



弘和仁愛醫療集團有限公司
Hospital Corporation of China Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3869



2025

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

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ABOUT THIS REPORT

Report Overview

Hospital Corporation of China Limited (the “**Company**”) together with its subsidiaries (collectively, referred to as the “**Group**”, “**we**”, “**us**” or “**our**”) is a hospital operation and management company in China, led by a team of professionals with extensive experience in hospital management. This Environmental, Social and Governance Report (“**the Report**”) provides an overview of the Group’s Environmental, Social and Governance (“**ESG**”) activities, challenges and initiatives taken from 1 January 2025 to 31 December 2025 (“**the Reporting Period**”) and demonstrates its commitment to sustainable development.

Reporting Scope

In contrast to the statutory disclosure scope of annual financial reports, the Group incorporates hospitals providing management services into its ESG practice boundaries to fulfill its commitment to the comprehensive sustainable development of the medical ecosystem. The Report mainly covers the operational activities of the Group and the hospitals managed and organized by the Group (together with the hospitals owned by the Group, collectively referred to as “**Group Hospitals**”) within the territory of the People’s Republic of China (“**PRC**”). The Group will continue to understand the main environmental, social and governance aspects of its various businesses and expand the scope of information disclosure when appropriate.

Reporting Framework

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). During the preparation of this Report, the Group adopted the reporting principles set out in the ESG Reporting Guide as follows:

- **Materiality:** Materiality assessment is used to identify material issues during the Reporting Period and identified material issues are the focus of this ESG Report. Material issues have been reviewed and confirmed by the board (the “**Board**”) of directors (the “**Director(s)**”) of the Group and the Environmental, Social and Governance Working Group (the “**ESG Working Group**”). For further details, please refer to the “Stakeholder Engagement” and “Materiality Assessment” sections
- **Quantitative:** Supplementary explanations have been added to the disclosed data to explain standards, methodologies and conversion factors of sources used in calculating emissions and energy use.
- **Balance:** The Group describes and discloses the relevant information and content about the Group in an objective and fair manner and will not be biased due to any factors.
- **Consistency:** The scope and methodology of this Report are fairly consistent with the previous year, and explanations are provided regarding the data with changes in the scope of disclosure and calculation methods (if any).

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Data Source

All data sources disclosed in this Report include public information from government departments, the Group's official internal documents, data collection and statistical systems, and statistical reports from the Group Hospitals.

Forward-Looking Statements

This Report contains forward-looking statements which are based on the Group's current expectations, estimates, projections, beliefs and assumptions about the businesses and markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risks, uncertainties and factors beyond the control of the Group. As a result, actual results and returns may differ from the assumptions and statements contained in this Report.

Contact Us

We welcome feedback and suggestions from stakeholders. You may contact us about this Report or our sustainability performance at:

Website: www.hcclhealthcare.com

Email: hcclhealthcare@hcclhealthcare.com

ESG MANAGEMENT STRATEGIES

ESG Development Strategy

In 2025, the Group strategically aligned its operations with the national Healthy China 2030 initiative, comprehensively integrating ESG governance throughout its core value chain. Anchored by five strategic pillars—Enhanced Governance, Service Excellence, Innovation-Driven Growth, Diversity & Inclusion, and Low-carbon Operations—the Group has established a highly resilient and sustainable healthcare ecosystem, propelling the organization toward a new paradigm of high-quality development.

Enhanced Governance: The Group continuously optimized its dual-tier governance structure, comprising the Board of Directors and the ESG Working Group, to ensure the ESG objectives align and resonate with the business strategy. Data privacy protection, medical compliance operation and supply chain integrity risks have been integrated into our Enterprise Risk Management Framework. We are committed to set an exemplary model of a well-governed, scientifically decision-making and trustworthy public company.

Service Excellence: Recognizing medical quality and safety as fundamental to the Group's sustainable development, we leverage our group-wide operational synergies to standardize adherence to the 18 Core Healthcare Systems and Clinical Pathway Management. Furthermore, we actively facilitate the extension of quality medical resources to underserved communities through medical consortium partnerships and telemedicine initiatives. We have established a multi-dimensional patient experience monitoring and closed-loop management system, to ensure the sustained delivery of safe, efficient and compassionate universal healthcare services to the public.

Innovation Development: The Group promoted the deep integration of information technology with core businesses, independently developed information systems such as full-cost accounting system and medical insurance clinical pathway management system, effectively enhancing resource coordination efficiency and providing a solid digital foundation for cost reduction, quality enhancement, and efficiency gains across our Group Hospitals. Meanwhile, we actively strengthen our research management and intellectual property protection mechanisms to facilitate the translation of innovative achievements into practical clinical and management outcomes to enhance long-term core competitiveness.

Diversity and Inclusion: Guided by the principles of Diversity and Inclusion, the Group has established a market-competitive remuneration and welfare system, clear career promotion pathways, and a comprehensive occupational health and safety training mechanism. These initiatives safeguard employee rights and interests, stimulate organizational vitality, and achieve mutual value creation between employees and the Group.

Low-carbon Operations: The Group remains firmly committed to green and sustainable development, guided by clear 2030 Environmental Targets. We are comprehensively advancing the Group Hospitals low-carbon retrofits, high-efficiency equipment adoption, and water resource recycling initiatives. Furthermore, we extend green standards upstream to our supply chain, implementing strict management protocols for all categories of waste emissions.

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These five strategic pillars are mutually reinforcing and synergistically aligned, enabling the Group to maximize social and environmental value while pursuing economic performance. Through this integrated approach, we are advancing toward a new stage of high-quality, sustainable healthcare ecosystem development.



ESG Management System

While striving to create value for its shareholders, the Group is also committed to fulfilling its corporate social responsibility. We see our ESG commitments as part of our corporate social responsibility and are committed to integrating ESG considerations into our decision-making process. To achieve this goal, we have established a fundamental governance framework that ensures the alignment of ESG considerations with our Group's strategic growth. Simultaneously, we advocate for the integration of ESG principles into all aspects of our business operations. The Group's core governance framework is divided into the Board and the ESG Working Group.

The Board

- Evaluate ESG-related risks and opportunities
- Formulate ESG management policies, strategies, priorities and objectives
- Review ESG-related targets
- Review the disclosures in the ESG Report
- Oversee all ESG-related matters

ESG Working Group

- Collect and analyse ESG data and evaluate the effectiveness of policies and procedures
- Ensure the implementation of plans to achieve ESG targets
- Ensure compliance with relevant ESG laws and regulations
- Support the preparation of the annual ESG Report
- Report to the Board on all ESG-related matters

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The Group deeply integrates ESG into strategic decision-making and operational practices, and has established a management system with clear rights and responsibilities and dynamic optimization. As the highest decision-making body for ESG governance, the Board comprehensively coordinates the strategic planning for sustainable development, formulates relevant management policies, strategies, priorities and goals, approves and issues the annual ESG report, and also ensures that the Group has an appropriate and effective ESG risk management and internal control system. To enhance execution efficiency, the Group has established a cross-departmental ESG working group composed of the Group's Chief Executive Committee ("**CEO's Committee**") and core members from different functional departments, integrating resources from core functional lines to facilitate the Board's supervision over ESG matters. The ESG working Group is responsible for collecting and analyzing environmental, social and governance data, monitoring and evaluating the environmental, social and governance performance of the Group, ensuring compliance with relevant laws and regulations on ESG, and preparing ESG reports.

The Group ensures dynamic ESG management enhancement through a closed-loop mechanism of "goal setting-process control-performance evaluation-continuous improvement". The ESG Working Group regularly reviews progress toward established goals and targets and assesses the effectiveness of current policies and procedures. The ESG Working Group discusses existing and future plans to monitor and manage the Group's strategic sustainability objectives, mitigate potential risks, and minimize negative impacts on business operations. Results of the ESG Working Group's discussions are reported to the Board on a regular basis to evaluate the implementation and effectiveness of internal control mechanisms and review progress against set goals and targets. With support from the ESG Working Group, the Board periodically reviews the Group's ESG goals, progress, and performance to ensure timely optimization and improvement.

ESG Development Goal

To ensure the effective implementation of the ESG framework, the Group systematically and progressively establishes phased performance indicators for the five key development areas in its operations. This approach aims to foster continuous improvements in governance, enhance the quality of services, embrace low-carbon practices, promote diversity and inclusion, and drive innovation and development. By firmly embedding the principles of ESG development within the entire value chain of business activities, the Group strives to create a sustainable and responsible business ecosystem.

2030 OUTLOOK



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Board Statement

Responsibility for ESG Issues

As the highest decision-making level of the Group's ESG-related work, the Board is responsible for its overall supervision, guidance, and review. Under its leadership, the ESG Working Group is responsible for organizing and implementing relevant work. The Board irregularly holds ESG meetings in collaboration with the ESG working group to conduct comprehensive reviews, evaluations, and strategic deployments about sustainability objectives, performance, development trends, and potential risks. Drawing on the meeting outcomes, the ESG working group coordinates resource allocation to execute the decisions made, subsequently presenting proposed proposals to the Board for approval. The Board confirms that it has reviewed and approved this Report. To the best of its knowledge, material issues have been identified in this Report and the Group's ESG management principles and performance have been presented.

ESG Risk Management

To effectively prevent potential sustainability risks, the Board directs the working group on ESG risk management in its daily operations and regularly monitors its implementation. During the Reporting Period, the Group formulated an ESG Risk List that considers the actual sustainability performance and operations of Group Hospitals. This comprehensive assessment evaluates the current state and impacts of its business operations, supply chain, and environmental and social conditions. It identifies potential challenges and opportunities, which are then integrated into the Group's business decision-making and risk-management processes.

In addition, the Group attaches great importance to climate risk management and integrates it into its comprehensive risk management system. The Board is responsible for overseeing climate risk management and reviews annual reports on climate change management and related topics. Under the overall leadership of the Board, the ESG Working Group coordinates and drives relevant departments to implement ESG-related matters, including climate change management. In all stages of investment and financing activities, the Group considers climate change risks such as policy and legal risks, market risks, reputational risks, and physical risks. It assesses the material impacts that climate and environmental changes may have on the Group's operations, investment targets, and corporate clients, and proactively develops corresponding risk mitigation measures in advance.

STAKEHOLDER ENGAGEMENT

The Group attaches great importance to engaging with various stakeholders and proactively seeks their feedback on both business operations and ESG matters. The Group is committed to integrating sustainable development into all aspects of its business. To fully understand the core concerns of different stakeholders, we have been working closely with them through diversified communication channels.

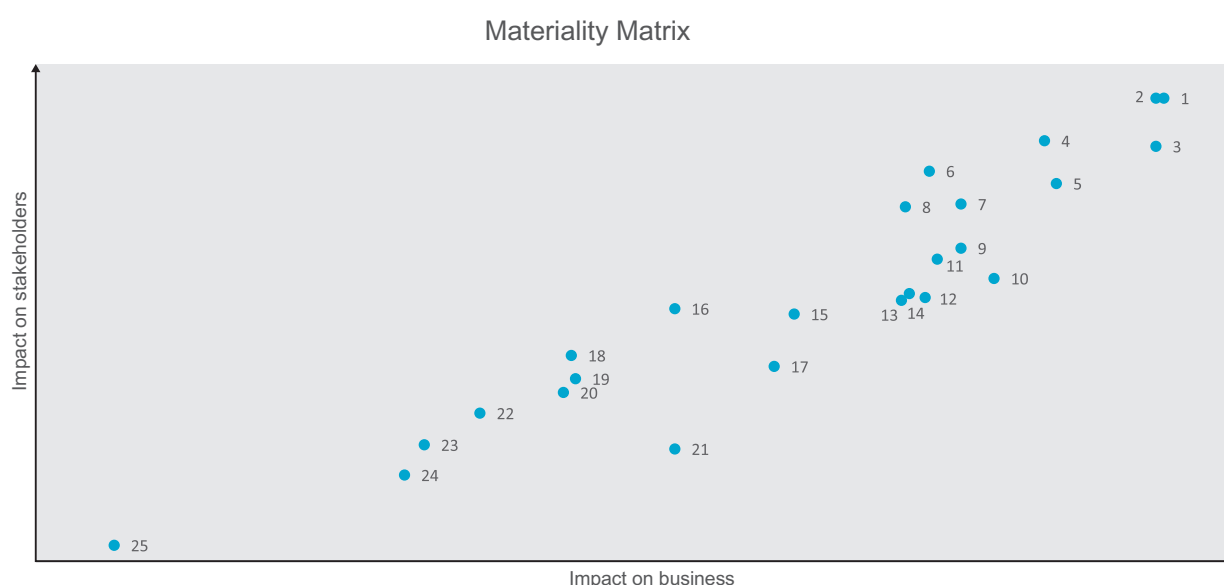
Major Stakeholders	Communication Channels	Expectation
Investors and Shareholders	• General Meetings • Financial Reporting • Announcements and Circulars • Emails • Company Website • Field Visit	• Operational Performance • Corporate Governance • Integrity and compliance • Medium- and Long-term Development Planning
Board and Senior Management	• Board Meetings • Disclosure of Information • Company Website • Announcement • Operation Management Meetings • Emails • Phone or Instant Messaging	• Corporate Strategy • Financials • Risk Management • Legal and Compliance • Talent and Organizational Development • Business and Technological Innovation
Patients and Their Families	• Administrator's Mailbox • Field Visit • Telephone Hotline • Social Media Platforms • Email and Website • Community Events	• Medical Technology and Quality Control • Customer Privacy Protection • Medical Accessibility • Protection of the Rights and Interests of Patients and Their Families • Hospital Grade • Level of informatization • Hospital Specialty Departments

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Major Stakeholders	Communication Channels	Expectation
Suppliers	• Supplier Meetings & Events • Regular Audits and Assessments • Quotation and Bidding Process • Field Visit • Emails • Industry Seminars • Business Cooperation and Trade Exchanges	• Fair Competition • Business Ethics and Credibility • Cooperation and Mutual Benefits • Product Responsibility • Corporate Internal Control and Whistleblowing Mechanism • Medical Anti-corruption
Employee	• Employee Performance Appraisal • Internal Mail • Staff Meetings and Training • Phone or Instant Messaging • Staff Congress • Labor Union • Notice	• Career Development • Employee Compensation and Benefits • Occupational Health and Safety • Corporate Culture • Gender Discrimination • Team Cohesion • Social Recognition
Government and Regulatory Agencies	• Legal Documents and Notices • Written Response to Public Consultation • Mandatory or Voluntary Disclosure • Field Visits • Meetings	• Legal Taxation • Information Transparency • Compliance with Laws and Regulations • Occupational Health and Safety • Environmental Protection • Medical Anti-corruption
Community and NGOs	• Public and Community Events • Community Investment Program • ESG Reports	• Community Involvement • Environmental Protection • Universal Healthcare • Ethics
Media and the Public	• Social Welfare Activities • Meetings • News and Announcement • Field Visit	• Operational Compliance • Open and Transparent Information • Environmental Protection • Contributions to the Community • Ethics

MATERIALITY ASSESSMENT

To ensure that the disclosures in this Report accurately reflect the Group's commitment to addressing sustainability concerns, a materiality assessment has been conducted. This assessment aims to identify the key concerns of different stakeholders. The Group has compiled a list of material ESG issues based on its business development strategy, sustainability capabilities, industry practices, and regulatory disclosure requirements. Questionnaires were distributed to relevant stakeholders, as well as management and staff from each key function of the Group, to review operations, identify relevant ESG issues, and assess their significance to the Group's business and various stakeholders. The survey results have been analyzed and presented in the form of a materiality matrix.



No. Material Issues

1. Quality and Safety of Medical Services
2. Occupational Health and Safety
3. Employee Rights and Benefits Protection
4. Universal Healthcare
5. Medical and Business Ethics
6. Corporate Governance
7. Customer Service Quality Management
8. Employee Training and Development
9. Information Technology (IT) Development
10. Information Security and Privacy Protection
11. Compliance Management
12. Sustainable Supply Chain
13. Employee Equality and Diversity

No. Material Issues

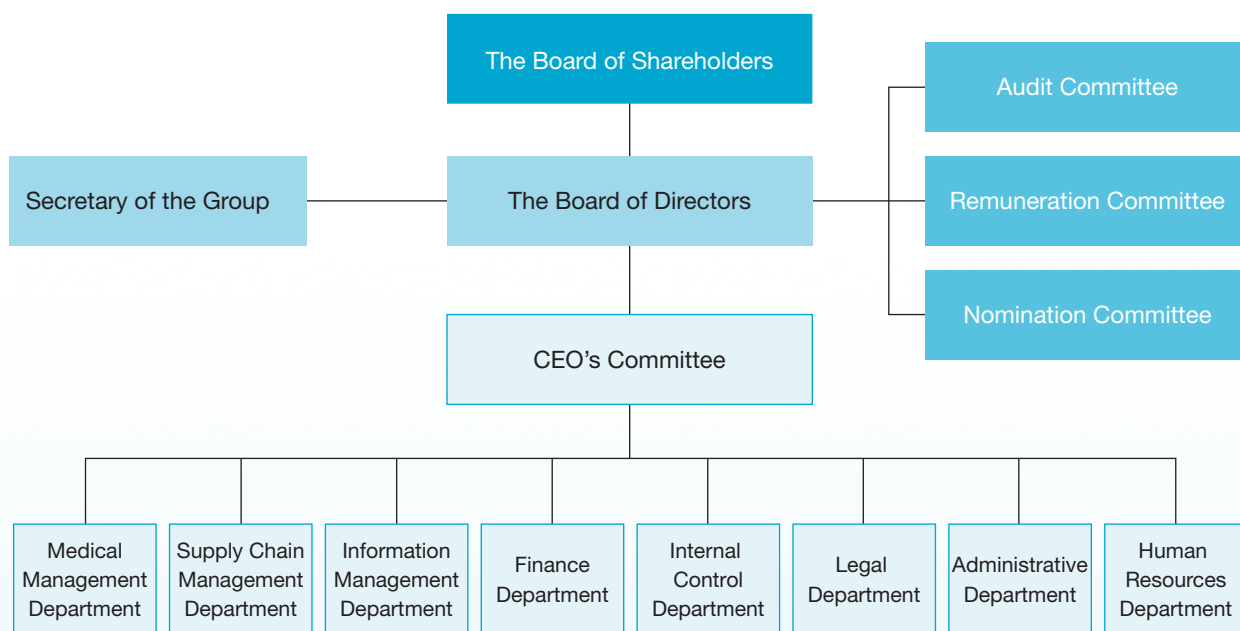
14. Construction of Internal Control and Oversight Mechanisms
15. Waste Management
16. Sustainable Development Management
17. Investor Relations Management
18. Social Contribution and Development
19. Responsible Advertising
20. Emissions Management
21. Environmental Management
22. Water Resource Management
23. Energy Management
24. Circular Economy
25. Addressing Climate Change

ENHANCED GOVERNANCE

A sound corporate governance structure serves as the cornerstone for ensuring stable and compliant operations. We strictly comply with national laws, regulations, and regulatory requirements, continuously refining our corporate governance system to establish standardized and efficient operational mechanisms. We comprehensively strengthen our internal compliance and risk control system, establishing a multi-layered, end-to-end risk prevention network to ensure all business operations proceed in an orderly manner with regulatory and internal rules. Furthermore, we steadfastly uphold the highest standards of business ethics, practicing the principle of integrity in medical practice. We continue to advance the normalization of anti-corruption initiatives and the development of clean institutions, constraining operational conduct with standards that exceed industry norms. We aspire to deliver sustainable value to shareholders, provide trustworthy medical services to society through outstanding governance practices, and contribute to the high-quality development of the healthcare industry.

Corporate Governance

In strict adherence to the Company Law of the PRC, the Securities Law of the PRC, Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other relevant laws and regulations, the Group has enhanced the governance structure of its listed companies. During the Reporting Period, the Board has established three committees: the Audit Committee, the Remuneration Committee, and the Nomination Committee. These committees are responsible for overseeing and reviewing operations, financial management, and employee management.



We diligently convene general meetings of shareholders and Board meetings in strict accordance with the Group's articles of association and bylaws. During these meetings, we prudently examine significant projects and key issues in the Group. We adhere to the relevant provisions governing voting matters and voting procedures, ensuring the protection of the legitimate rights and interests of both the listed company and its shareholders. Meanwhile, the Group has established and improved the information disclosure mechanism, adhering to the principles of openness and transparency, and proactively responding to the concerns of stakeholders. Through regular investor engagement and high-standard reporting disclosures, we continuously enhance our recognition in the capital market and corporate credibility, fostering a virtuous ecosystem of mutual trust and shared benefits, while demonstrating our image as a responsible listed company.

We strive to promote diversity on our Board in terms of gender, culture, expertise, and more. As of the Reporting Period, the Board consisted of 3 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors, of which 3 were female Directors, accounting for approximately 38% of the Board members. The members of the Group's Board have extensive industry experience and professional knowledge and vision in the fields of finance, investment and corporate governance.

Risk Management

The Group always prioritizes risk prevention and control, strictly adhering to the requirements of laws and regulations such as the Company Law of the People's Republic of China and the Audit Law of the People's Republic of China. We continuously optimize our comprehensive risk management system to further strengthen risk prevention and control safeguards.

The Group and Group Hospitals have initially established a system of policies and procedures covering risk management, internal control, and internal audit functions. Integrated with the Group's business operations, the risk management system identifies and categorizes existing and emerging risks, scientifically assesses their impact, and reasonably prioritizes them. Through effective measures, it mitigates risks and enhances the precision and effectiveness of risk management. The internal control system comprehensively standardizes employee conduct and business processes across the Group and Group Hospitals. Internal Control Department actively fulfill their duties, adhering to internal audit and supervision regulations such as the Internal Audit Management System (《內部審計管理制度》) and the Administrative Measures for Economic Responsibility Audit Work (《經濟責任審計工作管理辦法》). They conduct in-depth evaluations and rigorous monitoring of key risks, control measures, and procedures to ensure the robust and efficient operation of internal control systems. The Audit Committee, supported by the Internal Control Department and Finance Department, fully exercises its supervisory role, strengthening oversight and guidance of internal audit work.

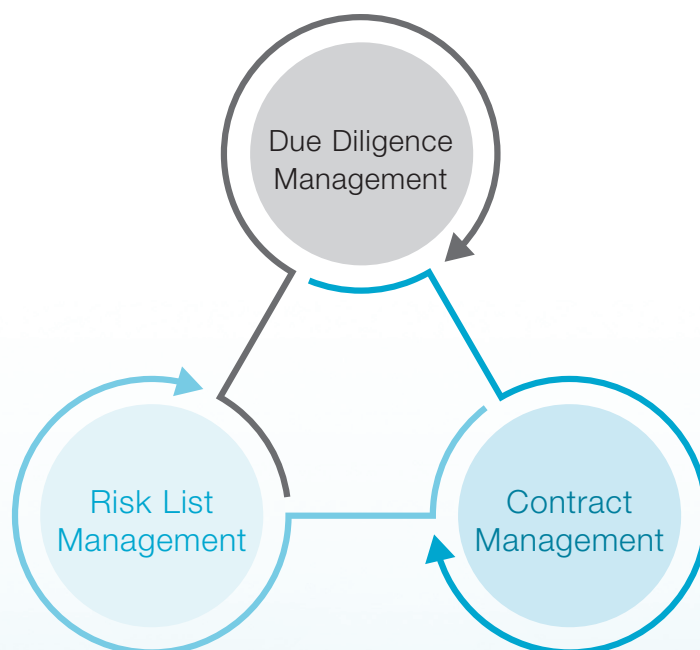
Additionally, the Group continues to deepen the construction of internal control systems for Group Hospitals, further improve standardized internal control frameworks and promote the continuous optimization of internal policies and procedures.

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Anti-Corruption and Compliance

The Group steadfastly upholds business ethics, continuously optimizing and expanding diverse reporting channels, advancing anti-corruption education, and maintaining a zero-tolerance stance toward embezzlement, corruption, and other improper business practices—resolutely cracking down on such conduct to foster a clean and healthy corporate environment.

Adhering to laws and regulations such as the Notice on Printing and Circulating of Nine Guidance on the Professional Integrity of the Staff in Medical Institutions (《關於印發醫療機構工作人員廉潔從業九項準則的通知》) and the Certain Provisions on Anti-Unfair Competition in the Pharmaceutical Industry (《醫藥行業關於反不正當競爭的若干規定》), the Group has developed the Hospital Corporation Anti-Corruption and Anti-Fraud Compliance Guideline (《弘和仁愛醫療集團有限公司反腐敗、反舞弊合規指南》) to strengthen clean and compliant management. These guidelines specify strict measures for punishing illegal acts such as fraud, conflicts of interest, extortion, bribery, embezzlement, and money laundering. Key-position employees are required to sign the Anti-Corruption and Anti-Fraud Commitment Letter (《反腐敗、反舞弊承諾書》), while other employees sign the Compliance Training Acknowledgment (《合規培訓知情同意書》), both of which are archived by the human resources departments of the Group and its affiliated entities. Additionally, the Group continuously improves its compliance governance system, deeply embedding anti-monopoly and anti-unjustified competition requirements into the entire process of decision-making, management, and execution. This proactive approach mitigates risks arising from improper competition and ensures all operations are conducted within a legal, compliant, fair, and orderly framework.



The Group has established transparent and open reporting channels. In accordance with the Hospital Corporation Anti-Corruption and Anti-Fraud Reporting and Punishment Policy (《弘和仁愛反腐敗、反舞弊舉報和處分制度》), any employee, member of the public, patient, or their family may report improper conduct or suspected corrupt practices through reporting hotlines, emails, letters, and face-to-face interviews. All reported cases are handled with strict confidentiality to protect the identity and privacy of whistleblowers, ensuring they do not face unfair treatment and their legal rights are safeguarded. The Board has the authority to review reported cases and take appropriate actions based on investigation results.

Reporting channels

Report email: AC@hccclhealthcare.com

Letter: 4th Floor, Air China Century Plaza, No. 40 Xiaoyun Road, Chaoyang District, Beijing, China

Integrity Supply Chain

The Group follows the principles of “openness, fairness, and impartiality” in transactions, strictly complying with laws and regulations such as the Anti-Unfair Competition Law of the People’s Republic of China. We continuously strengthen risk prevention and control regarding integrity in procurement. Guided by internal policies including the Hospital Corporation Procurement Service Management Standards and Procedures (《弘和仁愛醫療集團採購服務管理規範和流程》) and the Procurement Service Management System (《採購服務管理制度》), Supplier Evaluation Management Policy (《供應商評價管理制度》), we standardize supplier onboarding, procurement execution, performance monitoring, and exit management, ensuring all procurement activities are conducted in a legally compliant, open and transparent manner.

All suppliers are required to sign the Letter of Commitment for Supplier Cooperation (《供應商合作陽光承諾函》) or Code of Conduct for Suppliers (《供貨方行為準則》) requiring to strictly abide by integrity requirements, pledging to refrain from commercial bribery, interest transfer, unfair competition and other behaviors, thus building a solid defense line for clean cooperation at the institutional level. For key procurement matters, we conduct necessary qualification reviews and background checks in accordance with procurement procedures to continuously enhance the standardization and transparency of procurement activities.

The Group also strictly requires employees to maintain integrity and self-discipline in their duties, and resolutely reject any gifts, kickbacks, or any other improper benefits from suppliers. In cases of solicitation or acceptance of bribes, collusion for profit, or other violations discovered during the procurement process, the Group will take timely disciplinary action in accordance with relevant policies. For suppliers involved in commercial ethics violations or integrity risk incidents, the Group will take corresponding measures based on the severity of the circumstances, including issuing warnings, requiring rectification, suspending cooperation, blacklisting or terminating the partnership, so as to continuously foster a compliant and integrity-focused procurement and cooperation environment.

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Anti-Corruption Training

The Group attaches great importance to anti-corruption and compliance management, strictly complying with the Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Hong Kong's Prevention of Bribery Ordinance and other applicable laws and regulations while continuously advancing the development of a culture of integrity. During the Reporting Period, in light of the characteristics of the healthcare service industry and key risk areas, the Group leveraged internal policy documents such as the Hospital Corporation Employee Handbook (《弘和仁愛醫療集團員工手冊》), the Anti-Corruption and Anti-Fraud Compliance Guidelines (《反腐敗、反舞弊合規指南》), the Hospital Corporation Internal Audit Management System (《弘和仁愛醫療集團內部審計管理制度》) and the Hospital Corporation Economic Responsibility Audit Management Measures (《弘和仁愛醫療集團經濟責任審計工作管理辦法》). Focusing on commercial bribery, fraud risks, conflicts of interest, ethical medical practice, procurement compliance, and whistleblower handling, we continuously conducted anti-corruption training and warning education to strengthen employees' compliance awareness and risk identification capabilities.

The Group persists in delivering layered and categorized anti-corruption training and advocacy, covering incumbent employees, new hires, and personnel in key positions such as procurement and management. During the Reporting Period, through various initiatives including the dissemination of compliance guidelines, specialized study sessions on the "Nine Codes of Conduct", warning education based on typical cases of misconduct in the healthcare industry, risk alerts for key positions, and the signing of policy acknowledgments, we ensured that anti-corruption requirements were integrated into all aspects of daily operations. Specifically for procurement and other key personnel, we further clarified integrity responsibilities and strengthened controls over critical links by requiring the signing of documents such as the Code of Conduct for Procurement-Related Personnel of the Hospital Corporation and its affiliates (《弘和仁愛醫療集團及成員單位採購相關人員行為準則》), Anti-Corruption and Anti-Fraud Commitment Letter (《反腐敗、反舞弊承諾書》) and Compliance Training Informed Consent Form (《合規培訓知情同意書》).

Meanwhile, the Group continued to improve its whistleblowing and oversight mechanisms. Employees and relevant stakeholders may report suspected bribery, fraud and other misconduct through channels such as whistleblowing hotlines, email, written correspondence and face-to-face reporting. The Group conducted investigations in accordance with the principles of seeking truth from facts, objectivity and fairness, and, in conjunction with disciplinary inspection and supervision, internal audit, compliance inspections and other working mechanisms, promote rectification and closed-loop management of identified issues.

During the Reporting Period, the Group continued to provide anti-corruption training to Directors, senior management and other employees. The total duration of anti-corruption training related to the Group was 14,837.3 hours, covering 23,755 person-times. Among them, a total of 8 Directors of listed companies participated in the training, representing a 100% training coverage rate, with a total training duration of 8 hours. A total of 277 senior management personnel participated in the training, with a cumulative total training duration of 179.6 hours. A total of 23,470 employees at other all levels participated in relevant training, accumulating a total of 14,649.7 hours of training. Neither the Group nor its employees were involved in any concluded legal cases regarding corrupt practices that had a material impact on the Group, nor were there any material incidents of non-compliance with relevant laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering.

SERVICE EXCELLENCE

In response to the continuous evolution of the healthcare services industry, the Group upholds its vision of “Strive Excellence, Caring for Life, and Being Reliable”, with a steadfast focus on delivering high-quality medical services. The Group continuously refines its medical quality management framework, proactively aligns with national healthcare industry policies, and keenly identifies the changing trends of patient needs. By constantly improving service quality, we strive to create a superior diagnosis and treatment experience for our patients. Meanwhile, the Group strengthens quality control over the supply chain, rigorously supervising every link to ensure that overall service quality meets expected standards.

Universal Healthcare

The Group has always prioritized enhancing the accessibility of medical services as a key strategic direction. Through multi-dimensional initiatives such as optimizing the layout of medical resources, expanding service networks, and deepening assistance to primary levels, we are committed to making high-quality medical resources benefit a broader population. Actively responding to the national “Healthy China” strategy, the Group continues to invest in improving healthcare accessibility. We are building a multi-tiered medical service system covering both urban and county-level areas. Furthermore, through community services, health management, public welfare screenings, and health education, we fulfill our social responsibilities, effectively lowering barriers to medical access for patients and promoting equity and inclusivity in healthcare development.

Building a Network of Multidisciplinary and Medical Institutions

The Group takes “Strive Excellence, Caring for Life, and Being Reliable” as its vision. Leveraging multiple hospitals across Shanghai and Zhejiang, the Group has established a multi-level service network extending from urban areas to county-level regions, and is committed to providing continuous, systematic and convenient medical services. In response to the common challenges faced by private hospitals, including constraints in resources and talent, the Group advocates concentrating resources on the development of featured specialties and disease-specific disciplines, gradually building differentiated core competitiveness to support the realization of its vision.

Shanghai Yangsi Hospital* (上海楊思醫院) (“**Yangsi Hospital**”): Yangsi Hospital continued to improve the development of specialty alliances and clarified the development direction of featured specialties and disease-specific disciplines, initially forming a disciplinary strategic development model of “specialty alliances + featured specialties and disease-specific disciplines”. In 2025, the hospital achieved notable progress in areas such as neurology, orthopedics and stomatology, and further supported the comprehensive implementation of disciplinary planning through the establishment of disease-specific outpatient clinics.

* For identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Jiande Traditional Chinese Medicine Hospital Co., Ltd.* (建德中医院有限公司) (“**Jiande TCM Hospital**”): Centering on the characteristics of traditional Chinese medicine, the hospital developed service offerings and dynamically adjusted its disciplinary planning. It further advanced the development of specialty and disease-specific disciplines such as preventive treatment of disease, geriatrics and hemodialysis, achieving significant improvements in both scale and efficiency. Its “multi-disease integrated treatment” and “unaccompanied medical care” models have become major highlights in local healthcare services and have been highly recognized by the government and patients.

Yongkang Hospital: Yongkang Hospital formulated an innovative plan featuring “one specialty for each department and multiple specialties within each department”. The hospital undertook the work of Yongkang Medical-Nursing Integration Quality Control Center, Hospice Care Center and Elderly Health Service Guidance Center, and was successfully designated as “Yongkang Geriatric Hospital”, thereby securing a leading regional academic position and guiding the development of geriatric disciplines. In addition, specialties such as ophthalmology and stomatology achieved notable improvements in both technical capabilities and business scale.

Zhejiang Jinhua Guangfu Oncology Hospital* (浙江金華廣福腫瘤醫院) (“**Jinhua Guangfu Hospital**”): Jinhua Guangfu Hospital reaffirmed its strategy of “building the hospital around oncology”, adopted new measures in the development of specialty and disease-specific disciplines such as traditional Chinese medicine oncology treatment, critical care, rehabilitation treatment and interventional therapy, and achieved phased progress.

Cixi Honghe Hospital Co., Ltd.* (慈溪弘和醫院有限公司) (“**Cixi Honghe Hospital**”): Cixi Honghe Hospital reorganized its disciplinary planning and adjusted its target patient groups, focusing on specialty and disease-specific disciplines such as prostate diseases, lithotripsy treatment and geriatric rehabilitation, and achieved certain results.

While continuously optimizing the disciplinary development of traditional hospitals, the Group has, in accordance with the requirements of the “Healthy China” policy documents, continued to develop new businesses, new technologies and new models in the field of full life-cycle medical services. These efforts cover multiple professional areas, including general medical services, traditional Chinese medicine, oncology, geriatrics, child healthcare and consumer healthcare. The Group continues to expand the coverage of its healthcare services and carries out in-depth cooperation with research institutions and academic institutions to continuously improve its service quality and standards.

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Deepening Community Services and Geriatric care

The Group attaches great importance to community services and geriatric care. Since 2017, Yangsi Hospital has actively participated in the national-level Elderly Rational Medication University Program, providing 24-hour medication guidance to seniors in surrounding communities to continuously improve their awareness of rational medication and health management. Meanwhile, the Group actively establishes long-term partnerships with communities, consistently offering health consultations and education to extend high-quality medical resources into neighborhood settings.

For isolated elderly individuals and those with limited mobility within our jurisdiction, Group Hospitals provide regular home visit services, striving to enhance accessibility for these special groups. The Group also engages in deep cooperation with nursing homes, providing medical technical support and rehabilitation services, thereby further expanding scenarios for the integration of medical care and geriatric care.

Promoting Regularized Medical Support at the Primary Level

The Group places great importance on enhancing primary medical service capacity and continuously advances regional medical collaboration and targeted assistance. Group Hospitals actively participate in aid projects for hospitals in remote areas and military-civilian collaborative projects, and deeply engage in the construction of medical consortia. We facilitate the extension of high-quality medical resources to the primary level through medical treatment services and consultation support.

The Group also remains attentive to the medical needs of special patient groups. For unique demographics such as parents who have lost their only child and the childless elderly, the Group Hospitals provide medical treatment services and cover consultation fees, taking concrete measures to alleviate their medical burdens. Meanwhile, the Group continuously organizes various public welfare activities, including free clinics, health lectures, charity bazaars, and medical security services, covering diverse groups such as community residents, corporate employees, and nursing home seniors. These efforts reflect the extension of hospital services from purely medical treatment to humanistic care.

Advancing Digital Service Extension

The Group continuously promotes “Internet+” medical informatization. Relying on our hospital network and intelligent applications, we achieve remote extension and efficient coordination of medical services. Through platforms such as WeChat official accounts, mini-programs and groups, we have launched functions like online appointment booking and consultations, realizing a closed-loop integration of online and offline services.

Group Hospitals continue to promote informatization construction, exploring telemedicine models to achieve the level of data informatization construction at the Internet hospital level. In terms of patient services, we have established volunteer positions to provide accompaniment services for first-time visitors and set up an online feedback mechanism for patient opinions, and respond to scanned requests in a timely manner, continuously improving the convenience of patients’ medical treatment and their service experience.

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Medical Service Quality

We believe that medical safety and service quality are the critical foundation for the sustainable development of the Group. Focusing on medical service quality, pharmaceutical and medical device quality management, complaint and dispute resolution, as well as publicity and compliance, the Group continuously refines its institutional framework and supervision mechanisms. We strictly adhere to laws, regulations, and industry standards such as Regulations on the Administration of Medical Institutions (《醫療機構管理條例》), Regulations on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》), Regulations on the Handling of Medical Accident (《醫療事故處理條例》), and the Eighteen Core Policies for Medical Institutions (《醫療機構十八項核心制度》). Group Hospitals conduct quality management in accordance with the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and other requirements. By improving the organizational structure, strengthening process control and standardizing problem disposal, the Group continuously enhances the safety, standardization and traceability of its products and services.

Safety and Quality Management

In terms of organizational and institutional development, certain Group Hospitals have established governance bodies such as Medical Quality and Safety Management Committees and Pharmacy Management and Therapeutics Committees. Supported by multiple quality management committees and specialized working groups, a two-tier quality and safety management mechanism (hospital-level and department-level) has been formed. Focusing on key areas like medical quality improvement, patient safety, pharmacy management, and surgical management, relevant hospitals continuously refine policies regarding core systems, medical record documentation, critical value management, medical technology risk management, and reporting of adverse medical safety events. Through policy dissemination, specialized study sessions, and internal inspections, we ensure the effective execution of these requirements.

In terms of quality control, aligning with the realities of each affiliated hospital, the Group strengthens comprehensive management throughout the entire medical service process. Hospitals employ methods such as monthly inspections, quarterly joint inspections, medical record quality control, prescription and order reviews, registration of key patients, multidisciplinary team consultations, three-tier ward rounds, and night rounds by head nurses. These measures enhance supervision over clinical medical treatment, medical technical examinations, rational drug use, and the management of key patients. Specifically, some hospitals implement detailed registration for Grade IV surgeries and strictly enforce requirements for pre-operative discussions, surgical grading authorization, and perioperative management, thereby continuously elevating surgical quality and patient safety assurance levels.

In terms of quality management of drugs and medical devices, the Group has established mechanisms for supplier qualification review, delivery acceptance, regular re-evaluation, and dynamic exit. We conduct re-evaluations based on product qualifications, service quality, performance timeliness, and after-sales support, maintaining a List of Qualified Suppliers (《合格供應商名冊》). For suppliers with expired certificates, incomplete qualifications, quality defects, or those failing to meet standards even after rectification, hospitals take measures such as demanding corrections, suspending cooperation, blacklisting, or terminating partnerships in accordance with institutional requirements. Additionally, pharmaceutical companies and pharmacy entities have established systems for the acceptance management of drugs and devices, reporting of adverse reactions and quality incidents, confirmation and handling of non-conforming products, as well as recalls and retrievals. These measures ensure that any identified issues can be promptly traced, isolated, returned, written off, or destroyed, minimizing impacts on patient and medication safety.

The Group also places significant emphasis on training related to medical quality and safety, as well as emergency response capability building. In line with policy directives such as the Action Plan for Comprehensively Improving Medical Quality (2023-2025) (《全面提升醫療質量行動計劃(2023-2025年)》) and the Special Rectification Campaign on Medical Quality and Safety (2025-2026) (《2025-2026醫療質量安全專項整治行動》), hospitals continuously organize training for medical staff covering professional knowledge, medical record documentation, safety awareness, legal regulations, and medical dispute prevention. Through comprehensive skill competitions, medical record writing contests, emergency drills, assessments, and advanced studies, we constantly enhance the professional proficiency, quality safety awareness, and risk prevention capabilities of our medical personnel, driving continuous improvement in medical service quality.

Hospitals also regularly organize various emergency drills and assessments to enhance the entire hospital's emergency response capabilities. During the Reporting Period, the Group conducted multidisciplinary training covering emergency situations, medical safety, medication safety, and other areas, with over 9,151 participants and a total training duration of 12,341 hours. These efforts further strengthened employees' safety awareness and response capabilities, ensuring safer and more reliable medical services for patients. During the Reporting Period, no major medical quality and safety liability accidents occurred in the Group, nor did the Group receive any major administrative penalties from health administrative departments due to medical service quality issues.

Responsible Advertising

To ensure the compliance and accuracy of promotional content, the Group organized the Group Hospitals to formulate the Logo Management Policy (《標識管理制度》) and the "Three-Round Review and Three-Round Proofreading" Policy for Information Release (《信息發布「三審三校」工作制度》). When publishing information on hospital websites, WeChat official accounts, and other platforms, we strictly implement the "three-round review and three-round proofreading" process to ensure information is secure, accurate, and timely, avoiding negative impacts and public opinion risks.

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We have established a comprehensive review mechanism and institutional framework to ensure that the content of advertisements, labels, and other promotional materials meets relevant standards. In terms of content review and management, we strictly adhere to compliance requirements for medical advertising. We only publish medical service information that has received official approval and strictly prohibit the promotion of unapproved drugs, medical technologies, or equipment. Regarding label management, the Group ensures that labels for all drugs, medical devices, and medical supplies strictly follow medical regulations. We guarantee that information is authentic, accurate, clear, and legible, containing no false or misleading content. Special management drugs and medical devices are marked with specific warning labels and are subject to irregular inspections by health supervision authorities. The Group regularly inspects and publishes reports on the accuracy and completeness of label information, promptly disclosing any label replacements or updates to ensure information timeliness.

The Group conducts regularly safety and compliance education, organizing learning sessions on laws and regulations such as the Medical Advertising Law (《醫療廣告法》), Law of the People's Republic of China on Guarding State Secret (《國家保密法》), and Personal Information Protection Law (《個人信息保護法》), the Drug Administration Law (《藥品管理法》), and the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), to enhance employees' legal awareness. During the Reporting Period, no cases of false advertising occurred, and the Group received no penalties. The management of advertisements and labels fully complied with relevant laws and regulations.

Patient Care Experience

The Group is committed to providing patient-centered medical services, regarding the patient experience as a key indicator of service quality. Through a combination of measures including improving privacy protection systems, optimising the medical treatment environment and enhancing service response efficiency, the Group is committed to creating a safe, comfortable and convenient medical environment. The Group has established a patient rights protection mechanism, standardised the procedures for the collection, use and storage of patient information, and strengthened technical protection measures to safeguard patient privacy. Meanwhile, the Group continuously upgrades hardware facilities, promotes smart medical services, and establishes a rapid response mechanism for complaints and dispute resolution to promptly address patient demands and protect their legitimate rights and interests.

Patient Information and Privacy Protection

The Group attaches great importance to the protection of patient privacy and personal information, and strictly adheres to laws and regulations such as the Personal Information Protection Law (《中華人民共和國個人信息保護法》), the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) and the Administrative Measures for Electronic Medical Health Documents (《中華人民共和國電子醫療健康文檔管理辦法》). The Group formulated special policies including the Patient Privacy Protection Regulations (《患者隱私權保護規定》), Provisions on Respecting Patients' Ethnic and Religious Beliefs (《尊重患者民族宗教信仰的規定》), Provisions on Patient Informed Consent in Clinical Trials (《臨床試驗中的患者知情權規定》), Regulations and Service Standards for Safeguarding the Rights of Patients and Their Families (《維護病人和家屬權利的規定和服務規範》), and the Policy for Protecting Patient Privacy (《保護病人隱私制度》), to regulate the collection, use and storage of patient medical records and treatment data.

Access permissions to information systems are managed hierarchically and categorically based on job responsibilities and business needs. All operations involving the query, retrieval, modification, or export of patient information automatically generate access logs. The information management department regularly conducts log audits and investigates abnormal behaviors. Through measures such as access control and encrypted transmission, we fortify our data security defenses to prevent information leakage, damage, or tampering.

The Group has established and improved information security management system to ensure that the creation, storage, use, and management of electronic medical health documents comply with relevant regulations. We have also formulated emergency response plans; in the event of an information security incident, immediate remedial actions are taken, and reports are submitted to relevant authorities. Regular training on information security and privacy protection is conducted for medical staff and related personnel. Compliance is supervised through internal audits, special inspections, and random spot checks. During the reporting period, the Group experienced no complaints or disputes arising from privacy breaches.

Enhancing the Medical Environment

The Group consistently regards the patient experience as a critical benchmark for service quality. By improving the care environment and optimizing treatment processes, we strive to make patients feel respected and cared for. In line with policy requirements such as the Action Plan for Further Improving Medical Services (《進一步改善醫療服務行動計劃》), we ensure that patients' rights to information, choice, and privacy are fully protected.

In terms of environmental improvement, hospitals have set up nursing rooms, accessible passages, and comfortable waiting areas to create a warm atmosphere. For elderly patients, manual service windows are retained and some Group Hospitals provide volunteer escort services throughout the consultation process. The Group promotes "smart healthcare" services, launching an online appointment booking systems to enable precise time-slot appointments, and promoting in-clinic payments, bedside settlement and electronic medical record inquiry to reduce patients' queuing times.

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Patient Services

The Group places great emphasis on patient services and doctor-patient communication management. We continuously refine mechanisms for handling patient complaints, medical disputes, and related issues, establishing a closed-loop process that includes response to demands, investigation and verification, communication and explanation, implementation of corrections, and follow-up reviews. Hospitals strictly comply with laws and regulations such as the Regulations on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》) and the Regulations on the Handling of Medical Accidents (《醫療事故處理條例》). Focusing on complaint acceptance, dispute mediation, incident reporting, root cause analysis, and corrective review, we continuously enhance the standardization and effectiveness of patient service management.

In daily management, patient complaints and related issues are incorporated into routine management. Hospitals have established rapid response mechanisms for complaints and adverse event. Complaints are promptly accepted, investigated, explained, and addressed through corrective actions. Some hospitals conduct monthly analyses and rectifications of adverse events, reporting at internal meetings such as department director conferences. For issues related to adverse drug/device reactions and service quality, reports are filed timely, explanations are provided to patients, and feedback is directed to suppliers or responsible departments to drive problem resolution and process optimization.

For individual cases of medical service complaints and disputes, the Group insists on handling them in accordance with laws and regulations. Hospitals actively cooperate with procedures such as mediation by medical dispute mediation committees, appraisals by medical associations, and court mediations, depending on the specific case. Following incident resolution, relevant departments conduct cause analysis and implement corrections based on the specific issues exposed. Focusing on key areas such as medical record documentation, closed-loop management of critical values, doctor-patient communication, and the execution of core systems, hospitals continuously strengthen internal reviews and subsequent improvements to elevate service quality and risk prevention capabilities.

Case Study: Cixi Honghe Hospital Drives Service Improvement through Case Reviews

During the reporting period, Cixi Honghe Hospital focused on key issues exposed during the handling of medical service complaints and disputes to strengthen patient services and doctor-patient communication. For relevant cases, the hospital promptly organized hospital-wide discussions after incident resolution. These sessions involved a comprehensive review and analysis of the entire process, including patient reception, treatment progression, medical record documentation, critical value management, doctor-patient communication, and the implementation of the Eighteen Core Systems. Disciplinary actions and notifications were issued to the involved departments and medical staff in accordance with hospital regulations, using problem rectification to further solidify accountability.

Building on these reviews and rectifications, Cixi Honghe Hospital strengthened inspections of core system implementation in clinical and technical departments, addressing weak links identified in the incidents. The hospital also organized specialized training and assessments on key points and techniques for medical history taking and medical dispute prevention. Relevant departments and personnel were urged to complete rectifications within a specified timeframe to ensure closed-loop implementation. By integrating case handling with system enforcement, staff training, and service improvement, the hospital has continuously enhanced the communication skills, standardized treatment awareness, and service levels of its medical staff, shifting patient demand processing from reactive response to continuous improvement.

The Group will continue to optimize patient service management, further upgrade patient feedback and issue resolution channels. We aim to effectively link patient feedback with service improvements, striving to provide more standardized, timely, and compassionate medical services for all patients.

Supply Chain Quality

The group's procurement activities follow the principles of openness, justice and fairness, has established a full-lifecycle supply chain governance system. We strictly comply with laws and regulations including the 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》), the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), and the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》). The Group has formulated multiple procurement management policies, such as the Hospital Corporation Procurement Service Management Standards and Procedures (《弘和仁愛醫療集團採購服務管理規範和流程》), Procurement Management Policy (《採購管理制度》), and Supplier Evaluation Management Policy (《供應商評價管理制度》). These frameworks enable the systematic implementation of a closed-loop supervision mechanism covering "admission, execution, and exit."

During the Reporting Period, the Group collaborated with a total of 532 key suppliers of equipment, pharmaceuticals, and services, the vast majority of which are based in mainland China. Upholding the principles of aligned values, collaborative development, regulatory compliance, and platform synergy, the Group works closely with suppliers to co-create a sustainable development ecosystem. Environmental and social responsibility awareness is promoted among suppliers, encouraging them to operate in compliance with regulations.

Details of supplier distribution by region are as follows:

Number of Suppliers

Total number of suppliers

Breakdown by region:

Mainland China
Hong Kong

2025

2024

532

529

519

520

13

9

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Supplier Management System

The Group has established a comprehensive mechanism for supplier admission, evaluation, and exit. We strictly review supplier qualifications and compliance status, prioritizing partners who adopt environmentally friendly products and services to drive the construction of a green supply chain. Simultaneously, we strengthen anti-corruption management by requiring suppliers to sign a Letter of Commitment for Supplier Cooperation (《供應商合作陽光承諾函》). Through regular integrity training and supervisory inspections, we ensure that supply chain operations remain transparent and standardized.

The Group places great importance on supplier management and is committed to building a clean, transparent, and efficient supply chain system to ensure that suppliers meet the Group's high standards and to provide a solid foundation for sustainable development. In strict compliance with national laws and regulations, the Group has formulated a series of policies, including the Qualification Review Management Policy for Suppliers and Sales Personnel (《供貨單位及銷售人員資格審核管理制度》), Initial Product Review and Drug Quality Archives Management Policy (《首營品種審核和藥品質量檔案管理制度》), Code of Conduct for Purchasing Personnel of Hospital Corporation and Its Member Institutions (《弘和仁愛集團及成員單位採購相關人員行為準則》), and the Hospital Corporation Procurement Service Management Standards and Procedures (《弘和仁愛醫療集團採購服務管理規範和流程》). These systems clearly define supplier admission mechanisms, with strict reviews based on qualifications, scale, market position, and customer structure to ensure compliance with the Group's supply chain requirements.

In terms of supplier access and review, the Group conducts strict due diligence on the key suppliers to be hired to ensure that all potential suppliers comply with legal and regulatory requirements and have no adverse records. All suppliers are required to sign a Letter of Commitment for Supplier Cooperation (《供應商合作陽光承諾函》) or a Code of Conduct for Suppliers (《供貨方行為準則》), undertaking to refrain from acts such as commercial bribery and unfair competition. Products and services provided by suppliers must comply with environmental and quality standards, and the Group regularly reviews suppliers' service performance to ensure their alignment with the Group's requirements.

The Group has established a dedicated Procurement Management Committee responsible for supervising the procurement process and managing associated risks. Procurement activities follow the principles of openness, fairness, and impartiality, with no discrimination or preferential treatment toward any supplier.

The Group maintains Qualified Supplier List (《合格供應商名冊》), and conducts periodic re-evaluations of suppliers regarding product qualifications, quality, and performance, with documented records. Suppliers found with quality defects, incomplete qualifications, delayed deliveries, non-conforming or expired products, products resulting in adverse events of injury or death, or products that pose a threat to patient safety or health may be removed from the supplier list.

Sustainable Supply Chain

The Group continuously integrates environmental and social responsibility requirements into its supply chain management. Focusing on key stages such as supplier admission, qualification review, performance supervision, and issue resolution, we are progressively refining our mechanisms for identifying and managing environmental and social risks within the supply chain. Hospitals guided by internal control policies including the Procurement Management Policy (《採購服務管理制度》), Supplier Evaluation Management Policy (《供應商評價管理制度》), and regulations from the Procurement department, conduct review and evaluations of supplier qualifications, product and service quality, and supplier capabilities. We have strengthened management over suppliers in critical areas such as medical waste disposal, hazardous chemicals, and catering services, thereby promoting a more standardized and robust supply chain.

In terms of identifying suppliers' environmental and social risks, the Group focuses on suppliers' legitimate business qualifications and compliance performance during the onboarding phase. We require suppliers to provide necessary documentation, including production licenses, work safety licenses, and certificates related to environmental protection, occupational health, and safety. We verify the authenticity and legality of supplier data through public channels such as the National Enterprise Credit Information Publicity Policy, China Judgements Online, and the China Enforcement Information Disclosure Network. For high-risk suppliers, on-site inspections or further reviews may be conducted based on actual circumstances. In contracts, requirements such as compliance with environmental and safety laws and regulations, and prohibition on the use of child labour and forced labour are included as cooperative clauses. During the execution phase, we maintain continuous supervision through regular performance reviews, inspection of operational records, and monitoring of regulatory notifications and industry blacklists. Suppliers found to have significant environmental or social responsibility issues are subject to corrective actions, suspension of cooperation, blacklisting, or termination of contracts in accordance with our institutional requirements.

In the realm of green procurement, the Group is progressively implementing energy conservation and environmental protection requirements across various procurement scenarios. For the procurement of medical equipment, lighting, air conditioning, and other high-energy-consuming devices, we prioritize products with high energy efficiency ratings. Suppliers are required to specify energy efficiency levels during the inquiry and quotation process. In the procurement of consumables, relevant units prioritize bulk packaging where feasible without compromising usage, aiming to reduce the consumption of packaging materials. The Group also requires suppliers to comply with relevant environmental protection requirements by signing the Supplier Code of Conduct (《供貨方行為準則》), continuously advancing the integration of the green procurement philosophy into all aspects of supply chain management.

INNOVATION DEVELOPMENT

Innovation plays a critical role in improving the Group's medical service capabilities, operational management efficiency, and long-term competitiveness. The Group is constantly refining its management mechanisms in areas such as information technology construction, research management, intellectual property protection, and the transformation of achievements. These efforts ensure that innovative resources effectively serve clinical needs, management optimisation, and patient care, thereby strengthening the foundation for the Group's high-quality development.

Informatization Construction

Information technology construction is a key driver for improving hospital service efficiency and achieving standardized operations. For healthcare institutions, informatization is vital not only for coordinating treatment workflows, enhancing internal management efficiency, and improving service accessibility, but also for managing medical data, ensuring cybersecurity, and maintaining the stable operation of information systems. We are consistently strengthening the internal information network infrastructure to ensure smooth data flow between hospital departments, providing solid information support for medical services and management.

In response to external requirements, the Group strictly adheres to laws and regulations including the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the Data Security Law of the PRC (《中華人民共和國數據安全法》), the Personal Information Protection Law of the PRC, the Administrative Specifications for the Application of Electronic Medical Records (Trial) (《電子病歷應用管理規範(試行)》), and the Administrative Measures for Electronic Medical Health Documents (《電子醫療健康文檔管理辦法》). We are committed to continuously elevating the standards of our information system construction and management. Hospitals have actively pursued Level III Cybersecurity Graded Protection certification and the development of information protection systems, and continuously consolidated the management foundation in respect of information system operation, data management and security protection. Meanwhile, the Group has actively explored telemedicine models and advanced the development of internet hospitals, facilitating the synergy between online and offline medical services.

The Group's key management priorities in information system development mainly include enhancing the convenience of medical services, strengthening support for in-hospital operational management, ensuring the secure and stable operation of information systems, and driving the digital and intelligent transformation of medical services. During the reporting period, the Group continued to optimize our internal information networks and system applications, independently developed information systems for full-cost accounting and medical insurance clinical pathway management, effectively improving resource coordination efficiency, facilitating smoother data flow throughout medical and management processes, and providing support for appointment, consultation, service response and telemedicine exploration. Jinhua Guangfu Hospital received the Gold Award in the Smart Efficiency Improvement category at the Second National Socially Run Healthcare "New Quality Productive Forces" Case Competition for its submission, "DRG Operational Quality and Efficiency Enhancement Practice Based on Full Cost Accounting by Disease Type."

Intellectual Property Strategy and Innovation Transformation

The Group regards intellectual property protection and innovation transformation as an integral part of its core competitiveness. We have established a comprehensive IP management system to encourage technological and managerial innovation, promote the practical application of medical research outcomes, and provide technical support for sustainable development. Furthermore, through IP protection, we aim to safeguard the industry's innovation ecosystem and foster the healthy development of medical technologies.

The Group has formulated a suite of core policies, including the Patent Management Policy (《專利管理制度》), Measures for the Administration of Scientific Research Achievement Transformation (《科研成果轉化管理辦法》), Thesis Management Measures (《論文管理辦法》), Scientific Research Work Management Policy (《科研工作管理制度》), Regulations and Reward Measures for Scientific Research Projects (《科研項目管理制度及獎勵辦法》), Hospital Scientific Research Achievement Management Measures (《醫院科研成果管理辦法》), Measures for the Administration of Academic Ethics (《學術道德行為管理辦法》), Scientific Research Fund Management Measures (《科研基金管理辦法》), and Provisions on Science and Technology Awards (《科技獎勵規定》). These policies standardize the publication, authorship, and archiving of papers and monographs, emphasize academic integrity, and define clear procedures for handling academic misconduct. These policies standardize the publication, authorship, and archiving of papers and monographs, emphasize academic integrity, and define clear procedures for handling academic misconduct. The Science and Education Department, Medical Education Department, or Medical Affairs Department serves as the central functional unit for IP management, are responsible for daily operations, policy dissemination, application assistance, archive management, and promoting transformation. Major decisions are reviewed and decided by the Hospital Academic Committee. This institutional framework provides guarantees for technological innovation in the medical sector and drives the elevation of industry innovation standards.

We have established a multi-level incentive and funding mechanism. Based on the actual circumstances of each subsidiary and Group Hospital, the Group has adopted a range of incentive and support measures tailored to their respective needs, such as offering special rewards for research project approval, patent applications, paper publication and commercialization of research outcomes; providing matching funding support for nationally and provincially approved research projects; granting rewards for authorized patents, software copyrights and the publication of high-quality academic papers; establishing research start-up funds to support newly recruited talent and high-potential projects; reimbursing patent application, examination and maintenance fees; and providing financial support for paper publication and academic exchanges.

The Group clearly stipulates the ownership, usage and income distribution methods through the Labor Contract (《勞動合同》), Scientific Research Task Book (《科研任務書》), cooperation agreements, etc. The ownership of scientific and technological achievements belongs to the hospital, and the transfer is uniformly managed by the competent department. All patents, software Copyrights, technical secrets, etc. are uniformly registered and filed in the Science and Education Section, and a dynamic management ledger is established. They are approved and reviewed through the OA system, and the legal status is regularly checked. The entire process of scientific research projects is subject to integrity and standardization supervision. Before submission of papers, they are reviewed and filed by the section and the Scientific Research Section. The academic misconduct detection system is used to prevent infringement and plagiarism.

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Additionally, the Group promotes third-party collaboration and innovation transformation. When cooperating with universities and enterprises, agreements explicitly stipulate ownership of results, confidentiality obligations, liability for infringement, and dispute resolution mechanisms. Partners are required to provide lists of background IP to mitigate potential risks. Patent inventors collaborate with transformation units to realize the practical application of patents. Through the introduction of new technologies, independent R&D, and industry-university-research cooperation, we drive the integration of medical technological innovation with clinical application.

During the Reporting Period, the Group invested over RMB730,000 in research funds, passed 15 provincial and municipal-level research projects, published 42 papers in various journals, obtained 5 new patents, and organized 16 continuing education programs at various levels.

DIVERSITY AND INCLUSION

The Group has always adhered to the principle of putting people first, regarding employees as the core competitiveness of its sustainable development, and is committed to building a healthy, safe, and inclusive work environment. By establishing a scientific management system that combines medical regulations with modern enterprise practices, the Group provides employees with diversified career development paths and systematic training programs. We offer training courses, continuously improve the welfare system, implement multiple employee care measures, and constantly pay attention to the career growth and physical and mental health of our employees. We strive to achieve symbiotic prosperity where employee value and corporate development thrive together.

Employee Care

The Group strictly adheres to laws and regulations including the Civil Code of the People's Republic of China (《中華人民共和國民法典》), Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Employment Ordinance of Hong Kong (《僱傭條例》), respects and safeguards employees' rights, and legally regulates labor employment. The Group establishes harmonious and stable labor relations with employees through a fair and transparent employment mechanism. During the Reporting Period, no major issues were found that severely violated employment-related laws and regulations and had a significant impact on the Group.

Employee Hiring

Our recruitment processes strictly adhere to laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Employment Ordinance of Hong Kong (《僱傭條例》). To this end, we have formulated internal policies including the Recruitment Management Policy (《招聘管理制度》) and the Employee Recruitment Policy (《員工招聘制度》), clearly standardising recruitment processes and eliminating discrimination in hiring. The Group continuously enhances its talent recruitment and selection system, dedicated to creating a fair, just, and transparent hiring environment.

The Group has continuously strengthened the construction of talent echelons. The Group has established a comprehensive talent cultivation framework, pursuing talent echelon building through a dual-driven approach of "external recruitment + internal cultivation": Externally, we integrate diverse channels such as online recruitment, university-industry partnerships, and social referrals to precisely connect with industry elites; Internally, we implement mechanisms like competitive post selection and talent recommendation to activate internal potential, prioritizing career development by opening up promotion channels for employees. Based on the core value of "people-oriented", the Group fosters a workplace atmosphere characterized by "mutual respect, inclusivity, and collaboration." To systematically prevent workplace harassment and insults, we have established dedicated complaint procedures and specialised whistle-blowing response mechanisms. During the Reporting Period, the Group's employment system operated in compliance with regulations, with no workplace discrimination disputes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As of December 31, 2025, the total number of employees within the Group's reporting scope was 3,157, all of whom are full-time staff.

Breakdown of Employees	2025	2024
Total Number	3,157	3,243
By Gender		
Male	1,007	1,041
Female	2,150	2,202
By Age		
Under 30 years of age	970	1,039
30-50 years old	1,668	1,662
Over 50 years old	519	542
By Region		
Mainland China	3,156	3,242
Hong Kong	1	1
By Employment Category		
Senior Management	50	49
Middle Management	366	366
General Staff	2,741	2,828

During the Reporting Period, the Group's overall employee turnover rate was 6%.

Employee Turnover Rate	2025	2024
Overall	6%	10%
By Gender		
Male	7%	11%
Female	5%	10%
By Age		
Under 30 years of age	8%	14%
30-50 years old	4%	8%
Over 50 years old	6%	10%
By Region		
Mainland China	6%	10%
Hong Kong	0%	0%

Labor Standard

The Group regards safeguarding the rights and interests of workers as an important criterion and strictly adheres to the highest legal standards in the regions where it operates, such as the Employment Ordinance of Hong Kong (《僱傭條例》), the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), and the Regulations of the People's Republic of China on the Prohibition of Child Labor (《中華人民共和國禁止使用童工規定》). Through the Recruitment Management Policy (《招聘管理制度》) and Employee Handbook (《員工手冊》), we have established end-to-end compliance review mechanisms to eliminate risks of child labor and forced labor, and any form of discriminatory employment practices.

At the recruitment and hiring stage, the Group sets clear standards for recruitment, verifying identity and qualifications through multiple dimensions (including identity information, educational credentials, and political background materials) to ensure that new hires comply with age regulations.

In the daily management process, the Group clearly publicizes and guarantees the various legal rights and interests of employees through the Employee Handbook (《員工手冊》), including standard working hours, rest and leave, paid annual leave, etc., and has established a standardized attendance management system that strictly adheres to the norms of the medical industry.

All new employees receive comprehensive training on the Employee Handbook and compliance policies, forming a clear consensus on human resource management responsibilities. They are required to sign a confirmation statement, ensuring they understand and commit to adhering to these standards. During the Reporting Period, the Group's human resource management system operated in compliance and no incidents of employing child labor, minors, or forced labor occurred.

Compensation and Benefits

The Group places high importance on employee compensation and benefits management. We are continuously refining our compensation distribution and welfare protection mechanisms, striving to provide fair, reasonable, and market-competitive remuneration packages. These efforts aim to support stable employee development and enhance their sense of belonging. By aligning compensation and benefit arrangements with business development needs and specific job characteristics, we seek to boost employees' sense of gain and satisfaction while safeguarding their legitimate rights and interests. Our policies strictly adhere to core principles of internal equity, external competitiveness, performance linkage, and strategic alignment, ensuring that our compensation and benefits framework remains closely synchronized with the Group's development stage and business strategy.

The Group has established a rigorous and scientific compensation system grounded in job value assessment to ensure internal fairness, while maintaining external competitiveness through continuous market research. The compensation package consists of basic salary providing stable security, performance bonuses closely linked to work outcomes, and long-term incentive programs for core talents. By combining short-term and long-term incentives, we aim to provide employees to share the benefits of the Group's development, where individual success and corporate growth are mutually reinforcing, thereby driving sustained performance growth.

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The Group strictly complies with national laws, fulfills its main responsibility for labor security, and timely pays social insurance and housing provident fund for employees in accordance with regulations to ensure welfare protection. Furthermore, we continuously optimise our welfare system to address the diverse needs of employees at different life stages. In addition to statutory holidays and traditional paid annual leave, the Group offer various leave benefits—including marriage leave, maternity leave, paternity leave, and bereavement leave. We also thoughtfully provides additional paid leave during the Spring Festival based on annual business performance and employee contributions, allowing them to reunite with family and enjoy quality time. These initiatives are designed to help employees achieve a better work-life balance and cultivate a human-centric work environment.



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The Group strongly advocates a harmonious and pleasant working atmosphere. We provide employees with a variety of infrastructure, including dedicated rest areas, maternity rooms, a yoga studio, basketball courts, table tennis rooms, reading rooms, and badminton entertainment areas, to meet the diverse lifestyle needs of employees and promote work-life balance. In addition to regularly organizing collective activities during holidays such as International Women's Day, Mid-Autumn Festival, and Chinese New Year, the Group also occasionally holds team-building events to enhance employee cohesion, boost happiness, and strengthen a sense of belonging among the employees.



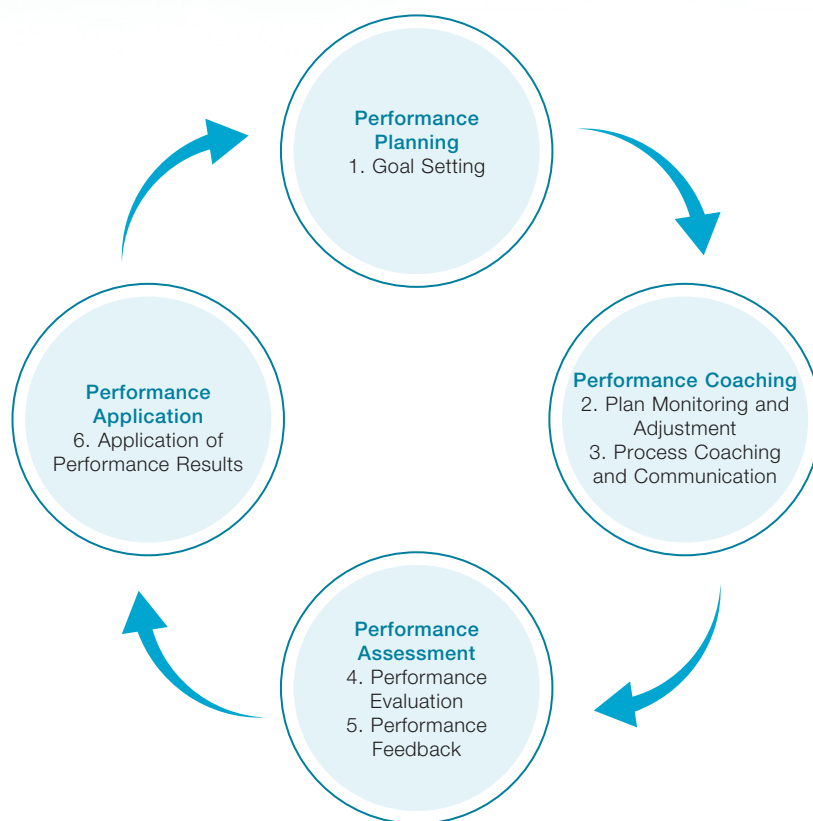
Performance Feedback

The Group regards performance management as the core engine driving organizational excellence and employee growth. We have formulated policies such as the Hospital Corporation Performance Management Guidelines (《弘和醫療績效管理規範》), Performance Calculation Plan and Detailed Measures (《績效核算方案及具體辦法》), to scientifically decomposes its strategic objectives into departments and positions. This allows us to precisely measure medical quality, service efficiency, and the fulfillment of core responsibilities. Furthermore, by closely linking performance outcomes with compensation incentives and career advancement, we guide employee behavior to resonate with the Group's culture and values, fostering sustainable professional development.

To ensure the fairness and transparency of performance evaluations, the Group has established transparent performance evaluation and supervision mechanisms. Employees at all levels undergo regular comprehensive assessments covering multiple quantifiable dimensions, including work performance and professional technical proficiency. These evaluation results serve as the primary basis for job rotations, salary adjustments, and promotions. This approach enables us to accurately identify high-potential talent, systematically unlock employee potential, and lay a solid foundation for formulating personalized improvement and training plans.

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To safeguard the legitimate rights and interests of every employee, the Group has established a dedicated performance appeal channel. Any employee who disagree with an evaluation result may file an appeal through a designated procedure. The Group commits to conducting a fair investigation for every appeal and providing timely feedback to the employee regarding the outcome and the rationale behind the decision.



Communication and Exchange

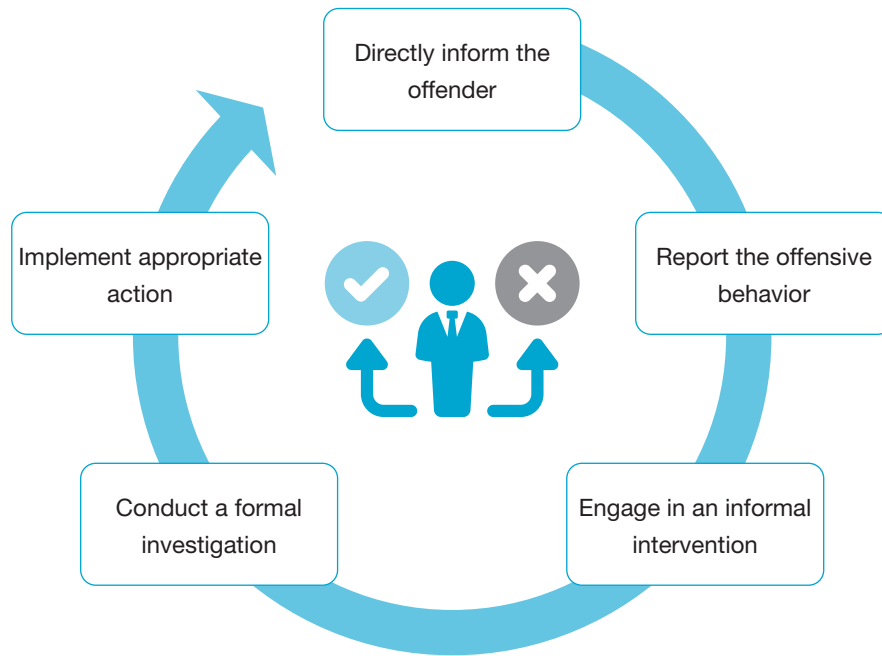
The Group regards efficient and transparent communication as the cornerstone of organizational cohesion and continuous improvement. We are committed to fostering an open and straightforward two-way communication culture. This philosophy permeates every aspect of our operations, from daily management to employee relations. By breaking down information silos, we ensure that every employee is both informed and engaged, thereby enhancing collaboration efficiency, aligning strategic understanding, and providing a critical foundation for managerial decision-making.

The Group encourages horizontal and vertical exchanges and has established a diversified, institutionalized network of communication channels. These include regular departmental meetings, cross-functional collaboration workshops, and direct dialogue mechanisms between management and staff. These platforms ensure that vital information—such as work directives, strategic plans, and policy updates—is transmitted and feedback is received in a timely and accurate manner.

When an employee resigns, their direct supervisor, department head, and the Human Resources Department conduct exit interviews to understand the reasons for leaving and seek honest opinions, which serves as critical feedbacks for improving corporate culture, processes and policies.

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The Group also establishes formal, accessible, and protected employee complaint channels. As stipulated in the Employee Handbook, any employee who experiences intimidation, humiliation, bullying, or harassment (including sexual harassment) may file a complaint with their department head or the Human Resources Department through the established procedure. Upon receiving a complaint, the Group takes prompt and serious action, ensuring all cases are investigated and handled in a confidential manner to guarantee fairness and protect employees' rights.



Talent Development

The Group regards talent as a key factor for sustainable development. The Group continues to focus on optimizing its employee training system and building talent pipelines, by establishing an internal promotion system and offering diversified training, to help employees comprehensively improve their overall competencies. This aims to precisely align individual career development paths, achieving a positive scenario where employees and the Group progress and grow together.

Career Promotion System

To address employees' diversified career development demands, the Group adhering to the core philosophy of "utilizing talents to their fullest potential" and strives to build a multi-channel career development system featuring "vertical promotion and horizontal mobility", forming a development model that attaches equal importance to the management track and the professional track.

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Vertical advancement offers employees the opportunity to progress step-by-step along professional or management tracks, both tracks enjoy equal reward opportunities, effectively breaking the “ceiling” and avoiding the bottleneck of a single career path. Horizontal advancement breaks down barriers between departments and positions, providing employees with opportunities to expand their career space in different business areas, allowing them to engage with diverse business sectors, broaden their career horizons, and cultivate cross-field integrated skills.

Exceptional employees who demonstrate outstanding talent, achieve exceptional performance, or play a key role in important projects are provided with a green channel for leapfrogged promotion, fully stimulating employee enthusiasm and creativity.



Talent Training

The Group focuses on the development of the internal training system and is committed to building a comprehensive training framework covering professional, managerial, general, and diverse training modules to meet the differentiated needs of employees at all levels. To this end, we have established the Hospital Corporation Training Center to organize and advance high-quality talent development initiatives, aiming to fully support the common growth of employees and the Group through targeted training provision.

During the Reporting Period, 3,156 employees participated in the training, achieving a 99.97% participation rate, with a total training duration of approximately 113,710 hours across 97,910 participants, with the average training hours of 36.02 hours per employee.

Professional Training

The Group emphasizes employee capability building and career development, dedicated to constructing a professional training system deeply integrated with business operations. Guided by the Personnel Training and Assessment Management Policy (《人員培訓及考核管理制度》), we have strengthened the organizational structure of the Group's Continuing Education Leadership Team to ensure robust top-level design and resource support for all training initiatives. Based on comprehensive training needs analysis, we design differentiated development programs for employees across various levels and sequences (clinical, management, and research). Leveraging a blend of online and offline methods, we have formed an all-encompassing training matrix that ensures both flexibility and effectiveness. Furthermore, to ensure training translates into improved business capabilities, assessment results are explicitly incorporated into employee performance evaluations.

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At the specific implementation level, the Group implements an annual training plan system and attaches great importance to deepening the capabilities of key position groups. Annual training plans are developed, and specialized, in-depth programs are designed for key roles such as doctors and nurses to address the specific needs of different professional streams. During the Reporting Period, professional skill training covered patient care, doctor-patient communication, medical device operation, and other areas, totaling 46,619 participants and over 63,321.5 training hours.

The Group deeply recognizes the critical role of the Licensed Physician Qualification Examination in improving medical service quality and strengthening the talent pipeline. We view this examination not merely as an individual threshold for practice, but as a core component of our talent construction and medical quality control. We urge all Group Hospitals to provide systematic support for exam preparation and comprehensively review and refine their Licensed Physician Examination Management System. By integrating experts from advantageous disciplines and senior examiners of each hospital, it has established a Group-level examination preparation lecturer group; by coordinating the use of skill training centers and simulated examination rooms of each hospital, it has realized the efficient allocation of high-quality physical space and teaching resources. This initiative aims to break down barriers and create a Group-wide learning platform for employees integrating high-quality teaching resources, standardized venues and a strong academic atmosphere, significantly improving the systematicness and effectiveness of examination preparation. During the Reporting Period, the Group's pass rate for the Licensed Physician Qualification Examination reached 59.46%.



Management Training

To systematically enhance organizational efficiency and strategic execution, the Group places the cultivation of management talent at its core, striving to build a high-quality leadership team that possesses both professional depth and managerial breadth. We have constructed a tiered and categorized management development system. Annual Hospital Directors' Salons are held to create platforms for hospital managers at all levels to exchange experiences and discuss industry frontiers, expanding their management perspectives through intellectual exchanges. Advanced health management workshops are conducted with leading experts to systematically improve the professional and managerial skills of mid-to-young cadres, authoritative domestic and international experts and scholars are invited to deliver lectures. During the Reporting Period, the Group delivered over 2,081 hours of leadership training to nearly 700 participants, empowering mid-to-young cadres to make significant strides in leadership development. This injects continuous vitality into the Group's medical management and strengthens the talent foundation for long-term strategic planning.

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During the reporting period, the number of employee training sessions and the average training hours per employee were as follows:

	Percentage of Employee Training	Number of Training Attendance
2025		
Overall	99.97%	97,910
By Gender		
Male	99.90%	29,602
Female	100%	68,308
By Employment Category		
Senior Management	100%	1,119
Middle Management	100%	13,573
General Staff	99.96%	83,218
Average Number of Training Hours	2025	2024
Overall	36.02	35.91
By Gender		
Male	36.62	33.21
Female	35.74	37.18
By Employment Category		
Senior Management	34.44	41.38
Middle Management	48.74	44.73
General Staff	34.35	34.69

Health and Safety

The Group places paramount importance on occupational health and safety for employees. We have established a comprehensive Occupational Health and Safety Management System to provide a safe and healthy working environment, ensuring employees are protected from occupational hazards. Furthermore, by safeguarding our employees, we indirectly enhance patient safety, demonstrating our respect for and protection of workers' rights within the healthcare sector.

The Group has built an occupational health and safety system covering all clinical, administrative, and logistical departments, forming a management architecture of "Policies, Contingency Plans, and Procedures". Our key regulations include the Medical Safety Management System, Medical Waste Management System, Hazardous Chemicals Management System, Fire Safety Management System, and Occupational Health Management System for Radiation Workers. These comprehensively cover critical areas such as medical safety, hazardous material handling, fire prevention, and radiation protection. Our emergency response framework comprises 38 specific plans, including the Emergency Plan for Occupational Exposure of Medical Staff, Fire Evacuation Plan, and Preventive Measures for Needlestick Injuries, ensuring standardized responses to various emergencies. We have formulated specific guidelines such as the Electrician Safety Operating Procedures and department-specific norms to standardize employee work behaviors.

The Group has established a multi-tiered organizational system for occupational health and safety management. At the decision-making level, the Risk and Crisis Management Committee has been set up to coordinate safety affairs across the Group. At the implementation level, multiple departments including the Work Safety Committee, Healthcare-Associated Infection Management Department and Logistics Support Department collaborate in a coordinated manner. At the supervision level, the Discipline Inspection and Supervision Office oversees implementation. At the grassroots network, safety officers are assigned to each department, forming a two-tier (hospital and department) management structure, under which strict operational management and protective measures are implemented.

The Group has achieved zero work-related fatalities for four consecutive years (including the Reporting Period). During the Reporting Period, the Group recorded 110 working days lost due to work-related injuries. The Group was also not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group.

Occupational Health and Safety Training

Occupational health and safety are the foundation of the Group's operations, concerning the well-being of every employee, the quality of medical services and patient safety. For the Group, occupational health and safety training is not only a key lever for enhancing employees' safety awareness and operational compliance but also a vital guarantee for strengthening risk prevention, emergency response, and regulatory compliance.

The Group strictly adheres to national laws and regulations concerning work safety, fire management, occupational disease prevention, and medical institution safety. Aligning with key risks inherent in healthcare scenarios—such as occupational exposure, fire safety, hazardous chemical management, radiation protection, and biosafety—we continuously refine our occupational health and safety training system. This ensures that safety management requirements are effectively integrated into every aspect of daily operations.

The Group has established a systematic and normalized training framework, incorporating safety training into the full lifecycle of employee management. We have progressively formed a comprehensive model combining pre-employment training, on-the-job training, and specialized training. New employees undergo safety training conducted by relevant functional departments to master fundamental safety knowledge, identify job-specific risks, and understand emergency response protocols. During employment, each department organizes thematic training sessions and emergency drills regularly according to annual plans, continuously reinforcing employees' risk identification skills and standardized operational capabilities. For high-risk positions and key departments such as Radiology, Anesthesiology (Surgery & Anesthesia), and Laboratory Medicine, the Group delivers targeted training tailored to specific job characteristics.

The primary objectives of our occupational health and safety training are to continuously elevate employees' safety awareness, protective capabilities, and emergency response skills; to reduce occupational injuries and safety incidents; to safeguard employee health; and to support the safe and stable delivery of medical services.

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During the reporting period, the Group continued to deliver occupational health and safety training focusing on medical safety, fire safety, hazardous chemical management, radiation protection, and occupational exposure prevention. We organized study sessions and drills for emergency plans such as the *Emergency Plan for Occupational Exposure of Medical Staff* and the *Fire Evacuation Plan*. Departments conducted specialized operational standard training and emergency response drills based on their specific contexts. Key departments, including Radiology, Anesthesiology, and Laboratory Medicine, held specialized training on topics such as emergency handling of radiation injuries, electric burn response plans, biosafety, and occupational exposure protection. Furthermore, the Group annually organizes emergency drills for high-risk projects and conducts training on legal and regulatory knowledge to continuously strengthen employee safety and compliance awareness. During the Reporting Period, the Group conducted over 12,341 hours of safety and health training.

Through the continuous advancement of occupational health and safety training, the Group has further enhanced employees' safety awareness and emergency response capabilities. Training coverage extended to all categories of positions across clinical, administrative, and logistical sectors, fostering a safety management landscape characterized by full participation and end-to-end coverage. During the reporting period, the Group experienced no major safety accidents, and the overall management of occupational health and safety remained stable and effective.



Social Responsibility

The Group places high importance on fulfilling the social responsibilities of medical institutions. We continuously integrate public welfare, charity, grassroots services, health education, and volunteerism into our daily operations. Leveraging our medical resource advantages, we strive to address the diverse health needs of communities and patients. During the reporting period, the Group focused on assisting vulnerable groups, providing community health services, popularizing health knowledge, and organizing volunteer activities. We consistently extended medical resources to communities, families, and grassroots levels, ensuring that more residents have access to accessible, convenient, and compassionate medical services.

Public Donations

The Group remains committed to addressing the actual needs of disadvantaged patients and special groups. We regard public donations, medical fee reductions, and support from special funds as key methods for fulfilling our social responsibilities. Aligning with the specific conditions of the regions where our hospitals are located, we have continuously carried out charitable donations, fee waivers, living allowances, and special subsidies for low-income families, financially struggling patients, and individuals with specific assistance needs. These efforts aim to alleviate their burdens regarding medical treatment and daily life. Our initiatives focus not only on material support but also on extending medical resources, health services, and humanistic care to vulnerable populations, promoting an organic integration of social welfare and medical services.

During the reporting period, several Group Hospital strengthened support for key populations by participating in local “joint charity campaigns”, establishing special assistance funds, and waiving medical fees for those in difficulty. These measures effectively alleviated the immediate pressures faced by some disadvantaged patients, demonstrating the Group’s sustained attention and sense of responsibility toward vulnerable groups beyond basic clinical services.

Case Study: Yangsi Hospital – Charitable Donations and Assistance for Disadvantaged Patients

During the reporting period, Yangsi Hospital participated in the 24th “Charity Public Welfare Joint Donation” campaign themed “Love in the Great City, Shining Pudong,” organized by Pudong New Area, donating RMB20,000. Simultaneously, the hospital continued its program of waiving medical fees for financially struggling individuals, with total waivers exceeding RMB340,000 for the year. By combining “public donations + medical fee reductions,” the hospital translated its social responsibility into concrete patient assistance scenarios, providing more targeted support to patients facing genuine hardships.

Case Study: Yongkang Hospital – “Caring for Low-Income Families, Boosting Common Prosperity”

Yongkang Hospital collaborated with the Yongkang Red Cross Society, the Yongkang Health Bureau, and the Yongkang Civil Affairs Bureau to continuously carry out the “Caring for Low-Income Families, Boosting Common Prosperity” initiative, integrating medical assistance with livelihood care. During the reporting period, the project provided inpatient fee subsidies for 162 patient visits from low-income households, with special fund subsidies totaling over RMB2 million. Concurrently, the hospital organized free clinics and health consultation services. This project further enhanced the accessibility of medical security for disadvantaged groups and exemplified the hospital’s practical exploration of combining public welfare assistance with long-term medical support.

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Charity Clinics

The Group is committed to extending high-quality medical resources to communities and grassroots levels, utilizing free clinic services as a key lever to serve residents, improve health accessibility, and promote grassroots health management. Addressing the needs of key populations—including community residents, corporate employees, the elderly, and patients with chronic diseases—we continuously organize free clinics, health consultations, basic screenings, and medical support activities. These initiatives extend our medical services from within hospital walls to the broader community. Through the normalization of free clinic services, the Group continuously enhances the convenience of accessing health services for grassroots residents and strengthens the interaction and connection between hospitals and communities.

During the reporting period, multiple Group Hospitals across the Group launched diverse community free clinics and convenient health activities tailored to local health needs. Service offerings included consultations for common diseases, chronic disease screening, medication guidance, bone density testing, sarcopenia screening, rehabilitation advice, and medical security support. Several Group Hospitals established long-term partnerships with communities, adopting a model of fixed frequency, fixed locations, and standardized service content. This approach has gradually evolved into a sustainable grassroots health service network, transforming free clinics from one-off charitable events into a long-term service mechanism.

Case Study: Jiande TCM Hospital – Young Physician Team Continuously Serving Grassroots Communities

Since establishing a long-term partnership with Luotong Community in Xin'anjiang Street, Jiande Traditional Chinese Medicine Hospital has consistently deployed its young physician team to the community on a weekly basis to conduct convenient free clinics. In 2025, the team held a total of 45 free clinic events, involving 149 medical staff visits and serving 1,737 community residents. Beyond these routine free clinics, the hospital provided extended services based on specific needs, such as health management for retired cadres. These services included home visits, chronic disease management, health examinations, and interpretation of medical reports, further enhancing the convenience and continuity of health services for community residents.



Healthcare Education

The Group attaches great importance to the popularization of health knowledge and continuously enhances residents' health awareness and self-management capabilities through special lectures, community education, online communication and distinctive activities. Aligning with the specific health needs of different demographics, we conduct multi-level health education campaigns focusing on themes such as chronic disease management, child health, rational medication use for the elderly, and Traditional Chinese Medicine (TCM) culture. These efforts drive a strategic shift in health services from “treating existing diseases” to “preventing potential illnesses.” By integrating online and offline channels, the Group continuously expands the reach of health knowledge, ensuring the sustainability and broad coverage of our health science popularization initiatives.

During the reporting period, numerous hospitals within the Group organized health lectures, thematic education sessions, science popularization experiences, and online health campaigns targeting communities, schools, nursing homes, and in-hospital patients. Several hospitals leveraged digital platforms, such as video accounts and official WeChat accounts, to disseminate content on chronic disease management, elderly health, and preventive care, effectively breaking temporal and spatial barriers. Others capitalized on their TCM specialties to host immersive experience and study-tour activities, significantly enhancing the engagement and interactivity of health education.

Case Study: Yangsi Hospital – Continuous Multi-Level Health Science Popularization

During the reporting period, Yangsi Hospital sustained its health science popularization efforts focusing on endocrinology, pediatrics, and rational medication use for the elderly. Expert teams were deployed deep into communities to conduct health education. Notably, the “Health Science into Communities” initiative served 3,826 resident visits throughout the year. The hospital also organized flagship programs such as the “Endocrinology Grand Lecture,” “Pediatric Health Lectures,” and the “University of Rational Medication for the Elderly.” By combining in-hospital lectures, community activities, and online Q&A sessions, the hospital has continuously improved residents' health literacy and self-management awareness.



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Case Study: Jiande TCM Hospital – TCM-Themed Study Tours

In the summer of 2025, Jiande Traditional Chinese Medicine Hospital collaborated with local communities and relevant departments to launch TCM-themed study tours. The program featured immersive activities including TCM enlightenment education, experiences with the “Four Diagnostic Methods” (inspection, listening/smelling, inquiry, and pulse-taking), sachet making, interactive “Tasting Hundreds of Herbs” sessions, and tastings of TCM-infused milk tea and pastries. A total of 4 events were held, serving 148 students and parents. These immersive experiences effectively disseminated TCM knowledge, fostering greater understanding and interest in TCM culture among teenagers, while also diversifying the service models and target audiences of the hospital’s health education efforts.



Voluntary Service

The Group continuously refines its volunteer service mechanisms, aligning with patient needs and community realities to gradually establish a coordinated volunteer network that links internal hospital operations with external community outreach. Our volunteer services encompass a wide range of activities, including patient companionship, home visits, community consultations, health education, assistance for key populations, and voluntary blood donation. These initiatives further extend the warmth and reach of our medical services. The Group is committed to integrating the strengths of medical staff, Party members, social workers, and public-minded individuals from society, driving volunteer services toward greater professionalism, normalization, and diversity.

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During the reporting period, numerous hospitals within the Group launched a series of volunteer projects targeting chronic disease patients, elderly individuals living alone, low-income families, hemodialysis patients, and other groups with special needs. Several hospitals developed long-term branded service projects to provide sustained support through companionship, home services, psychological care, living allowances, and health consultations. Additionally, the Group actively organized public welfare activities such as voluntary blood donations, taking concrete actions to support clinical blood supply guarantees and broader social welfare causes.



Case Study: Jinhua Guangfu Hospital – “Transparent Life” Empowerment Support Project for Kidney Patients

Addressing the realities faced by hemodialysis patients—such as long treatment cycles, limited mobility, and significant psychological stress—Jinhua Guangfu Hospital collaborated with medical staff, social workers, Party member volunteers, and social charity organizations to continuously implement the “Transparent Life” empowerment support project. This initiative strives to provide emotional and social support beyond clinical treatment.

During the reporting period, the project advanced systematically across key dimensions: emotional care, social expansion, capability empowerment, resource linkage, and platform building. The hospital regularly hosted collective birthday parties for hemodialysis patients, delivering birthday wishes and companionship to 158 patients throughout the year. Two batches of short-term healing trips were organized for 33 patients, helping to alleviate the physical and mental burdens of long-term treatment. Furthermore, through a collaborative model of “medical staff + Party members,” the team conducted home visits to 32 households facing economic difficulties or comprising elderly and frail patients, delivering living supplies and assessing their immediate needs. The hospital also produced animated videos and documentary content on kidney disease knowledge and extended its reach into 5 communities to provide health education and medical consultations. Since expanding the project to the community, it has served over 200 residents.

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Case Study: Yangsi Hospital – Party Member Pairing and Home-Based Medical Care Services

During the reporting period, Yangsi Hospital leveraged its “Party Member Pairing” initiative and its Home Bed Department project to provide comprehensive support to solitary elderly individuals, those in extreme poverty, retired cadres, and persons with disabilities. Services included home-based medical care, assistance with seeking medical attention, appointment scheduling for examinations, health consultations, and nursing guidance. Specifically, the Party Member Pairing service supported 78 patients, while the Home Bed Department delivered 4,120 home-based medical care visits. By integrating Party building strengths with medical services, the hospital has successfully extended care and support into the home setting, significantly enhancing the accessibility and continuity of medical support for these vulnerable groups.

During the reporting period, the Group’s total charitable donations exceeded RMB579,300, and cumulative volunteer service hours surpassed 13,958 hours. Group employees participated in voluntary blood donation over 230 times, contributing a total blood volume exceeding 71,930 milliliters.

SUSTAINABLE OPERATION

We are committed to constructing hospitals that are green, low-carbon, and environmentally friendly. We prioritize energy management during operations to effectively reduce carbon emissions and enhance climate risk management as part of our response to the climate crisis. Through the implementation of scientific and efficient management practices, we aim to minimize the adverse impact of our business activities on the surrounding environment and resources. By doing so, we actively contribute to the achievement of dual carbon goals and strive to become a resource-conserving and environmentally conscious group.

Combating Climate Change

Climate change has become one of the most significant challenges of our time, profoundly affecting all walks of life around the world. Governments around the world recognize the urgency of the climate crisis and are responding to it. China has pledged to the world to “peak carbon emissions before 2030 and achieve carbon neutrality before 2060”. In response to the call of the times, the Group has incorporated climate change-related risks into its risk management to reduce the impact of climate change on its business and better respond to the risks brought by climate change.

Governance

We urge that climate change be integrated into corporate governance considerations. The Board has ultimate responsibility for addressing the risks and opportunities of climate change. To ensure a holistic approach, the Board appointed the ESG Working Group to oversee all aspects, including identifying and managing climate risks, developing viable policies to address climate change, transparently disclosing climate-related information, and overseeing the effectiveness of relevant strategies and actions.

Strategy

We analyze climate-related risks and opportunities to continuously improve our business development strategy and resource allocation. We are dedicated to proactively addressing the potential risks associated with climate change while also capitalizing on the opportunities presented by low-carbon growth. Our firm commitment lies in promoting green and low-carbon development throughout our operations, thereby contributing to the betterment of society.

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Climate Risk Identification and Assessment

We have assessed climate change risks and divided them into two categories: physical risks and transition risks. To effectively respond to the identified risks, we have developed robust countermeasures. At the same time, we actively identify potential opportunities arising from climate change and use them to align our business practices with changing markets.

Risks/ Opportunities	Descriptions	Potential Impact	Strategies
Physical Risks	Extreme weather (e.g. cyclones, blizzards, floods, etc.)	Potential personnel injuries or casualties, damage to Group Hospitals' buildings and transportation vehicles, supply chain disruptions, and impacts on business stability.	We prioritize strengthening our emergency preparedness by formulating comprehensive emergency plans and regularly monitoring abnormal weather conditions.
	Rising temperatures	Increased power consumption leading to higher operating costs; potential hazards to employees' health and safety due to equipment overload or inefficient energy use.	We implement a regular equipment maintenance and replacement program to optimize energy efficiency.
Transition Risks	Regulation and legislation	Due to the tighter national policies and listing rules caused by climate change and low carbon, environment-related taxes are derived	We continuously monitor and assess legal and regulatory risks
	Technology	The need to deploy energy-efficient equipment, increase investment in renewable energy, or use other low-carbon operations brings technical difficulties and costs	We closely monitor technological advancements and applications in relevant fields
	Market	Climate-related weather events are frequent, and consumer interest in low-carbon products and demand is on the rise	We monitor market trends and track the expectations of consumer, investor and other stakeholder sentiment through digital media

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risks/ Opportunities	Descriptions	Potential Impact	Strategies
	Reputation	Climate-related policies and trends change rapidly and can be a reputational risk due to slow response	Policy monitoring will be integrated into operational and financial planning
Opportunities	Sustainable supply chains	Greater monitoring of supplier sustainability can improve the resilience of supply chains, such as local sourcing, and help cut costs	We continue to implement green procurement strategies, actively cooperate, and share information with supply chain participants
	Emerging new technologies	Group Hospitals can reduce their reliance on traditional energy sources by using solar and wind energy to cut operating costs, and renewable energy can also be used to innovate medical equipment, such as portable medical equipment and electric wheelchairs.	We implement energy management plans such as high-efficiency lighting systems, energy-efficient equipment, and smart energy management systems, and adopt green building designs in the future, such as improving building insulation and optimizing natural lighting

Metrics and Targets

In line with the Group's own development, we have established environmental goals for 2030. Through various green initiatives, we persistently strive to reduce energy consumption, water usage, waste generation, and greenhouse gas emissions. By doing so, we actively contribute to the achievement of national dual carbon goals. For detailed information, please refer to the relevant sections of this Report.

Low-carbon and Energy-saving

The Group adheres to the green business philosophy and actively responds to the call for low-carbon and sustainable development. We attach great importance to the impact of the operation and production of Group Hospitals on the environment. All are required to improve the environmental management system according to the actual situation and are committed to creating an eco-friendly management and development model.

The Group strictly complies with environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, continuously improving its environmental management system and actively responding to national energy-saving and emission-reduction initiatives. We deepen the construction of "ecology-first, green development" low-carbon hospitals to contribute to building a "Green China." The Board and the ESG Working Group formulate specific environmental goals and indicators, identify and assess relevant risks and opportunities. Responsible personnel regularly report environmental performance and issues to the Board, striving for sustainable improvements in environmental performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2030 Environmental Targets

The active participation and support of the whole society is a necessary condition for achieving carbon neutrality. Under the national objective of achieving a carbon peak by 2030 and carbon neutrality by 2060, we have established a range of environmental targets at the Group level. These targets, based on the 2022 baseline, aim to expedite our transition towards a green and low-carbon economy.

Areas	Targets ¹	Status	Future Measures
Greenhouse Gas Emissions Intensity	Using 2022 as the base year, the Group aims to achieve 3% reduction by 2030	The Group has continued to reduce its emission intensity and has achieved its emission reduction targets ahead of schedule. For details, refer to the Greenhouse Gas Emissions section.	- Promote low-carbon transformation in hospitals by adopting more energy-efficient medical equipment and air conditioning systems. - Increase the share of green energy by exploring the installation of renewable energy systems such as solar and wind power to gradually replace traditional energy sources.
Energy Consumption Intensity	Using 2022 as the base year, the Group aims to achieve 3% reduction by 2030	The Group has maintained a downward trend in energy consumption intensity and met its reduction targets ahead of schedule. For details, refer to the Energy Management section.	- While ensuring the quality of medical services, promote the use of high-efficiency equipment and energy-saving technologies; phase out outdated equipment to improve overall energy efficiency. - Conduct energy management training to enhance employees' awareness of energy conservation, and implement an incentive mechanism to ensure each department carries out energy-saving measures effectively.
Water Consumption Intensity	Using 2022 as the base year, the Group aims to achieve 5% reduction by 2030	Due to phased fluctuations in water use arrangements across the Group Hospitals during the Reporting Period, water use intensity has increased compared to the previous year. The Group will continue to enhance water resource management and closely monitor progress toward relevant targets.	- Promote the installation of water-saving devices in hospital restrooms and sinks, including sensor-activated faucets and low-flow toilets. - Explore water recycling systems for departments with high water usage, such as hospital laundries and central sterilization units. Treated wastewater will be reused for non-potable purposes like toilet flushing and road cleaning.
Non-hazardous Waste Intensity	Using 2022 as the base year, the Group aims to achieve 5% reduction by 2030	Under the ongoing optimization of operational management, the intensity of non-hazardous waste generated decreased compared with the previous year. The Group will continue to strengthen waste management, further improve resource-use efficiency, and monitor progress toward the relevant targets.	In the procurement of medical consumables, give priority to products with minimal packaging, reusable materials, or biodegradable properties.

Notes:

- The baseline intensity is calculated based on the Group's revenue recorded in the fiscal year 2022, and the target intensity is also determined using the revenue for that same year.

Emissions Management

During the Reporting Period, the Group complied with relevant laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Solid Waste Pollution Environment Prevention and Control Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and the Regulations on Medical Waste Management. No material violations with significant impacts on the Group were identified in relation to air and greenhouse gas emissions, wastewater and land discharges, or the generation of hazardous and non-hazardous waste.

Air Emissions

Exhaust emissions from the Group's operations primarily result from nitrogen oxides (NO_x), sulfur oxides (SO_x), and particulate matter (PM) generated by gasoline and diesel consumed by its vehicles. The Group continuously optimizes exhaust treatment measures and adheres strictly to vehicle maintenance schedules, conducting monthly regular inspections to reduce fuel consumption through meticulous management. In fuel procurement, we enforce strict quality controls to ensure purchased gasoline complies with national standards and undergoes annual testing, ensuring vehicle exhaust emissions meet environmental requirements from the source and minimizing environmental impacts.

Types of Air Emissions	Unit	2025	2024
Nitrogen Oxides (NO _x)	kg	576.88	672.65
Sulfur Oxides (SO _x)	kg	1.15	1.41
Particulate Matter (PM)	kg	43.43	52.17

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Greenhouse Gas Emissions

The primary sources of Greenhouse Gas Emissions are direct Greenhouse Gas Emissions (Scope 1) from fuel and refrigerants used by company vehicles and hospital equipment and indirect Greenhouse Gas Emissions (Scope 2) from purchased electricity. During the Reporting Period, the Group continued to strengthen management measures to reasonably control operational electricity consumption and deepened environmental awareness training for employees. Details of greenhouse gas emissions are as follows:

Indicators ²	Unit	2025	2024
Direct Greenhouse Gas Emissions	tCO ₂ e	1,383.60	2,462.38
Indirect Greenhouse Gas Emissions	tCO ₂ e	11,100.60	11,597.90
Greenhouse Gas Emissions Removed from Newly Planted Trees (Scope 1)	tCO ₂ e	16.24	16.24
Total Greenhouse Gas Emissions	tCO ₂ e	12,483.66	14,044.05
Total Greenhouse Gas Emissions Intensity ³	tCO ₂ e/million revenue	8.49	9.74

Notes:

- Greenhouse Gas Emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, the latest released emission factors of China's regional power grid basis.
- To provide a more accurate assessment of the Group's ESG performance, the intensity data for the Reporting Period are calculated based on the total revenue in the Reporting Scope. According to the Annual Results Announcement, the Group's total revenue amounted to RMB1,471.01 million (2024: RMB1,442.29 million). These data are used to calculate other intensity data.

Domestic sewage

Since the wastewater discharged by the Group is sent to local water purification plants for treatment through the municipal sewage pipe network, the water consumption of the Group is the sewage discharge. The Group's water consumption data will be explained in the Water Management section. Following the Administration on the Management of Medical Wastes and the Measures for Medical Waste Management of Medical and Health Institutions, the Group has undertaken intelligent upgrades of sewage treatment systems based on the specific requirements of each Group Hospital. Efforts have been made to explore and improve the infrastructure, including pipeline renovations, septic tank upgrades, and cellar well enhancements.

The Group strictly adheres to its established "2030 Environmental Targets" and will continue to review progress toward the set targets each year until 2030, remaining committed to achieving these goals.

Waste Management

The Group strictly complies with laws and regulations such as the Regulations on Medical Waste Management (《醫療廢物管理條例》) and the Law of the People's Republic of China on the Prevention and Control of Infectious Diseases. We actively promote efficient resource use to reduce waste generation at the source across Group Hospitals. We have established medical waste management regulations, including the Medical Waste Management Policy (《醫療廢物管理制度》), Medical Waste Handover and Management Policy (《醫療廢物交接管理制度》), and Centralized Medical Waste Disposal Policy (《醫療廢物集中處置制度》). These policies strengthen the safe management of medical waste in line with sustainable development principles, ensuring standardized handling and disposal of all waste generated from our operations.

Considering the Group's business nature, the waste generated is divided into hazardous waste and non-hazardous waste. Hazardous waste primarily consists of medical waste, while non-hazardous waste mainly includes municipal waste and office paper generated through hospital operations. During the Reporting Period, the Group has enhanced the data collection system for non-hazardous waste. The collection scope of the Group Hospitals has been further expanded and improved, resulting in an increase in the generation of non-hazardous waste compared to the previous year.

Types of Waste	Unit	2025	2024
Hazardous Waste	tonnes	507.27	505.81
Hazardous Waste Intensity	tonnes/million revenue	0.34	0.35
Non-hazardous Waste	tonnes	1,601.97	1,538.92
Non-hazardous Waste Intensity	tonnes/million revenue	0.72	1.07

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Hazardous Waste – Medical Waste

Medical waste includes five categories generated during patient diagnosis, treatment, and care: infectious, pathological, traumatic, pharmaceutical, and chemical waste. The Group strictly follows relevant regulations to classify, manage, transfer, and dispose of medical waste.

The Group continuously strengthens its medical waste management responsibility system, revising regulations such as the Medical Waste Management Regulations (《醫療廢物管理》) to refine workflows for waste handover, transit, and centralized disposal across departments. We assign dedicated personnel to oversee hazardous waste management in Group Hospitals, ensuring standardized handling of all medical waste generated. Through ongoing training and advocacy, we ensure employees and responsible parties are familiar with and adhere to the Group's hazardous waste procedures, minimizing unnecessary risks of contamination exposure while ensuring compliance with legal requirements.

In the specific implementation process, medical waste is classified and collected by the generating departments, stored in designated temporary storage areas with clear labeling, and regular declarations of waste volume are submitted. Hazardous medical waste is systematically transferred to qualified third-party disposal agencies at scheduled intervals. During handover, staff from the Logistics Support Department and the third-party agency conduct dual verification, classification, weighing, and computerized scanning of waste, ensuring proper sealing and timely, legal disposal in accordance with standardized protocols.

Meanwhile, the Group has continuously carried out publicity and training work related to medical waste management, helping employees and relevant responsible persons to be familiar with and implement the requirements of medical waste management, reduce unnecessary risks of exposure to pollutants, and ensure that the disposal process complies with regulatory requirements.

Non-hazardous Waste

For the harmless waste generated in daily operations, the Group continuously promotes classified management and standardized disposal, striving to reduce waste generation and enhance resource utilization efficiency. The Group, in light of the actual operation of hospitals, has clearly defined the requirements for the classification, recycling and disposal of harmless waste, and promoted the continuous improvement of relevant management processes in hospitals of each system.

Group hospitals have set up designated recycling stations for recoverable non-hazardous waste such as paper, glass, metal, plastic, and cardboard, equipped with clear classification labels to facilitate proper disposal by employees. Special wet and dry waste sorting areas are designated for household waste, ensuring segregated storage and treatment at fixed locations. Non-recyclable waste is collected, classified, and regularly disposed of by qualified waste disposal service providers.

To further enhance management, the Group is advancing upgrades and expansions of waste storage facilities in some Group Hospitals to optimize disposal processes and improve storage environments. We organize waste sorting training for employees to boost environmental awareness and promote eco-friendly practices among patients to encourage waste reduction.

In office operations, the Group strongly promotes paperless workflows, using online systems for administrative notices, data transmission, and other routine tasks to build an electronic workflow system. Employees are encouraged to use double-sided printing and photocopying, reduce reliance on disposable paper products, and minimize paper consumption.

Use of Resources

The Group attaches great importance to resource conservation and efficient utilization. It continuously conducts daily management around key resources such as water, electricity, oil and gas, striving to improve the efficiency of resource utilization and reduce resource consumption during the operation process. In light of the operational characteristics of medical institutions, the Group continuously pays attention to the usage of resources in scenarios such as diagnosis and treatment services, logistical support, and office management, and integrates the concept of resource conservation into daily management and employee behavior guidance.

Energy Management

In daily production and operation, energy consumption mainly comes from the operation of hospital buildings, lighting systems, air conditioning and ventilation, elevator equipment, the operation of medical and logistics facilities, as well as official vehicles and other links. During the reporting period, the Group's energy consumption was mainly based on purchased electricity, supplemented by a portion of direct energy consumption, which was used to support the stable operation of medical services and the daily operations of hospital areas. During the Reporting Period, the Group consumed a total of 23,953.66 MWh of energy.

Types of Energy Consumption	Unit	2025	2024
Total Direct Energy Consumption		4,251.07	4,731.01
Petrol	MWh	413.72	487.86
Diesel	MWh	347.56	448.88
Towngas	MWh	0.00	0.00
LPG	MWh	41.40	44.68
Natural Gas	MWh	3,448.39	3,749.58
Total Indirect Energy Consumption			
Purchased Electricity	MWh	20,686.92	20,336.49
Total Energy Consumption	MWh	24,937.99	25,067.50
Total Energy Consumption Intensity	MWh/million revenue	16.95	17.38

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, Group Hospitals actively responded to national calls for energy conservation and consumption reduction, establishing a systematic energy-saving framework. The Group formulated the Energy Conservation and Consumption Reduction Management Policy and Assessment Measures (《節能降耗管理制度及考核辦法》), deeply integrating energy-saving principles into all aspects of hospital operations to advance the transition toward green and energy-efficient healthcare facilities.

- **Office Model Innovation:** Hospitals vigorously promoted paperless office initiatives, fully upgrading digital office systems to enable electronic circulation and storage of medical documents, medical records, and other materials, effectively reducing paper consumption.
- **Energy Management Optimization:** Professional inspection teams were established to conduct in-depth inspections and meticulous maintenance of key energy facilities such as boilers and natural gas pipelines, ensuring efficient and stable equipment operation. Monthly energy consumption data analysis was used to identify abnormal usage points, mitigating risks of energy waste.
- **Energy-Efficient Procurement Practices:** Strict energy-saving standards were enforced in equipment procurement, prioritizing the selection of high-efficiency lighting fixtures, elevators, and other energy-saving facilities to enhance energy utilization efficiency at the source.

Water Management

The daily operational water supply of this Group mainly comes from the municipal water supply system, which can meet the demands of medical services and daily operations. The Group attaches great importance to water conservation and standardized use, continuously integrating water conservation concepts into the management of the hospital area and the daily work of employees, striving to improve water use efficiency and reduce unnecessary waste.

The Group continuously implements the Water Usage Management System (《用水管理制度》), with dedicated personnel regularly inspecting water supply facilities and key water usage areas, paying close attention to the operational status of equipment, promptly identifying and addressing water leakage and related equipment malfunctions, and ensuring the stable operation of the water supply system. The Group, in light of the actual situation of the hospital area, promotes water usage management by time periods and regions, and gives priority to the configuration of water-saving devices such as sensor faucets. It also strengthens water usage control in key areas to enhance the efficiency of water resource utilization.

The Group also continuously enhances employees' awareness of water conservation through daily publicity, internal reminders and training, guiding them to develop the habit of saving water in their daily work, and promoting a better connection between water resource management and green operation requirements.

Indicators	Unit	2025	2024
Water Consumption	m ³	467,337	443,789
Water Consumption Intensity	m ³ /million revenue	317.70	307.70

Use of Packaging Materials

Due to the nature of its business, the Group does not produce any finished products and does not have any industrial facilities, so it does not use a large amount of packaging materials in its daily operations. Therefore, the disclosure does not apply to the Group.

Protection of the Environment and Natural Resources

The Group attaches great importance to the possible impact of its operational activities on the environment and natural resources, and continuously strengthens environmental management in light of the characteristics of the medical service industry. For medical institutions, the key points of environmental management mainly lie in the standardized disposal of medical waste, the treatment of medical sewage, the utilization of resources in the hospital area, the operation of facilities and equipment, as well as the control of environmental impacts during the construction and renovation process. The Group continuously integrates environmental protection requirements into its daily operations and internal management, striving to minimize the adverse impact of its business activities on the surrounding environment and natural resources, and promoting the coordinated development of medical services and environmental responsibility.

The Group strictly complies with national and local environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Regulations on the Administration of Medical Waste. In light of the daily operational characteristics of medical institutions, it continuously improves the environmental risk identification, process control and emergency response mechanisms to ensure that environmental management is carried out in accordance with the law and regulations. The Group integrates environmental protection concepts into the management of hospital areas and the daily work of employees. Through measures such as system construction, publicity and training, on-site inspections, and emergency drills, it continuously enhances the standardization and execution of environmental management. In response to potential environmental risks, the group continuously optimizes its early warning and emergency response mechanisms, promoting the extension of environmental management from post-event response to pre-event prevention.

Environmental Protection Training

The Group continuously strengthens the cultivation of employees' awareness of environmental protection and resource conservation, and incorporates relevant contents into daily publicity and training work. The Group, in light of the hospital's actual situation, guides employees to enhance their environmental awareness and conservation consciousness in their daily work through regular publicity, Posting environmental protection slogans, popularizing knowledge on garbage classification, energy conservation and emission reduction, and efficient resource utilization. Meanwhile, the Group also holds environmental protection-themed training sessions or lectures from time to time to gradually enhance employees' awareness of environmental protection and resource management, and promote the better integration of green concepts into medical service scenarios.

Noise Management

The Group detects and manages noise in accordance with the requirements of the places where it operates. In the case of construction in the territory, we give priority to the use of low-noise equipment, and if high-noise equipment is required, we will adopt noise reduction measures such as installing construction fences. In addition, we configure effective noise pollution prevention and control facilities such as sound absorption, sound elimination, vibration isolation and vibration reduction according to regulations through reasonable layout of fixed equipment, adjustment of operation time, improvement of production technology, etc., to prevent environmental noise pollution.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water and Soil Pollution Management

The Group attaches great importance to the prevention and control of water and soil pollution risks and continuously promotes it as an important part of environmental management. The Group strictly adheres to laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Regulations on the Administration of Medical Waste, and in light of the operational characteristics of medical institutions, establishes corresponding management measures around the links of sewage treatment, discharge monitoring, emergency response and accident prevention, striving to reduce the risk of sudden pollution incidents.

In terms of sewage management, the Group is equipped with internal sewage treatment facilities and arranges professional personnel or operation and maintenance teams to inspect and maintain the operation status of sewage treatment equipment, the integrity of structures and the treatment effect. It continuously pays attention to the monitoring and management of sewage discharge to ensure the stable operation of the sewage treatment system. Relevant hospitals will also entrust qualified third-party testing institutions to regularly conduct sewage sampling and testing, and proactively accept supervision and random checks by relevant regulatory authorities to ensure that sewage discharge meets relevant requirements.

In terms of emergency management, the Group has formulated systems and plans such as the Emergency Plan for the Disposal of Medical Waste Loss, Leakage, Diffusion and Accidental Incidents (《醫療廢物流失 泄露 擴散及意外事故處置應急預案》) and the Emergency Plan for Hospital Sewage Treatment (《醫院污水處理應急預案》), clearly defining the emergency response procedures, division of responsibilities and disposal requirements. Some system hospitals have also established medical sewage and waste management leading groups to coordinate and supervise the sewage and related environmental management work of each department. We regularly organize emergency drills around situations that may cause sewage leakage or spread, such as power outages, sewer blockages, grille malfunctions, and acid and alkali leaks, to continuously enhance the ability to handle sudden environmental incidents.

By continuously promoting the work related to environmental and natural resource protection, the Group has been constantly strengthening the foundation of environmental management, enhancing employees' environmental awareness and the level of environmental risk prevention and control, and striving to ensure the normal operation of medical services while reducing the adverse impact on the environment and natural resources.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas,
Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustainable Operation – Low-carbon and Energy-saving
KPI A1.1	The types of emissions and respective emissions data.	Sustainable Operation – Low-carbon and Energy-saving
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Sustainable Operation – Low-carbon and Energy-saving
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity	Sustainable Operation – Low-carbon and Energy-saving
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Sustainable Operation – Low-carbon and Energy-saving
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Sustainable Operation – Low-carbon and Energy-saving
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Sustainable Operation – Low-carbon and Energy-saving

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Subject Areas, Aspects, General

Disclosures and KPIs Description

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Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Operation – Low-carbon and Energy-saving
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Sustainable Operation – Low-carbon and Energy-saving
KPI A2.2	Water consumption in total and intensity	Sustainable Operation – Low-carbon and Energy-saving
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Sustainable Operation – Low-carbon and Energy-saving
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Sustainable Operation – Low-carbon and Energy-saving
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced	Sustainable Operation – Low-carbon and Energy-saving

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Sustainable Operation – Protection of the Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Operation – Protection of the Environment and Natural Resources

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainable Operation – Combating Climate Change
KPI 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.	Sustainable Operation – Combating Climate Change
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Diversity and Inclusion – Employee Care
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Diversity and Inclusion – Employee Care
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Diversity and Inclusion – Employee Care

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General

Disclosures and KPIs Description

Section/Declaration

Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Diversity and Inclusion – Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Diversity and Inclusion – Health and Safety
KPI B2.2	Lost days due to work injury.	Diversity and Inclusion – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Diversity and Inclusion – Health and Safety

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Diversity and Inclusion – Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Diversity and Inclusion – Talent Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Diversity and Inclusion – Talent Development

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Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Diversity and Inclusion – Employee Care
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Diversity and Inclusion – Employee Care
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Inclusion – Employee Care
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Service Excellence – Supply Chain Quality
KPI B5.1	Number of suppliers by geographical region.	Service Excellence – Supply Chain Quality
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Service Excellence – Supply Chain Quality
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Service Excellence – Supply Chain Quality
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Service Excellence – Supply Chain Quality

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Subject Areas, Aspects, General

Disclosures and KPIs Description

Section/Declaration

Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service Excellence – Medical Service Quality Service Excellence – Innovation Development
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Service Excellence – Medical Service Quality
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Service Excellence – Medical Service Quality Service Excellence – Patient Care Experience
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Service Excellence – Innovation Development
KPI B6.4	Description of quality assurance process and recall procedures.	Service Excellence – Medical Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Service Excellence – Patient Care Experience Service Excellence – Innovation Development

Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Enhanced Governance – Anti-Corruption and Compliance
KPI 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.	Enhanced Governance – Anti-Corruption and Compliance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Enhanced Governance – Anti-Corruption and Compliance
KPI B7.3	Description of anti-corruption training provided to Directors and staff.	Enhanced Governance – Anti-Corruption and Compliance
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Diversity and Inclusion – Social Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Diversity and Inclusion – Social Responsibility
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Diversity and Inclusion – Social Responsibility

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Subject Areas,
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Disclosures and KPIs Description

Section/Declaration

Climate-Related Disclosures

Climate Change	Governance, strategy, risk management, and metrics and targets of Climate Change	Sustainable Operation – Combating Climate Change
GHG Emissions	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Sustainable Operation – Low-carbon and Energy-saving