensity.	Addressing climate change
A1.3	Total hazardous waste produced and intensity.	Reducing emission impact
A1.4	Total non-hazardous waste produced and intensity.	Reducing emission impact
A1.5	Description of emission target(s) set and steps taken to achieve them.	Always Striving for Green Development
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Always Striving for Green Development Reducing emission impact
A2	Use of Resources	Always Striving for Green Development
General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources conservation
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Resources conservation
A2.2	Water consumption in total and intensity.	Resources conservation
A2.3	Description of energy use efficiency target(s) and steps taken to achieve them.	Always Striving for Green Development Resources conservation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and steps taken to achieved them.	Always Striving for Green Development Resources conservation
A2.5	Total packaging material used for finished products and with reference to per unit produced.	Resources conservation

Aspects	Description	Corresponding chapters
A3	Environment and Natural Resources	Always Striving for Green Development
General Disclosures	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Always Striving for Green Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Always Striving for Green Development
A4	Climate Change	Addressing climate change
General Disclosures	Identification of policies on the significant climate-related issues which have impacted, and those which may impact, the issuer	Addressing climate change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer and the actions taken to manage them.	Addressing climate change
B1	Employment	Joining Hand with Employees, Caring for Partners
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Joining Hand with Employees, Caring for Partners
B1.1	Total workforce by gender, employment type, age group and geographical region.	Protecting employees' rights and interests
B1.2	Employee turnover rate by gender, age group and geographical region.	Protecting employees' rights and interests
B2	Health and Safety	Guarding the well-being of employees
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Guarding the well-being of employees
B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	Guarding the well-being of employees
B2.2	Lost days due to work injury.	Guarding the well-being of employees
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Guarding the well-being of employees

Aspects	Description	Corresponding chapters
B3	Development and Training	Talent development and cultivation
General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent development and cultivation
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent development and cultivation
B3.2	The average training hours completed per employee by gender and employee category.	Talent development and cultivation
B4	Labour Standards	Protecting employees' rights and interests
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Protecting employees' rights and interests
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protecting employees' rights and interests
B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting employees' rights and interests
B5	Supply Chain Management	Building a sustainable supply chain
General Disclosures	Policies on managing environmental and social risks of the supply chain.	Building a sustainable supply chain
B5.1	Number of suppliers by geographical region.	Building a sustainable supply chain
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Building a sustainable supply chain
B5.3	Description of practices relating to identifying environmental and social risks at each link of the supply chain where the practices are being implemented, how they are implemented and monitored.	Building a sustainable supply chain
B5.4	Description of practices relating to selecting suppliers to promote the use of green products and services where the practices are being implemented, how they are implemented and monitored.	Building a sustainable supply chain

Aspects	Description	Corresponding chapters
B6	Product Responsibility	Stabilizing Production, Ensuring High-quality Delivery
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Stabilizing Production, Ensuring High-quality Delivery Compliance Management, Responsibility First
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Improving customer service quality
B6.2	Number of products and service related complaints received and how they are dealt with.	Improving customer service quality
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property protection
B6.4	Description of quality assurance process and recall procedures.	Production Guarantee and quality control Improving customer service quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Security Management
B7	Anti-corruption	Business ethics management
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business ethics management
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business ethics management
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business ethics management
B7.3	Description of anti-corruption trainings provided to directors and employees	Business ethics management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	Description	Corresponding chapters
B8	Community Investment	Public Welfare, Transmitting Warmth Trough Public Service Activities
General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Public Welfare, Transmitting Warmth Trough Public Service Activities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Public Welfare, Transmitting Warmth Trough Public Service Activities
B8.2	Resources contributed (e.g. money or time) to the focus area.	Public Welfare, Transmitting Warmth Trough Public Service Activities

ANGELALIGN TECHNOLOGY INC. 時代天使科技有限公司