



# Concord Healthcare Group Co., Ltd.\*

## 美中嘉和醫學技術發展集團股份有限公司

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

Stock code: 2453

# 2023

## Environmental, Social and Governance Report



\* For identification purpose only





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# About This Report

This Report is the 2023 Environmental, Social and Governance Report (hereinafter referred to as the “**ESG Report**”) prepared and released by Concord Healthcare Group Co., Ltd. (hereinafter referred to as “**Concord Healthcare**,” “**the Group**” and “**we**”), which aims to convey the concept, management measures and achievements of Concord Healthcare in terms of environmental, social and governance, respond to the concerns of various stakeholders, and promote active and effective communication between all parties. Some of the governance contents of this report are recommended to be read in conjunction with the chapter of “Corporate Governance Report” contained in the annual report.

## Reporting Scope

Unless otherwise stated, the scope of disclosure in this report included the ESG performance of the Group’s medical institution and subsidiaries<sup>1</sup>. This report covered the period from January 1, 2023 to December 31, 2023 (hereinafter referred to as the “**current year**” or “**reporting period**”). In order to ensure the continuity of the disclosed content, some of the contents in the report may exceed this time range, and the specific time range has been indicated in the corresponding location.

## Information Notes

The information in this report was derived from the Group’s internal documents, information statistics, surveys on and interviews with stakeholders, etc. The Group’s emissions and energy use indicators are calculated and measured according to national regulations or international standards. The amounts of currencies involved in the report are denominated in RMB, unless otherwise specified.

## Preparation Reference

This report has been prepared in accordance with *Appendix C2 Environmental, Social and Governance Reporting Guide* (the “**Guide**”) to the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited based on the principles of materiality, quantitative, balance and consistency, and disclosed ESG governance structure, reporting principles, scope of reporting, general disclosure of various areas and dimensions and key performance indicators in accordance with the mandatory disclosure requirements and the “Comply or Explain” provision contained in the Guide.

“**Materiality**”: key stakeholders and the ESG issues of their concern have been identified in preparing this report and targeted disclosures have been made in this report based on materiality of each issue.

“**Quantitative**”: this report presented the environmental and social KPIs in a quantitative manner, and the basis, methods, assumptions and/or calculation tools for measurement of the KPIs in this report as well as the source of factors used are described in relevant sections.

“**Balance**”: this report provided objective presentation of the Group’s performance to avoid selections, omissions, or through presentation formats that may inappropriately influence report readers’ decisions or judgments.

“**Consistency**”: the statistical methods of this report are consistent with other publicly disclosed information.

## Reporting Language

This report is made in both traditional Chinese and English in case of any discrepancies, the traditional Chinese version shall prevail.

1 The reporting scope covers the Group’s medical institutions and subsidiaries including Guangzhou Concord Cancer Center, Datong Meizhong Jiahe Cancer Center, Guangzhou Concord Medical Center, Shanghai Concord Medical Cancer Center, Shanghai Concord Medical Imaging Diagnostic Center, Beijing Healthington Technology Co., Ltd.

# Chairman's Statement

Since its establishment in 2008, Concord Healthcare have always upheld the core mission of “fighting cancer and safeguarding the glory of life (抗擊癌症守護生命光彩)”, and have been committed to promoting the standardization and internationalization of oncology diagnosis and treatment in China, so that tumor patients in China can enjoy high-quality medical services. For over a decade, Concord healthcare has been deeply involved in the research, development, transformation and application of advanced oncology diagnostic and treatment technologies, not only has deployed, built and operated a number of international specialized oncology healthcare institutions across the country, but also has formed a good reputation in the field of healthcare services, and won unanimous praise from patients and partners by relying on an enterprise customer network widely empowered by integrated oncology-related services.

The past 2023, is a year which is meaningful to Concord Healthcare. This year, facing an external environment full of opportunities and challenges, we have forged ahead in the process of continuous exploration, with compliance requirements as the baseline, sustainability development concept as the guide, and patient needs as the core. This year, we have deeply engaged in improving the quality of medical services, keeping up with the cutting-edge of oncology radiation therapy, constantly improving professional techniques, striving to provide patients with the highest quality medical experience. At the same time, we have continued to optimize and improve our light-asset business model, build a digital healthcare system, and empower our partners with our holistic cloud platform solutions. This year, we have also actively shouldered social responsibility, embraced the national development trend of sustainability, and strengthened our internal management of ESG related issues, integrated ESG concepts into the Group's governance structure and daily operation. We have paid attention to medical quality and accountability, health and safety, data and information security, caring for employees, giving back to communities, response to climate change.

Concord Healthcare successfully listed on the Hong Kong Stock Exchange in early 2024 and officially entered the global capital market, which is a significant breakthrough in the Group's development. Looking forward, Concord Healthcare will always keep in mind the vision of “work together with leading wisdom and build quality healthcare to become the most trusted anti-cancer partner for patients (攜手領先智慧 共籌品質醫療 成為患者最信任的抗癌夥伴)”, continuously deepen ESG management and practice, as effective tools for high-quality development and value creation in the tumor prevention and treatment industry, maintain high-quality health service supply, adhere to the health management of the entire life cycle, coordinate safety and development, so as to achieve the common progress of a green and low-carbon cycle in society and the improvement of people's health and well-being and sustainable development of enterprises.

# I. ESG Governance

## 1.1 Board Statement

The Group fully recognized the importance of sustainable development in creating long-term and stable corporate value and is committed to continuously improving the ESG working mechanism and optimizing ESG management practices. As the highest responsible and decision-making body of the Group, the Board of Directors of Concord Healthcare (hereinafter referred to as the “**Board**”) took full responsibility for the Group’s ESG strategy and disclosure.

The Group has incorporated ESG matters into the Group’s governance structure. The Board was responsible for reviewing the ESG strategies and action plans, supervising the management of ESG-related matters of the Group, listening to management reports of ESG work in a regular manner, and overseeing the Group’s ESG performance.

The Group attached great importance to the identification and response of ESG-related risks and opportunities. The Board is responsible for overseeing the assessment of the Group’s ESG risks and opportunities, prioritizing and managing ESG-related matters, ensuring that the Group has an appropriate ESG risk management system, and regularly reviewing the effectiveness of the system.

The Group has set environmental goals related to its business operations. The Board supervises and regularly reviews the achievement and management of the goals.

This report was reviewed and approved by the Board of the Group on 27 March 2024

## 1.2 ESG Governance Structure

The Group practiced the Group’s ESG philosophy and strategy to enhance the Group’s ESG performance. The Board was responsible for overseeing and making decisions on ESG matters and controlling the direction of the ESG strategy. At the executive level, we have set up an ESG working group comprising the heads of relevant departments to jointly carry out ESG-related work, supported the effective implementation of the Group’s ESG strategy, fully understood the Group’s demands in ESG fields and potential challenges, formulated a more focused ESG management strategy, and reported to the Board regularly on the progress of our work.

## 1.3 Stakeholder Communication

We value the expectation and requests of stakeholders. Based on the Group’s business nature, we have identified key stakeholders, including government and regulatory authorities, shareholders and investors, employees, customers and patients, suppliers, academic and research institutions, communities, and the public. By establishing diversified communication mechanisms and channels, we maintained close communication with all stakeholders, identified ESG risks and opportunities for the Group, and continued to improve ESG management and practices.

# I. ESG Governance

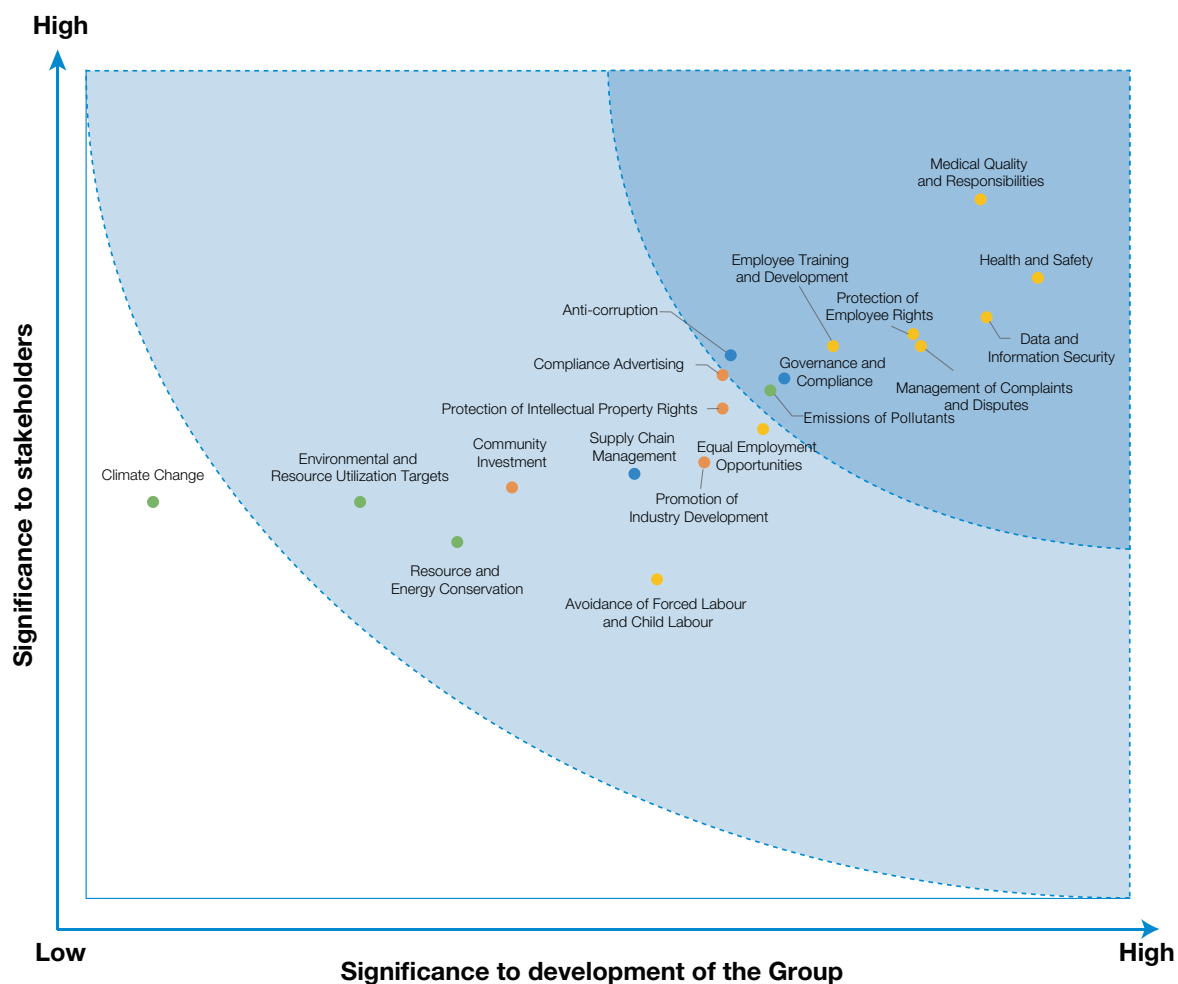
Stakeholders	ESG issues concerned	Communication and Response Channels
 Government and Regulatory Authorities	Governance and Compliance Anti-corruption Medical Quality and Responsibilities Avoidance of Forced Labour and Child Labour Emissions of Pollutants Climate Change	Information Disclosure Routine Reporting Regulatory Compliance Site visits, Exchanges and Visits
 Shareholders and Investors	Medical Quality and Responsibilities Anti-corruption Employee training and Development Emissions of Pollutants Climate Change	Periodic Reports Timely announcements, Circulars and Press Releases Shareholders' Meeting Official Website
 Employees	Protection of Employee Rights Equal Employment Opportunities Employee Training and Development Health and Safety	Training and Meetings Performance Evaluation E-mail, Notice and Circular Online Office Platform Offline Hospital Dean's Mailbox Chairman Open Day Dean's Communication Meeting
 Customers and Patients	Medical Quality and Responsibility Management of Complaints and Disputes Data and Information Security	Patient Satisfaction Survey Customer Service Hotline E-mail and Official Account Face-to-face Meetings and Visits Communication of Diagnosis and Treatment Process
 Suppliers	Supply Chain Management Anti-corruption	Regular Communication Periodic Review
 Academic and Research Institutions	Promotion of industry development Medical quality and responsibility Protection of intellectual property rights	Academic Exchanges Conference Forum
 Communities and the Public	Community Investment Emissions of Pollutants Resource and Energy Conservation	Community Activities Public Welfare Activities Daily Operation

# I. ESG Governance

## 1.4 Materiality Assessment

Under the leadership of the ESG Working Group, the Group conducted questionnaire surveys and seminars during the year to understand and communicate with the stakeholders about the ESG issues concerned. By conducting the materiality assessment, we have identified prioritized ESG topics which are of both high importance to the Group and our important stakeholders.

The Group identified issues of high materiality, including medical quality and responsibilities, health and safety, data and information security, protection of employee rights, management of complaints and disputes, governance and compliance, anti-corruption, emissions of pollutants; issues of moderate materiality, including equal employment opportunities, compliance advertising, protection of intellectual property rights, promotion of industry development, supply chain management, community investment, resource and energy conservation, avoidance of forced labour and child labour; issues of general materiality, including climate change. We will elaborate on the aforesaid materiality in the each section of this report.



## II. Cherish Nature, Green Operation

We actively shoulder our environmental responsibilities, promote the sustainable development of the Group, and we uphold the principle of green operation by managing the environmental footprint, carbon emission reduction, energy conservation.

### 2.1 Emission Management

The Group strictly complies with various environmental protection laws and regulations, clearly sets the internal management policies and systems of waste gas, wastewater, waste and other emissions, and regulates the disposal process of various emissions. We regularly invite qualified third parties to conduct emissions testing and send emission data to relevant regulatory agencies to ensure compliant emissions and avoid negative impacts on the environment and natural resources. In 2023, the Group did not have any administrative penalties or related lawsuits related to environmental pollution.

External Laws and Regulations	Internal policies and systems
<ul style="list-style-type: none"><li>Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)</li><li>Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》)</li><li>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》)</li><li>Regulations on the Administration of Medical Wastes (《醫療廢物管理條例》)</li><li>Measures for Medical Wastes Management of Medical and Health Institutions (《醫療衛生機構醫療廢物管理辦法》)</li><li>Discharge standard of water pollutants for medical organization (《醫療機構水污染物排放標準》)</li></ul>	<ul style="list-style-type: none"><li>Sewage Treatment Station Management System (《污水處理站管理制度》)</li><li>Domestic Waste Management System (《生活垃圾管理制度》)</li><li>Medical Waste Management System (《醫療廢物管理制度》)</li></ul>

#### 2.1.1 Greenhouse Gas and Waste Gas Management

The Group's greenhouse gases are mainly derived from fuel emissions from business cars, ambulances and indirect greenhouse gas emissions from purchased electricity. Waste gas is mainly the waste gas generated in the process of medical wastewater treatment. We set up waste gas treatment devices to deodorize and ensure that waste gas is discharged in compliance with regulations. We actively respond to the country's call for low-carbon development, encourage employees to adopt green travel, use new energy buses, and implement energy-saving measures in business operations to reduce greenhouse gas emissions.

See 2.2 Resource Management for more information on energy conservation and emission reduction.



## II. Cherish Nature, Green Operation

### 2.1.2 Wastewater Management

The wastewater generated by the Group in the course of business operations mainly includes domestic wastewater and medical wastewater. We follow the *Discharge standard of water pollutants for medical organization (GB18466-2016)* 《醫療機構水污染物排放標準》(GB18466-2016)), formulate the *Sewage Disposal Management System* 《污水處理管理制度》, strictly control the treatment, discharge and testing of medical wastewater, strictly prohibit illegal discharge to avoid environmental hazards. We discharge medical sewage to sewage treatment station in the hospital area, apply the treatment process and disinfection technology stipulated by the national standards, uniformly treat medical wastewater, and discharge it to the municipal sewage pipe network after the effluent quality passes the inspection and meets the discharge standards. At the same time, we regularly test the pollutant indicators of medical wastewater, test the effectiveness of sewage treatment facilities to ensure compliant medical wastewater discharge.

### 2.1.3 Waste Management

The non-hazardous waste generated by the Group in the process of business operation mainly include domestic waste, kitchen waste, and hazardous waste mainly include discarded toner cartridges, ink cartridges, sludge from sewage treatment station and medical waste.

For non-hazardous waste, we return it to the property agencies for recycling and disposal. For hazardous waste, we adopt different treatment measures to effectively ensure compliance and safety of disposal. For discarded toner cartridges and ink cartridges, we hand them over to qualified third parties for disposal. For sludge from sewage disposal station, we ask a qualified third party to carry out regular microbial indicator testing and clean up and disinfect. For medical waste, we set up full-time personnel to inspect and supervise the safe disposal of the Group's medical waste to avoid leakage and spread of medical waste, causing damage to the environment and personnel health. We classify, collect, store and transport infectious waste, pathological waste, damaging waste, pharmaceutical waste and chemical waste, and finally hand them over to qualified medical waste disposal parties for safe disposal. At the same time, we carry out special trainings for the Group's staff involved in the disposal of medical waste, explain knowledge on laws and regulations, disposal process, personnel protection and emergency treatment, etc., so as to enhance staff's awareness and skills in the disposal of medical waste.

## II. Cherish Nature, Green Operation

### 2.1.4 Medical Radiation Management

The Group strictly complies with various laws and regulations on medical radiation management, launches strict internal policies and systems, and effectively regulates relevant work in the management of the Group’s radiation safety and protection for radiation therapy and radioactive waste management. We assess the environmental impact and occupational hazards of large-scale radioactive equipment sites, and strictly implement laws and regulations on environmental pollution control and environmental management, radiation safety and protection facilities, etc.

External Laws and Regulations	Internal policies and systems
<ul style="list-style-type: none"> <li>• Law of the People’s Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》)</li> <li>• Regulation on the Safety Management of Radioactive Waste (《放射性廢物安全管理條例》)</li> <li>• Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》)</li> <li>• Requirements for Radiation Safety and Protection for radiotherapy (《放射治療輻射安全與防護要求》)</li> <li>• Radiological protection management for medical radioactive waste (《醫用放射性廢物的衛生防護管理》)</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant Systems of Radiation Safety for Nuclear Medicine (《核醫學輻射安全相關制度》)</li> <li>• Radioactive Waste Management System (《放射性廢物管理制度》)</li> </ul>

The Group adheres to the principle of “minimizing” radioactive waste and minimizes the volume and weight of radioactive waste and the amount of radionuclides in the waste. We use advanced radiation diagnosis equipment designed to reduce the generation of radioactive waste from the source. At the same time, we set up operating areas for unsealed radioactive materials, allowing only the relevant nuclear medicine personnel to work in the operating areas, and prohibit anyone to bring any unnecessary items into the operating areas, so as to reduce the potential radioactive pollution.

We attach importance to the safe disposal of radioactive waste and set up full-time personnel to supervise the collection, storage and treatment of radioactive waste gas, wastewater and solid waste. For disused radioactive sources<sup>2</sup>, we follow the requirements of laws and regulations, return them to the original manufacturer or contact a qualified transportation company to send them to the urban radioactive waste warehouse for storage, and file with the competent authorities of ecology and environment. For radioactive waste gas, we set up an independent ventilation system to filter and purify the gas discharged from the workplace to avoid polluting the workplace and the environment. For radioactive solid waste, we place it in the specialized temporary storage room and classify it as medical waste for disposal after it decays until the radionuclide activity and concentration meet the level of releasing control. For radioactive wastewater, we set up a tank-type radioactive wastewater decay tank for temporary storage and collection. When it decays until the radionuclide activity and concentration meet the level of releasing control, it will be classified as medical wastewater for treatment.

2 Radioactive source: A radioactive source is a substance that is sealed in a shell or tightly consolidated in a covering layer and is in solid form.

## II. Cherish Nature, Green Operation

### 2.2 Resource Management

The Group complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* 《中華人民共和國節約能源法》, the *Regulations on Supply and Use of Electric Power* 《電力供應與使用條例》, and the *Regulation on Urban Water Supply* 《城市供水條例》, and formulates resource management systems such as the *Hospital Water Supply Management System* 《醫院供水管理制度》 to standardize the standards for use of resource, reduce waste of resource, and promote the green operation and development of the Group.

The Group's resource consumption in the process of business operation mainly includes purchased electricity, water, paper and vehicle fuel. The Group's water use is mainly purchased municipal water, and we do not have any issue in sourcing water that is fit for purpose.

In terms of energy consumption, we use energy-saving appliances and strengthen energy consumption management to reduce greenhouse gas emissions by continuously reducing energy consumption:

- 100% of office area use energy-saving lamps, and the constant lamps along the staircase are replaced by voice control lamps.
- Apply energy-saving air conditioners, and manage energy-saving air conditioners, and post marks to encourage employees to set the temperatures of air conditioners reasonably.
- Employees are required to turn off non-essential electrical equipment such as computers, printers, electric lamps after work.
- Set special personnel to patrol and inspect the scientific use of energy consumption facilities and equipment such as lighting and air conditioners in office areas.

In terms of water-saving management, we use water-saving faucets and improve water resource utilization efficiency through reusing rainwater to:

- In the office area and suitable medical care area<sup>3</sup>, preference will be given to sensor faucets.
- Rainwater harvesting will be carried out in the hospital areas equipped with facilities and the harvested rainwater will be used as water for afforest.

In terms of office consumables, we promote paperless office and advocate employees to practice the concept of green office:

- Apply the online office system to reduce the use of paper.
- Apply electronic medical records, and through the implementation of an online clinical information system, reduce the paper documents printing during the links of submission for inspection, ward inspection, etc.
- It is recommended to select duplex printing and reuse single-sided paper.

3 Manual faucet must be used in some scenarios in healthcare areas.

## II. Cherish Nature, Green Operation

### 2.3 Environmental Performance<sup>4</sup>

#### Emissions

Indicators	Unit	2023
Total GHG emissions <sup>5</sup>	tonnes	7,051.65
GHG emissions per unit area	tonnes/m <sup>2</sup>	0.11
GHG emissions per capita	tonnes/person	10.80
Scope 1 emissions	tonnes	82.71
Scope 2 emissions	tonnes	6,968.94
Hazardous waste <sup>6</sup>	tonnes	27.61
Hazardous waste per unit area	tonnes/m <sup>2</sup>	0.0004
Hazardous waste per capita	tonnes/person	0.04
Non-hazardous waste <sup>7</sup>	tonnes	627.11
Non-hazardous waste per unit area	tonnes/m <sup>2</sup>	0.01
Non-hazardous waste per capita	tonnes/person	0.96
Exhaust emissions <sup>8</sup>	Cubic meters	0.16
Wastewater discharge	Cubic meters	41,095.37

4 The per capita performance statistics of Environmental Performance are all full-time employees.

5 GHG inventories include carbon dioxide, methane and nitrous oxide, mainly derived from purchased electricity, fuel. GHG gas calculation is presented based on carbon dioxide equivalent, and is calculated in accordance with the 2021 China Regional Grid Baseline Emission Factors for Emission Reduction Projects 《2021年減排項目中國區域電網基準線排放因子》 published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

6 The Group's hazardous waste generated in the process of business operations mainly includes discarded toner cartridges, ink cartridges, sludge from sewage treatment station and medical waste.

7 The non-hazardous waste generated by the Group in the process of business operations mainly includes domestic waste and kitchen waste.

8 Based on the operating characteristics, the Group's waste gas mainly comes from the waste gas generated in the process of medical wastewater treatment. It is not included in the disclosure because the exhaust emissions of business cars are extremely small. During the reporting period, the statistical scope is the emission of ammonia content, and it is calculated by converting into cubic meters

## II. Cherish Nature, Green Operation

### Energy and Resource Consumption<sup>9</sup>

Indicators	Unit	2023
Total comprehensive energy consumption <sup>10</sup>	MWh	14,329.85
Energy consumption per unit area	MWh/m <sup>2</sup>	0.22
Energy consumption per capita	MWh/person	21.94
Direct energy consumption	MWh	334.81
Gasoline consumption	MWh	293.21
Diesel consumption	MWh	41.60
Indirect energy consumption	MWh	13,995.04
Purchased electricity consumption	MWh	13,995.04
Water consumption	tonnes	65,000.39
Water consumption per unit area	tonnes/m <sup>2</sup>	1.02
Water consumption per capita	tonnes/person	99.54

- 9 The weight of the packaging materials used by the Group in the production of medical equipment is relatively small, and the production of medical equipment is not the main business of the Group and has not been included in the disclosure scope for the time being.
- 10 The total comprehensive energy consumption is calculated based on the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*《综合能耗计算通则(GB/T 2589-2020)》, including the consumption of gasoline, diesel, and purchased electricity.

## II. Cherish Nature, Green Operation

### 2.4 Climate Change Actions

The Group closely monitors the trends of climate change and timely identifies and analyzes potential impacts. At current stage, we have sorted out and analyzed the potential climate change-related risks and opportunities faced by the Group in the process of operation, actively organized and carried out discussions and analysis, and set up corresponding management measures and countermeasures in a timely manner. We will continue to manage and respond to climate risks, ensure the stable operation of our business, the safety of our personnel and assets, and grasp the development opportunities of low-carbon and energy-saving.

#### Physical Risks

Risk Type	Risk Description	Responses
Acute Risk	Increased frequency and intensity of extreme weather events such as rainstorms, floods, and typhoons may result in damage to hospital facilities (e.g., billboards, streetlights in hospital districts, etc.), interruption of power supply, etc., resulting in the increase in hospital operating costs and the decline in patients' medical experience.	<ul style="list-style-type: none"> <li>Formulate emergency response plans such as <i>Emergency Response Plan for Environmental Emergencies</i> (《突發環境時間應急預案》) and Emergency Response to Fault of <i>Electric Transformation and Distribution Systems</i> (《變配電系統故障應急》) to enhance prevention and control and management capabilities for sudden events.</li> <li>Regularly inspect, maintain and overhaul the facilities in hospital districts to ensure the safety and stability of the operation of the facilities.</li> <li>Install a power-down alarm with uninterruptible power supply (UPS) to ensure continuous operation of key medical equipment.</li> </ul>
Chronic Risk	The frequent occurrence of extreme weather events leads to a change in the global precipitation pattern, with longer periods of plum rain seasons and increased humidity. Most of the Group's hospital districts are located in areas susceptible to rainy seasons, resulting in increased management and maintenance costs such as moisture-prevention drug storage and regular cleaning in medical care areas.	<ul style="list-style-type: none"> <li>Daily monitoring of pharmacy temperature and humidity data to maintain appropriate drug storage conditions.</li> <li>Pharmacies are equipped with dehumidifiers to strictly control the humidity of the environment and to prevent the dampening and deterioration of drugs and medicinal materials.</li> <li>Clean up the water stains left by the personnel in the medical care areas in a timely manner, and strictly control the cleanliness of the environment in the hospital districts.</li> </ul>

## II. Cherish Nature, Green Operation

### Transition Risks

Risk Type	Risk Description	Responses
Policy and Legal Risk	Climate policies and regulations are becoming increasingly stringent, which may increase compliance costs if the Group is unable to track and identify the potential impact of applicable policies and regulations in a timely manner.	<ul style="list-style-type: none"> <li>Pay attention to the requirements of laws, regulations and policies in each business sites, deploy and advance related work, and respond to compliance requirements in a timely manner.</li> </ul>
Market risk	As the country implements the “dual carbon” goal and actively promotes measures such as renewable energy supply, there is the possibility of fluctuations in the prices of traditional energy and renewable energy, which may lead to an increase in corporate electricity costs.	<ul style="list-style-type: none"> <li>Continue to explore energy-saving practices in the operation process, improve the efficiency of energy management, and actively promote the Group’s long-term development strategy of low-carbon and energy conservation.</li> </ul>

### Opportunities

Type of Opportunity	Opportunity Description	Responses
Resource efficiency	Some business sites have opened up pilot market-based electricity procurement, and the Group can reduce operating costs by supporting reasonable power procurement strategies through energy conservation management.	<ul style="list-style-type: none"> <li>Refine the management of energy and electricity consumption, realize accurate estimation of electricity demand, and further improve the electricity procurement strategy at specific operation sites.</li> <li>Continue to promote the comprehensive energy-saving measures for the Group’s operation places and improve energy efficiency. See 2.2 Resource Management for more specific energy saving measures.</li> </ul>

## II. Cherish Nature, Green Operation

### 2.5 Environmental Goals

Focusing on energy use, GHG emissions, water management and waste management, we set a series of environmental goals during the year and will continue to review progress towards achieving the goals with a view to continuously improving the Group's sustainable development performance.

Type	Target Content	2023 Target Progress	Management Measures and Implementation actions
Energy use	From 2023, 100% of the Group's replacement and new lighting facilities use energy-saving lights.	During the year, the Group replaced and newly installed lighting facilities 100% used energy-saving lights.	The Group gradually phase out ordinary luminaries and select energy-saving lamps when replacing and installing new lighting facilities.
Energy use	Based on 2022, the Group's key hospitals promote energy conservation and emission reduction measures, decreasing the electricity consumption per capita.	In 2023, the electricity consumption per capita of Guangzhou Concord Cancer Hospital dropped by 8.3% compared with 2022.	Hospitals continue to promote various energy conservation and emission reduction measures, and continue to improve energy use efficiency.
Waste Reduction Target	From 2023, the Group maintain 100% compliance in waste disposal.	In 2023, the Group maintained 100% compliant waste disposal.	Hospitals continue to improve waste collection and disposal management, ensure that all kinds of waste are disposed in compliance with regulations, and prevent secondary pollution to the environment.
Water efficiency	By 2025, the installation rate of sensor faucets in the Group's office areas and suitable medical care areas will reach 100%.	During the year, the installation rate of sensor faucets in the Group's office areas and suitable medical care areas reached 90%.	The Group is phasing out ordinary faucets and expanding the scope of application of sensor faucets.

Taking into account that GHG emissions are mainly derived from energy consumption in the operation of office and medical areas, we have not yet set a separate target for reducing GHG emissions in this reporting year.



### III. Pursuing Excellence, Serving with Compassion

Health related, life entrusted. The Group has always adhered to the mission of “fighting cancer and safeguarding the glory of life”, continuously exploring a “patient-centered” comprehensive diagnostic and treatment model. We are committed to protecting patient privacy, innovating in medical technology research and development, and dedicated to providing patients with high-quality medical services that focus more on the quality of life.

#### 3.1 Service Quality and Medical Safety

With the vision of “becoming the most trusted anti-cancer partner of patients”, the Group has always put the satisfaction of patients in the first place to ensure medical safety and improve the quality of services. We strictly abide by the laws and regulations of medical services and safety management, promulgate and regularly optimize the internal medical quality management system, continuously improve the medical quality control process, and provide high-quality diagnosis and treatment services.

External laws and regulations	Internal policies and systems
<ul style="list-style-type: none"> <li>• Law of the PRC on the Promotion of Basic Medical and Health Care and the Promotion of Health 《中華人民共和國基本醫療衛生與健康促進法》</li> <li>• Law of Doctors of the People’s Republic of China 《中華人民共和國醫師法》</li> <li>• Measures for Medical Quality Management 《醫療質量管理辦法》</li> <li>• Drug Administration Law of the PRC 《中華人民共和國藥品管理法》</li> <li>• Regulations on Supervision and Administration of Medical Devices 《醫療器械監督管理條例》</li> </ul>	<ul style="list-style-type: none"> <li>• First-visit Responsibility System 《首診負責制》</li> <li>• Operation Safety Verification System 《手術安全核查制度》</li> <li>• Quality and Safety Management System of Anesthesiology Department 《麻醉科質量與安全管理制度》</li> </ul>

##### 3.1.1 Medical Quality Management

The Group continued to improve its medical quality management system and established a three-level medical quality management system, namely “Quality and Safety Control Committee”, “Professional Branch” and “Medical Department”, with clear responsibilities and mutual coordination at all levels, so as to promote the Group’s medical quality management work in an efficient and orderly manner. The “Quality and Safety Control Committee” is mainly responsible for coordinating the work related to the medical quality management of the Group and making decisions on major issues. The “Quality and Safety Control Committee” consists of professional branches of medical treatment, nursing, hospital infection control, pharmacy, blood transfusion, equipment, etc. Each branch regularly carries out self-inspection of quality control and supervises the rectification and implementation of relevant medical quality problems. As the specific executive department, the “Medical Department” is responsible for the daily medical quality management.

## III. Pursuing Excellence, Serving with Compassion

### 1. Drug Safety Management

The Group formulates drug safety management systems such as *Drug Prescription and Management System* (《藥物處方與管理制度》), *Prescription Review Management System* (《處方點評管理制度》) and *Adverse Drug Reaction Reporting and Monitoring Management System* (《藥品不良反應報告和監測管理制度》) and *Emergency Response Plan for Sudden Serious Adverse Drug Events* (《藥品突發嚴重群體不良事件應急預案》), continuously optimizes the drug management process, and tracks and controls the whole process of drug procurement and acceptance, storage and disposal, prescription review and dispensing, and adverse drug event monitoring and reporting. Drug name, registration number, specification, production date, production batch number, production enterprise and other information are recorded through the information system to ensure accurate traceability of each drug and provide a solid guarantee for patients' medication safety.

- Drug procurement and acceptance: We strictly regulate the drug procurement process, carefully screen drug suppliers, and thoroughly check their qualifications to ensure that suppliers meet the Group's standards. After the arrival of drugs, we will check the product specifications, quality, compliance, quality inspection reports and other aspects, and only after they are qualified can they be put into storage.
- Drug storage and disposal: We store drugs in different warehouses and zones according to their characteristics. For drugs that need to be protected from light, ventilated, moisture-proof and insect-proof, we specially configure corresponding facilities to ensure that all kinds of drugs are stored in a suitable environment. We regularly inspect the drugs in stock, remove the drugs that are nearing their expiration dates, and hand them over to a third-party organization with professional qualifications for centralized destruction.
- Prescription review and dispensing: We clarify the responsibilities of each post, require prescription reviewers and dispensers to check the contents of prescriptions comprehensively and meticulously in the course of their work, and strictly control the selection, dosage and usage of drugs based on patient information, diagnosis and medication history, so as to ensure the quality of drugs sold.
- Medication safety and adverse event monitoring: We have established a sound adverse drug reaction monitoring and reporting mechanism, conducted in-depth analysis and evaluation of the collected adverse drug reaction reports, timely identified potential risks, and took appropriate measures to ensure the safety of patients' medication.

We clarify the recall management mechanism for the drugs sold, formulate and implement the *Drug Recall Management System* (《藥品召回管理制度》), and carry out graded recalls of sold drugs with quality problems or other safety hazards according to prescribed procedures. If there is an actual recall, the relevant departments are responsible for recording the recalled drugs in detail and entrusting professional third parties to destroy them in order to ensure the safety of drug use by the public. In 2023, there was no incident in which the Group had to recall the drugs sold or delivered.

# III. Pursuing Excellence, Serving with Compassion

## 2. Medical Safety Management

The Group formulates and strictly implements the *Medical Safety (Adverse) Event Management System* 《醫療安全(不良)事件管理制度》, which standardizes the classification, level definition and reporting procedures of medical adverse events, and regulates all aspects such as on-site emergency response, storage of physical evidence and aftermath of medical accidents, so as to protect the rights and interests of patients.

### 3.1.2 Optimizing Medical Services

The Group has always adhered to the “patient-centered” service principle, guided by the needs of patients, continuously improved the service process, carefully listened to the voices of patients, and continued to improve patient satisfaction.

#### 1. Full-process Medical Services

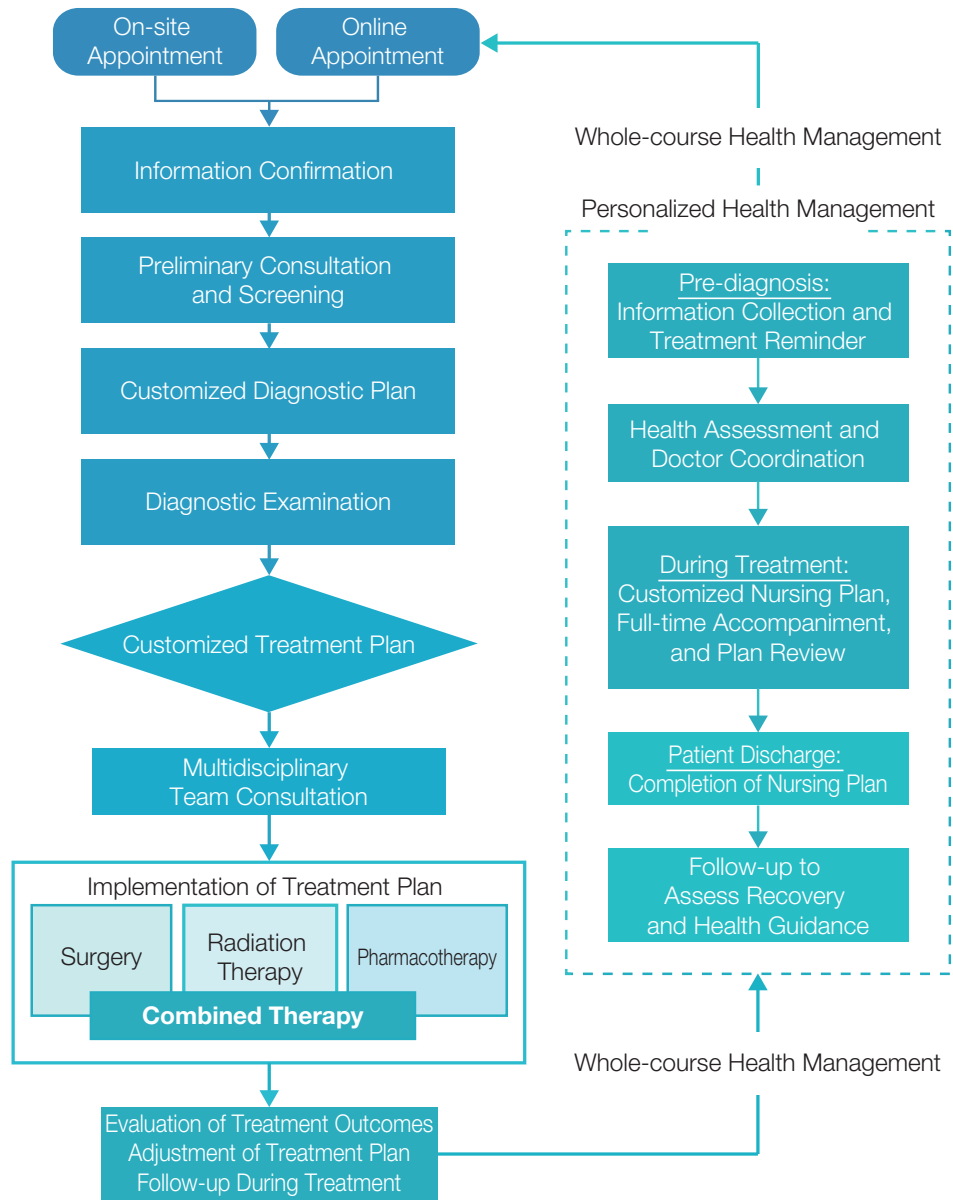
The Group is committed to providing quality oncology medical services to patients by formulating unified medical service operation standards based on the requirements of the Multi-disciplinary Team (MDT) model<sup>11</sup> to provide patients with medical services covering the whole process of cancer diagnosis and treatment, spanning cancer diagnosis, treatment and post-treatment health management, so as to effectively improve the quality of medical services.

- Pre-diagnosis: We set up on-site and online appointment channels for patients. After confirming the patient’s information, we customize the diagnosis plan according to the patient’s condition through preliminary inquiry and screening.
- Diagnosis: We take multidisciplinary consultation as a daily work system, regularly carry out diagnosis and treatment services for patients facing complex, difficult, or critically urgent conditions, and provide more comprehensive and accurate diagnosis and treatment programs for patients by integrating professional knowledge and clinical experience in different fields.
- Treatment: In the course of treatment, we conduct a comprehensive assessment of patients at key time points such as the day of hospitalization, the operation period and before discharge, closely monitor the changes in the patient’s condition and psychological state, and scientifically adjust the diagnosis and treatment plan according to the results, so as to ensure the personalization and accuracy of treatment, thereby accelerating the patient’s recovery process.

11 MDT Model represents the standard process of domestic and international oncology specialty hospitals, and is a patient-centered collective consultation involving multi-disciplinary experts such as oncology surgery, oncology medicine, oncology radiotherapy, imaging, pathology and other medical staff.

### III. Pursuing Excellence, Serving with Compassion

- Post-treatment health management: We developed a follow-up management mechanism after treatment, and set up a team of case managers for some patients to carry out and record the follow-up work. The team will clarify the follow-up time, frequency, form and specific content according to the patient's condition characteristics and diagnosis and treatment cycle, and provide extended medical services after treatment for patients in need, so as to improve the efficiency of diagnosis and treatment and patient satisfaction.



**Medical Service Management Process**

### III. Pursuing Excellence, Serving with Compassion

#### 2. Patient Complaints and Follow-up

The Group strictly abides by 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 *Regulation on the Administration of Medical Institutions* (醫療機構管理條例), formulates internal policies such as the *Regulations on the Management of Medical Complaints and Disputes in Hospitals* (《醫院醫療投訴糾紛管理規定》) and the *Management System of Patient Complaints* (《患者投訴管理制度》), establishes a comprehensive system for handling patients’ opinions, responds quickly to patients’ needs and feedback, and continuously improves patients’ medical experience.

We attach great importance to the opinions and suggestions of patients, and provide multiple and convenient complaint channels for patients, including telephone calls, questionnaires, face-to-face communication and government hotlines. We also encourage employees to actively collect patients’ opinions and suggestions, and reflect them to the Patient Relations Department or relevant functional departments, so as to continuously improve and optimize the service process.

Based on the principles of “timeliness, legality, reasonableness, fairness and standardization”, the Group earnestly processes and provides feedback on every patient feedback, strictly following hospital rules and regulations to standardize the feedback handling process. Based on the severity of patient feedback, we categorize it into three levels: “dissatisfaction”, “complaints” and “disputes”. For patient “dissatisfactions”, we implement a “First-Inquiry Responsibility System”, where the staff who first receives the feedback is responsible for accepting, tracking, resolving, and providing feedback. For complaints that cannot be resolved immediately, we require the responsible person to inform the patient of a clear response time and to keep the patient updated on the progress of the handling process, ensuring that the patient’s issue is addressed promptly and appropriately. For serious medical complaints and disputes, we have established a clear handling mechanism, with the Medical Affairs Department responsible for centralized acceptance and conducting thorough investigations. The Group regularly convenes the “Medical Technology Management Committee” meetings to review medical complaint and dispute cases, analyzing the causes, impacts, and accountability from a professional perspective to develop appropriate handling methods, thereby protecting the legal rights and interests of both patients and medical personnel.

In 2023, the Group received and handled a total of 33 patient feedback and complaints, and no major medical disputes occurred.



**Dispute Settlement Process**

## III. Pursuing Excellence, Serving with Compassion

The Group regularly conducts surveys on patient satisfaction, and extensively collects patients' opinions through system notifications, text messages, WeChat public account, suggestion box, etc. The survey targets cover outpatients, inpatients and patients in radiotherapy centers. The Group regularly summarizes and analyzes the feedback of the satisfaction survey every month, compiling a Customer Experience Monthly Report. This report is distributed to all departments to continuously improve and optimize service quality based on the feedback received.

### 3.2 Privacy Protection and Information Security

The Group regards data security and privacy protection as an important responsibility, and strictly complies with the requirements of laws and regulations such as the *Data Security Law of the PRC* (中華人民共和國數據安全法), the *Cyber Security Law of the PRC* (《中華人民共和國網絡安全法》) and the *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》). The Group also formulates the *Measures for the Management of Data Security of the Group* (《集團數據安全管理辦法》), the *Measures for Information Security Management in Group Medical Institutions* (《集團醫療機構信息安全管理辦法》), the *Measures for the Management of Personal Information Protection of the Group* (《集團個人信息保護管理辦法》) and other systems to fully protect the information and privacy data security of all stakeholders. During the reporting period, the Group has passed the ISO 27001 Information Security Management System Certification and the ISO 20000 Information Technology Service Management System Assessment.

#### 3.2.1 Management System

From the top down, we have established a hierarchical and responsibility-clear medical information security management system, creating a Health and Medical Data Security Committee composed of the heads of the Data and Information Technology Department and the Risk Management and Internal Control Audit Department, who are collectively responsible for overseeing information security management. Under the leadership of the Health and Medical Data Security Committee, the Data and Information Technology Department serves as the coordinating execution department, tasked with advancing and implementing information security management across the entire Group. Concurrently, affiliated hospitals within the Group have set up Cybersecurity and Information Technology Offices to collaborate with the Group in implementing the information security management work plan, thereby comprehensively strengthening the Group's information security management capabilities.

#### 3.2.2 Management Initiatives

We actively implement measures through patient information collection, information management, information system maintenance, and the establishment of confidentiality mechanisms to continuously carry out information security work, effectively protecting patient privacy. During the reporting period, the Group experienced no incidents of data and privacy breaches.

### III. Pursuing Excellence, Serving with Compassion

- Confidentiality mechanism: We sign confidentiality agreements with all employees, suppliers and partners, and continuously supervise them to ensure that they do not disclose any sensitive information related to patented technology, scientific research results, patient information and trade secrets in the course of their work. Once information leakage violations are found, the violators will be severely punished.
- Information collection: We formulate and make public the *Privacy Policy* 《隱私政策》, the *Children's Privacy Policy* 《兒童隱私政策》 and the *Authorisation for Use of Patient Healthcare Data* 《患者健康醫療數據授權使用書》. We inform patients of these policies before collecting information and proceed only with their consent. Patients can modify or cancel their information on the service platform.
- Information management: The Group attaches great importance to the management of sensitive information and has developed a clear mechanism for obtaining information. Access to patient records is strictly limited. Medical personnel requiring access to patient files must follow a strict application and approval process. The Group regularly audits authorization records. For the extraction of business data required for research and other purposes, we strictly follow the Data Retrieval Application process to ensure compliant use of data.
- System protection: The Group continuously improves system protection measures, implements internal and external network segregation, strictly controls information system access rights, and installs anti-virus software on all computers within the hospital, effectively prevents information leaks and ensuring information security. During the reporting period, the hospital information systems of Guangzhou Concord Cancer Hospital (廣州泰和腫瘤醫院), Shanghai Concord Medical Cancer Outpatient Center (上海美中嘉和腫瘤門診部), and Shanghai Concord Medical Imaging Diagnostic Center (上海美中嘉和醫學影像診斷中心) under the Group have passed the national information security level three certification. The hospital information system of Datong Meizhong Jiahe Cancer Hospital (大同美中嘉和腫瘤醫院) has passed the national information security level two certification.
- Strict diagnosis and treatment management: In the process of diagnosis and treatment, we take a series of strict privacy protection measures to protect the personal information of patients. We set up partitions in the outpatient examination and disposal rooms, and strictly control the visiting time and access personnel in the ward, so as to protect the privacy of patients in the process of medical treatment. In addition, the Group strictly prohibits the unauthorized shooting and dissemination of relevant image data of patients without the consent of patients or their families, so as not to infringe on the privacy of patients.

# III. Pursuing Excellence, Serving with Compassion

## 3.2.3 Contingency Plan

The Group attaches great importance to the operation of information systems and the emergency handling of unexpected security incidents, and has set up an Emergency Working Group to lead, coordinate and organize relevant emergency work. We formulate and implement the *Emergency Management Measures* (《應急管理辦法》), which covers the fault reporting process, fault classification, response operation guidelines and other aspects, and the relevant personnel can quickly respond to the emergency handling of various emergencies according to the guidelines.

## 3.2.4 Information Security Audit

The Group conducts internal audit on the information system and information security system of the Group and its subordinate hospitals on a quarterly basis to achieve comprehensive identification and assessment of relevant risks, and formulates and implements improvement measures based on the audit results, continuously optimizes the information security management process, strengthens the security control measures, and improves the medical data security risk prevention system of the Group.

The Group also conducts semi-annual information security audit for suppliers and formulates the *Management Measures for Group Suppliers* (《集團供應商管理辦法》), which provides a clear basis and standard for supplier audit scoring. We carry out a comprehensive assessment of the level of information security of our suppliers to ensure that they meet the requirements and standards of the Group, thereby safeguarding the information security of the entire supply chain.

## 3.2.5 Information Security Training

In order to enhance employees' awareness of information security protection, the Group regularly conducts personal information and privacy protection training for employees, covering the interpretation of relevant laws and regulations, information security management process description and other aspects. Taking the subordinate hospitals in Shanghai as an example, in 2023, Shanghai Cancer Outpatient Center and Shanghai Imaging Center carried out special information security training for all employees, effectively improving their information security protection ability.



Shanghai Imaging Center Online Information Security Special Training



## III. Pursuing Excellence, Serving with Compassion

In addition, we are committed to fostering our employees' ability to respond to information security risks, actively conducting emergency response drills and training. During the year, Guangzhou Concord Cancer Hospital participated in the 2023 Autumn Cybersecurity Attack and Defense Drill for High-Quality Development event, serving as the defense unit to secure nine information systems within the hospital. Over the course of the week-long drill, Guangzhou Concord Cancer Hospital analyzed and assessed 434 security device alarm attack incidents, blocked two IPs for malicious attack behaviors, effectively ensuring the stable operation of the information systems. With its exemplary performance, Guangzhou Concord Cancer Hospital was awarded the title of "Outstanding Defense Institution".

### 3.3 Innovative R&D and Intellectual Property Management

Innovation is the core driving force for the sustainable development of enterprises. The Group is deeply engaged in the field of oncology diagnosis and treatment business, constantly innovating products and services, maintaining innovative achievements through intellectual property management, constantly stimulating internal innovation vitality, and striving to provide better and more convenient medical services for patients.

#### 3.3.1 Research and Development of Innovative Technologies

The Group actively carries out innovative technology research and development, organizes, encourages and assists the Group's medical professionals to engage in clinical research and publish their outcomes. We have established the Concord Healthcare Science and Technology Innovation Center to coordinate more hospitals to cooperate in clinical research and contribute to the medical research and progress of the oncology medical service industry. During the reporting period, we have set up a research and development team composed of professionals, covering professional medical, artificial intelligence and other fields.

In 2023, Concord Healthcare was certified as a high-tech enterprise, showcasing a series of innovative achievements, including:

- The Practice Guidelines for *Total Skin (E-beam) Irradiation Technology* (《全皮膚(電子束)照射技術實踐指南》) was selected into the 2022 Radiation Therapy Quality Control Guidelines Project of National Cancer Center of China.
- A physician from Guangzhou Concord Cancer Hospital has successfully secured approval for the research topic titled "Sensitive Impact of ESCC Modulated by NIPAL 1 on Proton Radiotherapy" as the General Guidance Project and Two New Project of Guangzhou Healthcare Technology.
- The cumulative publication of 13 articles on oncology and related disciplines in international journals such as SCI.

## III. Pursuing Excellence, Serving with Compassion

### 3.3.2 Digital Medical Promotion

In response to the development trend of digital healthcare, the Group established the Digital Healthcare Business Department to coordinate and manage the innovation of digital healthcare. Based on our own digital medical network resources and information technology, we launched the “Jiahe Yunying Remote Imaging Information Diagnosis Platform” (嘉和雲影遠程醫療信息診斷平台) and “Jiahe Feiyun Intelligent Radiation Therapy Cloud Service Platform” (嘉和飛雲智能放療雲服務平台) to provide oncology treatment advice to patients in remote areas by way of online consultation, including digital processing of image diagnosis results, remote consultation, radiotherapy modeling and therapy customization, thereby offering digital solutions to the uneven distribution of medical resources. The “Jiahe Yunying Remote Imaging Information Diagnosis Platform” and “Jiahe Feiyun Intelligent Radiation Therapy Cloud Service Platform” were included in the 5G Medical and Health Application Pilot Project List (5G 醫療健康應用試點項目名單) announced by the Ministry of Industry and Information Technology of China.

### 3.3.3 Intellectual Property Management

Protecting intellectual property rights is an important guarantee for enterprises to sustain innovation. The Group strictly abides by the requirements of the *Patent Law of the PRC* (《中華人民共和國專利法》), the *Trademark Law of the PRC* (《中華人民共和國商標法》) and other laws and regulations and formulates the *Intellectual Property Management Measures of the Group* (《集團知識產權管理辦法》) and the *Patent Management System Process* (《專利管理制度流程》) to strictly regulate the protection of intellectual property rights, and strengthen the own intellectual property management.

The Group engages a third-party legal adviser to provide professional legal advice and strategic guidance for intellectual property protection, and adopts a combination of measures to effectively manage its own intellectual property rights through contractual restrictions, confidentiality procedures, intellectual property registration, internal review and other means to ensure that innovative achievements are legally and effectively protected:

- Contractual restrictions: The Group clarifies the ownership and use scope of intellectual property rights with partners to avoid disputes.
- Confidentiality procedures: The Group establishes strict confidentiality procedures, and require employees, suppliers and other stakeholders to strictly abide by them to ensure that the core technology and business secrets of the enterprise are not disclosed.
- Intellectual property registration: The Group actively applies for all kinds of intellectual property rights, including patents, trademarks, etc., to ensure our technological advantages in the field of oncology.
- Internal review: In order to avoid infringement of intellectual property rights, the Group arranges internal legal personnel to regularly identify and review infringement risks, identify potential intellectual property risks in a timely manner and carry out targeted measures.

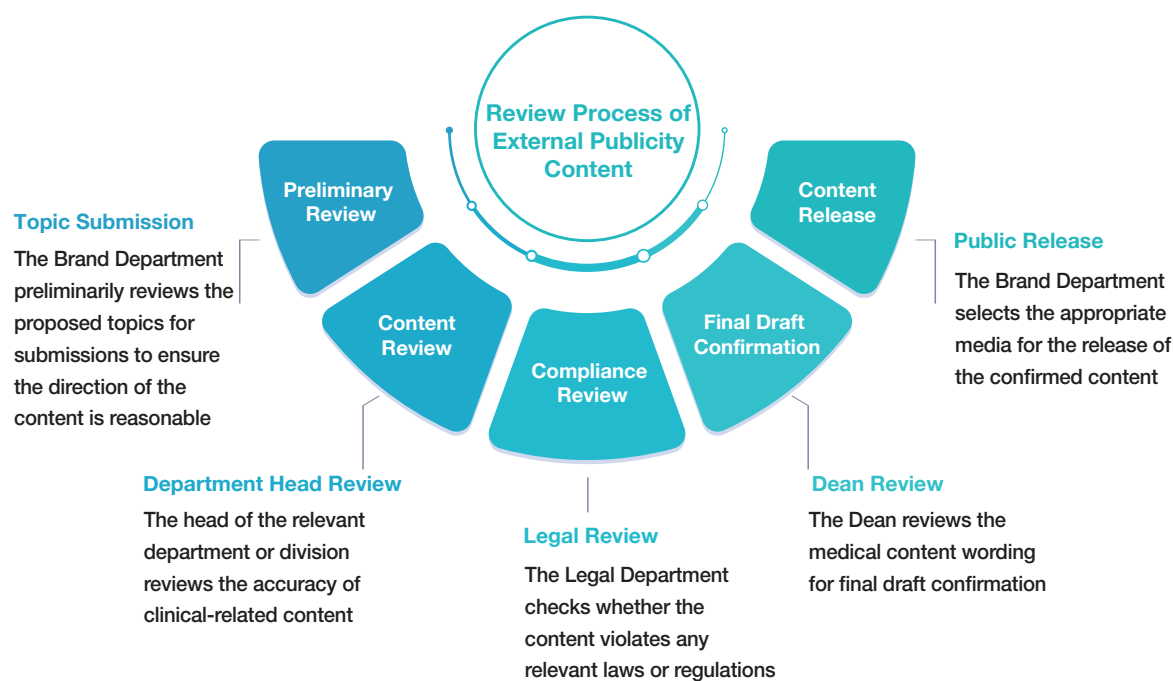
As of the end of 2023, the Group has registered 24 patents, 138 trademarks and 151 copyrights in China, covering smart hospitals, patient services, logistics refinement and other business areas.

# III. Pursuing Excellence, Serving with Compassion

## 3.4 Advertisement and Labelling Management

The Group attaches great importance to advertising compliance management, strictly abides by the requirements of laws and regulations such as the *Advertising Law of the PRC* 《中華人民共和國廣告法》, the *Measures for the Administration of Medical Advertisements* 《醫療廣告管理辦法》 and the *Measures for the Administration of Internet Advertising* 《互聯網廣告管理辦法》, and formulates internal management systems such as the *Standards for the Use of VI Visual Signs in Hospitals* 《醫院 VI 視覺標識使用規範》, the *Standards for the Release of Media Information in Hospitals* 《醫院媒體信息發佈規範》, and the *Standards for the Release of Self-Media Information in Hospitals* 《醫院自媒體信息發佈規範》, standardizing the management process of hospital's external publicity work to ensure the authenticity, accuracy and legitimacy of the publicity content.

We have also established a strict internal review mechanism, and any publicity content can only be released after four rounds of review and approval by the Brand Department, the director of the department, the Legal Department and the Dean, so as to ensure the authenticity and compliance of the publicity content.



**Review Process of External Publicity Content**

In addition, the Group strictly complies with the relevant national regulations such as the *Provisions on the Administration of Pharmaceutical Directions and Labels* 《藥品說明書和標籤管理規定》, standardizes the management of drug trademarks, packaging design and drug instructions, and clearly marks the adverse reactions that may arise from the use of drugs by a small number of patients, so as to ensure the safety of drug use by patients.

## IV. Protecting Employees, Moving Towards the Future Together

The Group has always adhered to the “people-oriented” staff management philosophy and regarded employees as important partners. We strictly abide by various laws and regulations, formulate and improve internal employee management policies, effectively protect the basic rights and interests of employees in employment, promotion, salary, holidays and other aspects, pay attention to the health and safety of employees, and strive to create an equal, diverse, comfortable and healthy working environment for employees.

### 4.1 Employment and Labor Management

The Group strictly abides by the requirements of laws and regulations such as the *Labor Law of PRC* (《中華人民共和國勞動法》) and the *Labor Contract Law of PRC* (《中華人民共和國勞動合同法》), constantly improves internal policies such as the *Employee Handbook* (《員工手冊》), the *Attendance Management Measures* (《考勤管理辦法》) and the *Promotion Management Measures* (《晉升管理辦法》), and carries out daily staff management. The Human Resources Department is responsible for regularly reviewing, updating and supervising the implementation of relevant employment policies within the hospital. We have established a sound employee rights and interests protection system to ensure that the legitimate rights and interests of employees in recruitment and dismissal, salary and promotion, health and safety, welfare and promotion are not infringed, oppose all discrimination caused by factors such as region, religion, education, age, and resolutely eliminate the use of child labor and forced labor.

#### 4.1.1 Recruitment and Dismissal

The Group carries out the recruitment work in strict accordance with the *Administrative Measures on Recruitment, Employment and Probation Period* (《招聘錄用及試用期管理辦法》) formulated internally, adhering to the principles of “fairness, impartiality and openness”. We have established a stringent recruitment process that includes four major procedures of formulating recruitment plans, publishing recruitment information, personnel selection and recruitment. We rigorously verify the qualifications of applicants to eliminate all fraudulent practices.

We strictly adhere to the *Law of the PRC on the Protection of Minors* (《中華人民共和國未成年人保護法》) and the *Provisions on the Prohibition of Using Child Labor* (《禁止使用童工規定》), formulate the *Policy and Remedial Measures Procedure for the Prohibition of Hiring Child Labor* (《禁止招聘童工政策及補救措施程序》) to resolutely eliminate the use of child labor. During the recruitment process, we conduct strict checks on applicants’ ages, unequivocally refusing to hire anyone under the age of 16. If child labor is mistakenly employed, we will immediately terminate the employment, report to the local Human Resources and Social Security Bureau and other relevant departments, and contact the legal guardians of the child laborers to ensure they are properly dealt with.

## IV. Protecting Employees, Moving Towards the Future Together

Upon establishing an employment relationship with candidates, we clearly define the rights and obligations of both parties in strict accordance with the law and the terms of the labor contract. We regulate working hours strictly in accordance with legal requirements and compensate overtime work or arrange compensatory leave for employees working night shifts according to the *Compensation Management Methods for Night Shifts and Special Working Hours* (《夜班及特殊工作時間的補償管理辦法》), avoiding any form of forced labor. During the reporting period, there were no incidents of employing child labor or forced labor within the Group.

In terms of dismissal, we strictly follow the relevant provisions of the *Labor Contract Law of PRC and the Employee Handbook*, conducting dismissals in accordance with the terms outlined in the labor contract, strictly prohibiting any unlawful dismissal practices.

### 4.1.2 Compensation and promotion

The Group has constructed an employee compensation system in accordance with internal regulations such as the *Compensation Management Methods* (《薪酬管理辦法》) and *Performance Management Methods* (《績效管理辦法》). We implement the principle of “equal pay for equal work” to ensure that employee compensation levels are both internally equitable and externally competitive. We conduct regular comprehensive evaluations for employees across various professions and levels, covering aspects such as job content, work performance, capabilities, and attitudes. Based on the results of these assessments, we adjust employee compensation to ensure that it is commensurate with their positions. Furthermore, we regularly conduct salary surveys in line with the overall industry standards and the specific circumstances of different subsidiary hospitals’ locations to continuously optimize and improve the overall compensation structure.

Regarding employee promotion, we have established a smooth promotion pathway to ensure that every employee has the equal opportunity. We implement a dual-channel promotion mechanism for “management track” and “professional track”, with clear promotion standards for each level. Based on employees’ professional grades, years of service, work performance, and individual performance, we provide eligible employees with opportunities for promotion.

## IV. Protecting Employees, Moving Towards the Future Together

### 4.1.3 Equality and Care

The Group is committed to fostering an “equal and diverse” work environment, resolutely opposing all forms of discrimination arising from gender, age, region, religion, educational background, and other factors. The Group adopts a “zero tolerance” policy towards harassment and discriminatory behaviors, and establishes the *Code of Professional Ethics* 《職業道德準則》 policy document, which clarifies the reporting and handling mechanisms for workplace harassment and discrimination.

We also place great importance on listening to our employees, continue to improve the communication mechanism among our employees, establish multiple communication channels for our employees, and extensively collect feedback and suggestions from our employees through the online platform, offline Hospital Dean's Mailbox, the chairman's open day and communication meetings with the dean, so as to ensure that the demands of each employee could be responded to in a timely and effective manner.

The Group strictly adheres to legal and regulatory requirements, ensures the basic rights of employees, such as social insurance, housing fund contributions, and statutory paid leave, are protected. Beyond these basics, the Group offers additional medical insurance and regularly organizes various unique employee activities to enhance the sense of belonging and create a warm workplace atmosphere.

#### Case Theme Activity of “International Nurses’ Day” in Guangzhou Concord Hospital

During the year, Guangzhou Concord Hospital held a themed event for “International Nurses’ Day” to distribute festive gifts and extend festive greetings to all nursing workers in the hospital, and to commend outstanding nursing staffs who have demonstrated exceptional performance in their work, further emphasize the Group's commitment to humanity care for the nursing personnel.



“International Nurses’ Day” Event

## IV. Protecting Employees, Moving Towards the Future Together

### Employment KPIs<sup>12</sup>

Category of indicator	Secondary classification	Name of indicator	Unit	2023
Total number of employees	Total number of employees		Person	717
	By employment type	Full-time employees	Person	653
		Total number of interns, labor dispatch and part-time employees	Person	64
	Full-time employees by gender	Male employees	Person	217
		Female employees	Person	436
	Full-time employees by age	Aged below 30	Person	137
		Aged 30 to 50 (exclusive)	Person	483
		Aged over 50 (inclusive)	Person	33
	Full-Time employees by Region	Employees in mainland China	Person	646
		Employees in Hong Kong, Macao and Taiwan	Person	1
		Employees from other countries and regions	Person	6
Employee turnover rate <sup>13</sup>	Total employee turnover rate		%	23.63
	By gender	Male employees	%	22.17
		Female employees	%	24.29
	By age	Aged below 30	%	26.34
		Aged 30 to 50 (exclusive)	%	22.06
		Aged over 50 (inclusive)	%	26.67
	By region	Employees in mainland China	%	23.81
		Employees in Hong Kong, Macao and Taiwan	%	0
		Employees from other countries and regions	%	0

12 The total number of employees and the turnover rate of employees by gender, age and region set out in the table below include only full-time employees, and do not include part-time employees, interns, retired rehires and other types of employees.

13 The calculation method for the employee turnover rate is as follows: Employee turnover rate = Total number of employee departures during the year / (Total Number of employees at the end of the reporting period + Total number of employee departures during the year).

## IV. Protecting Employees, Moving Towards the Future Together

### 4.2 Health and Safety

Concord Healthcare always puts the health and safety of employees in the first place, strictly abides by laws and regulations such as the *Law of the PRC on the Prevention and Control of Occupational Diseases* 《中華人民共和國職業病防治法》, the *Measures for the Management of Hospital Infections* 《醫院感染管理辦法》 and the *Requirements for Radiological Protection Standards for Clinical nuclear medicine* 《核醫學放射防護要求》, constantly improves the health and safety management system of employees, regularly carries out safety training and related drills, and conducts periodic inspections and maintenance of radioactive equipment to effectively protect the safety of employees' lives and property.

#### 4.2.1 Health and Safety Management

We actively identify the potential health and safety risks of employees, and take a series of targeted measures, including regular targeted physical examination, standardized operation, equipment maintenance, etc., to ensure the health and safety of employees on the basis of annual physical examination for all employees and the provision of labor protection supplies, taking full account of employees under high risk exposures to radiation.

For employees engaged in radiation medical work, we require all radiation workers to complete the occupational health examination of radiation workers before, during and after work, and comprehensively evaluate whether the employee can work, continue to engage, or shall leave according to the physical examination report. During the year, the all of these employees in the subordinate hospitals of the Group have completed the occupational health examination.

In strict accordance with the requirements of laws and regulations such as the *Requirements of radiological protection training for the medical radiation workers* 《醫學放射工作人員放射防護培訓規範》 and the *Requirements for radiological protection in diagnostic radiology* 《放射診斷放射防護要求》, we have formulated and continuously improved the *Management System for Personal Dose and Occupational Health of Radiation Workers* 《輻射工作人員個人劑量及職業健康管理制度》, and regularly monitored the personal dose of all relevant staffs in the Group. In daily work, relevant employees are required to wear personal dosimeters and personal dose alarms correctly, use protective equipment such as lead clothes, lead caps, lead aprons, lead gloves and lead glasses according to regulations, and establish personal dose files for relevant radiation workers.



## IV. Protecting Employees, Moving Towards the Future Together

In addition, we take strict management measures for radioactive equipment, requiring all new radioactive diagnosis and treatment projects to carry out pre-assessment of occupational hazards radiation protection and assessment of occupational hazards radiation protection control effect. By the end of 2023, the Group's existing radioactive diagnosis and treatment projects have obtained the pre-assessment report on occupational hazards and the assessment report on the effect of occupational hazards radiation protection and control, and have passed the technical review of the expert group, and have obtained the approval for the completion and acceptance of occupational hazards radiation protection facilities. We also regularly invite qualified third-party organizations to conduct performance testing and site protection testing for all radiological diagnosis and treatment equipment, and to verify and calibrate the fixed-site radiation monitoring systems, personal dose alarm devices, and radiation monitoring instruments to further ensure the safety of the radiation workers and the premises involved.

### 4.2.2 Safety Training and Assessment

In order to improve the staff's health and safety awareness and emergency response ability, we require the subordinate hospitals to regularly carry out various safety drills and safety awareness publicity work. For the high-risk working environment of radiation workers, we have set up special safety training for such employees and forced them to participate in it. At the same time, we have set up strict assessment indicators to minimize the safety accidents caused by the mis-operation of employees.

We require all employees with high risk exposure to radiation to complete the training related to radiation safety before taking up their posts, and participate in the radiation safety and protection assessment conducted by local Ecological and Environmental regulators, as well as the online training and assessment for radiation workers conducted by the Healthcare Commission where the hospital operates. If any staff fails to participate in or exceeds the validity period of the training and assessment, we will notify the person to re-apply for the training and assessment.

In order to improve the hospital's ability to respond to radiation accidents, reduce the impact of radiation accidents, and enhance the radiation safety awareness of all staffs, we conduct radiation emergency drills in subordinate hospitals every year.

#### Key performance indicators related to work-related injuries and fatalities

Name of indicator	Unit	2023	2022	2021
Number of work-related fatalities	Person	0	0	0
Work-related fatalities rate <sup>14</sup>	%	0	0	0

The number of working days lost due to work-related injuries in 2023 was 314<sup>15</sup>.

14 Work-related fatalities rate = Number of work-related fatalities/total number of employees \* 100%.

15 The number of days lost due to work-related injuries was caused by two different employees in Datong Hospital and Shanghai Outpatient who had a car accident on their way to and from work and needed to rest.

## IV. Protecting Employees, Moving Towards the Future Together

### 4.3 Development and Training

The Group is well aware that talent training is the driving force for the Group's development. Based on our own business characteristics, we have continuously established and improved the staff training system from the two dimensions of management sequence and professional sequence, provided customized training courses for different types of employees, improved the practicability and timeliness of talents, and promoted the development of people and enterprises while helping employees realize their personal values.

#### 4.3.1 Training Management

The Group has formulated the *Personnel Training Management Measures* (《人才培養管理辦法》), the *Staff Education, Training and Further Education Management System* (《員工教育培訓及進修管理制度》), the *Training Credit System Management Measures* (《培訓學分制管理辦法》) and other by-laws to continuously promote and optimize the construction of staff training system and help employees achieve personal development. At the beginning of this year, we conducted a survey on training demand to survey to develop our annual training plan based on the actual training requirements of our employees. We established a relevant training course system for different types and levels of staff. The categories of training include new employee training, training at hospital level, training at departmental level, and external training. The content of these training sessions encompasses general management knowledge, specialist knowledge, clinical public courses, professionalism, and mental health, etc. Specialized knowledge covers professional skills training for doctors, nurses, technicians, pharmacists, and physicists, fully meeting the self-improvement needs of our staff. During the reporting period, we conducted more than 1,068 training sessions, accumulating over 14,310 hours.

During the reporting period, in order to further strengthen the construction of talent echelon, we also proposed the "Talent Training Plan 2023", which set up a total of 117 courses for different trainees, including hospital overview, specialist knowledge, English knowledge, professionalism, mental health, general management skills and clinical public courses. We divide employees into the following four categories according to their working years and promotion potential, and carry out regular selection and training:

- Youth Talents: Ordinary employees who have worked for 5 years and have the potential for further training.
- Cornerstone Talents: Ordinary employees who have worked for more than 5 years and have the potential for further training.
- Elite Talents: Middle-level cadres with potential for further training will be included in the reserve talent pool.
- Leading Talents: Heads of departments/sections and positions above, included in the reserve talent pool.

During the year, the total number of participants in the four categories of special training courses for youth talents, cornerstone talents, elite talents and leading talents reached 2,743 times.

## IV. Protecting Employees, Moving Towards the Future Together

### 4.3.2 Training of Medical Staff

The Group is committed to building a high-quality medical team and providing a wide range of internal training courses for medical staff, including basic medical skills education, new developments in the field of oncology education, drug safety, patient care and communication skills education, safety and protection education, and professional quality education for medical staff, so as to achieve full coverage of medical staff in different professional fields. During the reporting period, we conducted 22 internal training programs and 18 online education courses for medical staff. At the same time, in order to implement the normal training, we invite clinicians to carry out clinical professional knowledge training every month to create the learning atmosphere.

#### *Case Special Training for Nursing Staff*

We conducted the “Special Training on Surgical Site Infection and Prevention” for nursing staff, which covered various areas such as the classification of surgical incision and surgical site infection, the influencing factors of surgical site infection and the key points of surgical site infection prevention and control techniques, aiming to enhance the professional skills of nursing staff. During the year, 53 nursing staff were trained.

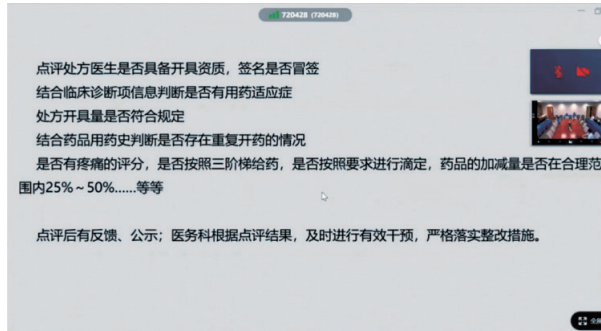


“Special Training on Surgical Site Infection and Prevention”

## IV. Protecting Employees, Moving Towards the Future Together

### Case Special Training for Special Drugs

The Group attaches great importance to the safety of drug use in its subordinate hospitals, and conducts special training on the use of narcotic and psychotropic drugs. In 2023, we carried out special drug training and assessment for more than 160 relevant medical personnel, and granted the relevant personnel the right to prescribe, allocate and use after passing the examination, with a passing rate of 100%.



Online Training Course on the Management and Use of Narcotic and Psychotropic Drugs

We also encourage medical personnel to continuously enhance their professional skills by actively participating in external education courses. To support this, we have established the *Management System for Physician Education, Training, and Continuing Education* 《醫師教育培訓及進修管理制度》 and specifically allocated educational funds to support our employees' continuing medical education. During the year, we invested a total of RMB84,000 to support the continuing education of our employees.

In addition, the Group also actively participated in industry exchanges and kept abreast of the forefront of cancer prevention and treatment. During the reporting period, we organized more than 20 academic seminars and held 18 open online physician training courses, covering clinical application and standardized learning of special radiotherapy technologies, clinical application and standardization of precision radiotherapy technologies, new models and technologies for cancer research, precision oncology education and other fields, contributing to the cultivation of talents in the industry.

### 4.3.3 General training

In order to facilitate the daily work of the Group, we have set up a wealth of regular training courses, covering customer service, EHS posts, internal trainers and other positions, to build a dual-channel training system including general training and leadership training, including communication courses, execution courses, workplace emotional courses, management courses and other aspects, continuously aiding in the simultaneous professional and personal development of our employees.

## IV. Protecting Employees, Moving Towards the Future Together

For customer service personnel, we evaluate the ability and job requirements of department members, and solicit opinions on training needs from front-line customer service staff. According to the differences in staff background and experience, we carry out training courses suitable for different levels of staff twice a week by means of lecture-based training, practical simulation exercises, group discussions and case studies, internal staff sharing and communication, on-site learning and self-learning. It covers triage skills, complaint handling skills, service quality optimization, post SOP, common Q&A of post/department/business, telephone service skills, recording and sharing, basic medical knowledge, visiting exercises, English training, etc. At the same time, a monthly assessment mechanism is set up to adjust the training plan according to the assessment results. During the year, the average training credits of the Group's customer service department far exceeded the required level, with an annual training completion rate of 168.8%.

In addition, the Group has dedicated EHS posts to identify potential health and safety risks in daily work. We require EHS employees to learn the laws and regulations related to radiation safety and radiation health, the radiation safety and radiation health related systems formulated by the hospital, the environmental assessment report of the nuclear technology utilization project of the hospital, the acceptance report of the completed environmental protection, the pre-assessment report of occupational hazards, and the evaluation report of the control effect, so as to strengthen the risk identification ability of employees and help the Group to create a healthier, safer, and more sustainable work environment.

### *Case 2023 Internal Trainer Selection Activity of Guangzhou Concord Hospital*

In January 2023, Guangzhou Concord Hospital held an internal trainer selection activity, focusing on the professional ability, language ability, curriculum design, teaching skills, classroom atmosphere, adaptability, personality traits and other aspects of internal lecturers, and finally selected 15 excellent internal trainers to form a team of lecturers in the hospital to meet the needs of the hospital's talent development.



The Trainer Selection Activity

## IV. Protecting Employees, Moving Towards the Future Together

### Training related KPIs<sup>16</sup>

Category of indicator	Secondary classification	Name of indicator	Unit	2023
Proportion of trainees	Proportion of trained employees		%	100
	By gender	Proportion of male employees	%	100
		Proportion of female employees	%	100
	By category	Proportion of senior management	%	100
		Proportion of general staff	%	100
Average training hours of employees	Average training hours of employees		Hour	24
	By gender	Male employees	Hour	16
		Female employees	Hour	28
	By category	Senior management	Hour	18
		General staff	Hour	29

16 The related data of trained employees include only full-time employees, and do not include part-time employees, interns, retired rehires and other types of employees.

## V. Demand and Supply in Harmony, Moving Forward Together

Concord Healthcare always adheres to the cooperation principle of “mutual benefit and reciprocity”, and continues to build a sound supply chain management system to optimize supply chain management. We have developed a sound control mechanism for the whole process of supply chain screening, access, evaluation and assessment, and incorporated environmental, social and governance factors into the evaluation of the supply chain, striving to build a healthy and sustainable supply chain and achieve win-win cooperation with suppliers.

We strictly abide by laws and regulations such as the *Medical Product Administration Law of the PRC* (中華人民共和國藥品管理法), the *Standards for the Good Supply Practice for Pharmaceutical Products* (《藥品經營品質管理規範》) and the *Regulations on the Supervision and Administration of Medical Devices* (《醫療器械監督管理條例》), formulate and constantly improve the internal regulations such as the *Drug Procurement Management System* (《藥品採購管理制度》) and the *Supplier Management System* (《供應商管理制度》) applicable to all suppliers, to strictly control various aspects of the supply chain management process, such as admission, evaluation, and assessment, and to regulate supplier behavior. During the reporting period, all newly admitted suppliers conducted the admission work according to the above-mentioned regulations and have signed the Drug Purchase and Sales Agreement, the Quality Assurance Agreement, and the Integrity Agreement.

In the stage of supplier screening and evaluation, we actively identify potential ESG risks of suppliers, and comprehensively investigate the qualifications of suppliers mainly from the aspects of product quality, supply price, supply time, supply capacity, after-sales service and supplier reputation, and incorporate the social responsibility of suppliers into the evaluation criteria. For the shortlisted potential suppliers, we take on-site visits to inspect their qualifications and organize experts to conduct bidding evaluation. For suppliers who have performed excellently during the cooperation period, we analyze the supplier’s cooperation potential based on the Group’s long-term procurement demands and the supplier’s long-term contract performance capability, and consider upgrading the supplier cooperation level as appropriate.

During the supplier cooperation stage, if unauthorized promotion and sales directly to departments, acceptance of bribes, illegal access to/purchase/sale of product information, forgery of qualification documents, and other improper competitive behaviors are discovered, the Group will immediately terminate the cooperation relationship and blacklist the supplier for removal.

The Group includes safety, environmental protection, and business reputation in the inspection scope and prioritizes environmentally friendlier suppliers under the premise that there is no significant difference in product quality. At the same time, we encourage suppliers to increase the supply ratio of environmentally friendly products and recyclable packaging materials, committed to building a sustainable supply chain.

### Key performance indicators related to suppliers

Name of indicator	Unit	2023
Total number of suppliers	/	508
Number of suppliers in China	/	508
Number of suppliers outside China	/	0

## VI. Heartfelt Commitment to the Community, Advancing Together through Charity

Concord Healthcare takes giving back to the society as the responsibility, always adhering to the spirit of “willing to contribute” and actively assuming social responsibility. We set up charitable foundations and hold various community public welfare activities. The Group will also actively empower the industry to share the latest research results of the Group and contribute to the healthy development of the field of cancer prevention and treatment. At the same time, all kinds of medical science popularization and free physical examination and free clinic activities will be carried out to popularize health knowledge to community residents, provide inclusive medical resources and earnestly giving back to the community.

### 6.1 Wholeheartedly Giving Back to the Community

Concord Healthcare actively participates in numerous community public welfare activities, remembering its roots and giving back to society. We conduct various science popularization activities both online and offline, promoting knowledge about cancer prevention and general health. We also organize unpaid blood donations, support for impoverished students, and other public welfare activities, while aiding in the spread of medical humanities, enriching students’ knowledge with the history of medical development. The establishment of the Guangzhou Zhengxin Charity Foundation (廣州正心慈善基金會) allows us to engage in various philanthropic donations.

Concord Healthcare makes full use of the medical professional advantages to carry out a wide range of free clinics, physical examinations and other activities for the community, providing inclusive medical resources. During the year, we continued to carry out more than 100 free clinics, covering about 10,000 community residents. We have also introduced a series of medical policies to benefit the people, regularly providing benefit cards to the surrounding residents, so that residents can enjoy welfare policies such as free registration fees and preferential policies for inspection items.

#### *Case Free Clinic Activity of “Caring for Residents’ Health and Sending Medical Services to the Community” in Datong Hospital*

From April to October 2023, the Datong Hospital, a subsidiary of the Group, carried out in-depth cooperation with street communities and continued to carry out various free clinic activities, including “prevention and treatment of thyroid diseases”, “screening and prevention of tumors”, “prevention and treatment of female breast diseases”, “prevention and treatment of digestive system diseases” and other topics. We also provide free physical examination for the residents, and help them to understand their health status in real time, which is unanimously recognized by the community.



The Offline Free Clinic Activities



## VI. Heartfelt Commitment to the Community, Advancing Together through Charity

### 6.1.1 Popular Science Activities

During the year, we share cancer-related knowledge, cancer prevention measures and other health knowledge from both online and offline channels. Online, we actively build a self-media matrix, with the help of WeChat Official Account, WeChat Video Channel, micro-blog and other channels, through popular science live broadcasting, popular science video and other ways, to create a diversified Internet communication platform. Offline, we actively cooperate with the community, organize professional medical teams to enter the community, publicize medical knowledge to the masses, and answer questions about the health of the masses.

#### *Case Public Welfare Publicity Activities of Cancer Prevention and Treatment Publicity Week*

During the 29th National Cancer Prevention and Treatment Publicity Week in 2023, the Group actively launched public welfare publicity activities, covering various kinds of cancer science popularization and health knowledge lectures, and carried out live question-answering interaction with famous doctors to help the public correctly understand cancer and encourage the public to take the initiative to participate in cancer prevention health check-ups, so as to achieve early prevention, early detection, early diagnosis and early treatment. At the same time, many experts and nurses from radiotherapy, oncology and imaging departments were called on to participate in the activities of caring for the people carried out by individual Party branches in the streets, providing public welfare services such as questions and answers on cancer prevention, screening and treatment, popular science of home nursing knowledge and blood pressure measurement.



Public Welfare Activities of Cancer Prevention and Treatment Publicity Week

### 6.1.2 Public Welfare Activities

Concord Healthcare actively engages in various public welfare activities within communities, driving the spread of medical humanities and helping to popularize medical knowledge and the history of medicine among community children and students, making learning enjoyable and fostering a keen interest in medicine among children. We also organize collective unpaid blood donation events, contributing our modest effort to community development.

# VI. Heartfelt Commitment to the Community, Advancing Together through Charity

## Case Medical Humanities Outreach

In 2023, Guangzhou Concord Hospital carried out eight medical science popularization activities for nearly 200 children and primary and secondary school students in surrounding communities. We invite students to visit and study the medical stamp gallery, medical humanities sculpture, oil painting gallery and so on in the hospital area, with the dean personally welcoming and lecturing the visiting teachers and students. These activities enriched the students' medical knowledge and enhanced their interest in medical humanities.



 <p><b>预防接种技术的先驱</b> 爱德华·詹纳 Edward Jenner</p> <p>英国医生、医学家、科学家。他发明了世界上首个疫苗，即天花疫苗，被称为免疫学之父。爱德华·詹纳大胆探索和勤于实践，为后人的研究奠定了基础，带动了医学界对免疫现象的进一步研究。</p>	 <p><b>伟大的细菌学家</b> 罗伯特·科赫 Robert Koch</p> <p>德国医生、细菌学家。世界病原细菌学的奠基人和开拓者。科赫因发现炭疽杆菌、结核杆菌和霍乱弧菌而出名，是世界医学领域中的奋斗巨匠。1905 年获得诺贝尔生理学或医学奖。德国医学的最高奖项——罗伯特·科赫奖以他的名字命名。</p>	 <p><b>青霉素之父</b> 亚历山大·弗莱明 Alexander Fleming</p> <p>英国细菌学家、生物化学家和微生物学家。弗莱明于 1928 年发现溶菌酶 (lysozyme)。1928 年发现青霉素 (penicillin)。青霉素是人类发现的第一种抗生素，结束了传染病几乎无法治疗的历史，是人类医学历史上的转折点。人们随后陆续发现了多种具有抗菌性的物质。</p>	 <p><b>黄热病疫苗发明者</b> 马克斯·泰勒尔 Max Theiler</p> <p>南非微生物学家。1951 年，因在黄热病 (yellow fever) 及其治疗方法上的发现，泰勒尔被授予诺贝尔生理学或医学奖。成为首位获得诺贝尔奖项的非洲人。泰勒尔对阿米巴痢疾、脑脊髓炎、日本型脑炎、立克次体病等疾病亦有研究与贡献。</p>
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### Medical Stamp Gallery

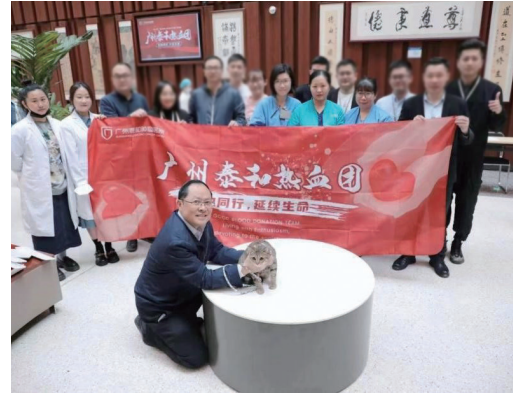


### Students Visiting

## VI. Heartfelt Commitment to the Community, Advancing Together through Charity

### Case Collective Voluntary Blood Donation Activity

Since 2019, Guangzhou Concord Hospital has organized voluntary blood donation activities amongst employees for five consecutive years. In February and August 2023, led by senior leaders of Guangzhou Concord Hospital, the hospital again organized voluntary blood donation activities, covering more than 30 people at a time, with an annual cumulative blood donation of 13,800 milliliters.



The Voluntary Blood Donation

### 6.1.3 Public Donation

We established the Guangzhou Zhengxin Charity Foundation, a non-profit public welfare organization in Guangzhou, and jointly promoted and established the scientific research fund of "Medical and Humanity Research and Education Fund of Guangzhou Concord" with Sun Yat-sen University Education Development Foundation in 2019 to solicit outstanding projects nationwide for funding. Funded personnel cover graduate students in universities and medical staff in many medical institutions across the country. Funding topics include grassroots public health, medical social work, palliative care, cross-border medical care, organ donation and other hot social issues. As of 2023, the Taihe Fund has funded a total of 119 projects, benefiting over 500 people.

The Group also set up the "Tai He Cheng Scholarship" to recognize students with development potential in the medical field. During the year, we donated a total of RMB260,000 to Suzhou University and Dalian Medical University through this project, supporting 13 students in total.

## VI. Heartfelt Commitment to the Community, Advancing Together through Charity

### 6.2 Empowering the Medical Industry

Concord Healthcare consistently adheres to the innovation philosophy of “advancing with the times”, continuously improving its professional standards, staying at the forefront of oncology and cancer treatment, actively participating in industry exchanges, and sharing research findings. We actively participate in setting industry standards and collaborate with other authoritative medical institutions in the industry, committed to jointly promoting the advancement of cancer treatment medicine.

During the year, the Group’s chief radiation therapy expert and chief proton therapy physicist contributed to the drafting of the Tumor Particle Therapy Guidelines and led the translation of Proton Therapy: Indications, Techniques and Outcomes published in May 2023. This work provides the latest industry insights for domestic tumor particle therapy, empowering industry development.

During the year, the “State Key Laboratory of Radiation Medicine and Radiation Protection • Suzhou University Proton and Heavy Ion Medical Research Center Series Training • Proton and Heavy Ion Center Preparation and Operation Management”, hosted by Concord Healthcare, jointly sponsored by the State Key Laboratory of Radiation Medicine and Radiation Protection (放射醫學與輻射防護國家重點實驗室) and the Proton and Heavy Ion Medical Research Center of Suzhou University (蘇州大學質子重離子醫學研究中心), and co-sponsored by CGN Nuclear Technology Medical and Health (中廣核技醫療健康), was successfully held at Suzhou University. This training session, aimed at medical students and the community, shared the latest research findings in oncological radiotherapy and key points on protection during radiation therapy.



The First Training Course of “State Key Laboratory of Radiation Medicine and Radiation Protection • Suzhou University Proton and Heavy Ion Medical Research Center Series Training • Proton and Heavy Ion Center Preparation and Operation Management”

## VII. Upholding Integrity and Justice, Fostering Sustainable Enterprise Growth

Concord Healthcare adheres to the concept of “fairness and integrity”, opposes all forms of corruption and fraud, and is committed to creating a clean and healthy working environment. In strict accordance with the requirements of laws and regulations such as the *Anti-Unfair Competition Law of the PRC* 《中華人民共和國反不正當競爭法》, the *Interim Provisions on Banning Commercial Bribery* 《關於禁止商業賄賂行為的暫行規定》, the *Code of Conduct for Employees in Medical Institutions* 《醫療機構從業人員行為規範》, and the *Anti-Money Laundering Law of the PRC* 《中華人民共和國反洗錢法》, we have established a sound anti-fraud reporting and complaint system. We will adopt a “zero tolerance” attitude towards corruption, fraud, money laundering and other violations of law and discipline. During the year, the Group did not have any concluded litigation cases relating to bribery, extortion, fraud and money laundering.

The Group has formulated and continuously improved the *Regulations on Anti-Fraud and Reporting Mechanism* 《反舞弊與舉報機制條例》, clearly defining fraudulent activities, responsible departments for anti-fraud work, reporting email addresses, whistleblower protection, and the investigation mechanism. We encourage employees to report suspected fraud cases, either anonymously or by name, via email:

E-mail: [compliance@concordmedical.com](mailto:compliance@concordmedical.com).

For suspicious but unconfirmed reports involving ordinary employees, the Internal Control Department of the Group will evaluate and decide whether to carry out investigation together with the personnel of the Human Resources Department and other departments of the Group according to the circumstances. If the report involves senior management, after approval by the Board and the Audit Committee, the Group shall form a special investigation team to jointly carry out the investigation, and invite external experts to participate in the investigation as appropriate. At the same time, we also record the whole process of anti-fraud work, issue a report on the investigation results of fraud cases, and timely file the report materials of fraud cases after reporting and investigation. We shall report to the Board and the Audit Committee of the Group on the investigation results of the fraud cases and the work report on the anti-fraud work in a timely manner according to the nature of the report.

In order to effectively protect whistleblowers, we have established a whistleblower protection system, which stipulates that when anti-fraud staff receive whistleblowers’ reports or verify the situation with whistleblowers, they appoint experienced personnel to conduct investigations without revealing the identity of whistleblowers. For sensitive information such as the name, contact information and content of the whistleblower, we require the anti-fraud staff to keep it strictly confidential and include the reporting materials in the confidential management.

In order to enhance the integrity awareness of all staff, we continue to carry out various anti-fraud awareness publicity activities. During the year, the Group regularly issued a notice to all staff in the OA office system, requiring all departments, member organizations and the staff to actively study the relevant laws, regulations and internal policies of anti-corruption and fraud. We also conducted “Anti-Fraud Knowledge Training” for all employees, including Board members, further emphasizing the Group’s anti-fraud policy, reporting procedures, and the consequences of misconduct. This helps to enhance everyone’s knowledge of anti-fraud measures and raise awareness of integrity.

# Appendix

Environmental, Social and Governance Reporting Guide in Appendix C2 enclosed in the Main Board Listing Rules on Hong Kong Exchange and Clearing Limited.

Mandatory Disclosure		Disclosure section
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues;</li> <li>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</li> </ul>	<p>1.1 Board Statement 1.2 ESG Governance Structure 1.3 Stakeholder Communication 1.4 Materiality Topics Analysis</p>
Reporting Principles	<p>A description of, or an explanation on, the application of the reporting principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> The ESG report should disclose (i) the process to identify and the criteria for the selection of material ESG factors;(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>About this Report</p>
Reporting Scope	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About this Report</p>

# Appendix

“Comply or Explain”		
Aspect	Key Performance Indicator	Disclosure section
A1 Emissions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Cherish Nature, Green Operation – 2.1 Emission management
	A1.1 The types of emissions and respective emission data.	Cherish Nature, Green Operation – 2.1 Emission management, 2.3 Environmental Performance
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes), and (where appropriate) intensity (e.g., per unit of production volume, per facility).	Cherish Nature, Green Operation – 2.3 Environmental Performance
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Cherish Nature, Green Operation – 2.3 Environmental Performance
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Cherish Nature, Green Operation – 2.3 Environmental Performance
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Cherish Nature, Green Operation – 2.1 Emission management, 2.5 Environmental Goals
	A1.6 Description of how hazardous and non-hazardous waste are handled and a description of reduction target(s) set and steps taken to achieve them.	Cherish Nature, Green Operation – 2.1 Emission management, 2.5 Environmental Goals

# Appendix

Aspect	Key Performance Indicator	Disclosure section
A2 Use of Resources	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Cherish Nature, Green Operation – 2.2 Resource Management
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Cherish Nature, Green Operation – 2.3 Environmental Performance
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Cherish Nature, Green Operation – 2.3 Environmental Performance
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Cherish Nature, Green Operation – 2.2 Resource Management, 2.5 Environmental Goals
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency target(s) set, and steps taken to achieve them.	Cherish Nature, Green Operation – 2.2 Resource Management, 2.5 Environmental Goals
	A2.5 Total packaging used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Cherish Nature, Green Operation – 2.3 Environmental Performance
A3 The Environment and Natural Resources	<p>General Disclosure</p> <p>Policies on minimizing the issuer's significant impact on the environment and natural resources.</p>	Cherish Nature, Green Operation
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.	Cherish Nature, Green Operation
A4 Climate Change	<p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p>	Cherish Nature, Green Operation – 2.4 Climate Change Actions
	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.	Cherish Nature, Green Operation – 2.4 Climate Change Actions



# Appendix

Aspect	Key Performance Indicator	Disclosure section
B1 Employment	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<p>Protecting Employees, Moving Towards the Future – 4.1 Employment and Labor Management</p>
	<p>B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p>	<p>Protecting Employees, Moving Towards the Future – 4.1 Employment and Labor Management</p>
	<p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>Protecting Employees, Moving Towards the Future – 4.1 Employment and Labor Management</p>
B2 Healthy and Safety	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>Protecting Employees, Moving Towards the Future – 4.2 Health and Safety</p>
	<p>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	<p>Protecting Employees, Moving Towards the Future – 4.2 Health and Safety</p>
	<p>B2.2 Lost days due to work injury.</p>	<p>Protecting Employees, Moving Towards the Future – 4.2 Health and Safety</p>
	<p>B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	<p>Protecting Employees, Moving Towards the Future – 4.2 Health and Safety</p>

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Aspect	Key Performance Indicator	Disclosure section
B3 Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Protecting Employees, Moving Towards the Future – 4.3 Development and Training
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Protecting Employees, Moving Towards the Future – 4.3 Development and Training
	B3.2 The average training hours completed per employee by gender and employee category.	Protecting Employees, Moving Towards the Future – 4.3 Development and Training
B4 Labour Standards	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	Protecting Employees, Moving Towards the Future – 4.1 Employment and Labor Management
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protecting Employees, Moving Towards the Future – 4.1 Employment and Labor Management
	B4.2 Description of steps taken to eliminate such practices when discovered.	Protecting Employees, Moving Towards the Future – 4.1 Employment and Labor Management

# Appendix

Aspect	Key Performance Indicator	Disclosure section
B5 Supply Chain Management	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	<p>Demand and Supply in Harmony, Moving Forward Together</p>
	<p>B5.1 Number of suppliers by geographical region.</p>	<p>Demand and Supply in Harmony, Moving Forward Together</p>
	<p>B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p>	<p>Demand and Supply in Harmony, Moving Forward Together</p>
	<p>B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p>	<p>Demand and Supply in Harmony, Moving Forward Together</p>
	<p>B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	<p>Demand and Supply in Harmony, Moving Forward Together</p>

Aspect	Key Performance Indicator	Disclosure section
B6 Product Responsibility	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Pursuing Excellence, Serving with Compassion
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Pursuing Excellence, Serving with Compassion – 3.1 Service Quality and Medical Safety
	B6.2 Number of products and service related complaints received and how they are dealt with.	Pursuing Excellence, Serving with Compassion – 3.1 Service Quality and Medical Safety
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Pursuing Excellence, Serving with Compassion – 3.3 Innovative R&D and Intellectual Property Management
	B6.4 Description of quality assurance process and recall procedures.	Pursuing Excellence, Serving with Compassion – 3.1 Service Quality and Medical Safety
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Pursuing Excellence, Serving with Compassion – 3.2 Privacy Protection and Information Security

# Appendix

Aspect	Key Performance Indicator	Disclosure section
B7 Anti-corruption	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	Upholding Integrity and Justice, Fostering Sustainable Enterprise Growth
	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.	Upholding Integrity and Justice, Fostering Sustainable Enterprise Growth
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Upholding Integrity and Justice, Fostering Sustainable Enterprise Growth
	B7.3 Description of anti-corruption training provided to directors and staff.	Upholding Integrity and Justice, Fostering Sustainable Enterprise Growth
B8 Community Investment	<p>General Disclosure</p> <p>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.</p>	Heartfelt Commitment to the Community, Advancing Together through Charity
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Heartfelt Commitment to the Community, Advancing Together through Charity
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Heartfelt Commitment to the Community, Advancing Together through Charity

