



弘和仁愛

HOSPITAL CORPORATION

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

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3869

2023

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

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ABOUT THIS REPORT

Report Overview

Hospital Corporation of China Limited (the “**Company**”) together with its subsidiaries (collectively, referred to as the “**Group**”, “**we**”, “**us**” or “**our**”) is a medical service technology group led by a team of professionals with extensive experience in hospital management. This Environmental, Social and Governance (“**ESG**”) Report provides an overview of the Group’s ESG activities, challenges and initiatives taken from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”) and demonstrates its commitment to sustainable development. The Group adheres to the management approach of sustainable ESG and is committed to effectively and responsibly handling the Group’s ESG affairs as a core part of the Group’s business strategy.

Reporting Scope

This ESG Report mainly covers the operations of the Group and hospitals owned, managed and organized by the Group (the “**Group Hospitals**”) in the People’s Republic of China (the “**PRC**”). The Group will continue to understand the key ESG aspects of its various businesses and expand the scope of information disclosure where appropriate.

Reporting Framework

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

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

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Data Source

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

Forward-Looking Statements

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

Contact Us

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

Website: www.hcclhealthcare.com

Email: hcclhealthcare@hcclhealthcare.com

ESG MANAGEMENT STRATEGY

ESG Development Strategy

In recent years, with the increasingly severe problem of global climate change, sustainable development has attracted great discussion and attention. There is now an international consensus to promote the long-term coordinated development of ESG factors, aiming to foster economic and social harmony. China's commitment to achieving the goals of "carbon peak and carbon neutrality" has further highlighted the importance of ESG as a crucial foundation for sustainable development strategies and as a significant yardstick for measuring sustainable actions.

To advance the Group's sustainability efforts, the Group has established an ESG development strategy that is firmly rooted in the value chain of its business activities. The strategy focuses on five key areas: Enhanced Governance, Quality Services, Low-carbon Operations, Diversity and Inclusion, and Innovation Development. This strategic objective not only creates sustainable long-term value for all stakeholders but also makes a lasting contribution to the Group's long-term development.



ESG Management System

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





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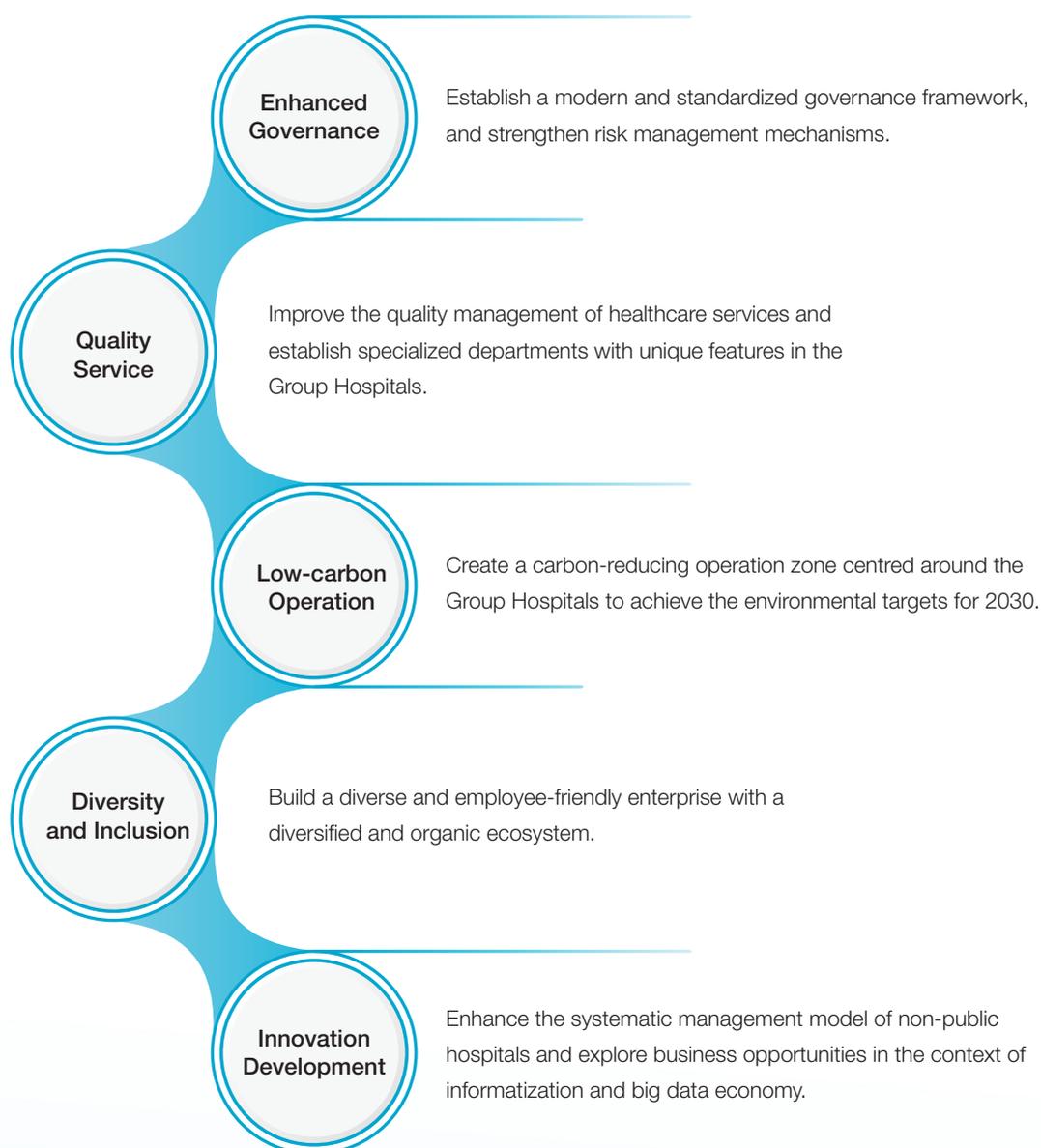
The Board holds ultimate accountability for the ESG strategy and reporting. It is tasked with identifying and evaluating the risks and opportunities associated with the Group's ESG performance, establishing pertinent management guidelines, strategies, priorities, and targets. The Board also approves and releases the annual ESG report, while ensuring the implementation of appropriate and robust ESG risk management and internal control systems throughout the organization. The ESG Working Group is composed of core members of the Chief Executive Officer's Committee ("**CEO's Committee**") and different functional departments to facilitate the Board's oversight of ESG matters. The ESG Working Group is responsible for collecting and analysing ESG information, monitoring and evaluating ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports.

The ESG Working Group meets regularly to assess the effectiveness of current policies and procedures and develop appropriate solutions to improve the overall performance of ESG policies. At the meeting, the ESG Working Group deliberated on current and future initiatives aimed at monitoring and managing the Group's sustainability goals. The discussions centred on strategies to mitigate potential risks and minimize adverse effects on the Group's business operations. The results of the meeting will be regularly reported to the Board to evaluate the implementation and efficacy of the internal control mechanism. This reporting will also include a review of the progress made towards the established goals and targets. The Board, with the assistance of the CEO's Committee and the ESG Working Group, shall regularly discuss and review the ESG objectives, progress and performance and make timely improvements.

ESG Development Goals

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

ESG OUTLOOK 2030



Board Statement

Responsibility for ESG Issues

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

ESG Risk Management

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

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STAKEHOLDER ENGAGEMENT

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

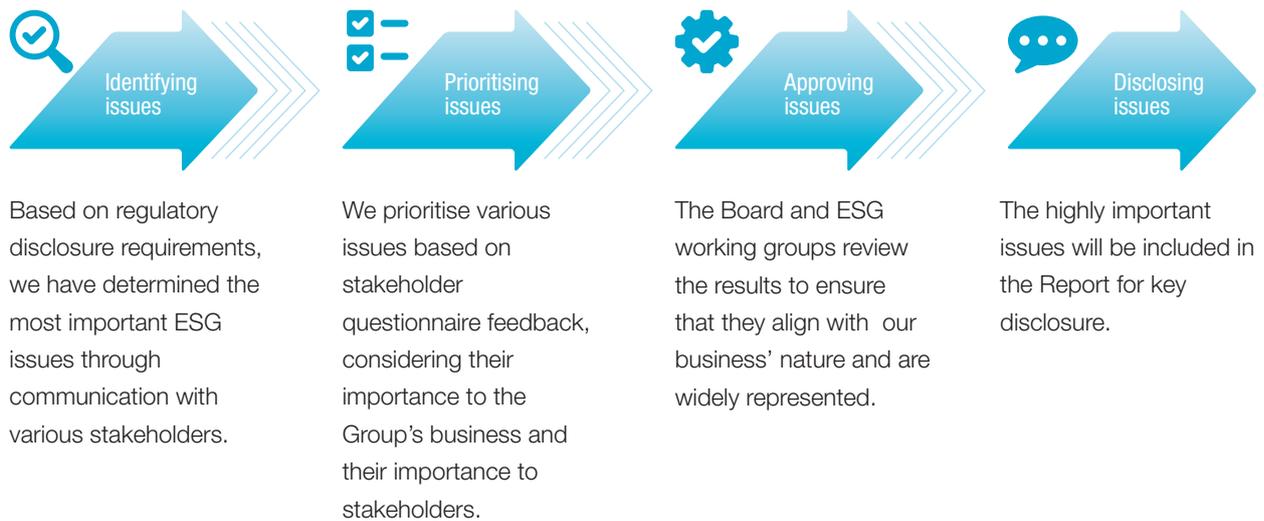
Major Stakeholders	Communication Channels	Expectations
Investors and Shareholders	<ul style="list-style-type: none"> • General Meetings and Extraordinary General Meetings • Financial Reporting • Announcements and Circulars • Emails • Company Website • Results Announcement • Field Trips 	<ul style="list-style-type: none"> • Operational Performance • Corporate Governance • Integrity and Compliance • Medium- and Long-term Development Planning
Board of Directors and Senior Management	<ul style="list-style-type: none"> • Board Meetings • Disclosure of Information • Company Website • Announcement • Operation Management Meetings • Emails • Phone or Newsletter 	<ul style="list-style-type: none"> • Corporate Strategy • Financials • Risk Management • Legal and Compliance • Talent and Organizational Development • Business and Technological Innovation
Patients and Their Families	<ul style="list-style-type: none"> • Administrator’s Mailbox • Visiting • Telephone Hotline • Social Media Platforms • Email and Website • Community Events 	<ul style="list-style-type: none"> • Medical Technology and Quality Control • Customer Privacy Protection • Medical Care Experience • Protection of the Rights and Interests of Patients and Their Families • Hospital Grade • Level of informatization • Featured Departments

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Major Stakeholders	Communication Channels	Expectations
Suppliers	<ul style="list-style-type: none"> • Supplier Meetings & Events • Regular Audits and Assessments • Quotation and Bidding Process • Field Trips • Emails • Industry Seminars • Business Cooperation and Trade Exchanges 	<ul style="list-style-type: none"> • Fair Competition • Business Ethics and Credibility • Win-win Cooperation • Product Responsibility • Corporate Internal Control and Whistleblowing Mechanism
Employees	<ul style="list-style-type: none"> • Employee Performance Appraisal • Internal Mail • Staff Meetings and Training • Phone or Newsletter • Staff Congress • Labor Union • Notice 	<ul style="list-style-type: none"> • Career Development • Employee Compensation and Benefits • Occupational Health and Safety • Corporate Culture • Gender Discrimination • Team Cohesion • Social Recognition
Government and Regulatory Agencies	<ul style="list-style-type: none"> • Legal Documents and Notices • Written Response to Public Consultation • Mandatory or Voluntary Disclosure • Field Visits • Meetings 	<ul style="list-style-type: none"> • Legal Taxation • Information Transparency • Compliance with Laws and Regulations • Occupational Health and Safety • Environmental Protection
Community and NGOs	<ul style="list-style-type: none"> • Public and Community Events • Community Investment Program • ESG Reports 	<ul style="list-style-type: none"> • Community Involvement • Environmental Protection • Inclusive Healthcare • Ethics
Media and the Public	<ul style="list-style-type: none"> • Social Welfare Activities • Meetings • News • Field Trips 	<ul style="list-style-type: none"> • Operational compliance • Open and Transparent Information • Environmental Protection • Contributions to the Community • Ethics

MATERIALITY ASSESSMENT

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



Materiality Matrix



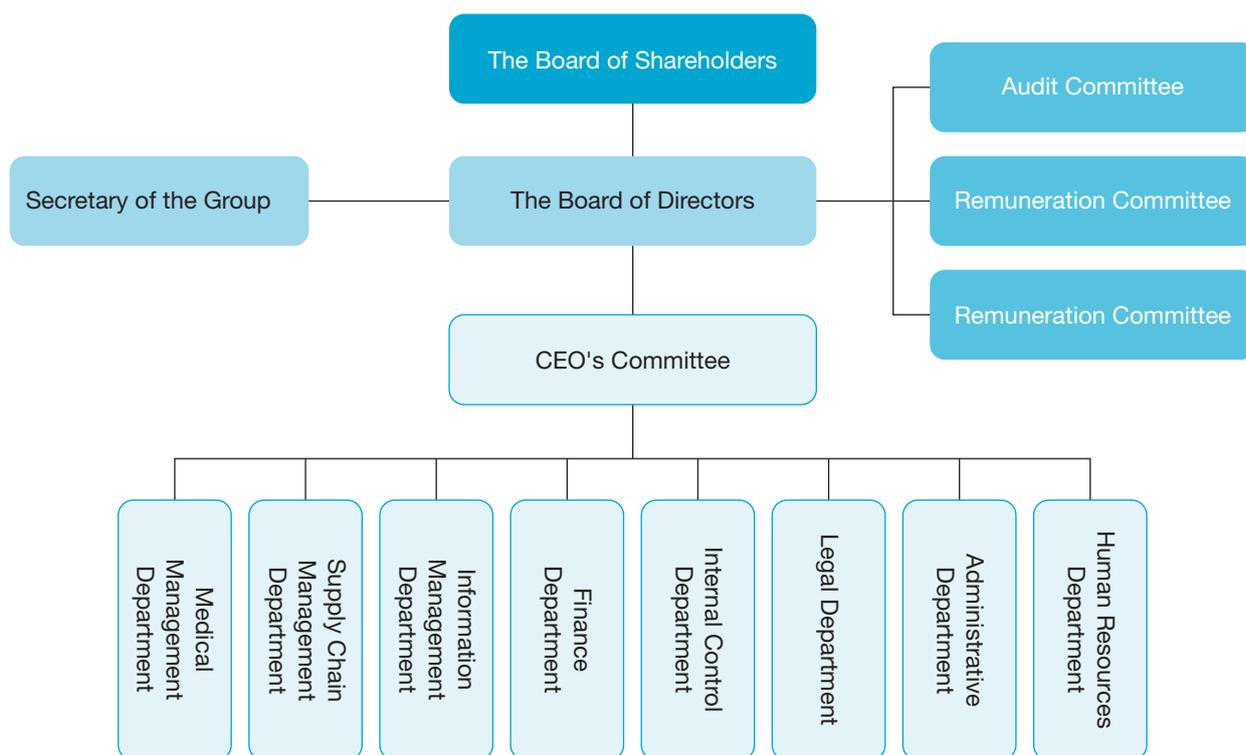
- | | |
|--|--|
| 1 Quality of medical service | 10 Development of internal control system |
| 2 Patient satisfaction | 11 Supply chain management |
| 3 Scientific and lean management | 12 Access to healthcare |
| 4 Employee development and training | 13 Employment practices |
| 5 Occupational health and safety | 14 Use of resources |
| 6 Informatization construction | 15 Emissions management |
| 7 Anti-corruption and compliance management | 16 Environment and natural resources |
| 8 Labor standards | 17 Combating climate change |
| 9 Privacy of patient | 18 Community investment |

ENHANCED GOVERNANCE

Corporate governance excellence serves as the bedrock for robust operations and full compliance. We unwaveringly adhere to national laws and regulatory requirements, establishing a standardized corporate governance framework. We continuously strengthen internal compliance risk management, uphold business ethics, and prioritise clean governance. With high standards of operational standardization, we persistently strive to create long-term value for both our shareholders and society.

Corporate Governance

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



We diligently convene general meetings of shareholders and board meetings in strict accordance with the Group's articles of association and bylaws. During these meetings, we meticulously examine significant projects and key issues in the Group. We adhere to the relevant provisions governing voting matters and voting procedures, ensuring the protection of the legitimate rights and interests of both the listed company and its shareholders.

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

Risk Management

The Group places significant emphasis on risk prevention and control, strictly adhering to the Company Law of the PRC (《中華人民共和國公司法》), the Audit Law of the PRC (《中華人民共和國審計法》), and other applicable laws and regulations. The Group continuously enhances its comprehensive risk management system. Both the Group and the Group hospitals under its management have established internal audit functions, along with risk management and internal control policies and procedures, to ensure the implementation of robust risk management and internal control systems.

The risk management system encompasses identifying and classifying existing and emerging risks, assessing, and prioritising risks, mitigating risks, and measuring our risk management in our business operations. The internal control system consists of an employee code of conduct, internal audits, management reports, and internal control systems implemented in Group-owned or managed hospitals. The CEO's Committee assesses and monitors key risks, controls, and procedures to assure the Board that the internal control system is operating as planned and remains sound and efficient. The Audit Committee oversees the internal audit function and is assisted by the Internal Control Department.

A standardised internal control system has been implemented in hospitals owned or managed by the Group to improve internal policies and procedures. Shanghai Yangsi Hospital ("**Yangsi Hospital**"), Cixi Honghe Hospital ("**Cixi Hospital**"), Jiande Hospital of Traditional Chinese Medicine Co., Ltd ("**Jiande Hospital**") and Zhejiang Jinhua Guangfu Oncological Hospital ("**Jinhua Guangfu Hospital**") have improved their internal policies and procedures based on this standardised system.

Probity and Compliance

The Group is dedicated to establishing a transparent and ethical corporate system, adhering to high standards of business ethics. We continuously optimize reporting channels, actively promote anti-corruption education, and vigorously combat corruption and other unfair business practices.

The Group has engaged in the development of the Hospital Corporation Anti-Corruption and Anti-Fraud Compliance Guideline (《弘和仁愛醫療集團有限公司反腐敗、反舞弊合規指南》). The guideline specifically address fraudulent activities, conflict of interest, extortion, bribery, corruption, money laundering, and other illegal activities, imposing stringent regulations and severe penalties. The Group has implemented a compliance governance structure with well-defined responsibilities to ensure the effective implementation of anti-corruption and anti-fraud measures in decision-making, management, and execution processes. The ethical and compliant responsibilities of key processes, such as supply chain management, procurement, and finance management, have been strengthened.



The Group strictly implements laws and regulations such as the Notice on Printing and Circulating of Nine Guidance on the Professional Integrity of the Staff in Medical Institutions (《關於印發醫療機構工作人員廉潔從業九項準則的通知》) and Certain Provisions on Anti-Unfair Competition in the Pharmaceutical Industry (《醫藥行業關於反不正當競爭的若干規定》). To establish an ethical, open, and transparent corporate culture, the Group has formulated internal audit supervision systems such as the Hospital Corporation Internal Audit Management System (《弘和仁愛醫療集團內部審計管理制度》) and Hospital Corporation Economic Responsibility Audit Management System (《弘和仁愛醫療集團經濟責任審計工作管理辦法》).

The Group has established transparent and accessible reporting channels, in alignment with the Hospital Corporation Anti-Corruption and Anti-Fraud Reporting and Punishment System (《弘和仁愛反腐敗、反舞弊舉報和處分制度》). This system allows employees, the public, patients, and patients' families to report any suspected misconduct or corruption through designated reporting telephone lines, emails, letters, or interviews. All reported cases are treated confidentially to safeguard the identity and privacy of the whistleblower. Whistleblowers are protected against unfair treatment, and their legitimate rights are legally safeguarded. The Board possesses the authority to review reported cases.

Reporting channels

Report email: AC@hcclhealthcare.com

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

Supply Chain Integrity

The Group upholds the principles of “openness, justice, and fairness” and strives to foster a transparent and equitable partnership with its collaborators. Together, we aim to cultivate a cooperative environment that promotes probity, efficiency, and honesty. Business partners are required to sign the Letter of Commitment for Supplier Cooperation (《供應商合作陽光承諾函》) and not engage in unfair means such as collusive bidding and vicious competition to compete for business. The Group's internal procurement staff diligently avoids any influence from suppliers or personal interests. They prioritise and actively pursue the best interests of the company while maintaining cordial relations with suppliers through an open and impartial approach. The acceptance of any gifts or kickbacks from current or potential suppliers, including monetary incentives, shares, services, special offers, etc., is strictly prohibited.

The Group proactively upholds sound corporate governance and risk management practices, ensuring the protection of stakeholders' interests. To foster a clean, open, and transparent corporate culture, the Group implements various measures, including signing anti-fraud construction agreements with third-party intermediaries and procurement integrity agreements with major suppliers. These initiatives contribute to maintaining ethical standards and promoting probity throughout the organization.

Anti-corruption Training

The Group provides anti-corruption training to the Board and all employees of the Group through online training, offline reading of training materials, lectures, and seminars. During the Reporting Period, the Group organized a total of approximately 21 hours of training on integrity building and internal oversight. The training covered the Group's management team, as well as key positions such as finance, procurement, and others, with a total of 2,510 participants. Among them, 54 were directors and senior management. The training covered various topics including legal and regulatory aspects of the healthcare and pharmaceutical industry, anti-fraud and anti-corruption measures, and professional ethics education, among others. Through anti-corruption training and internal supervision, the Group is committed to continuously enhancing the full awareness of anti-corruption among personnel in key positions, enhancing the ability to handle anti-corruption work, and strengthening cooperation and coordination among various departments to effectively prevent and combat corruption.

During the Reporting Period, there were no concluded legal cases regarding any forms of fraud raised by the Group or its employees. The Group was not aware of any material non-compliance with relevant laws and regulations of bribery, extortion, fraud, and money laundering. Such laws and regulations include but are not limited to the Criminal Law of the PRC (《中華人民共和國刑法》), Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Prevention of Bribery Ordinance of Hong Kong (《防止賄賂條例》).

QUALITY SERVICE

Throughout its rapid development and resource consolidation in the medical and pharmaceutical industry, Hospital Corporation has consistently upheld the core principle of “serving the people and prioritising life.” The Group continually enhances its quality management system for medical services, proactively aligns with policy requirements, and responds to evolving patient needs in the healthcare sector. By continuously improving the quality of medical services, Hospital Corporation aims to deliver an exceptional medical experience to patients. The Group strengthens supply chain quality management to ensure comprehensive quality assurance for its services.

Medical Service Quality

We believe that safety and quality are important pillars of sustainable development in the healthcare industry. The Group consistently prioritises the management of various safety and quality indicators, ensuring the reliability and safety of medical supplies. The Group actively establishes a robust intranet system to facilitate seamless internal communication and connectivity. The Group strives to provide patients and their families with a superior medical experience marked by high-quality care.

Safety and Quality Management

The Group promptly adjusted various indicators related to hospital operation and management, quality and safety, and medical insurance statistics to ensure standardised management practices. The Group conducts regular supervision to enhance the normalisation of managing major adverse events and minimize losses. The Group has implemented an internal reporting system to proactively address potential risks and continuously improve the quality and safety management standards of the hospitals. Furthermore, the Group has developed a medical service quality evaluation system and a target assessment system based on the evaluation standards for graded hospitals. The Group diligently oversees the progress of hospital grade reviews as planned, provides guidance for discipline evaluation, operation management, medical insurance management, and performance management, and actively conducts activities such as three-level check-ups and emergency drills.

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The Group strictly adheres to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), the Measures for the Supervision and Administration of Medical Device Business (《醫療器械經營監督管理辦法》), the Quality Management Standards for Medical Device Business (《醫療器械經營質量管理規範》), the Regulations on the Handling of Medical Accidents (《醫療事故處理條例》), and other relevant laws and regulations. It continuously enhances the quality and safety of medical supplies, mitigates medical risks, and ensures the delivery of high-quality and safe medical services. Each Group Hospital has established internal policies such as Jinhua Guangfu Hospital Medical Device Defect Recall System (《金華廣福醫院醫療器械缺陷召回製度》), Jinhua Guangfu Hospital Supply Room Disposable Sterile Items Recall System (《金華廣福醫院供應室一次性無菌物品召回制度》), the Medical Consumables Use Quality Management System (《醫用耗材使用質量管理制度》), Cixi Hospital Medical Consumables Acceptance Management System (《慈溪弘和醫院醫用耗材驗收管理制度》), and Yongkang Hospital Medical Quality Control Implementation Plan (《永康醫院醫療質量控制實施方案》). These internal policies precisely delineate the responsibilities of personnel at all levels, ensuring comprehensive control and supervision of business processes, and maintaining a stringent focus on the quality and safety of the Group's medical supplies. Several medical devices in the Group Hospitals are sourced from abroad. For instance, Yangsi Hospital boasts a comprehensive and advanced examination and treatment system, featuring Siemens' 3.0T MRI, dual-source CT, large-scale DSA, DR, mammography, and other cutting-edge inspection systems. It is equipped with a complete set of Olympus endoscopic systems, anaesthesia and intensive care systems, large-scale imported automatic biochemical instruments, as well as a comprehensive imported pathological examination system, among other equipment. Jinhua Guangfu Hospital stands out as the first medical facility in central Zhejiang Province to possess the DiscoveryElite 64-row 128-layer PET/CT and the first gamma knife in Jinhua City. Furthermore, all Group Hospitals conduct regular inspections of medical supply specifications and perform quality and safety risk assessments.

Based on the new generation of private network technology, the Group has established a large intranet between the Group and Group Hospitals in various systems to achieve data interconnection and information resource sharing. Jinhua Guangfu Hospital has completed the integration and transformation of the existing system and passed the level-4 evaluation of the electronic medical record function for the first time, which has improved the hospital's comprehensive service ability and refined management ability. The Group's informatization team has independently developed interfaces and successfully implemented the medical insurance compliance system in four Group Hospitals in Zhejiang. This initiative has greatly contributed to enhancing the quality and efficiency of the Group Hospitals.

Responsible Advertising

The Group adheres strictly to 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 other relevant laws and regulations. It ensures that Group Hospitals engage in responsible and compliant advertising practices. The Group emphasizes the importance of publishing objective and truthful medical advertisements under relevant laws and regulations and strongly prohibits the dissemination of false or misleading statements regarding hospital products, services, and performance. These measures are in place to safeguard the rights and interests of patients and protect them from potential harm.

Improving Hospital Environment

The Group strictly adheres to relevant laws and regulations, such as the Regulation for Cleaning and Disinfection Management of Environmental Surface in Healthcare (《醫療機構環境表面清潔與消毒管理規範》) and the Guidelines for the Planning of the Establishment of Medical Institutions (《醫療機構設置規劃指導原則》), to ensure a warm and comfortable medical environment for patients. Group Hospitals have optimized the appointment and treatment processes by implementing online appointment systems and fast lanes, significantly enhancing the efficiency of medical services. Clear navigation guidelines are available throughout the hospitals to assist patients in finding their way. The Group upholds the principle of “respect for patients” and has established a robust doctor-patient communication mechanism. The consultation nurse station provides consultation and support services for patients and their families. Jinhua Guangfu Hospital offers a wide range of medical services and provides interpretation services for foreign patients. Additionally, it is equipped with sign-language interpreters to facilitate medical treatment for patients with disabilities.

Patient Care Experience

We are patient-centric and believe that providing high-quality patient services is an important foundation for the Group’s sustainable development. We prioritise the confidentiality of patients’ information and actively establish communication channels to foster long-term connections with patients, aiming to cultivate a harmonious doctor-patient relationship.

Protection of Patient Privacy

The Group strictly adheres to and implements various policies to safeguard the rights of patients. It respects patients’ rights and dignity, provides equal services, and ensures the protection of patients’ rights and interests. The Group has established a Patient Privacy Protection System (《患者隱私保護制度》) to uphold the integrity and confidentiality of patient files, particularly patient information, and medical records. The Group is committed to fulfilling its obligation to maintain confidentiality and has successfully prevented any complaints or disputes regarding breaches of patient privacy during the Reporting Period. The Group mandates departing employees to hand over patient data, along with other information and documents, to their respective departments before leaving the company. The Group strictly prohibits the provision of patients’ data to any third parties for marketing purposes.

Patient Satisfaction

The Group attaches great importance to the importance of patient services, and patient satisfaction is one of the key factors for the sustainable development of its business. The Group implemented enhanced discharge follow-up visits for inpatients, standardized satisfaction surveys for both outpatient and inpatient services, and collected feedback and suggestions through various channels such as questionnaires, mailboxes, online reviews, and media platforms. Relevant departments were established to handle complaints and continuously enhance service quality.

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To further advance the quality of medical care and service level and improve satisfaction among patients and society, Group Hospitals conducts quarterly satisfaction surveys for both outpatients and inpatients. These surveys encompass assessments of patients' satisfaction with the hospital's service attitude, service quality, service process, environmental facilities, and other aspects, as well as soliciting suggestions for improvement. At least 90 points are required for overall patient satisfaction.

The Group requires that every complaint be handled appropriately and prohibits employees from reaching private settlements with complainants to ensure that the Group can accurately receive patient opinions. The Group regards patient complaint management as an important part of continuous quality improvement. The Group is dedicated to thoroughly investigating every complaint, comprehending the underlying facts and root causes, identifying responsible parties and areas for improvement, providing recommendations, and ensuring that the relevant departments promptly implement necessary improvement measures. These efforts aim to enhance the quality of the Group's services and foster future development.

Supply Chain Quality

The quality, resilience and sustainability of suppliers are essential to the Group's production and operations. We have always adhered to the original intention of providing patients with high-quality medical technology and services. The Group has established a strict and standardized supplier management system to ensure the quality, safety and environmental protection of the supply chain and promote its sustainable development. During the Reporting Period, the Group strictly complied with the Medical Produce Administration Law of the PRC (《中華人民共和國藥品管理法》), the Regulations for the Implementation of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), the Measures for the Administration of Pharmaceutical Trade Licenses (《藥品經營許可證管理辦法》) and the Measures for the Supervision and Administration of Medical Device Business (《醫療器械經營監督管理辦法》). We cooperated with a total of 596 major equipment, drug and service suppliers.

Indicators	Unit	2023
Total Number of Suppliers	No.	596
By Geographical Distribution		
Mainland China	No.	584
Hong Kong	No.	12

Supplier Management System

To strengthen and standardise procurement management, the Group has introduced an Enterprise Resource Planning (ERP) system to vigorously improve the quality and management efficiency of supply chain services and reduce the use of resources in procurement operations. The Group has developed a set of pertinent regulations, such as the Supplier Units and Sales Personnel Qualification Audit Management System (《供貨單位及銷售人員資格審核管理制度》) and the New Products Audit and Pharmaceuticals Quality Files Management System (《首營品種審核和藥品品質檔案管理制度》). These regulations serve to establish clear criteria for supplier evaluation, considering factors such as supplier qualifications, scale, market position, and customer base. This ensures that suppliers meet the Group's requirements for supply chain management.

The Group attaches great importance to anti-corruption in the procurement process. The Group has formulated the Code of Conduct for Procurement Related Personnel of Hospital Corporation and Group Hospitals (《弘和仁愛集團及成員單位採購相關人員行為準則》) the Procurement Service Management Standards and Procedures of Hospital Corporation (《弘和仁愛醫療集團採購服務管理規範和流程》) to optimise the relevant review and approval procedures for bidding and procurement. The procurement process will be conducted under open, fair, and impartial conditions, and there will be no discrimination or special treatment for any supplier. The Group has established a Procurement Management Committee to oversee and manage risks effectively. To maintain transparency and impartiality, employees and individuals with vested interests in relevant suppliers are strictly prohibited from participating in any related procurement activities.

The Group places great importance on the integrity of its suppliers and exclusively engages suppliers and partners with a commendable track record of ethical business practices, devoid of any major violations. The Group maintains a zero-tolerance policy towards bribery and corruption, strictly forbidding suppliers from obtaining procurement contracts or partnerships through any form of favors or gifts. During the Reporting Period, the suppliers of medicines, equipment, and consumables collaborating with the Group have committed to the Supplier Code of Conduct, aligning with the Group's supply chain management requirements.

Sustainable Supply Chain

The Group is committed to local sourcing and integrating sustainable development principles into its business model. In the procurement process, the Group prioritises local suppliers and environmentally friendly products and services to minimize the carbon footprint associated with procurement activities. This approach not only supports local economic growth but also generates employment opportunities within the community. The Group implements stringent evaluations of its suppliers' environmental and social risks, encompassing compliance management and sustainable development practices. It closely monitors supplier adherence to relevant laws, regulations, and standards related to health, safety, forced labor, and child labor. The Group also considers qualifications such as environmental assessment reports, pollutant discharge permits, environmental system certifications, and safety production permits when assessing suppliers. By adopting these practices, the Group aims to mitigate environmental and social risks within its supply chain.

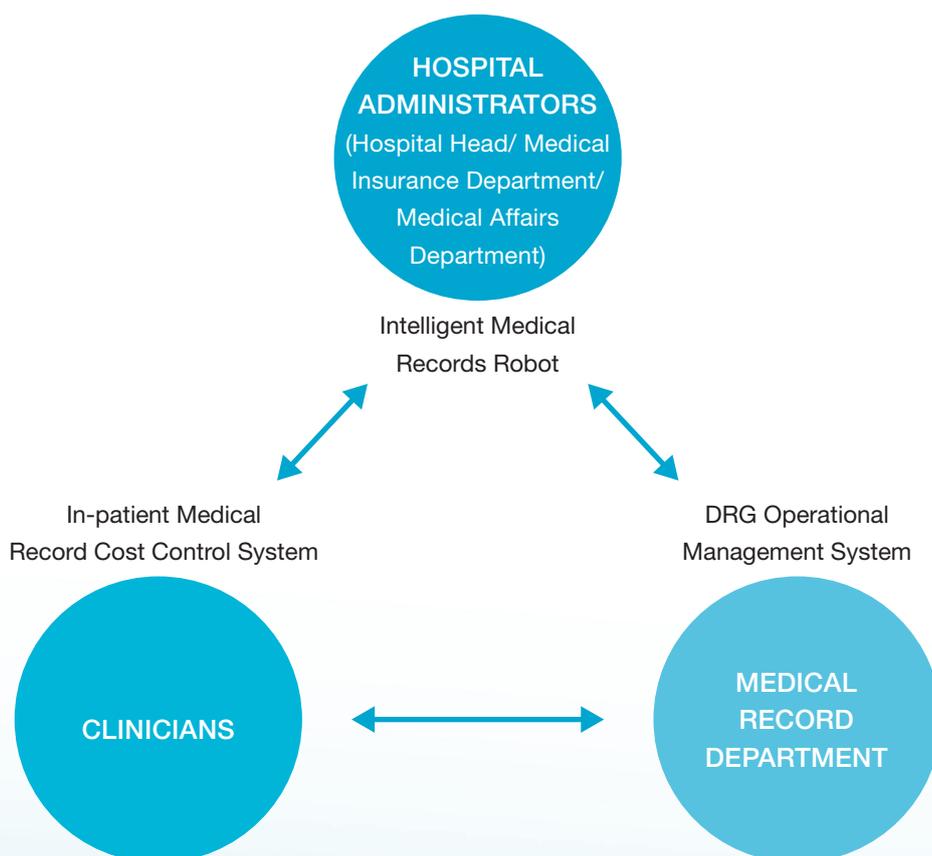
INNOVATION DEVELOPMENT

Buildup of Information Platform

The Buildup of information platform is essential for enhancing hospital management and achieving standardised operations. The Group has taken continuous steps to deepen reforms, including the establishment of an internal information network, the implementation of medical insurance compliance measures, and the reinforcement of information security protection. These efforts have significantly elevated the level of digitalisation, informatisation, modernisation within the hospitals. By pursuing sustainable and environmentally friendly practices, the Group is committed to steady development in line with green principles.

Digital Construction of Medical Insurance

Medical insurance plays a crucial role in the sustainability and development of hospitals. In recent years, changes in the economic environment and the pressure on medical insurance funds have prompted the government to transition from project-based payments to a refined payment system based on DRG/DIP enrollment. In response, the Group has embraced the concept of utilizing information technology to facilitate the precise and sustainable management of medical insurance. To achieve this, the Group has introduced an “intelligent medical record robot” and established an AI data model. This technology accurately enrolls complex and diverse medical insurance settlement data in the form of DRG/DIP through AI, providing cost information, identifying diagnosis and treatment gaps, and offering clinical recommendations and pre-enrollment prompts. This ensures effective treatment planning and comprehensive medical record documentation. The Group has established a centralised “medical insurance operation management platform” in the form of a big data centre. This platform provides hospital managers and clinicians with dynamic decision-making tools and analytical data to support their operations and decision-making processes.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, our continuous efforts to enhance medical insurance management included the implementation of the In-patient Medical Record Cost Control System. This system offers real-time clinical reminders regarding the structural changes in hospitalization expenses and the extent of medical insurance DRG/DIP overspending or balance throughout a patient's hospital stay. Additionally, we integrated the rules and regulations issued by medical insurance into the front end of our production system (HIS) with the aid of this system. This integration enables clinical warnings and interceptions, effectively reducing medical insurance violations and enhancing medical quality and safety at every stage of medical order implementation.



Safeguarding Information Security

The Group places a high priority on information security. To guarantee the data security of the hospital information system and maintain a stable and seamless network connection, the core servers within the hospital's computer room are deployed using state-of-the-art hyper-converged architecture. This ensures increased disaster recovery and backup capabilities, minimizing the risk of data loss. The computer room's virtualized server cluster offers exceptional flexibility and scalability, enabling efficient power consumption and facilitating environmentally friendly, green, and low-carbon operations. This approach aligns with our commitment to sustainability.

To ensure the health of network security and equipment, and to protect the data and information security of hospitals, the Group invites a professional third-party team to conduct preventive maintenance quarterly. The operations team conducts comprehensive inspections of all equipment, analyzes system logs, and identifies potential network issues. This proactive approach helps identify and rectify hidden faults and security vulnerabilities. The Group reinforces the security isolation between internal and external networks, ensuring the unified and secure operation of the Group Hospital's core business systems.

Protection of Intellectual Property Rights

The Group also attaches great importance to the protection of intellectual property rights and strictly abides by the requirements of laws and regulations such as the Trademark Law of the PRC (《中華人民共和國商標法》) and the Patent Law of the PRC (《中華人民共和國專利法》). The Group strengthens the protection of intellectual property rights through patent applications and trademark registrations. The Group also fully respects the intellectual property rights of its partners and strictly abides by the scope of licensing. During the Reporting Period, the Group successfully secured funding for 16 provincial and municipal scientific research projects, published 83 papers in journals at all levels, obtained 9 patents, and held 23 continuing education projects at all levels.

We value and protect intellectual property rights. According to the Employee Handbook (《員工手冊》), all employees are not allowed to disclose the Group's confidential information, including but not limited to the Group's strategy, trade secrets, know-how, intellectual property rights, etc., to third parties. Failure to do so will pursue their legal liabilities.

DIVERSITY AND INCLUSION

The Group has always regarded its employees as the core competitiveness of its sustainable development. The Group is dedicated to establishing a scientific management system that combines medical regulations with modern enterprise practices. We prioritise a people-oriented approach, respecting and safeguarding the legitimate rights and interests of our employees. We provide diverse avenues for career advancement and offer ample training opportunities. Additionally, we prioritise the physical and mental well-being of our employees, ensuring a healthy and safe working environment. We continuously enhance welfare and care measures, and we remain committed to fostering an equal, diverse, and inclusive workplace that promotes sustainability and happiness for all.

Employee Care

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are limited to the Civil Code of the PRC (《中華人民共和國民法典》), the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Company Law of the PRC and the Employment Ordinance (《僱傭條例》) of Hong Kong.

Employee Employment

The Group continues to improve its talent recruitment and selection system. The Group's Recruitment Management System sets out in detail the recruitment applications, recruitment procedures, prohibitions, and responsibilities. At the end of each year, the Group formulates the human resources plan for the following year in accordance with the overall strategic plan and business development objectives. The Human Resources Department recruits through external and internal channels as planned. External channels include online recruitment, job fairs, recommendation introductions, campus recruitment, etc., while internal channels include internal competition and internal recommendation. Regardless of the background of the applicant, we require the person in charge of recruitment to respect the personality and character of the applicant. During the recruitment process, the Group upholds the principles of openness and fair competition. We prioritise factors such as workability, alignment with the actual job requirements, and suitability for the position as our recruitment criteria. Our objective is to ensure transparency and openness throughout the entire recruitment process.

The Group Hospitals maintains partnerships with various medical colleges. We have established practice teaching bases and internship sites to enhance medical research and academic capabilities. We welcome exceptional students to participate in internships at the Group Hospitals, actively participate in campus job fairs, and implement talent recruitment projects in line with local government policies. These initiatives are aimed at attracting outstanding individuals and fostering the growth of a highly skilled workforce within Group Hospitals.

The Group sets out the basis and process for the management of employee promotion, transfer and demotion, and standardizes the management of employee remuneration and position changes. The Group has established a fair and transparent performance appraisal system and supervision mechanism. This system enables regular evaluations of employee performance at all levels, considering their work performance and business skills. Based on the appraisal results, employees are provided with opportunities for promotion and development, allowing them to explore and maximize their work potential.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group will not tolerate dismissal without cause under any circumstances. The Group stipulates in the Employee Handbook that the dismissal process will only be carried out on a reasonable basis and ensure that there is adequate communication on issues before formal dismissal to avoid any conflicts and ensure a seamless transition of job duties. In the event of an employee voluntarily resigning, the Group ensures that an exit interview is conducted by the employee's direct supervisor, department head, and the human resources department. The purpose of this interview is to understand the reasons behind the employee's resignation and to gather their genuine opinions and suggestions for improving the Group's overall work and the specific department.

The Group has stipulated in the Employee Handbook the working day and rest time arrangements for employees to eliminate any form of forced labor, and all work exceeding the statutory working hours must be voluntary and receive appropriate overtime allowance. The Group also effectively protects the legitimate rights and interests of employees under the requirements of national and local laws and regulations such as the Labour Contract Law of the PRC, standardizes the management of attendance and rest, and maintains normal work order. The Group implements a paid annual leave system in accordance with regulations.

As at 31 December 2023, the Group's total number of employees in the Reporting Period was 3,264, all of whom were full-time employees.

Employment Profile	2023	2022
Total	3,264	3,265
By Gender		
Male	1,042	1,036
Female	2,222	2,229
By Age		
Under 30 years of age	1,038	1,122
30-50 years old	1,695	1,618
Over 50 years old	531	525
By Region		
Mainland China	3,263	3,264
Hong Kong	1	1
By Employment Category		
Senior Management	51	45
Middle Management	360	362
General Staff	2,853	2,858

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group's overall employee turnover rate was 11%.

Employee Turnover Rate	2023	2022
Overall	11%	10%
By Gender		
Male	12%	9.7%
Female	11%	9.8%
By Age		
Under 30 years of age	17%	13.4%
30-50 years old	8%	6.7%
Over 50 years old	11%	11.2%
By Region		
Mainland China	11%	10%
Hong Kong	0%	0%

Labor Standards

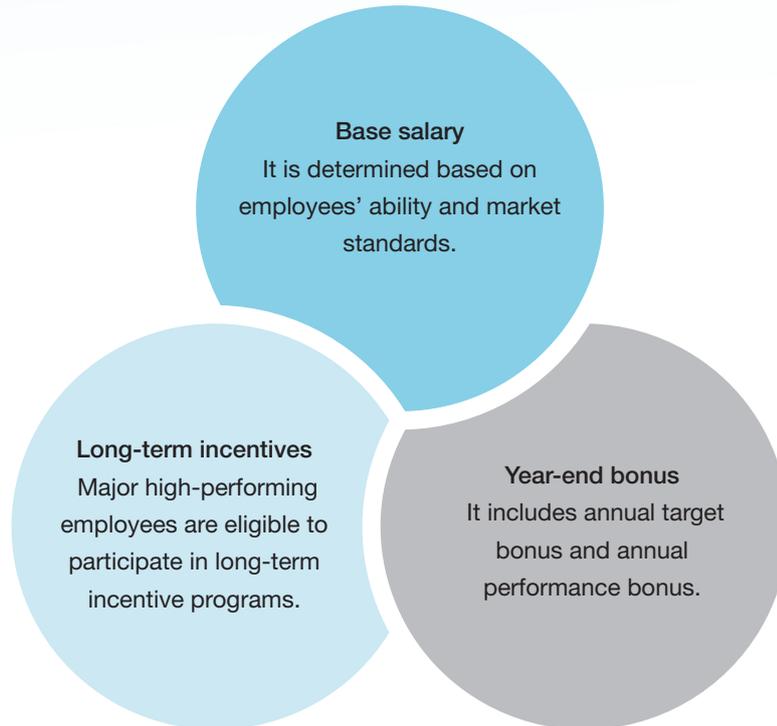
The Group adheres strictly to applicable laws and regulations, including the Employment Ordinance of Hong Kong, the Labor Law of the PRC, and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》). It strictly prohibits the employment of child labor and forced labor in all aspects of its business operations. The Group has clear policies in place that only allow the recruitment of employees who have reached the legal working age. During the recruitment process, the Group conducts thorough reviews of necessary personal data, such as identity documents, to ensure that applicants meet the legal qualifications for employment. In the event of any breach of these regulations, the Group takes immediate corrective action, which may include terminating the contract with the respective employee. If necessary, the Group also reports such incidents to the relevant government department for further investigation and appropriate actions.

In order to prevent forced labour, the Human Resources Department ensures that employees are provided with sufficient rest days and approves all requests for overtime work. We do not in any way force any employee to work overtime against the employee's will, or impose any form of work-related corporal punishment or coercion on the employee.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group.

Compensation and Benefits

The Group has established a fair, equitable, reasonable, and competitive remuneration system, and our aim is to ensure that the best talent is attracted and retained at competitive remuneration. The Group combines short-term and long-term incentives to encourage employees' long-term contributions and commitments.



In addition to the basic salary, the Group offers employees a comprehensive range of benefits. These include social insurance and housing provident fund contributions, commercial medical insurance, life insurance coverage, paid vacation time, regular health check-ups, holiday gifts, and government-mandated employee care benefits. During the Spring Festival, the Group grants employees "additional paid leave" based on specific circumstances. In addition to national statutory holidays, we provide various types of paid leave, such as maternity leave, paternity leave, marriage leave, and bereavement leave, to support our employees during significant life events.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is dedicated to fostering a harmonious and pleasant working environment. To meet the diverse needs of our employees and promote work-life balance, we provide a range of facilities, including a dedicated employee lounge, a mother and baby room, a yoga studio, a basketball court, a table tennis room, a reading room, and a badminton entertainment department. These infrastructure offerings aim to support employees' well-being and create a comfortable workplace atmosphere. We regularly organize collective activities on holidays such as Women's Day, Mid-Autumn Festival, and Spring Festival. During these occasions, we distribute care benefits such as gifts, greatly enhancing the happiness and sense of belonging among employees.



The Group Hospitals offer a variety of leisure activities for employees.



The Group Hospitals organize group activities and distribute employee benefits during holidays.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



The Group Hospitals organize summer childcare classes for employees.



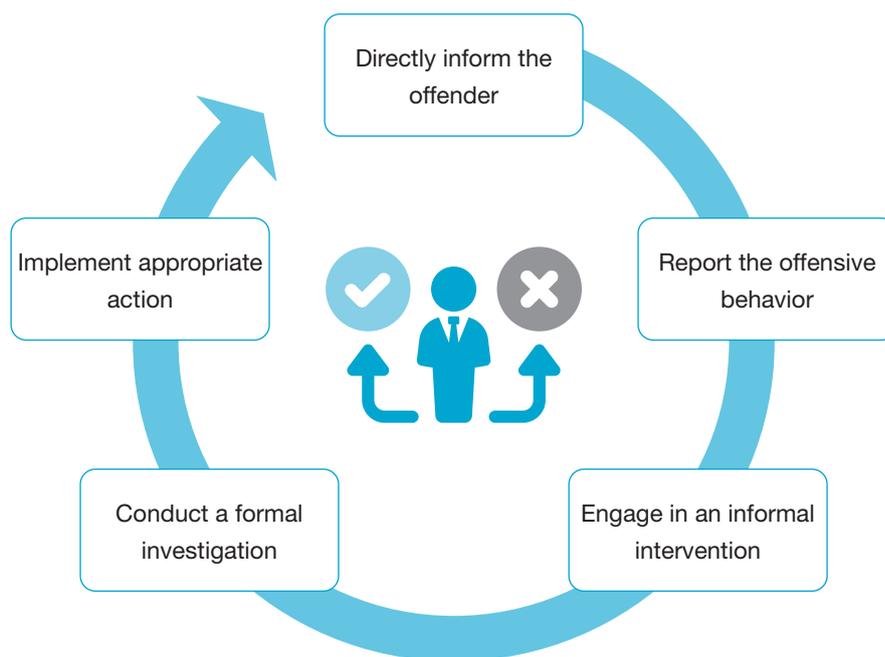
The Group Hospitals organize a variety of outdoor activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Communication and Exchange

The Group upholds the communication principle of “open and effective communication,” engaging in active dialogues with employees and fostering a transparent two-way communication model. We maintain consistent communication with our employee through multiple channels, including the internal mail system, employee satisfaction surveys, meetings, and more, to comprehend their needs and expectations of the Group. The Group Hospitals conduct regular employee evaluation activities every six months, with the objective of achieving an overall employee satisfaction rate of 80% or higher.

We have established a clear and accessible channel for employee complaints, and our Employee Handbook explicitly states that any employee who experiences intimidation, insults, bullying, or harassment (including sexual harassment) may report such incidents to either the employee representative or directly to the department head. Upon receiving a complaint, the Group is committed to treating it seriously and conducting thorough investigations confidentially. All reported cases will be handled promptly and with the utmost discretion.



Talent Development

Talent is the core competitiveness of the Group’s development. We are dedicated to enhancing our employee training system and cultivating a robust talent pool. We strive to assist employees in enhancing their overall skills, identifying their career aspirations, and fostering mutual progress and development through an internal promotion system and diversified training opportunities. By continuously improving our employee training programs and talent development initiatives, we aim to foster a culture of continuous learning and facilitate both individual and collective growth within the organization.

Career Promotion System

We value the individual career development paths of our employees and strive to maximize their talents and abilities. The Group embraces a combination of vertical and horizontal promotions, as well as step-by-step and leapfrog promotions, to establish a development platform that caters to employees at various levels and professions. At the end of each year, the Group conducts job promotions, and salary adjustments, and offers promotion incentives to exceptional employees based on their performance appraisal results. Additionally, the Group Hospitals have implemented a specialized personnel training management system that encompasses promotion systems for professional and technical staff, health management personnel, and service staff, tailored to meet their specific needs and requirements.

Talent Training

The Group places significant emphasis on internal management training and development, aiming to cater to the diverse needs of employees at all levels. We offer a range of training programs, including professional training, management training, and general training, to enhance employee skills, support personal growth, and contribute to the sustainable development of the Group. In line with this commitment, we have established the Group Training Center to organize and facilitate training initiatives that promote the high-quality development of talent.

Professional Training

The Group places a strong emphasis on enhancing the skills and promoting the career development of its employees. Leveraging information tools such as the “Medical Vision (醫視界)” medical practitioner examination system, the “Tribasic Training System (三基培訓係統)”, and the “Ding Talk Video Conference System (釘釘視頻會議系統)”, as well as engaging external professional lecturer teams, the Group has successfully raised the passing rates of professional examinations for licensed physicians and licensed assistant physicians within Group Hospitals. During the Reporting Period, the Group achieved a 42% passing rate for the medical practitioner qualification examination. The Group has encouraged all hospitals to enhance their examination management systems for medical practitioners, improve reference personnel files, facilitate the sharing of teachers and premises, and enhance the frequency and quality of learning. At the end of each year, the Group develops the upcoming year’s training plan based on business needs. The Group also conducts assessments on training effectiveness, aligning them with training needs and objectives, with evaluation results incorporated into the scope of employee performance appraisals.

The Group has developed comprehensive and specialized vocational courses tailored to the specific needs of different professional groups, including doctors and nurses. During the Reporting Period, each professional path actively participated in professional learning activities, fostering knowledge exchange and gaining insights from domestic advanced enterprises through mutual visits and collaborations. These initiatives allowed our employees to stay updated with the latest advancements in their respective fields and enhance their expertise.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



In 2023, the Group launched a Cardiopulmonary Resuscitation Skills Competition to promote the practice vocational skills.

Management Training

To build a high-quality leadership team and improve organizational performance, the Group regularly holds leadership training seminars and working meetings every year. The Group executives, hospital heads, and department heads provide targeted management ability and leadership improvement training programs for experienced and senior managers to strengthen the capacity building of the cadre team.

During the Reporting Period, the Group achieved a 100% training participation rate, with all 3,264 employees actively engaging in various training programs. The cumulative training duration amounted to approximately 131,966 hours, benefiting a total of 83,993 participants.

2023	Percentage of Employee Training	Number of Training Attendance
Overall	100%	83,993
By Gender		
Male	100%	27,351
Female	100%	56,642
By Employment Category		
Senior Management	100%	983
Middle Management	100%	11,145
General Staff	100%	71,865

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The average number of training hours of employees during the Reporting Period is as follows:

Average Number of Training Hours	2023	2022
Overall	40.43	53.24
By Gender		
Male	41.68	48.52
Female	39.85	55.44
By Employment Category		
Senior Management	50.04	62.59
Middle Management	58.25	79.70
General Staff	38.01	49.75

Health and Safety

The Group attaches great importance to the health and safety of its employees and is committed to providing them with a healthy, safe, and comfortable working environment. The Group is committed to identifying and eliminating potential workplace health and safety hazards. We prioritise safety management at all stages to safeguard the personal safety and well-being of our employees throughout their work activities.

The Group has achieved zero work-related fatalities for three consecutive years (including the Reporting Period). During the Reporting Period, the Group recorded 173 working days lost due to work-related injuries. The Group was also not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Occupational Safety and Health Ordinance (《職業安全及健康條例》) of Hong Kong, the Labour Law of the PRC and 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》).

Occupational Health and Safety Training

The Group consistently enhances its occupational health and safety management system, adhering strictly to the Law of the PRC on the Prevention and Treatment of Infectious Diseases (《中華人民共和國傳染病防治法》) and other relevant national laws and regulations. We have institutionalized occupational health and safety management, shifting our focus from post-treatment to proactive prevention. The Group conducts regular occupational health examinations for employees involved in hazardous operations, both before, during, and after their work, as well as during emergencies. Annual health check-ups are also provided for all employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At the beginning of each year, the Group develops an annual training plan for infection management, which encompasses personnel at all levels. According to this plan, employees undergo training and examinations on infection policies and regulations, medical waste disposal, occupational protection, and other relevant knowledge and skills. This aims to enhance our ability to prevent infections and control occupational hazards. The Group conducts regular safety inspection activities to identify and rectify potential safety hazards promptly. To promote safety awareness and knowledge among employees, we regularly provide safety education and training through online and offline platforms, covering topics such as fire safety, public security, traffic safety, hazard management, and occupational disease prevention and control. Jiande Hospital has developed comprehensive procedures for handling emergencies, including food poisoning, fire incidents, typhoons, heavy rain, and other catastrophic events. Led by the Logistics Support Department and the General Affairs Section, clear responsibilities are assigned to ensure effective prevention and response measures are implemented.

Social Responsibility

The Group is deeply involved in social welfare initiatives, leveraging its influence and resources to establish a harmonious partnership with the local communities. Through activities such as public welfare donations, free clinics, health education programs, and volunteer activities, the Group fosters a model of resource sharing, complementary advantages, and coordinated development. We remain dedicated to our ongoing efforts in the realm of public welfare, striving to become a compassionate and caring enterprise.

During the Reporting Period, Yangsi Hospital was awarded the “Advanced Collective of National Private Hospital Management Year (全國民營醫院管理年活動先進集體)” and the “Member of the Smart Rehabilitation Specialty Alliance of the Smart Medical Development Alliance of the Yangtze River Delta Coordination Association (長三角協調會智慧醫療發展聯盟智慧康復專科聯盟會員單位)”, Jinhua Guangfu Hospital was awarded the “2023 Annual Model Hospital for Safety (2023年度平安醫院達標單位)”, Yongkang Hospital was awarded the “Civilized Elderly Care Institution of Zhejiang Province (浙江省敬老文明號)”, Jiande Hospital was awarded the titles of “Class A Secondary Traditional Chinese Medicine Hospital of Zhejiang Province (浙江省二級甲等中醫院)” and “Advanced Unit of Medical Administration Management (醫政管理工作先進單位)”, and Cixi Hospital was awarded the “Excellent Unit for Medical Device Adverse Event Monitoring of Ningbo (寧波市醫療器械不良事件監測工作優秀單位)”.

Community Contribution

The Group has actively engaged in a variety of localized public welfare activities, with a particular focus on supporting vulnerable groups. We have collaborated with public welfare organizations to reduce or exempt medical expenses for individuals in need, provided door-to-door medical and medicine delivery services, and organized voluntary blood donation drives. These initiatives have garnered widespread recognition and appreciation from all sectors of society. During the Reporting Period, based on preliminary statistics, the Group made public welfare donations amounting to approximately RMB 680,000 and extended medical fee reductions and exemptions to identified patients in extreme poverty. Our voluntary blood donation efforts resulted in a total collection of approximately 86,000 millilitres of blood.

Charity Clinics

The Group organizes free clinics and special health activities for community residents and special groups on both regular or irregular basis. Volunteer doctors have actively responded to residents' inquiries regarding chronic diseases, common illnesses, and epidemic prevention and control. They provide valuable services such as conducting physical examinations, offering guidance on blood pressure and blood sugar measurements, promoting rational medication use, and providing diet education. Based on the examination results, the volunteer doctors provide targeted diagnosis and treatment opinions, effectively assisting patients in resolving their health concerns. During the Reporting Period, the Group conducted more than 173 free clinics, covering approximately 9,416 people.



Healthcare Education

The Group proactively utilizes its position as a medical institution to educate the public on the importance of adopting healthy lifestyles, rectifying unhealthy habits, enhancing health awareness, and identifying and mitigating potential health risks. During the Reporting Period, we provided publicity and science popularization activities to the community in terms of oral care, eye protection, children's growth and development, and bone density health. The Group completed 193 health education sessions with 7,027 attendances.



Voluntary Service

The Group actively engages in diverse volunteer service activities, such as collaborating with elderly care institutions, participating in community health co-construction, and providing door-to-door services for patients in need. These initiatives aim to address immediate concerns and promote positive social impact. During the Reporting Period, the Group's volunteer services have benefitted a total of 86,292 individuals. A team of 3,303 health technicians has been deployed to provide primary medical assistance and technical guidance, supporting 69 primary health centres and clinics. Approximately 8,951 patients have directly received assistance.



SUSTAINABLE OPERATION

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

Combating Climate Change

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

Governance

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Strategy

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

Climate Risk Identification and Assessment

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

Risks/ Opportunities	Descriptions	Potential Impact	Strategies
Physical Risks	Extreme weather (e.g. cyclones, blizzards, floods, etc.)	It may cause casualties, damage to infrastructure, and disruption of supply chains, affecting business stability	We prioritise strengthening our emergency preparedness by formulating comprehensive emergency plans and regularly monitoring abnormal weather conditions.
	Rising temperatures	The increase in electricity consumption may increase the Group's operating costs and endanger employees' health and safety	We implement a regular equipment maintenance and replacement program to optimize energy efficiency.
Transition Risks	Regulation and legislation	Due to the tighter national policies and listing rules caused by climate change and low carbon, environment-related taxes are derived	We continuously monitor and assess legal and regulatory risks
	Technology	The need to deploy energy-efficient equipment, increase investment in renewable energy, or use other low-carbon operations brings technical difficulties and costs	We increase relevant policy support and explore innovation in the field of technology

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

Metrics and Targets

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

LOW-CARBON AND ENERGY-SAVING

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

2030 Environmental Targets

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

Areas	Targets ¹	Status
Total Greenhouse Gas Emissions Intensity	Using 2022 as the base year, the Group aims to achieve 3% reduction by 2030	In progress
Total Energy Consumption Intensity	Using 2022 as the base year, the Group aims to achieve 3% reduction by 2030	In progress
Water Consumption Intensity	Using 2022 as the base year, the Group aims to achieve 5% reduction by 2030	In progress
Non-hazardous Waste Intensity	Using 2022 as the base year, the Group aims to achieve 5% reduction by 2030	In progress

Note:

1. The baseline intensity is calculated based on the Group's recorded revenue in FY2022, and the target baseline is calculated by using the revenue of the reporting year.

Emissions Management

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations concerning exhaust gas and greenhouse gases ("GHGs"), emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢棄物污染環境防治法》), the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), and the Regulations on the Administration of Medical Wastes (《醫療廢棄物管理條例》).

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Air Emissions

The Group's air emissions from its operations are mainly attributable to nitrogen oxides, sulphur oxides and particulate matter from the petrol and diesel consumed by company vehicles. In response to the above-mentioned emission sources, we overhaul our vehicles monthly to effectively reduce fuel consumption, purchase regular gasoline for our vehicles, and conduct annual inspections to ensure that the vehicles meet the relevant emission standards.

Types of Air Emissions	Unit	2023	2022
Nitrogen Oxides			
NOX	kg	591.60	556.27
Sulfur Oxides			
SOX	kg	1.36	1.36
Particulate Matter			
PM	kg	46.66	45.96

GHG Emissions

The primary sources of GHG emissions are direct GHG emissions (Scope 1) from fuel and refrigerants used by company vehicles and hospital equipment and indirect GHG emissions (Scope 2) from purchased electricity. The total GHG emissions experienced a moderate increase compared to 2022. This can be attributed to the expansion of Group Hospital operations.

Indicators ²	Unit	2023	2022
Direct GHG Emissions	tCO ₂ e	2,251.36	2,470.49
Indirect GHG Emissions	tCO ₂ e	16,003.19	15,402.70
GHG Removed from Newly Planted Trees (Scope 1)	tCO ₂ e	16.24	16.24
Total GHG Emissions	tCO ₂ e	18,238.31	17,856.95
Total GHG Emissions Intensity ³	tCO ₂ e/m ²	0.09	0.09
Total GHG Emissions Intensity	tCO ₂ e/million revenue	12.77	15.62

Notes:

2. GHG emission data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, the latest released emission factors of China’s regional power grid basis.
3. To provide a more accurate assessment of the Group’s ESG performance, the intensity data for the Reporting Period are calculated based on the total floor area and total revenue in the Reporting Scope. As of December 31, 2023, the Group’s total floor area was approximately 203,605.05 square metres (2022:203,605.05 square metres). According to the Annual Results Announcement, the Group’s total revenue amounted to RMB1,427.73 million (2022: RMB1,142.95 million). These data are used to calculate other intensity data.

Domestic sewage

Since the wastewater discharged by the Group is sent to local water purification plants for treatment through the municipal sewage pipe network, the water consumption of the Group is the sewage discharge. The Group’s water consumption data will be explained in the Water Management section. Following the Regulations on the Administration of Medical Wastes and the Measures for Medical Wastes Management of Medical and Health Institutions (《醫療衛生機構醫療廢物管理辦法》), the Group has undertaken intelligent upgrades of sewage treatment systems based on the specific requirements of each Group Hospital. Efforts have been made to explore and improve the infrastructure, including pipeline renovations, septic tank upgrades, and cellar well enhancements. The construction of new sewage treatment stations has been completed, and there have been phased renovations of sewage pipe networks and expansions of sewage treatment stations.

Waste Management

The Group strictly abides by the Regulations on the Administration of Medical Wastes, the Law of the PRC on the Prevention and Treatment of Infectious Diseases and other laws and regulations. We are committed to promoting the best use of materials in all hospitals to reduce waste generation at source. We have established a responsibility system for the management of medical waste, and handle and dispose of all waste generated by the Group’s business activities in a sustainable manner.

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

Types of Waste	Unit	2023	2022
Hazardous Waste	tonnes	503.61	577.42
Hazardous Waste Intensity	tonnes/m ²	0.002	0.003
Hazardous Waste Intensity	tonnes/million revenue	0.35	0.51
Non-hazardous Waste	tonnes	1,376.61	426.42
Non-hazardous Waste Intensity	tonnes/m ²	0.007	0.002
Non-hazardous Waste Intensity	tonnes/million revenue	0.96	0.37

Hazardous Waste – Medical Waste

There are five types of medical waste, including infectious, pathological, injurious, pharmaceutical, and chemical. These waste types are generated by patients during various medical activities such as diagnosis, treatment, and nursing. To effectively manage hazardous medical waste, the Group follows a structured process. The generation department collects hazardous medical waste and transports it to a designated hazardous waste storage facility. The waste is then appropriately contained in designated bags or containers based on the assigned areas. The Group appoints a responsible individual to oversee medical waste management. During the transfer process, the logistics support department and the third-party organization will conduct double checking, classification, weighing and scanning and record into the database, classify and seal the medical waste, and ensure the timely and legal disposal of medical waste.

The Group continues to improve the medical waste management system, the relevant rules, regulations, and work processes and has standardized the management of hazardous waste generated by Group Hospitals, as well as actively promoted and trained its members. The Group has formulated guidelines on the handling and storage of clinical waste, which sets out the procedures for handling hazardous waste to reduce the unnecessary risk of exposure to pollutants and ensure that the treatment process complies with statutory requirements. Employees shall be familiar with the hazardous waste disposal procedures and strictly follow such procedures.

Non-hazardous Waste

We will maximize the recycling rate of non-hazardous waste generated by business activities, such as paper, etc. and reduce waste generation. Non-recyclable parts will be collected and sorted, and finally collected and disposed of on a regular basis by qualified waste treatment services. Yangsi Hospital has established a dedicated area for the sorting and processing of dry and wet garbage, ensuring proper handling and disposal of domestic waste. The facility is equipped with fixed-point positioning to facilitate the sorting and placement of different types of waste. It also has implemented a specialized recycling station for items that can be recycled, including glass, metal, plastic, cartons, and more.

The Group is dedicated to creating a green and environmentally friendly office environment. To achieve this, the capacity of garbage rooms in Group Hospitals has been renovated and expanded to accommodate waste sorting and management. Employees have undergone training on proper garbage sorting techniques, and environmental awareness campaigns have been conducted for patients. These efforts aim to promote waste reduction and encourage reuse within the operational processes. To establish a paperless office environment, various measures have been implemented to minimize resource consumption. The office maximizes the use of online systems for general transactions, notices, and data transmission. An electronic workflow has been established, reducing the need for printing, and copying of documents. Double-sided printing and photocopying are encouraged, and the use of disposable paper products such as paper cups and paper towels is minimized.

Use of Resources

The Group is actively engaged in promoting the efficient utilization of resources. This includes managing the consumption of water, electricity, diesel, and petrol within its operations. Efforts are made to monitor and mitigate the potential environmental impact resulting from business activities. It emphasizes cultivating resource conservation and environmental awareness among all employees, integrating these principles into both work and personal life.

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Energy Management

In its daily operations, the Group's main energy consumption is the Group Hospitals' purchased electricity and the fuel consumption as well as the fuel consumption by company vehicles. During the Reporting Period, the Group consumed a total of 24,829.13 MWh of energy.

Types of Energy Consumption	Unit	2023	2022
Total Direct Energy Consumption		4,625.64	5,331.42
Petrol	MWh	465.41	460.04
Diesel	MWh	437.81	443.22
Towngas	MWh	10.67	13.97
LPG	MWh	51.13	–
Natural Gas	MWh	3,660.62	4,414.19
Total Indirect Energy Consumption			
Purchased Electricity	MWh	20,203.50	19,444.61
Total Energy Consumption	MWh	24,829.13	24,776.03
Total Energy Consumption Intensity	MWh/m ²	0.12	0.12
Total Energy Consumption Intensity	MWh/million revenue	17.39	21.68

During the Reporting Period, the Group Hospitals formulated relevant rules and regulations to achieve the goal of energy conservation and consumption reduction. Jinhua Guangfu Hospital has developed the "Energy Conservation and Consumption Reduction Management Policy and Assessment Measures" to actively establish a green and energy-efficient hospital. This Hospital is committed to promoting a paperless office and implementing effective management practices for water, electricity, and gas consumption. This includes regular inspections and maintenance of boilers and natural gas pipelines, monthly monitoring of water and electricity usage to identify and address any abnormal consumption patterns, and the procurement of high-efficiency and energy-saving lighting fixtures and elevators. The Logistics Department takes the lead in implementing a statistical analysis system for energy consumption, along with a monthly reporting system to track and manage energy usage at different sections and units. It also incentivizes year-end energy-saving and emission-reduction efforts to foster a culture of energy conservation throughout the entire organization. These initiatives aim to enhance energy-saving awareness, promote resource efficiency, and transform the hospital into a sustainable and resource-conscious institution.

Water Management

The Group's water consumption primarily consists of domestic water used in operations. The water resources are sourced from municipal water supplies, ensuring the availability of suitable water sources for the Group. Recognizing the global water scarcity issue, the Group has proactively implemented measures to address this challenge. The Group has established a comprehensive "Water Management Policy" to promote water-saving habits among all employees. Special personnel are assigned to regularly inspect water supply facilities to ensure their integrity. Prompt repairs are conducted in cases of water leakage or malfunctioning control devices to prevent long-term water loss. Different periods are designated for high and low-pressure water supply to optimize water usage. Water-saving facilities with efficient capabilities are utilized whenever possible, and induction faucets are installed in key areas. Additionally, water-saving campaigns are actively promoted through the display of slogans and the provision of guidance to encourage employees to use water responsibly.

Indicators	Unit	2023	2022
Water Consumption	m ³	417,535	419,718
Water Consumption Intensity	m ³ /m ²	2.05	2.06
Water Consumption Intensity	m ³ /million revenue	292.45	367.22

Use of Packaging Materials

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

Protection of the Environment and Natural Resources

The Group acknowledges the potential negative impact of its business activities on the environment and natural resources. Consequently, it has implemented various measures to minimize these impacts to the extent feasible. In addition to complying with relevant environmental laws and international standards to properly protect the natural environment, the Group also integrates the concept of environmental and natural resource protection into its internal management and daily business activities. These efforts include the proper handling of medical waste, resource conservation initiatives, and the reduction of air emissions, to achieve its goal of minimizing its ecological footprint. The Group continuously improves its environmental early warning system and establishes an emergency response system to effectively address any environmental emergencies that may arise.

Noise Management

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

Water and Soil Pollution Management

In addition to a large number of pathogens such as bacteria, viruses and insect eggs, medical wastewater also contains chemical agents and radioactive isotopes that are contaminating, acute infectious and latent infectious. If it is discharged directly into the urban sewer without disinfection, inactivation, and other harmless treatment, or accidentally leaks, it will often cause water and soil pollution, which may induce diseases and cause harm. The Group Hospitals prioritise the prevention of water and soil pollution incidents by implementing robust measures in chemical management, waste treatment management, wastewater discharge monitoring, and early warning plans.

Yangsi Hospital operates an in-house sewage treatment station, which undergoes regular inspections of equipment, structures, and water quality to ensure the proper functioning of the sewage systems. The Logistics Department is responsible for monitoring and managing sewage discharge, including adjusting gate valves and maintaining uniform aeration. The Hospital engages a third-party service provider to conduct regular sampling and testing of the sewage, and it is subject to spot checks by relevant regulatory authorities.

Jiande Hospital has developed a “Jiande Sewage Treatment Emergency Plan” to address potential risks such as power outages, sewer blockages, grid blockages, and chemical leaks. The Hospital’s president serves as the leader of the medical sewage waste management organization, overseeing sewage management across various departments and establishing comprehensive emergency response measures to mitigate potential losses, leaks, and diffusion resulting from unexpected accidents.

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

Subject Areas,
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Description

Section/Declaration

Aspect A1: Emissions

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

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Description	Section/Declaration
Aspect A2: Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity
KPI A2.2	Water consumption in total and intensity
KPI A2.3	Description of energy use efficiency initiatives and results achieved.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced
Aspect A3: The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.

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	Description	Section/Declaration
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainable Operation – Combating Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Combating Climate Change – Climate Risk Identification and Assessment
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Diversity and Inclusion – Employee Care
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Employee Care – Employee Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Care – Employee Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Diversity and Inclusion – Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

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KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Diversity and Inclusion –Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training – Talent Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training – Talent Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Diversity and Inclusion – Employee Care – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Care – Labour Standards
KPI B4.1	Description of steps taken to eliminate such practices when discovered.	Employee Care – Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Quality Service – Supply Chain Quality
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Quality – Supplier Management System
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Quality – Supplier Management System
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Quality – Supplier Management System
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Quality – Sustainable Supply Chain

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	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Service – Medical Service Quality, Innovative Development
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Medical Service Quality – Safety and Quality Management
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Medical Service Quality, Patient Care Experience
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Innovative Development – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Service – Medical Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality Service – Patient Care Experience, Innovation Development
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Enhanced Governance – Probity and Compliance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Enhanced Governance – Probity and Compliance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Enhanced Governance – Probity and Compliance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Enhanced Governance – Anti-corruption Training

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Description	Section/Declaration
Aspect B8: Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. Diversity and Inclusion – Social Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). Social Responsibility – Community Contributions, Charity Clinics, Healthcare Education, Voluntary Service
KPI B8.2	Resources contributed (e.g. money or time) to the focus area. Social Responsibility – Community Contributions, Charity Clinics, Healthcare Education, Voluntary Service