ASIAMEDIC LIMITED

(Incorporated in the Republic of Singapore) Company Registration No.: 197401556E

SUSTAINABILITY REPORT

for the financial year ended 31 December 2021 ("FY2021")

1. ABOUT ASIAMEDIC LIMITED AND ITS SUBSIDIARIES (THE "GROUP")

We are a one-stop outpatient wellness, medical diagnostic imaging, family clinic and medical aesthetics service provider in Singapore.

Detailed information on our businesses and performance for FY2021 can be found in our Annual Report for FY2021 issued on 7 April 2022.

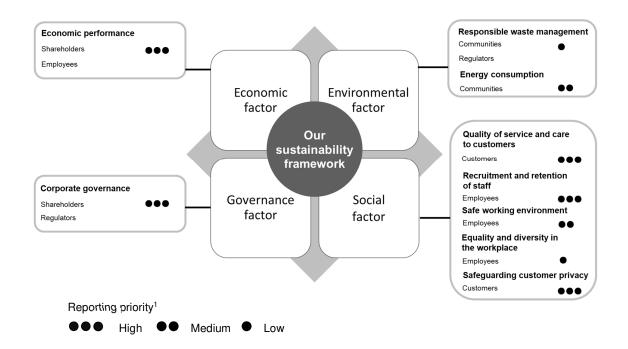
2. BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors ("Board") reaffirms our commitment to sustainability with the publication of our sustainability report ("Report"). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("ESG") factors, economic performance and customer experience (collectively as "Sustainability Factors").

The Board is committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future of the Group. In line with our commitment, the Board having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments. Please refer to section 7 of the Report for details for our SR Policy, as well as sustainability practice and performance reporting.

Our sustainability framework is supported by our key stakeholders comprising shareholders, customers, employees, regulators and suppliers. We work closely with key stakeholders in our value chain and their input drives our sustainability focus on the material Sustainability Factors as further detailed in the subsequent sections.



A summary of our sustainability performance for the identified key material Sustainability Factors in FY2021 is as follows:

Performance indicator	Sustainability performance	
	FY2021	FY2020
Economic		
Net profit/(loss)	S\$0.7 million	S\$(4.3) million
Environmental		
Energy consumption intensity (kWh/ revenue²)	0.058	0.071
Social		
Non-compliance incident of health and safety of	Nil	Nil
products and services ³	040/	450/
Employee turnover rate	21%	15%
Number of work-related or workplace accidents ⁴	1	0
Number of personal data breaches complaints	Nil	Nil
concerning breaches of data privacy and losses		
of personal data		
Governance		
Number of non-compliance with regulatory requirements ³	Nil	Nil

¹ Reporting priority refers to the ranking assigned to each Sustainability Factor based on the level of concern to stakeholders and the significance of our impacts on the economy, environment and society. Refer to section 7.2 of this Report for further details.

² Revenue represents revenue generated by clinics only.

³ Non-compliance refers to an incident whereby the relevant authority has completed an investigation which resulted in a penalty to the Group.

⁴ A work-related or workplace accident is an accident which is reportable to the Ministry of Manpower under the Workplace Safety and Health (Incident Reporting) Regulations.

3. REPORTING FRAMEWORK

This Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2016: Core option and published in pursuant to 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. We have chosen to report using GRI Standards 2016: Core option as it is an internationally recognised reporting framework.

While we have not sought for external assurance for this sustainability report, we have relied on internal data monitoring and verification to ensure accuracy. We may seek to externally assure our sustainability reports in the future.

4. REPORTING PERIOD

This Report is in respect of FY2021 ("Reporting Period").

5. REPORTING SCOPE

This Report covers all the businesses within the Group.

6. KEY STAKEHOLDERS

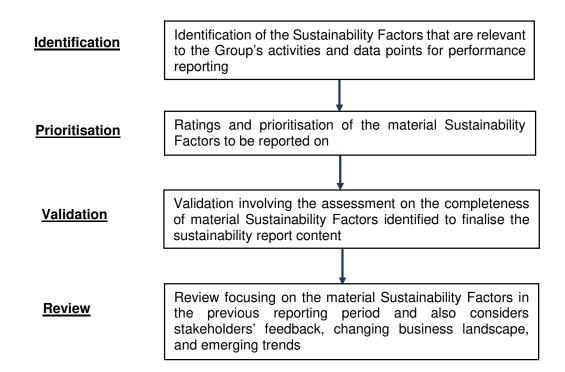
Our key stakeholders are our shareholders, customers, our employees, regulators and suppliers.

Key stakeholder	Key engagement channels
Shareholders	Annual General Meeting
	 SGXNET announcements (including but not limited to
	annual reports, interim results announcements and
	sustainability reports)
	 Corporate website (<u>www.asiamedic.com.sg</u>)
Customers	 Patient visits and consultations
	Feedback forms
	Customer hotline
	Social media
	Emails
	Corporate website
	On-site visits
Employees	 Induction and orientation programmes
	On-the-job training
	Town hall meetings
	Departmental meetings
	Annual appraisal
	Continuous dialogue
	Exit interviews
Regulators	Guidelines
	• Emails
	Telecommunication
	Site visits
	Meetings
Suppliers	Meetings
	• Emails
	Telecommunication
Communities	Annual sustainability report

7. POLICIES, PRACTICES AND PERFORMANCE REPORTING

7.1 Sustainability reporting processes

Our sustainability process begins with the identification of the Sustainability Factors. Each of these factors are rated and prioritised as material Sustainability Factors which are then validated. The end result of this process is a list of material Sustainability Factors disclosed in this Report, inter-relations of which are as shown in the chart below:



7.2 Materiality assessment

Under our SR Policy, each Sustainability Factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
•••	High	Factors with high reporting priority are reported on in detail.
••	Medium	Factors with medium reporting priority are considered for inclusion in the Report.
•	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements.

The reporting priority is supported by a material factor matrix which considers the level of concern to stakeholders ("Stakeholders' Concern") and significance of our impacts on the economy, environment and society ("Business Impact").

7.3 Performance tracking and reporting

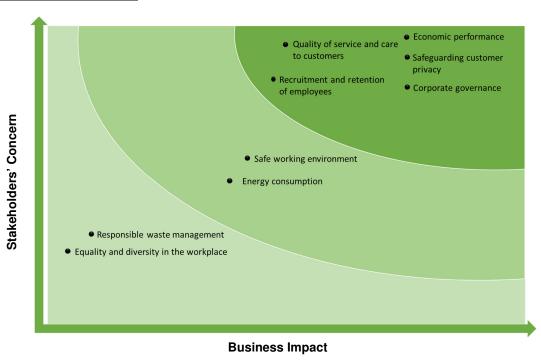
We track the progress of our material Sustainability Factors by identifying the relevant data points, monitoring and measuring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

8. MATERIAL SUSTAINABILITY FACTORS

Presented below are a list of material Sustainability Factors and material factor matrix relevant to our Group:

S/N	Material Sustainability Factors	Key stakeholders	Reporting priority
Econo	mic		
1	Economic performance	 Shareholders 	•••
		 Employees 	
Enviro	nmental		
2	Responsible waste management	 Communities 	•
		 Regulators 	
3	Energy consumption	 Communities 	••
Social			
4	Quality of service and care to customers	 Customers 	•••
5	Recruitment and retention of employees	 Employees 	•••
6	Safe working environment	 Employees 	••
7	Equality and diversity in the workplace	 Employees 	•
8	Safeguarding customer privacy	 Customers 	•••
Gover	nance	·	·
9	Corporate governance	 Shareholders 	•••
		 Regulators 	

Material factor matrix



9. ECONOMIC FACTOR

9.1 Economic performance

Our economic performance will impact the level of direct economic value generated and distributed such as employee wages and benefits, operating costs, payments to shareholders, and payments to the government.

We face stiff competition in the markets we operate in. The Group's wellness and medical diagnostic imaging businesses continue to encounter competition largely on pricing while the Group's family clinic (catering mainly to the expatriate community) and medical aesthetics clinic operate in a fragmented market.

Competition is especially acute for our wellness and diagnostic imaging business and has intensified over the years. We compete locally for patients from both private and public sectors. There are also medical practitioners who have established their own medical diagnostic imaging facilities in their clinics which compete with the Group.

Our family clinic and medical aesthetics clinic face competition mainly from the private operators which comprise a large number of single practitioner clinics. Competition is localised as patients generally do not travel beyond their comfort zone for medical consultation and treatment.

We recognise that competing largely based on pricing is unhealthy and will result in margin erosion. Accordingly, we strive to provide quality healthcare services to prevent further margin erosion. Please refer to section 11.1 of this Report for further details on the quality of service and care to customers.

Despite the tough competition, we are committed to create sustainable value for our stakeholders. In FY2021, we recorded a net profit of S\$0.7 million (FY2020: net loss of S\$4.3 million) and generated net cash from operations of S\$3.4 million (FY2020: S\$2.3 million). Details of our economic performance can be found in the Company's Annual Report for FY2021.

10. ENVIRONMENTAL FACTORS

10.1 Responsible waste management

We believe that responsible waste management helps to preserve the environment in which we operate in. Accordingly, we are committed to improve the management of waste generated in our operations.

Our businesses are subject to various environmental laws and regulations on proper disposal of medical waste. We have established internal policies and implemented systems designed to comply with such requirements, including guidelines in relation to the handling of equipment, needle-sticks, sharp objects and medical waste.

During the Reporting Period, all of our clinical wastes are disposed by licensed waste collectors (FY2020: 100%).

10.2 Energy consumption

Singapore is not insulated from climate change. The most significant greenhouse gas emitted is carbon dioxide, primarily produced by the burning of fossil fuels such as oil and gas to meet the country's energy needs.

We rely on electricity to operate all our medical equipment, computer equipment, lighting and air conditioning in our clinics and offices. Key statistics on electricity consumption during the Reporting Period are as follows:

Electricity consumption (kWh '000)		Intensity (kV	Vh / revenue ^(a))
FY2021 FY2020		FY2021	FY2020
730	764	0.058	0.071

⁽a) Revenue represents revenue generated by clinics only.

We review our energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns. We constantly remind our employees on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving modes.

11. SOCIAL FACTORS

11.1 Quality of service and care to customers

As a healthcare service provider, we are responsible to ensure that the service and care we provide are safe with no unintended or unexpected harm, effective based on scientific knowledge and customer-centred based on their values, preferences and expressed needs.

The main customers of our businesses are as follows:

- Diagnostic imaging: medical clinics, medical practitioners and hospitals who refer their patients to us.
- Wellness: corporates/companies who provide health screening benefits to their employees, government agencies whom we undertake certain school/community health screening and health coaching activities on their behalf, and individual private patients.
- Family clinic and medical aesthetics: individual private patients.

We have continuously reviewed our service levels as well as our operational processes for better efficiency and cost management. Delivering quality healthcare services while controlling costs is challenging. We ensure our service standards such as our ability to reschedule patients' appointments, capacity of our machines, reducing waiting time of patients, faster turnaround time, ability to provide multiple modalities and disciplines, and the quality of our consultations and services are continually met. The ability to deliver quality professional services and care at competitive prices is a value driver in healthcare delivery. Our reputation as a respected and trusted provider of quality services and care at competitive prices will help us to attract and retain customers.

We did not have any non-compliance incident of health and safety of products and services in FY2021 during the Reporting Period (FY2020: Nil).

11.2 Recruitment and retention of employees

The ongoing ability to recruit, develop, and retain qualified healthcare employees is critical to us as they are central to the services that we provide to our customers. There is an exceptional high demand in our industry for the healthcare workers in Singapore. Our continued ability to compete effectively depends on our ability to attract such healthcare workers and to retain and motivate the existing ones. We may not be able to hire and retain a sufficient number of such healthcare workers, and we expect that our costs for the salaries and benefits of healthcare workers will continue to increase for the foreseeable future because of the industry's competitive demand for their services.

We adopt the following practices to attract and retain our employees:

- Reward system We provide competitive packages based on merit and competency.
- Working environment Our employees work in an environment which is receptive, friendly and conducive.
- Work-life integration We provide work opportunities to employees whose family/life circumstances only allow them to take up part-time permanent employment.

- Training We recognise the importance of investing in our employees and we are committed
 to ensuring that all employees can realise their potential through formal external seminars,
 conferences and on-the-job training.
- Constant dialogue We have constant dialogue and conversations with our employees, both
 individually and as a group, to engage them on their concerns and needs.

During the Reporting Period, our employee turnover rate is 21% (FY2020: 15%). The increase in the rate was due mainly to the manpower crunch in the healthcare sector in Singapore.

11.3 Safe working environment

A work environment that improves the well-being of employees and allows them to work safely without fear of getting injured could build loyalty amongst employees and support the sustainability of the Group. Accordingly, we place heavy emphasis on creating a workplace that allows employees to perform and develop in a safe and healthy environment. We take workplace safety and health seriously, which is why we have dedicated a significant amount of effort to create a zero-accident workplace environment for employees. Key measures implemented are as follows:

- A set of safety rules and regulations is in place.
- Fire-fighting equipment and measures are installed and implemented. Functionality checks are also performed regularly.
- Workplace accidents are tracked and monitored regularly.

To counter the adverse impact of the Coronavirus disease 2019 ("COVID-19" or "Pandemic") on our operations, we complied with the Safe Management Measures⁵ to protect our employees at the workplace.

Our aim to maintain zero incidents every year. We recorded a minor incident of work-related accident during the Reporting Period (FY2020: Nil).

11.4 Equality and diversity in the workplace

To develop our people, we strive to provide a work environment that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender and age. Accordingly, we are committed to the goals of diversity and equal opportunity in employment. The total number of full-time employees in the Group as at 31 December 2021 is 144 (FY2020: 156).

For gender diversity, 83% (FY2020: 82%) of our workforce is made up of female employees. We also view gender diversity in the Board level as an essential element in supporting sustainable development and we have female representation of two Directors on the Board since May 2020.

Mature workers are valued in the Group for their experience, knowledge and skills. As at 31 December 2021, 50% (FY2020: 52%) of our workforce is at least 40 years old.

To promote equal opportunity, we established various human resource related processes as follows:

- A human resource policy is in place to select employees based on merit and competency.
- A code of business conduct policy and respectful workplace policy are in place to foster an environment with mutual respect and inclusiveness.
- Employee recruitment advertisements do not state age, race, gender or religion preferences as requirement.
- Employee assessment is performed regularly to evaluate the performance of employees and their remuneration is adjusted where justifiable.

We have no reported incident of unlawful discrimination against employees during the Reporting Period (FY2020: zero).

⁵ The Ministry of Manpower ("MOM"), the National Trades Union Congress, and the Singapore National Employers Federation have issued details of the Safe Management Measures for employers to resume operations.

11.5 Safeguarding customer privacy

We collect, use and disclose the personal data of our patients whom we interact with in the course of providing our medical services. The privacy and confidentiality of such personal data is of utmost importance to us.

The privacy and confidentiality of the personal data of our shareholders, patients, associates, partners, visitors and other individuals whom we interact with in the course of providing our medical services. We are committed to implementing policies, practices and processes to safeguard the collection, use and disclosure of the personal data you provide us, in compliance with the Singapore Personal Data Protection Act (PDPA) 2012.

In line with our commitment to data privacy, we implemented the following measures:

- Set up internal rules requiring our employees to maintain strict confidentiality of medical and personal data collected, used and disclosed in the course of our operations.
- The email address of our data protection officer is published on the Company's website to provide an avenue for reporting data breaches and answering of enquiries.
- Implement appropriate information security and technical measures (such as firewalls and secure network protocols) to protect the personal data against loss; misuse; destruction; unauthorised alteration/modification, access, disclosure; or similar risks.
- Put in place reasonable and appropriate organisational measures to maintain the confidentiality and integrity of our patients' personal data and will only share the data with authorised persons on a 'need to know' basis.

During the Reporting Period, there are no reported substantiated complaints concerning breaches of data privacy and losses of personal data (FY2020: zero).

12. GOVERNANCE FACTORS

12.1 Corporate governance

A high standard of corporate governance is integral in ensuring sustainability of the Group's business to maximise long term shareholder value as well as safeguarding the interests of shareholders and other stakeholders. Please refer to the Corporate Governance Report of our Annual Report for details for our corporate governance practices. We have complied with the Code of Corporate Governance and provided explanations where there are deviations to the Code of Corporate Governance.

The Company has in place a whistleblowing policy which is published in the employee handbook of the human resources department. The whistleblowing policy clearly defines the scope of the whistleblowing and sets out the procedures for raising concern or making a complaint and the process of investigation and dealing with the outcome of the investigation.

Relevant laws, regulations, guidelines and advisories are promulgated by the relevant authorities for the regulation of Singapore's healthcare system and the Companies Act 1967. We adhere to and comply strictly with all relevant laws and guidelines. It is also our policy to comply with all laws, rules and regulations governing anti-bribery and anti-corruption. The prohibitions on bribery and corruption are disseminated to all our personnel on an annual basis.

We did not have any regulatory non-compliance during the Reporting Period (FY2020: Nil). We aim to maintain this level of compliance every year.

13. TARGET SETTING

For our material Sustainability Factors identified, we have set targets for FY2022 as follows:

S/N	Material Sustainability Factors	Target for FY2022		
Econo	Economic			
1	Economic performance	Create sustainable value for our stakeholders subject to market conditions		
Enviro	nmental			
2	Responsible waste management	All clinical wastes are disposed by licensed waste collectors		
3	Energy consumption	Maintain or reduce energy consumption intensity		
Social				
4	Quality of service and care to customers	Maintain zero non-compliance incident of health and safety of products and services		
5	Recruitment and retention of employees	Maintain or improve employee turnover rate subject to market conditions		
6	Safe working environment	Maintain zero incident of work-related injury		
7	Equality and diversity in the workplace	Maintain zero incident of unlawful discrimination against employees		
8	Safeguarding customer privacy	Maintain zero incident of substantiated complaint concerning breaches of data privacy and losses of personal data		
Gover	Governance			
9	Corporate governance	Maintain zero incident of regulatory non- compliance		

14. FEEDBACK

Enquires, comments or feedback on our sustainability performance and report can be sent to $\underline{\text{finance@asiamedic.com.sg}}$.

15. GRI CONTENT INDEX

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102-9	Supply chain	We render services such as diagnostic imaging and radiology, health screening and medical wellness, general medicine and aesthetic. Our suppliers provide us with key clinical materials such as medical supplies including drugs and medicines, medical equipment, as well as consumables.	-
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain during the reporting period	-
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102-12	External initiatives	None	-
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	nd integrity		
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Date: 18 May 2022

This document has been reviewed by the Company's sponsor, Xandar Capital Pte Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 63194954.