



通用環球醫療集團有限公司
GENERTEC UNIVERSAL MEDICAL GROUP COMPANY LIMITED

2023 Environmental Social and Governance Report

Stock Code: 2666.HK

ESG



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About This Report

Introduction

This report is the eighth environmental, social and governance (hereinafter referred to as the "ESG") report (hereinafter referred to as the "Report") issued by Genertec Universal Medical Group Company Limited (hereinafter referred to as the "Company" or "Universal Medical") following its listing on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The purpose of the Report is to report the concept of environmental, social and governance responsibility and the relevant practices of the Company and its subsidiaries (hereinafter referred to as the "Group", "we", "us") in 2023, as well as to positively respond to the material issues concerned by our key stakeholders. Meanwhile, the Report provides a comprehensive picture of the Group's ESG performance by detailing the Group's governance of environmental and social issues and how ESG concepts are integrated into its business. For detailed information on corporate governance within the Group, please refer to the "Corporate Governance Report" and "Directors' Report" sections of this annual report.

The disclosure information in the Report comes from the Group's internal documents and relevant statistical data and is available in two languages, including Traditional Chinese and English versions. If there be any inconsistency in the Report, the Traditional Chinese version shall prevail. The electronic version of the Report can be read and downloaded through the official website of the Group and the website of the Stock Exchange.

Reporting Period

This report covers the period from 1st January 2023 to 31st December 2023, unless otherwise specified. In order to ensure the completeness of the report, some information has been extended both backwards and forwards in time.

Scope of the Report

This report covers the Group's hospital and financial businesses, including the Group and its subsidiaries, as well as affiliated hospitals. The data disclosure scope is consistent with the consolidation statement scope of the financial statements. Any content with a different scope will be specified in the report.

Title Explanations

- "GT-PRC" refers to China General Technology (Group) Holding Company Limited (中國通用技術(集團)控股有限責任公司), which is a state-owned enterprise under the direct administration of the PRC central government, the ultimate controlling shareholder of the Company
- "CULC" refers to China Universal Leasing Co., Ltd. (中國環球租賃有限公司), a wholly foreignowned enterprise incorporated in China on 1 November 1984 and a whollyowned subsidiary of the Company
- "GTS" refers to Genertec Universal Medical Technology Services (Tianjin) Co., Ltd. (通用環球醫療技術服務(天津)有限公司), an enterprise principally engaged in technology promotion and application services and a wholly-owned subsidiary of the Group
- "Casstar" refers to Casstar Medical Technology Wuxi Co., Ltd. (凱思軒達醫療科技無錫有限公司), an enterprise principally engaged in professional and technical services and a subsidiary of the Company
- "Ansteel General Hospital" refers to Ansteel Group General Hospital (鞍鋼集團公司總醫院), a leading upper first-class hospital in Anshan City, Liaoning Province, the PRC
- "Yangquan Coal General Hospital" refers to Yangquan Coal Industry (Group) General Hospital (陽泉煤業集團總醫院), a national upper first-class hospital affiliated with Shanxi Yangquan Coal Industry Group
- "XD Hospital" refers to Xi'an XD Group Hospital (西電集團醫院), a tertiary general hospital, and the first batch of pilot hospitals for multidisciplinary diagnosis and treatment of tumors
- "Pangang General Hospital" refers to Pangang Group General Hospital (攀鋼集團總醫院), a leading upper first-class hospital in Panzhihua City, Sichuan Province
- "Pangang Chengdu Hospital" refers to Chengdu Hospital of Pangang Group (攀鋼集團成都醫院), a national upper second-class hospital integrating prevention, healthcare, medical treatment, rehabilitation, scientific research and education
- "Pangang Xichang Hospital" refers to Pangang Group Xichang Hospital (攀鋼集團西昌醫院), a upper second-class hospital located at Changning Community Center on Chang'an West Road in Xichang City
- "Caihong Hospital" refers to Xianyang Caihong Hospital (咸陽彩虹醫院), a upper second-class hospital and a designated hospital for medical insurance in Xianyang City
- "MCC Hospital" refers to Shanghai MCC Hospital (上海中冶醫院), a upper second-class hospital
- "CREC (Baoji) Hospital" refers to Genertec Universal CREC (Baoji) Hospital Management Co., Ltd. (通用中鐵寶雞醫院), a medium second-class hospital in Weibin District.

Data Disclosure

All information and data in this report come from the company's official documents and publicly disclosed files. The financial data cited in the report is based on the annual report. Unless otherwise specified, the currency amounts involved are denominated in RMB.

Basis of Compilation

The Report is compiled in accordance with the reporting principles of Appendix C2 Environmental, Social and Governance Reporting Guides (the "ESG Guide") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

Materiality

The Group identifies material issues related to the Group through materiality assessment. Materiality assessment includes inviting stakeholders to prioritize the importance of the ESG related issues and and management verification of materiality issues, etc. Please refer to the "Materiality Assessment" section in the Report for details of the materiality assessment work.

Quantitative

In order to comprehensively evaluate the ESG performance of the Group during the Reporting Period, the Group disclosed the applicable quantitative key performance indicators in the ESG Guide, and stated the standards, methods, assumptions and calculation reference and basis used to quantify the key performance indicators, including the sources of major conversion factors.

Consistency

The Report adopts the same compilation method as that of the previous reporting period, so that readers can make meaningful comparison of the ESG information during the Reporting Period.

Balance

The Report provides an unbiased picture of the Group's ESG performance. The application of the relevant principles is reflected in various sections of the Report.

The Report complies with the mandatory disclosure requirements and the "comply or explain" provisions of the ESG Guide, and correspondingly describes the environmental and social impacts of the Group's business and operational activities. In addition, this report is prepared in accordance with Sustainable Development Report Standard of the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board Standards (SASB Standards), Task Force on Climate-Related Financial Disclosures(TCFD), ISO 26000:2010 Guidance on social responsibility, and "Reference Index System for ESG Special Reports of Central Enterprises Listed Companies" (SASAC) and other international and national sustainable development guidelines.

Report Access

This report can be downloaded from the official website of The Stock Exchange of Hong Kong Limited or our company's official website at <https://www.umcare.cn/>.

Feedback from Readers

We appreciate readers' feedback and suggestions on matters related to the Group's Environmental, Social, and Governance (ESG) as well as other aspects of sustainable development. Please fill out the "Reader Feedback Form" in the appendix and contact us by the following methods:

Address: No. 90 Xisanhuan Zhong Lu, Fengtai District, Beijing, China

Website: <https://www.umcare.cn/>

Email: ir@um.gt.cn

Statement from the Chairwoman of the Board

2023 marked the beginning of comprehensively implementing the spirit of the 20th CPC National Congress. China's economy rebounded and progressed towards high-quality development. The 20th CPC National Congress outlined China's magnificent blueprint for modernization, emphasizing the country's commitment to achieving harmonious coexistence between humanity and nature. Meanwhile, global temperatures have hit record highs, and the existing inequality caused by the economic crisis has intensified. Action on Environmental, Social, and Governance (ESG) issues has become increasingly urgent.

We firmly believe that strengthening ESG practices is a crucial lever for fully and accurately implementing the new development concept, promoting high-quality economic and social development, and becoming the "golden key" to addressing current global challenges. Throughout this year, we have been continuously building up our strength, seeking balance and unity among economic, social, and environmental benefits.

The dual drivers of "green finance" and "low-carbon healthcare" contribute to the construction of an ecological civilization and an environmentally friendly society. We are committed to building "low-carbon hospitals", achieving refined management of energy consumption in multiple hospitals, promoting the healthcare industry towards green development, and striving to construct a more environmentally friendly, efficient, and sustainable healthcare system. We have achieved more development in green finance. Actively implementing multiple ESG loans and green loan projects, and issuing the first green sustainable ABS, we have accumulated numerous accomplishments and made breakthroughs in various areas over the past year.

To support employee development, serve the society and improve the realization of talent value and social responsibility, we are deeply committed to implementing a strategy that strengthens the enterprise through talent. We continuously enhance the overall quality and capabilities of our workforce, provide diverse pathways for talent development, foster an organizational culture that respects talent and encourages innovation, and strive to create a satisfying environment for our employees. In response to national strategies and to promote regional development, we focus on medical services. We continuously conduct activities such as free clinics in remote areas such as Tibet and Xinjiang, supporting the construction of medical and health facilities in underdeveloped regions, and fulfill our social responsibility as corporate citizens through practical actions.

We are enhancing our corporate governance framework and deepening risk and compliance management to solidify the foundation for sustainable development and improve governance effectiveness. Taking ESG management as the focal point, we have established an ESG working group within the board of directors, which considers environmental, social, and economic benefits, and operates business processes responsibly. This has resulted in a harmonious situation where both the board of directors and management jointly manage affairs. We have established a Risk Prevention and Compliance Committee to form a mechanism with three lines of defense for risk management. We are striving to build a risk management system that effectively controls risks and promotes strong development, aiming to comprehensively manage and reduce risks.

Since always, Universal Medical has been actively serving the Healthy China strategy, continuously deepening its involvement in the healthcare field, and striving for high-quality development to enhance both quality and quantity. With predictable stability and dynamic progress, the Group has constructed a business model that integrates "medical and health industry + financial advantages," resulting in a network of 67 medical institutions with nearly 16,000 beds, spanning across 14 provinces and cities in China. The revenue from the medical and health sector constitutes over half of the total business revenue, with the annual compound growth rates of revenue and net profit in the medical and health sector reaching 40% and 50% respectively over the past three years.

Firm in action, striving for excellence; advancing in healthcare, steadfast in finance. In the next phase, as a central enterprise holding listed company, Universal Medical will continue to seize new opportunities in the digital healthcare industry, promote continuous digitalization, strategically advance sustainable development initiatives, enhance sustainable development mechanisms from a governance perspective, and implement sustainable development measures at the operational level. We will take the lead in promoting high-quality development and remain committed to our vision to be the Most Trusted Global Leader in Medical & Healthcare Services.



Peng Jiahong

Chairwoman of the Board, Executive Director

About Us

Company Profile

The Group has focused on developing diversified medical and healthcare industry as a leading stated-owned enterprise. Leveraging on modern management concepts, a team of professionals, quality medical resources, strong financial capacity as well as inclusive and enterprising corporate culture, we strive to build a high-quality medical and health conglomerate.

We have been actively exploring innovative development model of the medical and healthcare industry, gradually establishing a health industry ecosphere of various health-related business, and striving to become a pioneer in the development of the medical and health industry.



Business Components

Financial Services as a Foundation	We provide hospital clients with financial solutions centered on financial leasing, designing customized solutions based on clients' capital needs and cash flow forecasts, assisting clients in rationally allocating limited capital, and providing strong financial support for hospital construction and equipment renewal. With rich industry experience, we have established a prudent management system for financing and a sound risk monitoring and identification system, and have provided customized financial solutions for over 2,000 hospital clients.
Medical Service as the Core	We have responded to the government's call to actively participate in the integration and undertaking of state-owned hospitals. Based on the characteristics of the distribution of existing medical resources, we make targeted investments in key regions to continuously optimize our close-knit medical service network. We are building a specialty chain development model through a combination of internal incubation and external expansion. By the end of 2023, the Group had 67 healthcare organizations with approximately 16,000 beds under its umbrella.
Building a Shared and Win-win Health Industry Ecosystem	Focusing on our core medical resources, we have launched business layouts in the fields of specialized medical care, full-cycle management of equipment and medical digital technology through various means such as holding, equity participation and alliances, etc. We have continued to aggregate high-quality resources, expand the healthcare industry chain, and gradually build an ecosystem of the healthcare industry to achieve win-win situation for all parties.

Company Culture

Mission

Creating a Better Life with Good Technology and Quality Service

Vision

To be the Most Trusted Global Leader in Medical & Healthcare Services

Core Values

Integrity, Inclusiveness, Innovation, Entrepreneurship, Excellence and Mutual Benefits

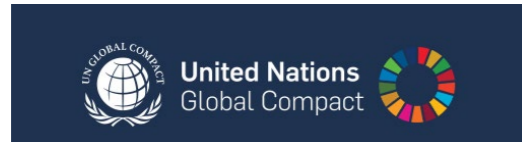
Development Strategy

With medical service as the core and financial business as the foundation, we are building a shared and win-win ecosystem in the healthcare industry.

Honors and Awards

Universal Medical

Formally Joined the United Nations Global Compact (UNGC)



Universal Medical

Became One of the First "Partnership for Early Awareness of Sustainability Disclosure Today" in China



International Financial Reporting Standards Foundation (USA) Beijing Office



Universal Medical

Best IR Team in Hong Kong Stocks



Comein Finance



CULC

Best Sustainable Financial Solution - liquidity and Investment Management



The Asset



Universal Medical

Pioneer 100 Listed ESG Companies in China



CCTV, in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Research Society



Universal Medical

Outstanding Employer List of Listed Healthcare and Industrial Services Enterprises



K&G Health (Beijing) Technology Co.



Casstar

China Best Employer Award 2022



Social Survey Research Center of Peking University, Zhaopin Limited



Ansteel General Hospital (鞍鋼總醫院)

Excellence Performance Advanced Organization in 2023



China Quality Association



Xi'an Aero-Engine Hospital (西航醫院)

2023 National Quality Control (QC) Team Achievement Competition - Medical Industry Special Event, Won the "Professional Level" Award



China Quality Magazine



Minmetals Hanxing General Hospital (五礦邯邢總醫院)

2023 Annual Medical Quality and Safety Continuous Improvement Best Practice Activity - Excellent Organization Award



PRC National Health and Safety Commission (NHSC)



Sustainable Development Management

Board ESG Statement

Oversight Of Environmental, Social and Governance Matters

The Board of directors of our company serves as the ultimate decision-making body for ESG matters, assuming full responsibility for environmental, social, and governance strategies and reporting. It strives to establish a sustainable long-term mechanism for the company, further promoting the implementation of ESG principles throughout the entire group and enhancing its own ESG management capabilities.

Assessment, Prioritization and Management of Key ESG Issues

Universal Medical maintains a normalized communication mechanism with various stakeholders, regularly identifies and assesses the key issues of ESG, and ultimately reviews the prioritization and management of these issues by its Board of Directors.

ESG Governance Structure

In order to further ensure that the relevant matters are carried out in a systematic and orderly manner within the Group and at all levels of its organizations, the Group has established an ESG governance framework under the joint decision-making of the Board of Directors and the senior management, integrating environmental, social and governance considerations into the decision-making and planning of every operation and business level, so as to comprehensively promote the sustainable development process of the Group.

The Group has established an ESG working group. This group consists of representatives from the functional departments of the Group involved in ESG matters, and the day-to-day working department is the office of the Board of Directors, with the head of ESG of the Group as the head of the working group, who will report to the Board of Directors on ESG matters and provide relevant opinions back to the Board of Directors, the management or the relevant departments when necessary.

The ESG Working Group is authorized by the Board of Directors to participate in the ESG-related work of the Group.

ESG Management Policy and Strategy

The Board takes full responsibility for the ESG strategy and reporting of our Group, overseeing the formulation of ESG management policies, assessing and clarifying ESG risks within our operational scope, and ensuring the establishment of appropriate and effective ESG risk management and internal monitoring systems.

Objectives, Targets and Review of Progress

Universal Medical has established short, medium, and long-term targets for key ESG performance indicators such as board diversity, greenhouse gas emissions, energy consumption, customer rights protection, privacy and data security. The Board of Directors oversees the achievement of these ESG targets and regularly reviews how to further implement practices to meet the established goals.

Its responsibilities include coordinating and harmonizing the implementation and execution of all ESG-related work by the functional departments of the Group's headquarter and subsidiaries, reporting regularly to the Board of Directors on major ESG issues and work, communicating the Group's strategies and specific initiatives on ESG management, collecting and reporting on the ESG-related management measures and performance, and collecting the required data for ESG reports from the functional departments of the Group for submission to the Board of Directors for approval. The ESG Working Group will formulate recommendations to the Board members for improvement in light of the actual situation of ESG related work, so that the Board can implement ESG regulatory matters in a sustainable and effective manner.

Each functional department and its ESG officer are responsible for the management of each special ESG issue, data collection and promotion of important ESG practices, and carry out related work in accordance with the ESG management system and process.

Stakeholder Communication

Effective stakeholder communication is an important part of ESG management. Universal Medical attaches great importance to stakeholder communication. We communicate with various stakeholders through diversified communication methods and channels in order to understand their needs and expectations and respond in a targeted manner.

Major Stakeholders	Focus of Attention	Primary Mode of Communication	Our Response
 <p>Shareholders, investors</p>	<ul style="list-style-type: none"> Investment Returns Corporate Compliance and Operations Corporate Development Prospects Corporate Governance and Business Strategies Real-time and Transparency of Information Disclosure 	<ul style="list-style-type: none"> Shareholders' Meeting Financial Report Earnings Presentation Telephone and Email Inquiry Roadshow\Company Research Media Interview 	<ul style="list-style-type: none"> Timely Disclosure of Information, Handling Opinions and Appeals Releasing Shareholders' Meeting Topics as Required Disclosing Announcements and Publishing Periodic Reports as Required
 <p>Customers and consumers</p>	<ul style="list-style-type: none"> Service Responsibility Product Quality and Safety Information Security and Privacy Protection 	<ul style="list-style-type: none"> Customer Research Regular Visits Suggestion Monitoring Email After-sales Service and Complaints 	<ul style="list-style-type: none"> Ensuring Quality Services Conducting Customer Surveys Enhancing Service Management Promptly Handling Complaints
 <p>Employees</p>	<ul style="list-style-type: none"> Employment Policy Labor Standards Compensation and Welfare Employee Development and Training Employee Health and Safety 	<ul style="list-style-type: none"> Trade Union Organization Employee Training Employee Activities Employee Meetings 	<ul style="list-style-type: none"> Establish a Fair Salary and Promotion Mechanism Provide a Healthy and Safe Working Environment Organize Career Training and Various Activities for Employees
 <p>Partners (suppliers, etc.)</p>	<ul style="list-style-type: none"> Enterprise Credibility Long-term Stable Cooperation Enterprise Operating Strategy Sustainable Operating Capacity Product Quality and Safety Fulfilling Contract Obligations on Schedule 	<ul style="list-style-type: none"> Negotiation Meeting Daily Communication Financial Report Performance Release Conference Distributor Meeting 	<ul style="list-style-type: none"> Fulfill Contracts as Agreed Provide Effective Communication Channels Maintain Long-term Cooperation with Outstanding Suppliers
 <p>Government & Regulators</p>	<ul style="list-style-type: none"> Combating Corruption Job Creation Tax Compliance Corporate Governance Business Ethics and Anti-corruption Timeliness and Standardization of Information Disclosure 	<ul style="list-style-type: none"> Organizational Assessment, Working Report, Disclosure of Information 	<ul style="list-style-type: none"> Compliance and Legality Strict Adherence to Laws and Regulations Truthful and Accurate Disclosure of Information Acceptance of Inspections and Audits by Government and Regulatory Agencies
 <p>Community & Public</p>	<ul style="list-style-type: none"> Social Welfare Business Ethics Environmental Friendliness Community Engagement and Contribution 	<ul style="list-style-type: none"> Community \ Public Welfare Activities Suggestion \ Supervision Email and Phone 	<ul style="list-style-type: none"> Enhancing Access to Medical Services Providing Communication Channels for Advice and Oversight Organizing Community Public Welfare Activities

Assessment of Material Issues

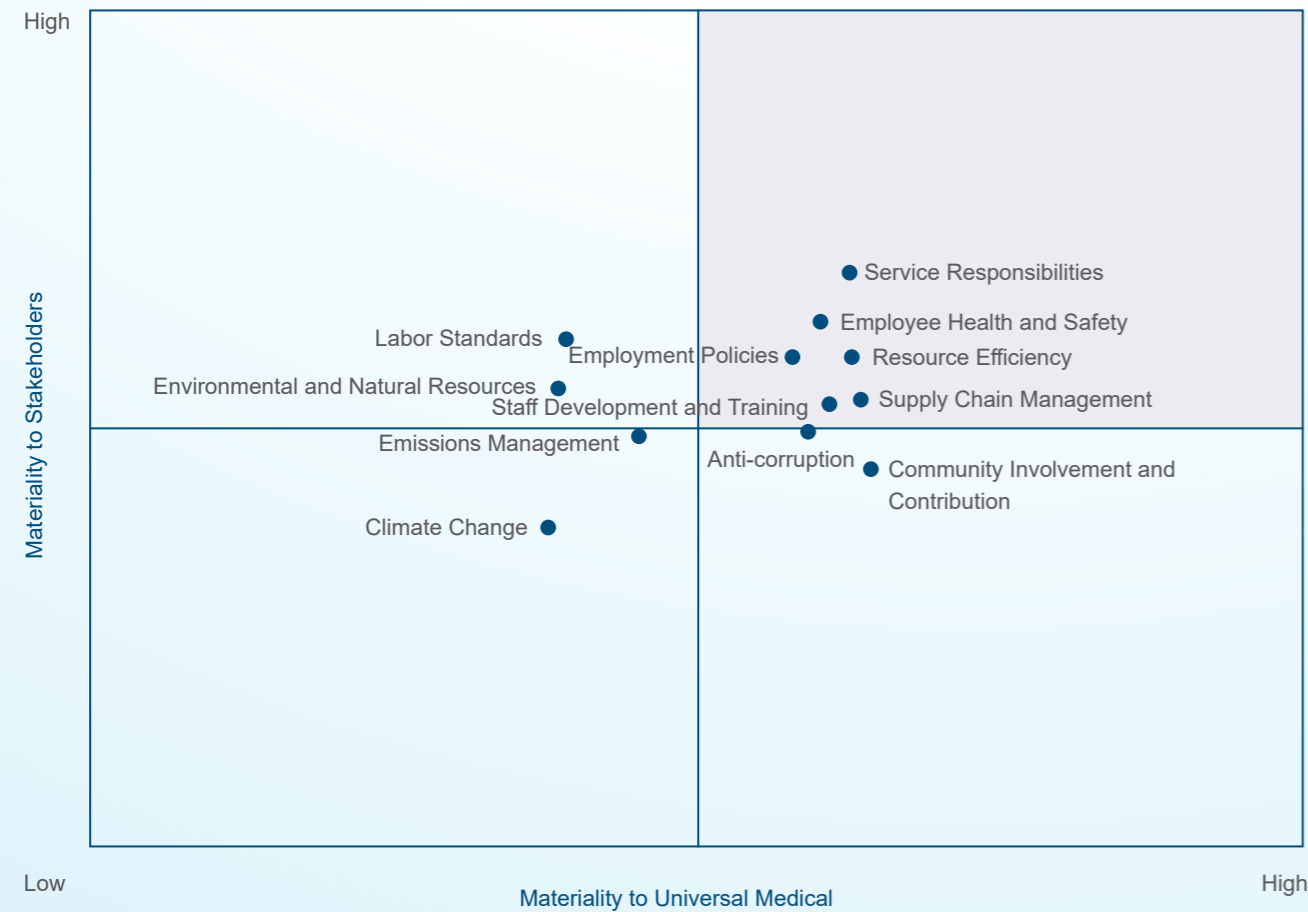
Universal Medical regularly performs an annual assessment of material topics, integrating them into our risk management policies to effectively identify key stakeholders and their concerned issues, thus ensuring the continuous optimization of our sustainable development strategy.

Our key stakeholders, including the company's directors, senior management, shareholders, investors, employees, customers, and partners, were invited to participate in surveys on environmental, social, and governance (ESG) issues. Through an online survey, we have invited these stakeholders to rate 12 identified ESG issues to assess their importance to both the stakeholders themselves and our business operations. Our assessment of importance is

based on the dual materiality principle, which considers both "issues that impact the company's value" and "issues that have significant environmental and social impacts caused by the company." The assessment results are presented from two perspectives: "importance to stakeholders" and "importance to Globe Medical." After obtaining approval from the Board of Directors, we have finalized the material issues and their priorities. Following the assessment, we have identified six material issues, which have been reviewed and confirmed by the Board of Directors. The materiality assessment results are presented in the form of a matrix, clearly indicating the importance and priority order of each ESG issue:

Order of Materiality (Highest to Lowest)	Material Issues
1	Service Responsibilities
2	Resource Efficiency
3	Employee Health and Safety
4	Supply Chain Management
5	Employment Policies
6	Staff Development and Training

Universal Medical Materiality Matrix



ESG Objectives

The Group has always advocated and adhered to a responsible business philosophy, dedicated to balancing environmental, social, and economic benefits, and operating its business in a comprehensive and responsible manner.

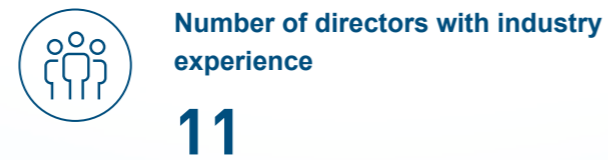
The directors of the Group authorize the ESG task force to conduct an annual review of the progress made towards ESG objectives. This task force is responsible for driving and managing the progress and execution of the Group's action plans, collecting data, and properly managing records related to the achievement of these objectives, including information on execution difficulties and suggestions from participating departments. By integrating the progress and achievements of annual targets, the Group submits relevant research and recommendations, including remedial measures and the promotion of more ambitious goals, to the board of directors for review. Through the following processes, we ensure the control, implementation, and execution of various objectives and action plans, further advancing the development of ESG.

Through the annual effective reporting and management control conducted by the working group, the board of directors can oversee and gain a thorough understanding of the progress made towards achieving various ESG targets. This mechanism assists the board in comprehending and considering the resources required for ESG development in future business operations, evaluating the effectiveness and efficiency of the relevant adjustment or mitigation measures taken against ESG risks during the year, and lays the foundation for the Group to formulate a more detailed and comprehensive long-term ESG development strategy.

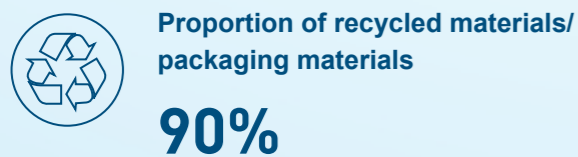
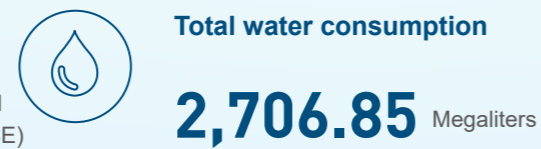
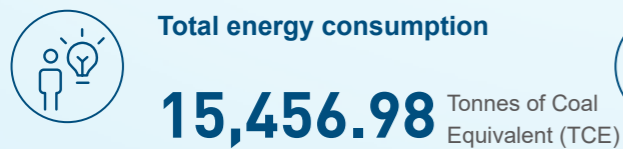
This report discloses our targets, action plans, and progress in areas such as environmental protection, climate change, employee responsibility, customer service, green finance, and inclusive finance. We invite all stakeholders to participate in, understand, and witness our ESG development journey.

2023 ESG Key Performance

Governance and Economic Performance



Environmental Performance



Social Performance



01

Stable Governance and Solid Foundation

Against the backdrop of the national push for modernizing corporate governance reforms, Universal Medical has focused on transparency in its board structure, risk management, and compliant operations as the core elements. The Group continues to refine its governance structure, elevating its governance standards, while fortifying its risk management system to mitigate various challenges. Upholding the principles of compliant operations, Universal Medical ensures the healthy development of its business, delivering greater value to shareholders, employees, and the society at large.

Material Issues Responded

- Anti-corruption
- Responsibility for Services

Responding to the United Nations Sustainable Development Goals (SDGs)



Governance Structure

Board

The board of Universal Medical is comprised of 11 members, including 3 executive directors, 4 non-executive directors, and 4 independent non-executive directors. The board possesses the necessary skills, experiences, and diverse perspectives required for the company's operations. It regularly reviews the contributions made by directors in fulfilling their duties to the company, assessing whether they have dedicated sufficient time to make contributions commensurate with their roles and the responsibilities of the board. The Board has a balanced composition of executive and non-executive directors (including independent non-executive directors) to ensure that there is a strong element of independence and that independent judgement can be exercised effectively.

Board Independence

To ensure that the Board receives independent viewpoints and opinions, Universal Medical has established internal policies (including but not limited to bylaws, director nomination policies, and the terms of reference of the Remuneration and Nomination Committee) regarding the procedures and selection criteria for the election and appointment of directors (including independent non-executive directors), the mechanism for directors to abstain from voting on related matters before the Board, and the authority of the Independent Directors Committee to engage independent financial advisers or other professional advisers. The Group has conducted internal reviews and assessments of the implementation and effectiveness of these internal policies to ensure that they safeguard the independence of all members of the Board, leverage the strengths of the Board, and enhance the prudence and transparency of Board decisions.

Board Diversity

To ensure diversity among its board members, Universal Medical has fully adopted a policy on board diversity, setting clear requirements for diversity in terms of skills, professional experience, educational background, knowledge, culture, independence, race, ethnicity, cultural background, age, and gender. Furthermore, the Nominating

Committee reviews the board diversity policy periodically to ensure its effectiveness. As of the end of the reporting period, there are two female directors on the board. All board members bring extensive and diverse industry expertise, encompassing financial management, medical services, and the healthcare industry.

Board Performance Evaluation

To enhance the efficiency of the board's operations, the board has established clear performance objectives and conducts internal performance evaluations of the board and its committees on an annual basis. The performance

evaluation criteria encompass board meeting participation, the quality of decision-making, and the level of support for the company's strategic objectives.

Functional Commissions

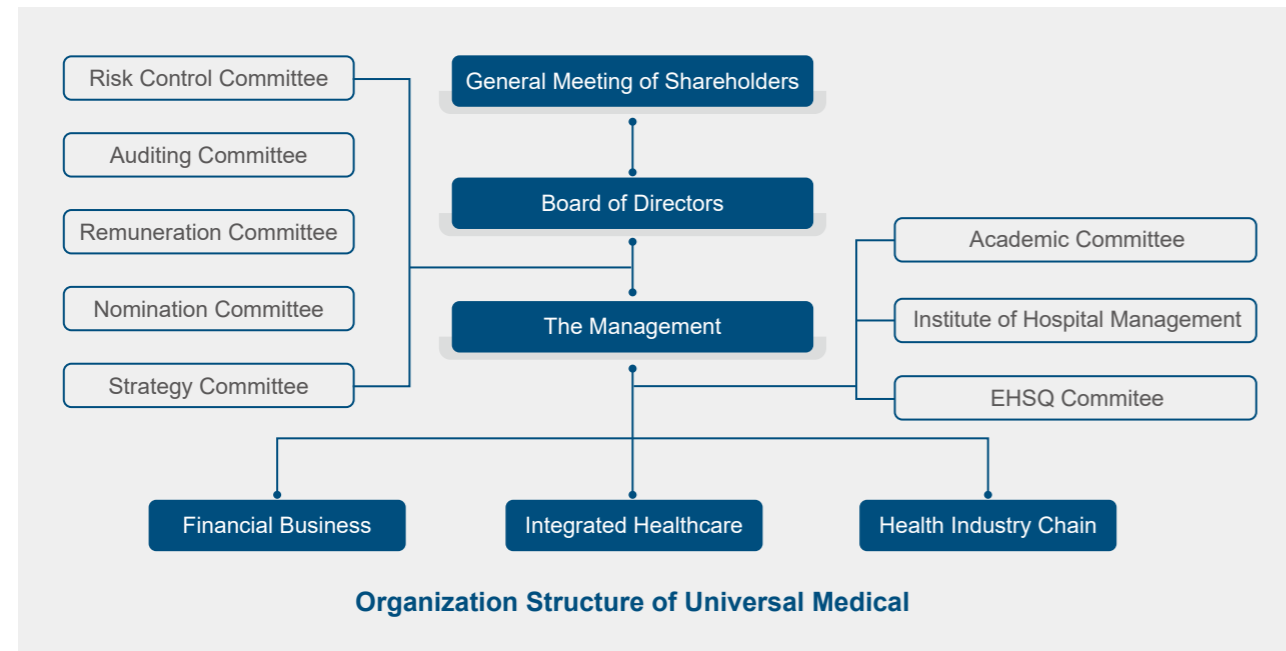
Committee	Members of the Board	Directorship Position
Audit Committee	Mr. Li Yinquan (Chairman)	Independent non-executive director
	Mr. Chow Siu Lui	Independent non-executive director
	Mr. Tong Chaoyin	Independent non-executive director
Remuneration Committee	Mr. Chow Siu Lui (Chairman)	Independent non-executive director
	Mr. Chan Kai Kong	Non-executive director, vice-chairman
	Mr. Xu Ming	Non-executive director
	Mr. Li Yinquan	Independent non-executive director
	Mr. Xu Zhiming	Independent non-executive director
Nomination Committee	Ms. Peng Jiahong (Chairwoman)	Executive director, chairwoman of the board
	Mr. Xu Ming	Non-executive director
	Mr. Li Yinquan	Independent non-executive director
	Mr. Chow Siu Lui	Independent non-executive director
	Mr. Chan, Hiu Fung Nicholas	Independent non-executive director
Strategy Committee	Ms. Peng Jiahong (Chairwoman)	Executive director, chairwoman of the board
	Mr. Chan Kai Kong	Non-executive director, vice-chairman
	Mr. Zhu Ziyang	Non-executive director
Risk Control Committee	Mr. Zhu Ziyang (Chairman)	Non-executive director
	Mr. Wang Wenbing	Executive director, chief executive officer
	Mr. Tong Chaoyin	Non-executive director

Executive Leadership

Organizational Hierarchy

Considering the layout of its business operations and the characteristics of the industry, Universal Medical attaches great importance to the topics of medical research, hospital management, and safety, environmental protection and quality management. To support our strategic development

and managerial practices, we have established academic committees, a hospital management institute, and a safety, environmental, and quality management committee under our executive leadership.



Management Diversity

To effectively promote sustainable development within the company, Universal Medical actively advocates for gender equality and background diversity in its management team. As of the end of this report, female executives account for 50% or more in both senior and junior management levels, with a proportion of 25% in middle management. Additionally,

female executives occupy 54.4% of management positions in revenue-generating functional departments and 37.4% of STEM-related roles. Furthermore, to foster the collective development of the local community, Universal Medical actively promotes the localization of its executives, with 96% of executives originating from the local community.

Management Performance Management

Universal Medical places utmost importance on the performance evaluation of its management team, integrating business performance indicators into the management performance assessment framework. Specifically, for senior executives such as the Chief Executive Officer (CEO), a compensation and performance evaluation system has been established, incorporating metrics such as the Group's long-term financial returns (including return on assets, return on equity, total profit by business segment), and performance comparisons with peers. By linking performance bonuses to actual performance and deferring the payment of short-

term compensation bonuses, the Group ensures that CEO performance is closely aligned with the operational realities of Universal Medical. This approach aims to create a "long-term, stable, and sustainable" mechanism for rewarding shareholder value. The floating compensation performance evaluation period for CEO set by the Company lasts for one year, and the maximum duration for the vesting period of CEO variable compensation is also one year. In 2023, There were no deferrals of the CEO short-term compensation bonus.

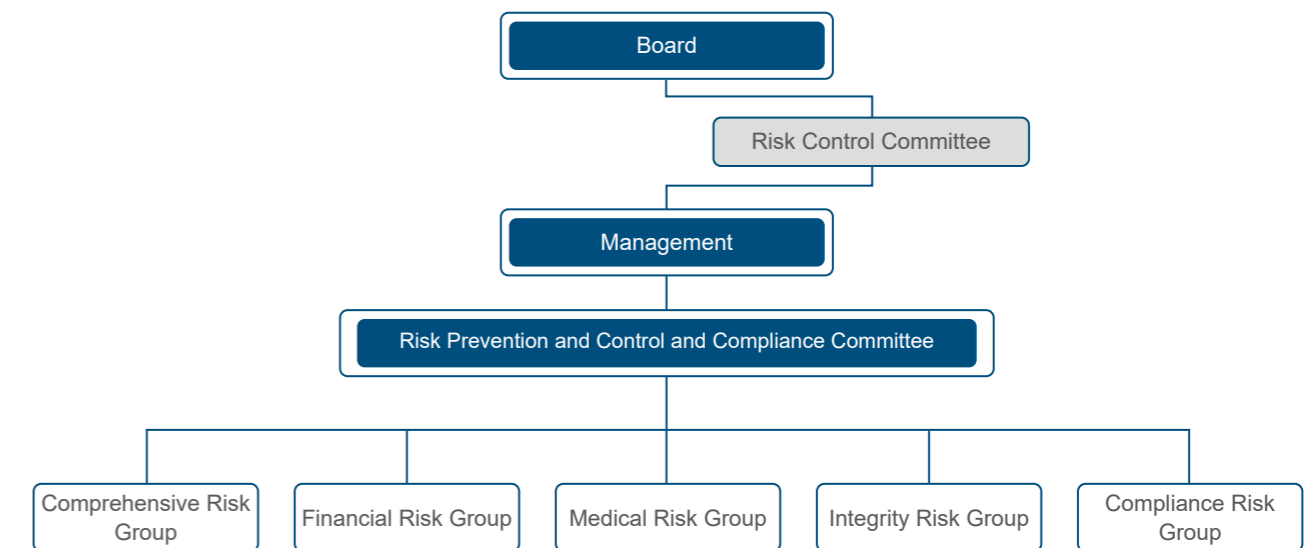
Risk Management

Risk Management and Internal Control System

Risk Management Governance Structure

Universal Medical has established a comprehensive risk management and internal control governance system with clear hierarchies and well-defined responsibilities. The board of directors serves as the ultimate decision-making body for internal control and risk management, ensuring the effectiveness of these efforts throughout the group. Beneath the board, a Risk Control Committee oversees the overall internal control and risk management situation of the group, hears reports on the management and internal control systems of strategic, operational, ESG, and other key risks, and regularly inspects and evaluates the implementation and effectiveness of risk management and internal control systems for operational and ESG risks. It provides decision support to the board. The Risk Prevention and Compliance Committee is responsible for studying and deliberating on important risk and internal control management issues, leading and promoting the establishment and improvement

of risk prevention, internal control, and supervisory systems and mechanisms. It also examines and discusses key risk prevention, internal control, and supervisory systems and work reports, and organizes the implementation and advancement of risk management and internal control efforts. The company's audit department, as the lead department for internal control and comprehensive risk management, organizes, coordinates, and implements group-wide risk management and internal control efforts. It drafts the group's risk management and internal control policies, oversees the establishment and improvement of risk management and internal control systems and mechanisms across all units, coordinates risk management and internal control efforts among various departments and subsidiaries, and organizes supervision, inspection, and evaluation of risk management and internal control practices across the organization.



Risk Management and Internal Control Systems

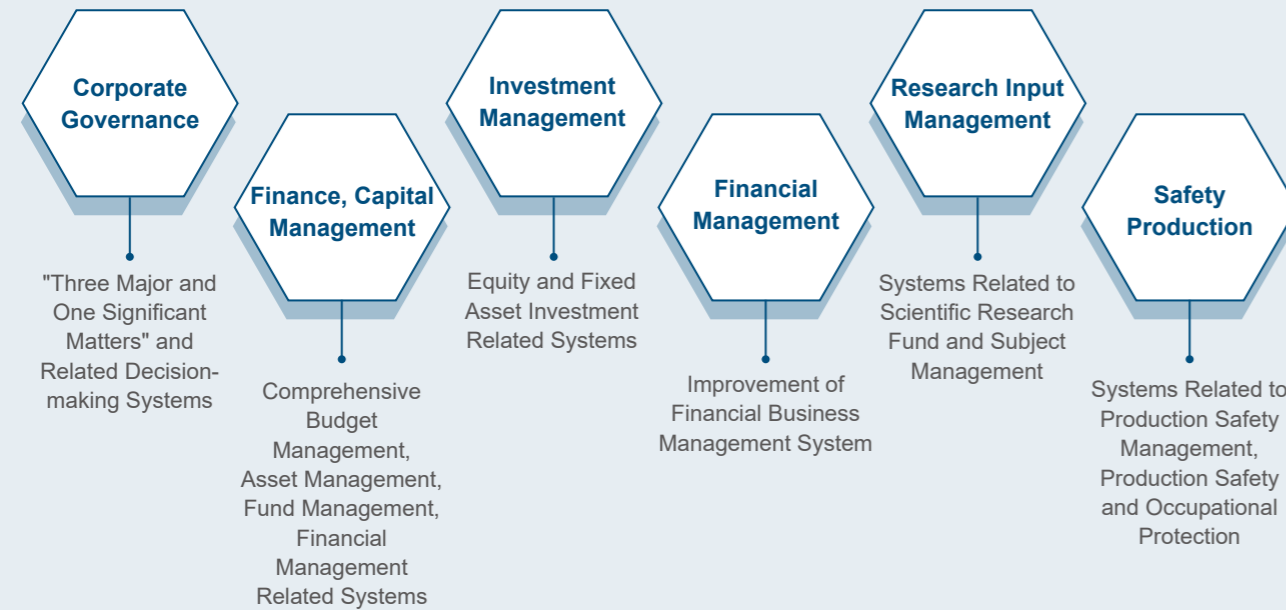
In order to standardize risk management and internal control practices, establish a robust risk management and internal control system, and enhance resilience against risks, Universal Medical has formulated various management policies such as the *Risk Management and Internal Control Regulations* (《風險管理與內部控制規定》) and the *Management Measures for Reporting Major*

Operational Risk Events (《重大經營風險事件報告工作管理辦法》). These policies clearly define the definitions, types, and impacts of risks, further specifying the division of responsibilities, processes, work procedures, and performance evaluation mechanisms for risk management. As of the end of the reporting period, Universal Medical has not experienced any significant governance risk events.

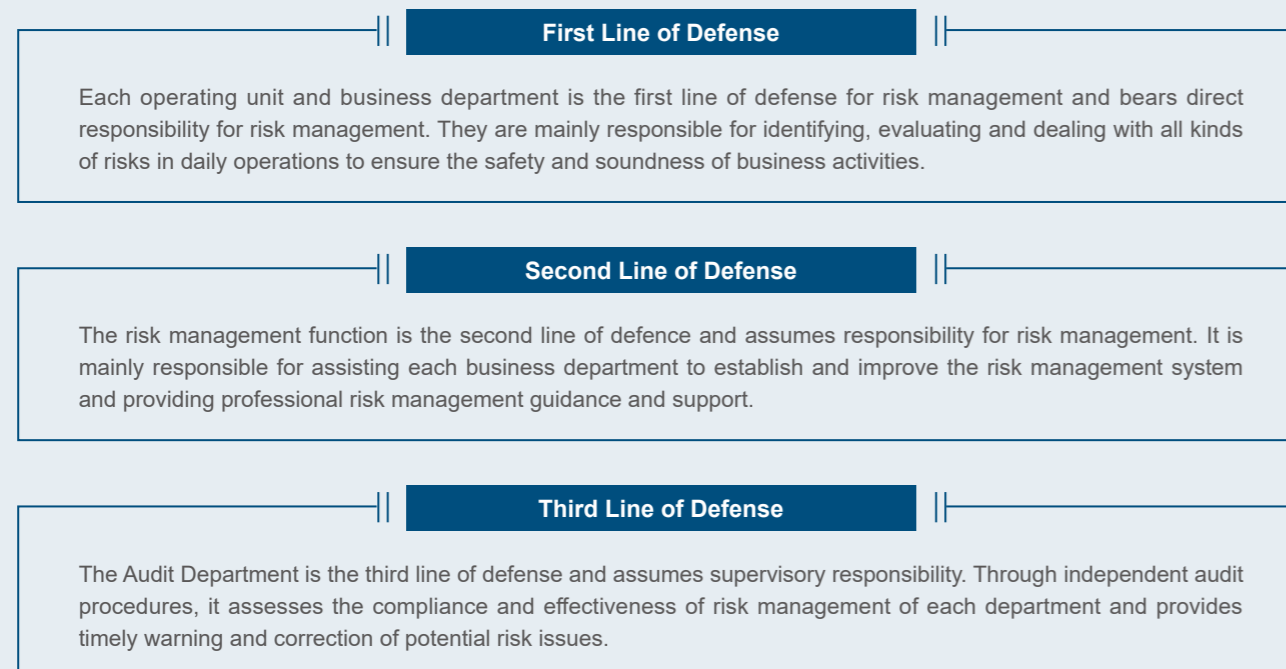
Management System with Seven Categories and Three Levels

Universal Medical continuously enhances its institutional management system, encompassing seven key categories: corporate governance, strategic planning and investment, resource allocation, performance evaluation and incentive

mechanisms, risk supervision and prevention, social responsibility, and basic management; and three hierarchical levels: basic systems, specialized systems, and operational systems.



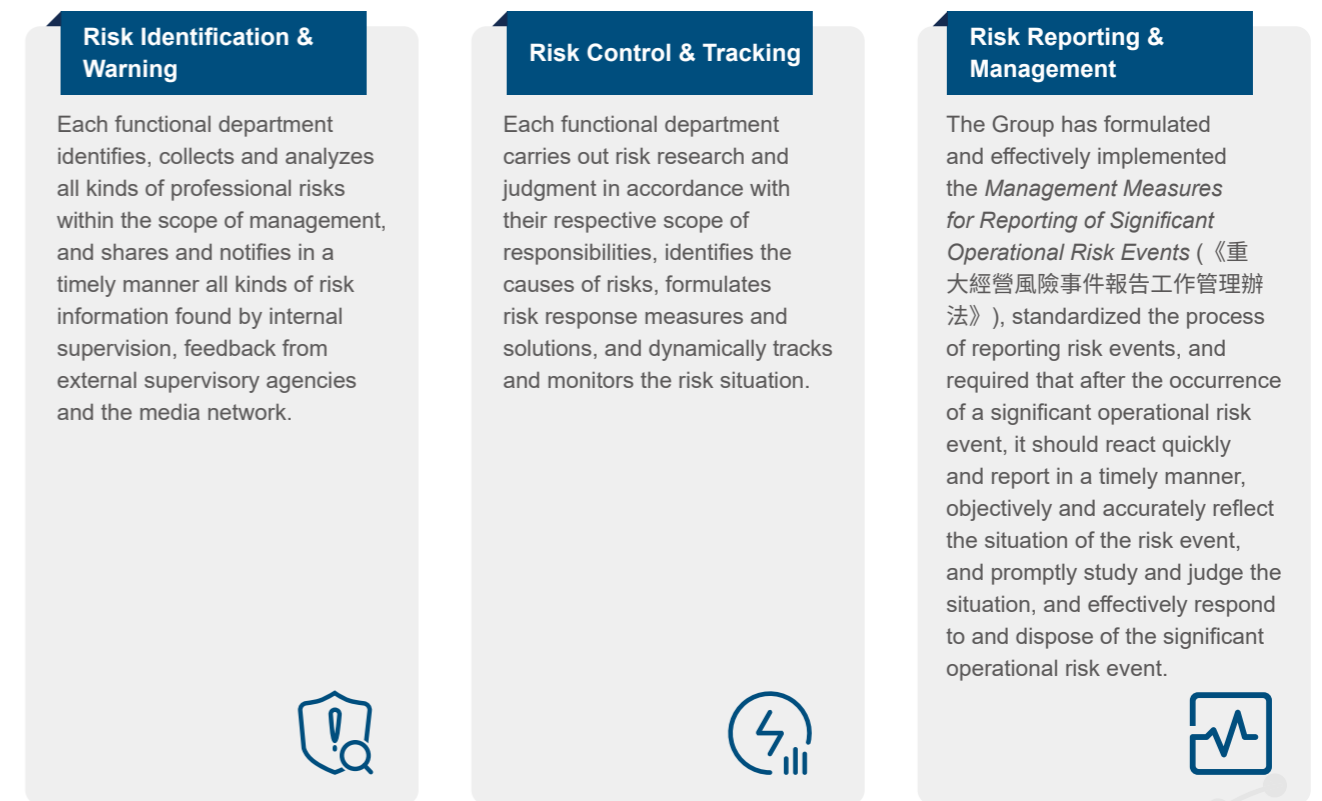
Risk Management "Three Lines of Defense"



Risk Management and Internal Control Workflow

To effectively implement internal control regulations and comprehensive risk management efforts, Universal Medical has established workflows encompassing internal risk identification and assessment, monitoring and early warning, control activities, and information and communication. This ensures a coordinated management mechanism for risk identification, management, reporting, and improvement. At the same time, the Group has established an annual significant risk assessment mechanism to adequately anticipate and assess various types of risks that may occur during the financial year, and to summarise and form an early warning mechanism and contingency plan, in order

to further enhance the level of risk management and internal control. This is summarized into an early warning mechanism and emergency response plan, aiming to further enhance risk management and internal control levels. Furthermore, the Group conducts at least one internal control evaluation annually, continuously improving its risk management and internal control systems. Risk-oriented audits are also conducted to oversee and inspect the establishment and implementation of risk management and internal control, identifying issues and requiring rectification to effectively control risks.



Furthermore, to effectively optimize risk management processes, Universal Medical proactively carries out assessments and audits of its internal risk management procedures, ensuring the conduct of internal control audit once every three years.

Risk Management and Internal Control Culture Building

Risk Management Training

Universal Medical places utmost importance on risk management and internal control training efforts. During the reporting period, the Group organized numerous training sessions on risk management systems, encompassing employees across different levels and positions.

Training Courses	Training Lecturers	Training Target Group	Format	Participation
Internal Control and Risk Management System Training	External tutors	Internal control managers	Online web training	Headquarter internal control manager
Business Operation Risk Management Training	External tutors	Employees in the middle office of each business unit	Online web training	Risk control center staff of each business unit
Internal Control Evaluation Training	Corporate tutors	Internal control staff of all business units	Online web training	Internal control work related personnel of each business unit

Employee Engagement in Risk Management

To fully encourage employees to actively engage in risk management, Universal Medical has established activities such as regional reporting and industry research report writing, as well as financial seminars. Through their work experiences, employees identify and discover potential risks within the organization, and provide feedback through various formats such as active reporting, work sharing, and topic-specific reports. The Group then screens the feedback and formulates continuous improvement measures for risk management.

Risk Management in the Product Development Process

Universal Medical has always prioritized the safety and well-being of our patients, establishing meticulous product development processes and standards across every production phase. We have clearly defined risk assessment and management requirements for each stage. Throughout the various stages of product development, we conduct comprehensive risk assessments and implement corresponding measures for effective risk management and control.

ESG and Emerging Risk Management

To ensure comprehensive identification, assessment, and management of risk projects that impact our business, Universal Medical integrates sustainable and emerging risks into its risk management framework, continuously conducting sensitivity analyses for non-financial risks.

Risk Name	Risk Description	Impact Assessment	Response
 Safety and environmental protection risk	Risk of uncontrolled and omitted management of safety and environmental risks, and risk of safety accidents such as fire, electric shock, machinery, etc., and environmental incidents such as water pollution and soil contamination.	Occurrence of major safety or environmental emergencies, resulting in the company suffering property losses, damage to social reputation, facing administrative penalties, etc.	Strictly enforce responsibility implementation and assessment mechanisms; Strengthen the construction of risk classification management and control for work safety; Implement hidden hazard investigation and treatment efforts; Actively carry out safety, environmental protection training, education, and promotion activities.
 Policy research risk	Significant changes in industry policies, lack of tracking and analysis of policy information, lack of sensitivity, and adverse impact on the company's business development.	Failure to grasp changes in the policy environment in a timely manner will affect medical and financial business planning and expansion.	Regularly monitor policy and regulatory changes, promptly organize policy analysis and research, and adjust the company's business policies as necessary to ensure that business development complies with policy regulations. In response to industry policy risks, guide business operations in line with policy changes. For affiliated hospitals, strengthen the management and control of actual implementation, conduct regular on-site inspections and spot checks, hire experts for guidance, and enhance policy analysis and case training. For financial business, adjust business policies in a timely manner to ensure compliance with national policy regulations. At the operational level, emphasize continuous training for risk management and control personnel in professional capabilities, conduct case analysis training, and disseminate policy knowledge.
 Cash flow risk	Characteristics of the industry, high cash inflow and outflow, and maintaining a high level of gearing. Although solvent, the risk of assets and liabilities needs to be assessed in a timely manner.	Cash flow risk will affect the safety, liquidity and profitability of the company's funds.	Enhance the calculation and monitoring of daily management indicators; Diversify financing channels to ensure the availability of operational funds; Perform cyclical forecasting and review and review of special matters.

Compliance

Compliance Management System

Compliance is the cornerstone of sustainable business development. To ensure that our business practices align with legal and regulatory requirements, Universal Medical has established a comprehensive compliance management system encompassing organizational structure, rules and regulations, process standards, and responsibility assignments. This system strengthens our compliance capabilities and elevates our level of law-abiding and compliant business operations.

Compliance Management Structure

The Group has established a Risk Prevention and Compliance Committee, which reports to the top management of the company and is primarily responsible for overseeing the planning, reviewing, and revising of compliance systems and documentation. During the reporting period, the Risk Prevention and Compliance Committee held a total of nine meetings.

Compliance Management Certification

Universal Medical actively advocates for its subsidiaries to engage in the development and certification of compliance management systems in accordance with the *ISO 37301 Standard and Guidance for Compliance Management Systems* (《ISO 37301 合規管理體系標準及使用指南》) and the *GB/T 35770-2022 Guidance for Compliance Management Systems* (《GB/T 35770-2022 合規管理體系指南》). This involves conducting business risk identification and assessments for compliance issues such as medical device sales, and formulating targeted measures to address identified risks. In July 2023, one of our subsidiaries, Casstar, achieved ISO 37301 compliance management system certification.

Compliance Management Policy

The Group has formulated the *Compliance Management Measures* (《合規管理辦法》), *Compliance Management System Construction Guidelines* (《合規管理體系建設指南》), and *Integrity and Compliance Manual* (《誠信合規手冊》). We carry out all work strictly in accordance with institutional requirements to ensure compliant and lawful operations. For serious improper conduct that violates national laws and regulations, we will strictly pursue criminal liability in accordance with legal provisions or impose corresponding administrative penalties.

Compliance Management Review

Universal Medical integrates legal and compliance audits throughout all aspects of institutional management, ensuring that compliance reviews are conducted for significant decisions, contract signing, and other crucial processes, achieving a compliance audit rate of 100% for rules, regulations, decisions, and contracts. Additionally, the Group has established a normalized compliance reporting and accountability mechanism for violations, clearly defining legal and compliance governance in its policies and strictly implementing them in practice. Specifically, departments such as disciplinary inspection, supervision, and audit are responsible for enforcing supervisory duties, promptly urging corrective measures for identified issues, and conducting rigorous accountability for losses caused by illegal business activities according to the Group's relevant regulations.

Anti-corruption

Anti-corruption System

Universal Medical has always adhered to the principle of anti-corruption and integrity. Guided by the Board of Directors, we have established institutional frameworks such as the *Integrity and Compliance Manual* (《誠信合規手冊》), which demands that our employees uphold moral standards and collaborate towards creating a business environment that is clean, secure, and disciplined. As stipulated in the Code of Conduct outlined in our *Integrity and Compliance Manual* (《誠信合規手冊》), the Group maintains a "zero-

tolerance" policy towards commercial bribery and corruption. We firmly oppose and prohibit all forms of bribery and corruption, requiring employees to sign the "Employee Compliance Undertaking" to uphold strict work discipline. The Group's regulations on commercial bribery and corruption apply to all employees, including full-time, part-time, and outsourced staff, as well as suppliers and business partners.

Anti-corruption Training

Universal Medical has always been committed to fostering a culture of integrity in its operations. Through regular anti-corruption training, warning education, and other activities, the Group ensures that its employees strictly adhere to business ethics and anti-corruption principles. During the reporting period, the Group conducted a total of 14 anti-corruption training sessions for both management and staff, covering over 1,500 individuals. The training content encompassed anti-corruption policies and regulations, business ethics guidelines, and integrity provisions, further enhancing employees' awareness of anti-corruption and compliance.

During the reporting period, the Group conducted a total of

14 anti-corruption training sessions for both management and staff

covering over

1,500 individuals

Integrity Training for New Employees

For new campus recruits, a training session themed "Adhering to Discipline, Observing Rules, Strengthening Work Ethic, and Delivering Tangible Results" was conducted in September 2023, covering a total of 22 new hires throughout the year. For new social recruits, four separate training sessions themed "Strictly Adhering to Professional Standards and Upholding Integrity in Employment" were conducted in March, June, August, and December 2023, encompassing a total of 126 new hires throughout the year.



Disciplinary Education for Key Employees

In November 2023, the Secretary of the Discipline Inspection Commission gave a lecture on the theme of "Adhering to Discipline, Observing Rules, Strengthening Work Ethic, and Delivering Tangible Results", covering 42 outstanding young cadres at all levels.



Convene Warning Education Activities

Throughout the year, in March, September, October, November, and December, the Group conducted eight warning educational activities specifically addressing disciplinary violations and illegal acts committed by the company this year. These activities aimed to promote awareness and serve as a deterrent, thereby fostering a culture of integrity and ensuring zero tolerance for corruption.



Conducting Training on Discipline and Law

In December 2023, Universal Medical conducted a dedicated training session on disciplinary and legal knowledge, themed "Upholding the Bottom Line and Avoiding the Red Line". The training was delivered by colleagues from the disciplinary inspection department and covered all staff from the business departments, as well as heads and key personnel from the Financial Management Department, Legal Affairs Department, Fund Management Department, Risk Management Department, Asset Management Department, and other relevant departments. A total of over 160 participants attended the training, both online and offline.



Whistleblower Protection

To foster a clean and ethical environment and enhance employee engagement in anti-corruption efforts, Universal Medical has established the *Rules for Whistleblowing and Complaint Handling* (《檢舉控告工作規則》) system. Additionally, a dedicated disciplinary and complaint reporting platform has been set up, managed by a designated individual who receives, registers, and categorizes complaints of violations in a systematic manner. This ensures that the complaints are handled promptly and effectively, while also promoting the resolution and rectification of issues. Furthermore, we commit to treating the complaint data with confidentiality and strictly safeguarding the rights of whistleblowers.

Disciplinary Inspection and Petition Reporting Platform

Correspondence and Visits:
No. 90 Xisanhuan Zhong Lu, Fengtai District, Beijing, China

Contact Information:
010-87012226
jjjian@um.gt.cn

Note: For more information on the number of corruption cases, litigation outcome and so on, please go to the official website of the Central Commission for Discipline Inspection of the CPC and the National Supervisory Commission.

Antitrust and Fair Competition

The Group has always advocated the philosophy of fair competition, adhering to the conduct of legitimate, compliant, and fair transactions with other market players. We strictly adhere to the laws and regulations of Mainland China and Hong Kong, and place a high emphasis on anti-monopoly and anti-unfair competition efforts. We explicitly prohibit our employees from engaging in any form of competition with other operators that violates laws and regulations, breaches business ethics, disrupts market competition order, or harms the legitimate rights and interests of other operators or consumers.

To ensure that the Group adheres to ethical and fair business practices, we strictly prohibit any form of bribery disguised as "political or charitable donations". We explicitly define and commit to complying with relevant legal norms when engaging in political or charitable donations, ensuring their reasonableness and legality, and avoiding any form of disguised bribery. Universal Medical will publicly disclose all legitimate and transparent assertions of the company's own interests to the government, along with relevant information regarding political or charitable donations.

Anti-conflict of Interest

The Group has formulated the Integrity and Compliance Manual (《誠信合規手冊》), defining conflicts of interest as "misuse of company resources", "abuse of authority", and "unauthorized part-time work". The Group regulates that employees are prohibited from using resources for personal gain, seeking benefits for interested parties, or any other

improper purposes. Employees are also prohibited from exercising authority for any personal purposes, as well as engaging in paid or unpaid part-time work. During the reporting period, the Group has effectively avoided conflicts of interest and no relevant violations have occurred.

Anti-money Laundering Management

The Group strictly adheres to the anti-money laundering laws and regulations of China and the countries (regions) where it operates, establishing corresponding systems and procedures to prohibit employees from participating in any such activities and prevent exploitation by criminal elements. We thoroughly vet our business partners, opting to collaborate with those who maintain legitimate funding

sources and possess a reputable standing. Furthermore, the Group expects its employees to strictly adhere to the company's financial regulations and procedures, refusing any payments that do not comply with regulations and avoiding transactions with non-transactional or abnormal accounts. We actively cooperate with relevant parties to fulfill our anti-money laundering reporting obligations.

Taxation in Accordance with the Law

Universal Medical places utmost importance on tax management, treating it as a crucial aspect of our operational governance, with the Board of Directors overseeing and participating in tax-related decisions. We have established the *Tax Management Measures* (《稅務管理辦法》), *Invoice Management Measures* (《發票管理辦法》), and the *Tax Risk Management Guidelines* (《稅務風險管理指引》), aiming to fortify our tax risk control throughout the entire process through a comprehensive tax risk management system. The *Tax Management Measures* (《稅務管理辦法》) explicitly mandates "strict adherence to tax laws, regulations, and provisions of the countries and regions where we operate," "requiring subsidiaries and units to possess a certain level of commercial substance," and

"ensuring business transactions with affiliated parties adhere to independent transactions, refraining from transferring profits to regions with lower tax burdens or engaging in tax avoidance arrangements lacking reasonable commercial purposes."

Furthermore, the Group has established a tax-specific support management team to provide tax consulting, policy dissemination, training, and other tasks specifically for its business departments. Additionally, we plan to further improve our internal tax system by formulating internal institutional norms such as the *Tax Risk Work Guidelines* (《稅務風險工作指南》) and *Tax Archives Work Guidelines* (《稅務檔案工作指南》) in 2024.

Corporate Governance Key Performance

Board of Directors

Indicators	Unit	Year 2023
Board Members	Persons	11
Independent Non-executive Directors	Persons	4
Female Board Members	Persons	2
Number of Directors with Risk Management Expertise	Persons	11
Number of Non-executive Board Members with Risk Management Expertise	Persons	8
Attendance Rate of Board Members	%	98.8

Management Diversity

Indicators	Unit	Year 2023
Percentage of female employees in management - junior management	%	54.10
Percentage of female employees in management - middle management	%	25.00
Percentage of female employees in management - senior management	%	50.00
Target percentage of female employees at management level	%	50.00
Target percentage of female employees at junior management level	%	50.00
Target percentage of female employees at middle management level	%	50.00
Target percentage of female employees at senior management level	%	50.00
Percentage of women in management positions in revenue generating functions	%	54.40
Percentage of female employees in stem-related positions	%	37.40
Percentage of executives hired from the local community	%	96.00

Compliance Management Performance

Indicators	Unit	Year 2023
Conflict of interest violations	/	0
Anti-money laundering or insider trading violations	/	0

Performance of Anti-corruption and Integrity Training Delivery

Indicators	Unit	Year 2023
Number of anti-corruption and integrity training sessions	Times	14
Number of persons covered by anti-corruption and integrity training	Person-times	1,530



02

Taking Responsibility, Operating Efficiently

Universal Medical adheres to the mission of "Creating a better life with good technology and quality service," continuously optimizing operations and enhancing competitiveness in key areas of the industry chain. We fully understand the importance of product quality and sustainability, and are committed to strengthening the resilience of our supply chain, consistently elevating customer service experiences, and creating long-term value for investors.

Material Issues Responded

- Duty of Service
- Supply Chain Management

Responding to the United Nations Sustainable Development Goals (SDGs)



Building a Quality Supply Chain

Universal Medical actively practices green purchasing, builds a responsible and sustainable supply chain, and maintains stable and good strategic partnership with suppliers.

Supplier Admission and Evaluation

In accordance with national laws and regulations, the Group has formulated the *Supplier Management Measures* (《供應商管理辦法》), *Medicine Supply Chain Management* (《醫藥供應鏈管理辦法》), *Measures for Medical Equipment Purchasing Management* (《醫用設備採購管理辦法》), and the *Regulations and Implementation Rules for Medical Equipment Procurement* (《醫用設備採購規定及實施細則》), *Implementing Rules for the Procurement Management of Construction Projects* (《建設工程採購管理實施細則》) and other guiding documents, and has strictly standardized the assessment criteria for the screening of suppliers in order to select pharmaceutical and medical equipment suppliers that have qualified qualifications, are operating legally, have good service capabilities, and are actively fulfilling their social and environmental responsibilities for further cooperation.

Universal Medical attaches great importance to supplier compliance and transparency. In the admission process, all suppliers are required to complete registration on the official procurement platform and ensure the completeness and standardization of the registration information, and those who have passed the audit will be qualified to be included in the Group's supplier credit evaluation system. In addition, the Group, through a third-party system, automatically identifies whether the suppliers have business abnormalities and major credit violations, and intercepts suppliers with abnormal situations at the first time, in order to realize double safeguards for the screening of suppliers for access.

In the evaluation segment, the Group adopts a combination of daily performance evaluation and annual comprehensive evaluation to assess suppliers, which includes delivery quality, product quality, energy saving and environmental protection, after-sales service, etc., and conducts hierarchical management of suppliers based on the results of the evaluation. For Level IV suppliers with a comprehensive score of below 65 points, they are required to carry out rectification within a certain period of time, and if they fail to pass the rectification within the period, they will be banned within the Group for one year; and for suppliers with bid-rigging, bid-enclosing, bid-accompanying, performance negligence and fraudulent behaviors, they will be subject to the management of "blacklisting" and banned within the entire Group. During the reporting period, the coverage rate of supplier review was 100%.

As at the end of the reporting period,

the Group had a total of **26,434** suppliers

mainly covering

5 major categories, namely medical consumables and pharmaceuticals, medical equipment, financial institutions, services, software and hardware

Among them, suppliers from Mainland China accounted for **95.1%**

Supply Chain Environment and Social Risk Management

The Group has established stringent policies and auditing standards for suppliers in the areas of environmental protection, labor human rights, quality and safety management, and integrity management to ensure that our partner suppliers and company products meet high standards in these areas and to promote sustainable and responsible business practices.



- ◆ Promote suppliers to complete ISO 14001 environmental management system certification as part of the procurement evaluation criteria;
- ◆ Priority is given to recyclable and biodegradable materials and products with low environmental impact;
- ◆ Actively encourage suppliers to adopt renewable energy and resources;
- ◆ In procurement contracts, especially construction contracts, suppliers are required to comply with relevant environmental policies and standards, including the use of environmentally friendly materials, waste reduction, energy conservation and emission reduction;
- ◆ During the construction commencement, suppliers are required to provide relevant environmental protection inspection reports and other materials;
- ◆ At the supplier evaluation stage, energy conservation and environmental protection are used as evaluation indicators to examine suppliers' implementation and performance of environmental protection policies.



- ◆ Craft a comprehensive 「human rights policy」 that meticulously examines the potential risks within our supply chain activities that may lead to or constitute human rights abuses or violations. Ensure that the policy implements stringent due diligence measures to guarantee supplier business practices adhere to international labor standards and due diligence requirements pertaining to forced labor.
- ◆ Develop an internal risk assessment system to evaluate the legal compliance of supplier labor practices and the safety of their working conditions.



- ◆ Foster the establishment of collaborative relationships with multiple suppliers, mitigating reliance on a singular source to guarantee a consistent supply of raw materials or finished products.
- ◆ Upon the signing of construction, maintenance, and other related contracts with parties involved, an "Agreement on Safety Management" shall be executed to clarify the respective safety management responsibilities and obligations of both sides.
- ◆ Encourage the fulfillment of ISO 9001 quality management system certification among suppliers, integrating it as a vital aspect within the procurement evaluation criteria.



- ◆ Conduct comprehensive due diligence in the selection and vetting of vendors, and fully assess vendors' business practices, and implementation of anti-corruption measures;
- ◆ Signing the *Supplier Integrity Agreement* with suppliers, which clearly stipulates the suppliers' business behaviors and responsibilities in terms of integrity and compliance, including delivery time quality standards, emergency response, etc., and reviewing the suppliers' performance on a regular basis.

Supplier Quality Training and Empowerment

GTS fully recognizes the crucial role suppliers play in ensuring the quality of our products and services. We choose the mode of co-operation according to the characteristics of our suppliers to ensure that both parties give full play to their advantages and realise the quality synergy of the industrial chain. Our goal is to establish a comprehensive and systematic supplier database,

promoting GTS quality philosophy and model while continuously improving our evaluation systems. We aim to assist our supply chain partners in enhancing their safety, quality, and risk management capabilities. For suppliers who demonstrate excellence in delivering high-quality products and services, we organize quarterly technical exchange sessions to foster closer collaboration and jointly push the boundaries of product and service innovation. For those suppliers with potential and room for growth, we engage in regular quality improvement activities through on-site technical audits, teleconferences, and other formats, ensuring a steady stream of high-caliber suppliers for our future endeavors.



In 2023, the Company strengthened its partnership with a number of supply chain members, including GE, Siemens and Philips, to enhance the in-depth cooperation on product and service quality in terms of product transformation, service capability and business model through the means of target management, technical exchanges and resource sharing, which were widely recognized in the market.

Provision of High-Quality Services

Promoting Product and Service Quality

Standardizing Quality Management to Ensure Service Safety

The Group firmly believes that the quality of products and services is the cornerstone of promoting the sustainable development of medical institutions, so we have been committed to providing customers with quality services. Our customer base mainly covers patients, hospitals, other medical institutions, educational and other public institutions, as well as medical equipment suppliers who act as our exclusive sales agents and provide us with equipment introduction services. In order to standardize medical practice in hospitals and reduce medical risks, the Group has formulated relevant operating regulations and measures for different aspects of quality management to ensure the quality and safety of medical products and services.

The Company strictly abides by the *Law of the People's Republic of China on Basic Healthcare and Health Promotion* (《中華人民共和國基本醫療衛生與健康促進法》), and in accordance with the basic requirements of China's 18 core medical systems, we have refined and formulated the *Amendment Principles Regarding 18 Regulations on the Core System for Medical Quality and Safety (Trial)* (《十八項醫療質量安全核心制度規範(試行)修改原則》) and supplemented rules to relevant systems so as to guide and facilitate hospitals to implement quality and safety related training.

In order to continuously enhance quality management, we developed the *Administrative Measures for Medical Devices Operation, Use Units, and Medical Devices Qualification Review* (《醫療器械經營、使用單位及醫療器械資質審核管理辦法》) to standardize the implementation of internal management principles, processes and product recall procedures for quality audits, test and provide clear requirements for quality and safety aspects in all aspects of the acceptance, storage, outgoing and transportation of medical devices and other products. Meanwhile, we provide annual training on quality management tools for our employees. In 2023, we organized six mandatory training courses on quality management, including quality internal audits, interpretation of quality policies, and medical records, covering 6,826 people. In addition, 30 training sessions on elective courses, one special training on quality QC case coaching and seven training sessions on the dissemination of important documents of the Group and the Company were conducted to enable the effective implementation of quality management in hospitals. During the reporting period, the Group, in conjunction with the "Quality and Safety Standards Management Pathway," organized systematic quality and

safety inspections at various hospitals, supervised the hospitals in their continuous efforts to improve, and achieved a 100% coverage of fly inspections for affiliated hospitals through expert guidance. No events of sold or shipped products being recalled due to safety and health reasons occurred, and the number of complaints received regarding products and services was zero. Additionally, no medical accidents caused by the use of medical devices occurred.

By the end of the reporting period, GTS had obtained ISO 9001 Quality Management System Certification, ISO 3485 Medical Device Management System Certification, as well as After-Sales Service System Certification. Pangang General Hospital had also achieved ISO 15189 (Medical System Certification Standard) Quality Management System Certification.

In 2023

- 

we organized **6** mandatory training courses on quality management, including quality internal audits, interpretation of quality policies, and medical records
- 

covering **6,826** person-times
- 

30 training sessions on elective courses
- 

1 special training on quality QC case coaching
- 

7 training sessions on the dissemination of important documents of the Group and the Company were conducted to enable the effective implementation of quality management in hospitals

Focusing on Medical Services to Improve Quality and Efficiency

The Group adheres to the concept of "patient-centeredness", continuously improves medical quality management, focuses on building a medical quality assessment and evaluation system, and innovates a new model of medical quality management, in order to provide the public with quality medical services that are safe, effective, accessible and humanistic.

Universal Medical focuses deeply on the construction of core disciplines and specialties to address the medical needs of the people on specific health issues and improve the precision and efficiency of disease treatment. During the reporting period, Universal Medical's hospitals were newly approved 3 provincial key specialties, with a cumulative total of 19; 1 provincial municipal key specialty, with a cumulative total of 5; 11 municipal key specialties (including construction), with a cumulative total of 89; 7 provincial scientific research projects were newly approved, 20 SCI papers were published, 22 patents were authorized, and 45 GCP projects were carried out.



Universal Medical's Hospitals Receive Multiple Awards at the 11th National Hospital Quality Control Circle (Multi-Dimensional Tools) Competition

- During the reporting period, Universal Medical's hospitals were newly approved
 - 3 provincial key specialties with a cumulative total of 19
 - 1 provincial municipal key specialty with a cumulative total of 5
 - 11 municipal key specialties (including construction) with a cumulative total of 89
- 7 provincial scientific research projects were newly approved
- 20 SCI papers were published
- 22 patents were authorized
- 45 GCP projects were carried out

Innovative Service Channels and Methods

Intelligent Medical Services

Universal Medical takes digital construction as an important lever in realizing group management and promoting the high-quality development of hospitals, continues to create characteristic digital solutions, adheres to the standardized and integrated core system construction route for hospitals, and strives to promote the "merging" of operation management, business development and digital construction. By the end of the reporting period, all medical institutions under the Group had completed the standardized construction of core information systems, laying a solid foundation for the interconnection of information across the Group.

The Group explores an integrated online and offline medical service model by building a trinity of intelligent hospital

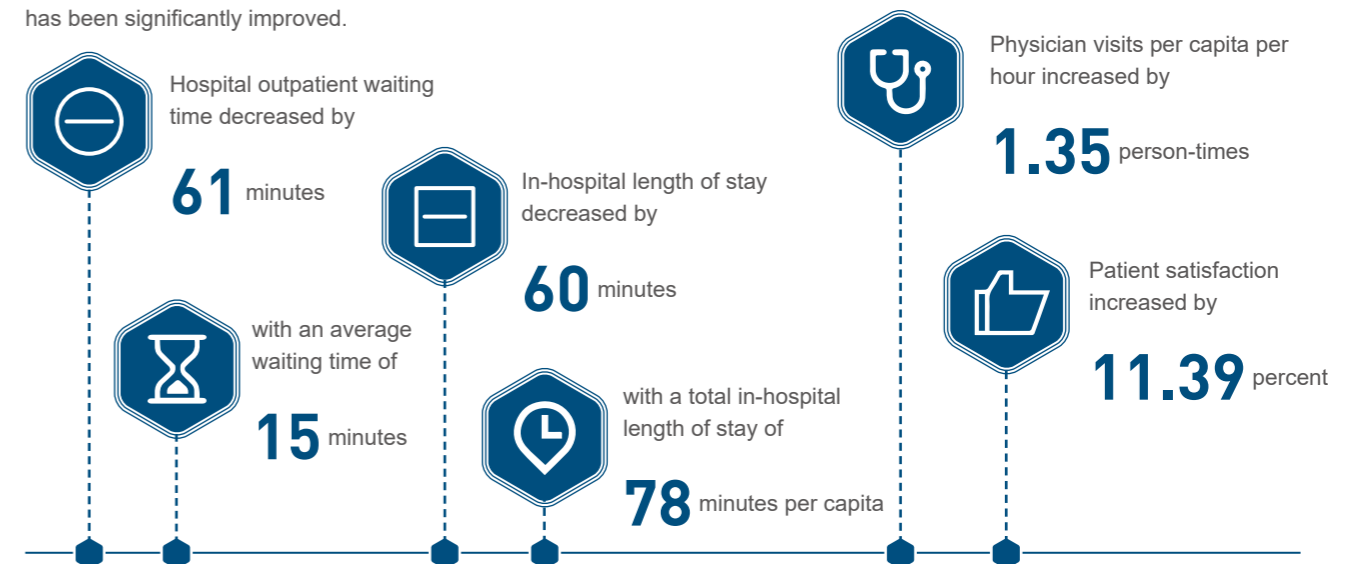
information systems, including intelligent healthcare, intelligent services, and intelligent management. We have independently developed an Internet healthcare platform, which has been deeply integrated with physical medical institutions and derived from five major product functions, namely, smart medical care, online diagnosis and treatment, health management, specialty services and health mall, to provide patients with full-process and diversified medical services. As of the end of the reporting period, Universal Medical's Internet healthcare platform had been launched in 45 medical institutions, with the overall service network covering 17 provinces across China and the annual number of service visits on the platform having reached approximately 28 million.

Case Launching an Online Health Platform to Enhance Patient Experience

Deeply integrated with physical medical institutions, Universal Medical's Internet health platform first helps solve the problem of long waiting time, short face-to-face consultation time, running back and forth between different departments and other problems in the process of patient consultation. With the help of the Internet, covering outpatient and inpatient settings, the hospital provides patients with one-stop healthcare services such as intelligent guidance, booking and registration, examination and test report inquiries, hospitalization prepayment, and electronic companion card, to meet patients' demands for convenient medical treatment.

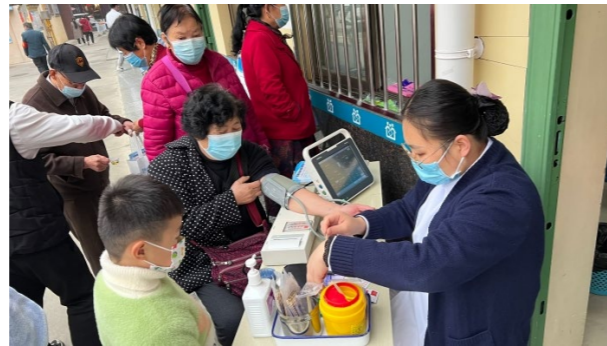


Taking Caihong Hospital (彩虹医院) as an example, after going on-line with the Internet health platform, it has improved the medical service process with the support of the Internet platform, and the patients' sense of access to medical care has been significantly improved.



Case Intelligent Medical Services, Access to a Healthy China

"Genertec Clinic" represents a significant initiative by GT-PRC to proactively extend high-quality medical resources, addressing the challenges and pain points of patients seeking healthcare. This initiative brings medical wellness directly to the doorstep of patients and their workplaces. In 2023, Universal Medical launched the fifth batch of "Genertec Clinic" services, operationalizing six medical institutions under its umbrella. This batch highlights specialized kidney care and remote electrocardiogram diagnosis through the "Cloud Genertec Clinic". It establishes a comprehensive service system encompassing "intelligent platforms, specialized services, convenient equipment, and digital operations". Leveraging internet technology, it streamlines the diagnostic process, invigorates tiered healthcare systems, and caters to the diverse and multi-layered healthcare needs of the people across various regions.



CREC (Baoji) Hospital provides chronic disease screening services for residents and updates data in real time on the cloud

use of the headquarters' Agricultural Bank of China credit line by Caihong Hospital (彩虹醫院), and the use of self-funded supply chain finance by Taiyuan No.7 People's Hospital (太原七院). With the deepening implementation of supply chain finance business, it has been proven that supply chain finance business generates actual benefits for our affiliated hospitals, truly achieving the goals of resolving payment issues without increasing debt, extending payment terms, increasing supplier loyalty, and increasing revenue through self-funded models.

Protection of Innovations

Universal Medical strictly enforces relevant laws, regulations, and implementation ordinances such as the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》) and the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) in accordance with the law, continuously strengthening the protection and construction of its own intellectual property rights. The Group possesses a significant accumulation of intellectual property rights. Based on the aforementioned regulations, we have established a series of intellectual property protection measures, including actively promoting the legalization of software, enhancing the company's risk prevention capabilities, shaping a positive corporate image, and preventing compliance and information security risks arising from the use of unauthorized software. Through centralized purchasing methods to strengthen software legalization guarantees, the establishment of electronic ledgers for software assets, and other methods, we achieve dynamic management of the procurement, configuration, upgrading, and usage of legitimate software. Additionally, Universal Medical promotes a positive atmosphere for legalization work through advocacy, continuously enhancing employees' awareness of using legitimate software, consciously using legitimate software, resisting unauthorized software, and improving the level of legitimate software usage.

Financial Technology Innovation

Faced with numerous challenges and uncertainties in the domestic and international economic and financial markets, the business transformation and innovation of the financial sector have become an inevitable requirement for the high-quality development of Universal Medical. During the reporting period, the Group actively developed supply chain finance business, established the "Universal E-Chain Supply Chain Service Platform" (環球易鏈供應鏈服務平臺), and integrated information such as capital flow and information flow using financial technology means. Under the background of real transactions, it constructed an integrated financial supply system and risk assessment system for supply chain core enterprises and upstream and downstream enterprises, providing systematic financial solutions to quickly respond to the comprehensive needs of enterprises in the industry chain such as settlement, financing, and financial management. This has achieved real-time information transmission and rapid processing, providing more accurate and real-time risk assessments and demand forecasts for capital, reducing enterprise costs, and enhancing the value of all parties in the industry chain. As of the end of the reporting period, the "Universal E-Chain Supply Chain Service Platform" (環球易鏈供應鏈服務平臺) has completed docking with the company's internal factoring system, as well as direct connections with the systems of five banks including Agricultural Bank of China, Bank of Communications, China CITIC Bank, Industrial and Commercial Bank of China, and Huishang Bank.

Based on this, we actively provide customers with a wide range of funding sources, implementing multiple supply chain finance projects through our supply chain finance service platform. These include the use of Huishang Bank's credit line by Maanshan Shiqiye Hospital (馬鞍山十七冶醫院), the

Protecting Customer Rights and Privacy

Universal Medical attaches great importance to privacy security, embedding privacy protection mechanisms into the compliance risk management system within the Group and actively safeguarding the legitimate rights and interests of customers. We have formulated the *Integrity and Compliance Manual* (《誠信合規手冊》) to regulate matters related to privacy and personal information protection, adhering to the principles of legality, legitimacy, and necessity when obtaining, storing, using, and disclosing personal information. We take reasonable and necessary measures to protect personal information and adopt a "Zero-Tolerance" attitude towards any violations of information security and privacy policy compliance requirements, dealing with them seriously in accordance with relevant regulations. During the reporting period, no customer privacy breaches or related complaints have occurred within the Group.

As of the end of the reporting period, GTS had obtained the ISO 27001 certification for its Information Security Management System.

Customer Privacy Policy Agreement

The Group attaches great importance to the protection of user information and has formulated a 「Privacy Policy」 applicable to the entire business scope, covering the Group, its employees and third-party personnel who have access to the information assets (including suppliers and other partners), so as to effectively safeguard the security of users' personal information.

The compliance of the 「Privacy Policy」 is through internal auditing, based on the principle of user autonomy in data control and information transparency, clearly informing users about the scope of collection of personal and non-personal information, and minimizing data collection and retention in the process of information collection, which is carried out only when it involves the relevant and necessary functions, and does not use the collected user data for secondary purposes. At the same time, the system provides users with an opt-out option, the right to cancel their account, access, correct or delete personal information and many other rights to ensure that users have full control over their personal data. The disclosure of user information to third parties is subject to the prior consent of the user, giving the user full access to and control over the data, and effectively preventing and responding to data security risks.

Information Security Management Organization

The Group has established a Cybersecurity and Informatization leading group, with Ms. Peng Jiahong, the Chairperson of the Board, serving as the head of Universal Medical's Cybersecurity and Informatization leading group, Mr. Wang Wenbing and Ms. Wang Lin, the executive Directors, as the deputy head of the group, and the heads of various departments as the members of the group. The Cybersecurity and Informatization leading group is responsible for overseeing and promoting the implementation of Cybersecurity and Informatization related work, including but not limited to the development and improvement of privacy protection mechanisms, management of data security risks, and response to cyber-attacks and data leakage incidents. In addition, the Group conducts internal and external audits in respect of information security, regularly evaluates the operation of the Group's internal network security and informatization system, examines whether each department has implemented the privacy protection policy in accordance with the regulations, promptly identifies and resolves security loopholes and issues, and more comprehensively integrates the privacy protection mechanism into the Group's risk management system, so as to provide a solid guarantee for the Group's sustainable development.

Information Security Management System

We strictly adhere to relevant laws and regulations such as the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) and Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》). Additionally, we have formulated the Cyber Security Management Measures (《網絡安全管理辦法》), Daily Management Measures for IDC Rooms of the General Technology Cloud (Healthcare Resource Pool) (《通用技術雲(醫療資源池)IDC機房日常管理辦法》) and Measures for

Implementing the Responsibility System for Cyber Security Work (《落實網路安全工作責任制實施辦法》), which cover all business lines and affiliated institutions. These measures aim to strengthen network security management, implement the responsibility system for network security work, and constrain the behavior of internal employees and external partners at the institutional level. By doing so, we have established a robust information security guarantee throughout the entire process of collection, storage, transmission, usage, sharing, deletion and destruction.

Information Security Risk Management

The Group has issued internal regulations such as the *Cyber and Data Security Emergency Response Plan* (《網絡與信息安全應急備案》) and the *General Technology Cloud (Healthcare Resource Pool) Backup and Recovery* (《通用技術雲(醫療資源池)備份與恢復管理辦法》) in response to cyber security incidents. These regulations aim to classify and manage information security incidents to reduce and prevent losses and harm caused by such incidents. If any employee discovers an information security issue or incident, they will notify the Digital Department through internal communication tools, emails, or phone calls. The Digital Department will then promptly report and handle the incident according to the incident reporting process and handling requirements outlined in the *Cyber and Data Security Emergency Response Plan* (《網絡與信息安全應急備案》).

During the reporting period, the Group conducted one network and information security training session for its headquarters employees, allowing them to respond to various network security threats in a simulated environment.

We participate in the actual network security attack and defense drills organized by the Ministry of Public Security every year, and in the course of the drills, we carry out emergency response to external attacks and various types of information security events received, and output the *Security Incident Report* (《安全事件報告》), which requires that the security events appearing in the *Security Incident Report* (《安全事件報告》) be rectified and dealt with one by one in a closed-loop manner with a deadline for rectification.

To further enhance employees' awareness of network security and data security, the Group includes network and information security indicators as part of the performance evaluation for relevant employees. Additionally, regular information security training sessions covering all employees are organized. The training content encompasses basic knowledge of network security, common network threats and preventive measures, promotion of data protection laws and regulations, and incident registration. Through case studies, interactive discussions, and practical exercises, the Group aims to improve employees' awareness of network security and data security.

In addition, the Group has constructed an integrated office management system to run all internal information and processes, ensuring its independence from external official websites at the application level and forming a data barrier. The core application systems are deployed in the "Genertec Technology Cloud (Medical Resource Pool)" built by the Company, which is constructed, managed, operated and maintained by the Digital Department of the Company's head office and does not provide services to the Internet. At the same time, we strictly limit the access to the background of the internal systems of third-party external vendors, which must be accessed through the cloud desktop, and the data in the cloud desktop can not be exported on its own. All data transmission must be relayed through our docking staff to ensure maximum protection of data security and privacy.

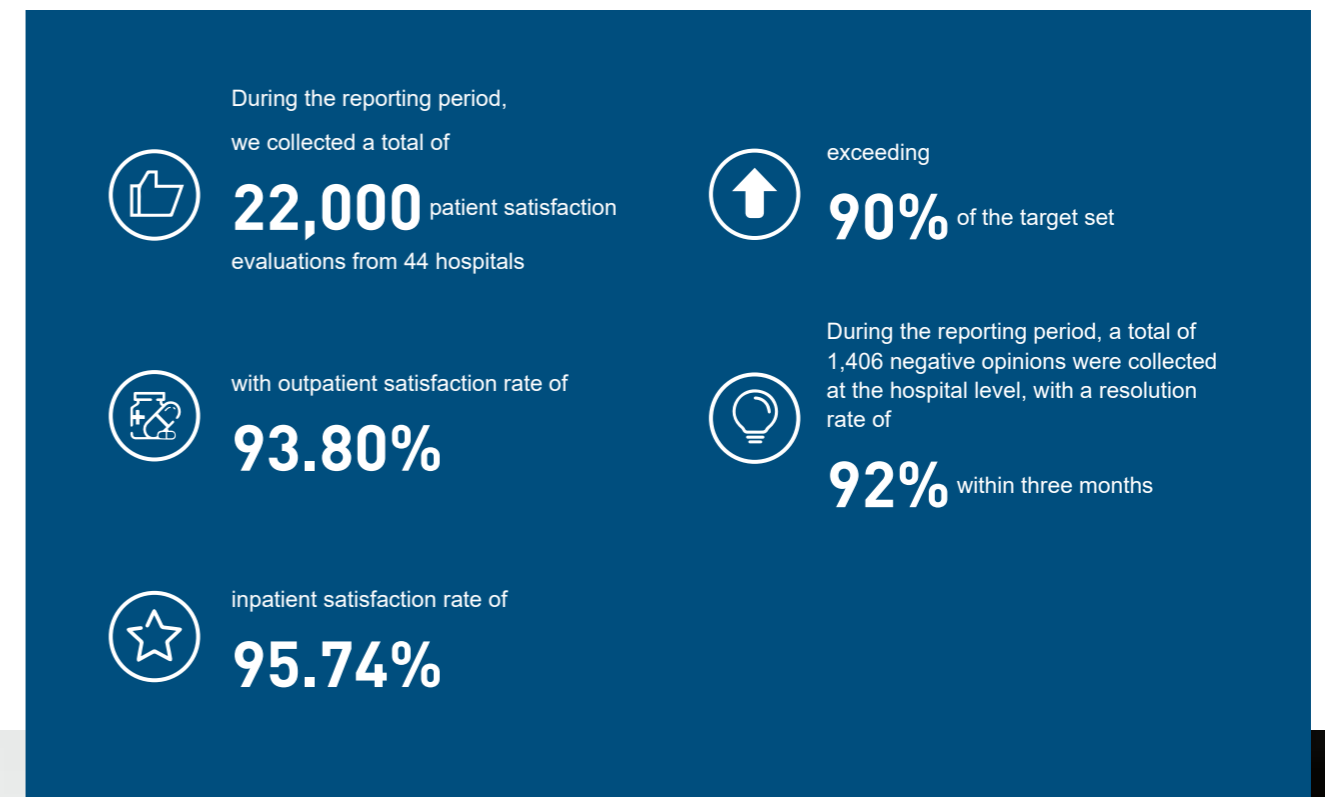
Improving Satisfaction and Complaint Management

Enhancing Customer Satisfaction

The Group conducted in-depth understanding of customers' needs, suggestions and opinions through channels such as building digital management platforms, door-to-door visits and written questionnaires, and investigated the level of customers' satisfaction with our services. During the reporting period, we collected a total of 22,000 patient satisfaction evaluations from 44 hospitals, with outpatient satisfaction rate of 93.80% and inpatient satisfaction rate of 95.74%, exceeding the target of 90% set at the beginning of the year, and achieving both the quality of customer services and the level of customer satisfaction.

Establishment of Customer Complaint Channels

Universal Medical has established a transparent and efficient complaint channel to support customers' feedback and complaints by phone, fax, letter and door-to-door to continuously improve service quality. We collect patients' opinions and suggestions on hospitals through various channels such as patient satisfaction surveys and patient complaints, and monitoring public opinion across the network, and push our affiliated hospitals at the Group level to carry out corrective actions and follow-up tracking around patients' feedback, so as to ensure that customers' complaints can be responded to and handled in a timely manner. During the reporting period, a total of 1,406 negative opinions were collected at the hospital level, with a resolution rate of 92% within three months.



Maintaining Investor Relations

Investor Relations Management

Universal Medical has formulated internal documents such as the *Investor Relationship Management Approach* (《投資者關係管理辦法》) in accordance with the laws, regulations, and other normative documents issued by governments and regulatory agencies, including the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), *Securities Law of the People's Republic of China* (《中華人民共和國證券法》), *Guidelines for Investor Relations Management of Listed Companies* (《上市公司投資者關係管理工作指引》), *Companies Ordinance of Hong Kong* (《香港公司條例》), and *Listing Rules of The Stock Exchange of Hong Kong Limited* (《香港聯合交易所有限公司證券上市規則》). These measures aim to further standardize Universal Medical's investor relations management, actively promote positive relationships between the Group and investors, establish a stable and high-quality investor base, balance "intrinsic value creation" with "market value realization", and maximize the overall interests of both investors and the Group.

During the reporting period,



the Group conducted

170 investor communication activities



disclosed

81 announcements through official channels such as the corporate website



achieving flawless information disclosure submissions

Investor Communication and Disclosure

The Group is entrusted to the Board of Directors for the establishment and implementation of the system for managing information disclosure affairs. Internally, regulations such as *Regulations on Information Disclosure Management* (《信息披露管理細則》), *2023 Investor Communication Program for Listed Companies* (《2023年上市公司投資者溝通方案》), and *Measures For The Administration Of Information Disclosure Services For Debt Financing Instruments* (《債務融資工具資訊披露事務管理辦法》) are formulated. Through diverse channels including shareholder meetings, performance briefings, press conferences, analyst meetings, targeted surveys, regular and interim reports, on-site visits, and conference calls, the Group regularly and promptly addresses investor concerns and expectations, ensuring the timely and accurate dissemination of information. During the reporting period, the Group conducted 170 investor communication activities, disclosed 81 announcements through official channels such as the corporate website, achieving flawless information disclosure submissions.

Case Universal Medical Holds FY2022/2023 Interim Results Presentation to Expand Diversified Investor Communication Channels

Universal Medical held "Online + Hong Kong Offline" 2022/2023 Interim Results Presentations in March and August 2023 respectively, with over 200 participants. The Chairwoman, General Manager and Chief Accountant of the Company were present in person to answer investors' concerns about the Company's strategy, business development and sustainable development, thus enhancing investors' trust and knowledge of the Group. In addition, through the publicity method of "reading the results in one chart + press release + in-depth interpretation article", we delivered the information to as many as 114 terminal platforms, covering mainland China, Hong Kong, Macao, Taiwan and other countries around the world, and constructed a more comprehensive investor communication channel.



Convening of the 2022 Annual Results Conference



Convening of the 2023 Interim Results Conference

Case Universal Medical Xi'an Hospital Research Day, Investment Institutions and Hospitals Face to Face

On July 14, 2023, Universal Medical held a research day event at hospitals in the Xi'an region, engaging in profound exchanges with over 30 representatives and investors from 27 renowned institutions such as leading securities firms, fund companies, and insurance agencies. The Assistant General Manager of Universal Medical, along with relevant hospital leaders and heads of professional management departments from the headquarters, led the investors on visits to their affiliated hospitals, including XD Hospital (including the Fengdong New Hospital Area, the New Medical Examination Center, and the New Men's Comprehensive Building Area) and the Universal CREC (Xi'an) Hospital. Subsequent to these visits, in a seminar format, in-depth discussions were initiated.



Representatives of investment organizations and investors visit the new outpatient and residential complex of XD Hospital



Representatives of investment organizations and investors visited the Universal CREC (Xi'an) Hospital



Representatives of investment institutions and investors visited the new medical checkup center of XD Hospital



Universal Medical Headquarters and Hospital Exchange Seminar



Representatives of investment organizations and investors visited the new Fengdong Campus of XD Hospital

Protecting the Rights and Interests of Small and Medium-Sized Shareholders

Universal Medical attaches great importance to the protection of the legitimate rights and interests of shareholders, especially small and medium-sized shareholders, and adheres to the principle of openness and transparency by publishing notices of shareholders' general meetings and motions in accordance with the regulations, announcing and disclosing material matters, and disclosing the topics of the shareholders' general meetings in detail in the circular, so as to ensure that the rights of shareholders can be fully exercised and the voting rights of shareholders can be made more transparent. Meanwhile, the Group strictly discloses corporate information on time, discloses announcements and publishes regular reports in accordance with the regulations, and has set up a special channel to handle shareholders' feedback and demands, so as to keep shareholders abreast of the operation status of the Company.

Responsibility Operations Key Performance

Supplier Distribution

Indicators	Unit	Year 2023
Supplier status-total number of suppliers	/	26,434
Number of suppliers by region - Beijing	/	10,641
Number of suppliers by region - Shanghai	/	1,428
Number of suppliers by region - Guangdong	/	767
Number of suppliers by region - Other provinces, municipalities, autonomous regions, and administrative regions	/	12,283
Number of suppliers by region - other countries	/	1,315

Customer Satisfaction Performance

Indicators	unit	Year 2020	Year 2021	Year 2022	Year 2023
Patient satisfaction with hospitalization*	%	86.42	89.42	93.11	95.74
Patient outpatient satisfaction	%	91.52	90.93	95.21	93.80
Annual customer satisfaction overall goal	%	/	/	/	90

* Client satisfaction survey coverage of 1-2% of outpatient visits and 25-35% of hospital discharges

Information Security Management Performance

Indicators	Unit	Year 2023
Number of customer information leaks	Cases	0
Number of information security/cyber security breaches	Cases	0
Total number of customers and employees affected by information security breaches	Cases	0
Percentage of customer data used for secondary purposes	%	0

Customer Privacy Complaints

Indicators	Unit	Year 2023
Complaints from external and substantiated sources	Items	0
Complaints from regulators	Items	0

Investor Communication Performance

Indicators	Unit	Year 2023
Number of disclosure announcements	Pieces	81
Number of investor communication activities conducted	Times	170

03

Low-carbon Transition, Green Development

Universal Medical, under the guidance of the national "dual-carbon" strategy, fully supports the green and sustainable development of the economy and society and low-carbon transformation, fully integrates the green development goals into the company's development strategy, insists on the innovation of green financial services, actively promotes the development of green medical care, and helps the health industry to move towards an environmentally friendly future. environmental protection in the future.

Material Issues Responded

- Climate Change
- Environment and Natural Resources
- Resource Efficiency
- Emissions Management

Responding to the United Nations Sustainable Development Goals (SDGs)





Focusing on Low-Carbon Development

Addressing Climate Change and Enhancing Climate Resilience

The Group actively responds to the challenges related to climate change, regularly reviews and assesses major climate change-related issues, and gradually integrates climate risks into the Group's internal risk management mechanism. Universal Medical carries out its climate change information disclosure framework based on the Task Force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) Sustainability Disclosures - Climate-related Disclosures (IFRS S2). In October 2023, Universal Medical became one of the first domestic "Partnership for Early Awareness of Sustainability-disclosure", advancing the study and integration of the ISSB standards' framework and requirements.



Climate Change Governance Institutions









The board of directors at Universal Medical conducts an annual review of the ESG report, which includes a comprehensive assessment and disclosure of the significant issue of "climate change" and its impact. They deliberate and approve the content including climate change governance, identification and analysis of climate change risks and opportunities, and climate change response measures. The board also guides relevant departments to advance the work against climate change.

The Safety, Environmental Protection, and Quality Management Committee established under the board of directors leads the energy conservation and environmental protection efforts of Universal Medical, gradually considering climate change factors. They assess the financial impact of climate change risks and opportunities on Universal Medical, and formulate response measures to avoid and reduce climate change risks. Under the leadership of the Safety, Environmental Protection, and Quality Management Committee and the ESG working group, relevant departments prioritize climate change mitigation and adaptation as one of their daily work focuses. They also plan to set climate change-related risks and goals, and establish a performance evaluation mechanism for relevant organizations in terms of climate change risks and opportunities, in combination with climate change management goals.

Climate Change Risks and Opportunities

The Group continuously monitors the potential financial impact of climate change related risks and opportunities and makes timely preparations for mitigating and responding to climate related risks and further promotes the positive impact of climate change opportunities on the Group.

Types of Climate Change Risks		Description of Climate Change Risks	Potential Financial Impact	Universal Medical Response
 Transition risk	Policy and legal risks	As countries tighten environmental regulatory requirements and continue to introduce policies related to climate change disclosure, the operating costs of clients/investment targets in carbon-intensive industries may increase, resulting in higher credit risk or lower valuation, which may affect the Company. At the same time, clients/investment targets/industrial entities of the Company that fail to meet regulatory requirements on environmental management may face litigation, penalties, credit defaults and other risks that may affect the Company.	Higher operating costs	<ul style="list-style-type: none"> Actively responding to and fully supporting national planning on climate change related issues, and formulating a dual-carbon development strategy and action plan in advance; Universal Medical's hospitals are actively carrying out energy transition programs to create green and low-carbon hospitals;
	Technology risk	In the context of climate change, carbon-intensive technologies/products will be eliminated and more research costs will need to be invested in developing low-carbon technologies to meet policy and stakeholder requirements, potentially facing the risk of failing to invest in new low-carbon technologies and rising costs of low-carbon technology transition.	Higher operating costs	<ul style="list-style-type: none"> CULC, a subsidiary of Universal Medical, insisted on practicing renewed attention to green areas such as sewage treatment, new photovoltaic energy, green transportation, etc., and successively realized the issuance of green loans and ESG loans during the reporting period;
	Market risk	Under the background of green and low carbon, the green consumption behavior is rising, and the changes in customer behavior as a result will cause the Group to face market risks.	Lower operating income	<ul style="list-style-type: none"> Formulating the Emergency Management Measures for Emergencies of Universal Medical Group Limited (《通用環球醫療集團有限公司突發事件應急管理辦法》) and the Overall Emergency Response Plan for EHS Incidents of Universal Medical Group Limited (《通用環球醫療集團有限公司EHS事故總體應急預案》), in order to eliminate or minimize the adverse impacts caused by extreme weather.
	Reputation risk	With the introduction of the "dual-carbon" policy, investors, customers and other stakeholder Groups are paying more attention to green products and green finance, and the Group will not be able to meet the expectations of investors and customers if it does not invest sufficiently in this area.	Lower portfolio value	
 Physical risk	Acute risk	Extreme weather caused by climate change will result in various natural disasters and emergencies, which may bring instability to the logistics and transportation of hospitals and personnel.	Lower operating income	
	Chronic risk	The gradual increase in average temperature as a result of the long-term effects of climate change may have an impact on the storage of medical supplies, while the need to increase the procurement of air-conditioning and other cooling facilities, operating costs to control the temperature so that patients and staff feel comfortable.	Higher operating costs	

Types of Climate Change Opportunities	Description of Climate Change Opportunities	Potential Financial Impact	Universal Medical Specific Practices
 Resource efficiency	Improve energy efficiency by adopting low-energy equipment and conducting smart energy programs.	 Lower operating costs	<ul style="list-style-type: none"> Carry out the green low-carbon smart energy project of XD Hospital and the energy consumption project of Pangang Chengdu Hospital; Issued green ABS and used all the proceeds for clean energy and other green industry projects to promote the development and use of clean energy projects; The first domestic syndicated loan in line with the principles of green lending has been successfully landed, which is used to invest in the green photovoltaic new energy sale-and-leaseback project; The Group is actively building a green supply chain, including encouraging suppliers to adopt renewable energy and resources.
 Energy sources	Promote the use of clean energy, such as increasing photovoltaic power, wind power or hydropower to meet energy demand and reduce greenhouse gas emissions.		
 Markets	Under the favorable environment of carbon neutral policy, the financing needs of small and medium-sized energy-saving and environmental protection service enterprises will increase, and green finance business will be more favored by the market.		
 Resilience/adaptability	Actively participate in renewable energy projects and adopt various energy-saving measures, and select environmentally friendly suppliers to enhance their climate resilience.	 Increase in portfolio value	
		 Higher operating income	
		 Lower operating costs	

Energy Saving and Carbon Reduction Targets, Action Plans, Annual Progress and Effectiveness

Mid-term objective: Green operations	<p>Strengthen the management of official vehicles, through the implementation of internal vehicle management practices and plans, quarterly statistics on vehicle energy use, the practice of scientific approval of energy saving, regular testing of vehicle conditions to ensure that vehicle emissions comply with national standards, reasonable arrangements for vehicle travel routes and vehicle personnel with a view to minimizing the number of miles of vehicle idling.</p> <p>Expanded use of online systems for filing/approval, reduction in overall paper use, informal double-sided printing and other green office work.</p> <p>Changing corporate energy habits, adopting lower and suitable lighting for hospital environments in terms of hardware equipment; conducting regular energy statistics analysis; identifying and gradually replacing high-energy-consuming equipment; purchasing energy-efficient medical equipment where permitted, and carrying out research on energy-saving paths.</p> <p>Progress check: ✓ On track</p> <p>Results Check: We have replaced a number of high-energy-consuming lamps with LED lamps; carried out quarterly statistical analyses of energy sources such as electricity, oil and gas; at the same time, high-energy-consuming equipment has been identified; carried out the renovation of the water and electricity systems to realize intelligent monitoring of the energy-using systems; and upgraded the equipment to save electricity.</p>
Mid-term objective: Strengthen official vehicle management	<p>Through the implementation of in-house vehicle management practices and plans, quarterly statistics on vehicle energy use, and the practice of scientifically approved energy savings.</p> <p>Regular vehicle condition inspections to ensure that vehicle emissions comply with national standards.</p> <p>Rationalize vehicle travel routes and mix of personnel using vehicles to minimize empty vehicle miles.</p> <p>Progress check: ✓ On track</p>
Interim objective: Reduce the hospital's carbon footprint	<p>Guiding the functional departments to review the transportation arrangements for hospital personnel and logistics transportation, and advocating green travel for employees.</p> <p>Progress check: ✓ On track</p> <p>Results Check: Smart energy project and refined management of energy consumption in its hospitals.</p>
Long-term objective: Promote the use of renewable energy	<p>Gradually increase the utilization rate of green power by actively promoting the use of clean energy and prioritizing the use of green power generated by solar and wind energy.</p> <p>Progress check: ✓ On track</p> <p>Results Check: Several green finance projects landed in the clean energy sector.</p>
Long-term objective: Decrease carbon emissions per unit of output (per ten thousand units of production)	<p>Develop carbon management system and internal management policy.</p> <p>Setting the target of carbon dioxide emission intensity of 10,000 RMB output value (income): emission intensity of no more than 0.035 tons of carbon dioxide equivalent per 10,000 RMB in 2024, a 3% decrease from 2023.</p> <p>Progress check: ✓ On track</p> <p>Results Check: CO₂ emission intensity targets have been set, and low-carbon healthcare and green finance will be used to achieve the final target.</p>

Building a "Low-Carbon Hospital" and Promoting Green Finance

Focusing on Green Transformation, Formulating a Dual Carbon Development Strategy

Universal Medical is committed to serving the national strategy of carbon peaking and carbon neutrality, solidifying the implementation of key tasks outlined in the Carbon Peaking Action Plan, deeply implementing the *Opinions of the CPC Central Committee and the State Council on Fully and Accurately Implementing the New Development Concept and Doing a Good Job in Carbon Peaking and Carbon Neutrality Work* (《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》) and the *Notice of the State Council on Printing and Distributing the Carbon Peaking Action Plan Before 2030* (《國務院關於印發2030年前碳達峰行動方案的通知》), implementing the "GT-PRC's Carbon Peaking Action Plan" (《中國通用技術

集團公司碳達峰行動方案》), the *Measures for Supervision and Management of Environmental Protection of Genertec Universal Medical Group Company Limited* (《通用環球醫療集團有限公司環境保護監督管理辦法》), and the *General Universal Medical Group Company's Energy Saving and Environmental Protection Enhancement Year Program* (《通用環球醫療集團有限公司節能環保強化年方案》). The Group has set a carbon dioxide emission target per unit of output value, collects carbon emissions data quarterly, and guides the construction of a new pattern of green, low-carbon, and high-quality development for the Group through its dual carbon development strategy.

Promoting Green Medical Care to Create a Regional Hospital Benchmark

With the deepening of global concern for environmental protection and health, green medical care is becoming a new trend in the health industry, and the energy system, as a basic support for hospitals, makes "energy saving and emission reduction" the most important carrier in the process of green development of hospitals. During the reporting period, Universal Medical actively carried out

the green, low-carbon and intelligent energy project of XD Hospital and the energy consumption project of Pangang Chengdu Hospital, adopting a green, economic, low-carbon and intelligent energy system under the premise of safe and stable energy supply to create a new benchmark for regional green hospitals.

Case Pangang Chengdu Hospital Carries out a Fine-grained Energy Management Program to Reduce Carbon Emissions from the Energy Use Side

In 2023, Universal Medical will provide data support for the implementation of energy saving and emission reduction in the hospital through the energy consumption visualization and supervision platform to carry out refined energy consumption management, energy efficiency analysis, and monitoring of the energy consumption of key medical equipments for the hospital to help the hospital achieve the goal of energy saving and consumption reduction.



Pangang Chengdu Hospital Energy Consumption Visualization and Supervision Platform

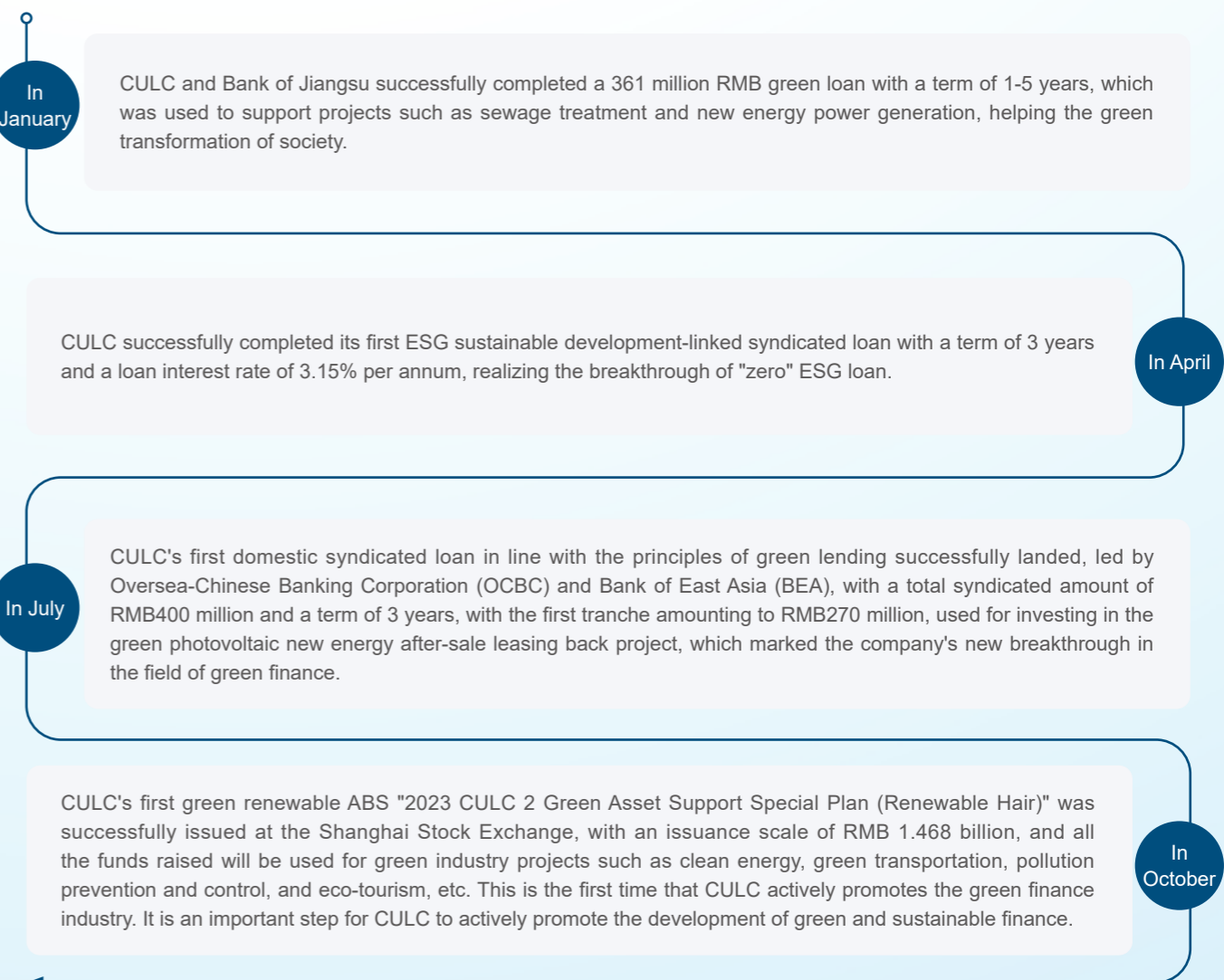
Emphasizing Green Finance to Propel Diversified Financial Innovation

Universal Medical fully leverages the stabilizing role of financial business, rooted in its distinctive "financial empowerment of healthcare" ethos. The company places utmost significance on the establishment of green finance, consistently prioritizing green initiatives such as sewage treatment, photovoltaic renewable energy, and sustainable transportation. This commitment not only serves the eco-friendly urban development but also achieves diverse and robust green financial deployments.

bilateral loans, established a comprehensive green financial framework, and issued the inaugural green renewable ABS. This marked a significant milestone in elevating the green financial scale, enhancing standardization, normalization, and internationalization. Gradually, the company fostered the development of a national green market with expanded coverage, while simultaneously driving green financial reform and innovation. These efforts contribute to the advancement of an ecological civilization and environmentally friendly society. In 2023, a total of 1.468 billion RMB worth of sustainable, green bonds were issued, pushing the green credit scale to 1.488 billion RMB.

During the reporting period, CULC, a subsidiary of Universal Medical, demonstrated significant progress in green finance. The company successfully secured several green

CULC 2023 Green Finance Action



Effective Environmental Governance

Environmental Stewardship Principles and Frameworks

Strengthening and improving the institutional framework for energy conservation and environmental protection

Universal Medical has improved and implemented its own environmental protection management system based on its unique business characteristics. We have issued the *Measures for Supervision and Management of Environmental Protection of Genertec Universal Medical Group Company Limited* (《通用環球醫療集團有限公司環境保護監督管理辦法》) and the *Quality and Safety Standard Management Path (Pocket Book)* (《品質安全標準管理路徑》口袋書), which clarify the principles, responsibilities, and obligations of environmental protection management. We encourage all units at various levels to develop and apply energy-saving and environmental protection technologies, strengthen the construction of energy-saving and environmental protection hardware facilities, and continuously improve the level of environmental protection

management. During the reporting period, our Group issued the *Energy Conservation and Environmental Protection Strengthening Year Plan* (《節能環保強化年方案》) and implemented various environmental protection management measures according to the *Action Plan for Carbon Emission Peak of GT-PRC* (《中國通用技術集團公司碳達峰行動方案》). We conducted environmental inspections of our affiliated units, organized training and education for management personnel, and carried out energy conservation and environmental protection promotion week activities. We have improved our management system and comprehensively enhanced the quality and efficiency of energy conservation and environmental protection management, focusing on energy conservation, pollution reduction, and other tasks.

Effectively Establish Energy Conservation and Environmental Protection Goals

The Group has always adhered to green operations, striving to reduce the negative impact on the natural environment and resource consumption. In the context of global climate change, we have prepared for response work, formulated the *Measures for Supervision and Management of Environmental Protection of Genertec Universal Medical Group Company Limited* (《通用環球醫療集團有限公司環境保護監督管理辦法》), and issued the *Responsibility Letter for Safety, Environmental Protection and Quality Targets* (《安全環保品質工作目標責任書》) annually.

During the reporting period, Universal Medical has deeply studied and implemented General Secretary Xi Jinping's ecological civilization thought, implemented the major decisions and deployments of the CPC Central Committee and the State Council on ecological civilization construction, and did not have any environmental accidents, fully achieving the annual energy conservation and environmental protection work targets.

Accelerating the Improvement of the Organizational System for Energy Conservation and Environmental Protection

Universal Medical has established a three-tier environmental protection management organization composed of leading bodies, committees, and daily management departments. The Safety, Environmental Protection, and Quality Management Committee, which is affiliated with the Group's Board of Directors, serves as the supreme decision-making body for environmental protection management, providing unified leadership and studying the Group's energy conservation and environmental protection efforts.

In addition, Universal Medical attaches great importance to building an energy conservation and environmental protection management team, continuously improving talent cultivation models, and equipping strong and suitable energy conservation and environmental protection management personnel in accordance with the scale and management needs of units at various levels, providing support and guarantees for green development.

Resource Management and Green Office

Water Resource Conservation

Universal Medical complies with relevant laws and regulations stated in the Water Law of the People's Republic of China (《中華人民共和國水法》). Our Measures for Supervision and Management of Environmental Protection of Genertec Universal Medical Group Company Limited (《通用環球醫療集團有限公司環境保護監督管理辦法》) incorporates systems for water resource management and conservation. We advocate all employees to enhance








their awareness of water conservation, promptly turn off faucets after use, strictly prohibit continuous water flow, and regularly summarize and sort water consumption.

In addition, the Group's daily water supply mainly comes from the municipal water supply network, thus there is no difficulty in obtaining water resources.

Energy Conservation

The Group signs EHS work target responsibility agreements with various departments at the headquarters and affiliated units. Quarterly, we sort out and analyze energy usage data, effectively urging all units to fulfill their environmental protection responsibilities. Additionally, we organize environmental management personnel to participate in intensive training sessions on energy conservation and environmental protection, enhancing their management capabilities in this area. In conjunction with various energy-saving promotional activities, we actively advocate for increased awareness of electricity conservation.

The primary sources of energy consumption in our daily operations are electricity consumption in office spaces and hospitals, as well as fuel consumption for official vehicles. To effectively manage this portion of energy consumption, we have implemented a series of energy-saving measures during our daily office operations and the operation of our affiliated hospitals. These include:

-  We prioritize the procurement of energy-efficient electrical appliances and gradually phase out high-energy-consuming lighting fixtures, replacing them with energy-saving ones.
-  When natural lighting in the office areas and public places is sufficient, natural light should be prioritized and the use of artificial lighting should be minimized or avoided.
-  Employees are required to turn off lighting, computers, printers, copiers, and other electrical equipment and facilities at the end of their shifts. This ensures that all equipment and facilities are powered off when not in use, and a comprehensive inspection is conducted to confirm that all electrical equipment and facilities are turned off.
-  When decorating or renovating our office spaces, we prioritize the selection of energy-efficient equipment and facilities, and clearly display energy-saving labels.
-  Reasonably set the air conditioning temperature and keep the air conditioning turned off when no one is around.
-  Adhere to standardized driving, perform regular maintenance on time, reduce abnormal wear and tear of vehicle components, and strive to lower vehicle fuel consumption.
-  Encourage short-distance commuting, walking, cycling, or using public transportation such as subways and buses for travel whenever possible.

Material and Paper Usage

All staff members of Universal Medical adhere to the principle of paper conservation, encouraging and promoting paperless office practices. Informal documents are printed and copied on both sides. In addition, the company advocates the use of disposable items at all levels to eliminate excessive use of various materials and reduce environmental pollution.

Waste and Wastewater Management

Universal Medical strictly abides by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) and the Standard for pollution control on hazardous waste storage (《危險廢物貯存污染控制標準》), among other relevant laws and regulations. The Measures for Supervision and Management of Environmental Protection of Genertec Universal Medical Group Company Limited (《通用環球醫療集團有限公司環境保護監督管理辦法》) specifically define the management of medical waste, solid and liquid waste, and more. During the reporting period, the Group did not encounter any compliance violations related to emissions.

Hazardous Waste Management

Most of our subsidiaries are medical institutions, and the hazardous waste they generate mainly consists of medical waste. Our subsidiaries have signed disposal agreements with locally qualified hazardous waste disposal units. The medical waste is stored in temporary storage facilities for no more than 48 hours before being transported by the disposal company for proper hazardous waste treatment.

Non-Hazardous Waste Management

Our subsidiaries have signed disposal agreements with local departments responsible for the treatment of non-hazardous waste, to clear and dispose of the non-hazardous waste generated by the subsidiaries. For the hazardous and non-hazardous waste generated by the headquarters of our Group, we implement waste sorting and recycling to ensure that the waste is properly handled.

Wastewater Management

During the reporting period, our medical institutions have gradually adjusted and technically improved the processes and equipment that generate waste water pollution. We strictly prohibit the inflow of waste water, waste residue, waste oil, waste acid, waste alkali, or toxic liquids into the drainage system. Comprehensive prevention and control measures have been implemented to increase the reuse rate of water resources, ensuring their rational utilization and reducing the discharge of waste water. Additionally, the relevant environmental management personnel of each medical institution are responsible for regularly recording the types, quantities, and concentrations of pollutants discharged from the waste water treatment facilities and normal operating conditions, ensuring that the concentration of waste water pollutants does not exceed national emission standards.

The Group has established an emergency management mechanism for water pollution accidents, which clearly stipulates that the relevant environmental management departments of each medical institution shall immediately take preventive and control measures to mitigate or eliminate pollution, and report to the local environmental authorities as required.

Environment and Natural Resources

The main units affiliated to our Group are medical institutions, which have no significant impact on the environment and natural resources. We strictly control the potential negative environmental impacts arising from construction projects. Regarding ongoing construction projects, our Group strictly adheres to national and local standards for pollutant emissions, and fully implements environmental protection management measures for these projects. During the initial design stage of construction projects, we prepare an environmental protection chapter in accordance with environmental protection design specifications, and implement measures to prevent environmental pollution and ecological damage, as well as investment estimates for environmental protection facilities. During the construction process, we adopt clean production processes that consume less energy and materials, generate less pollution, and utilize natural resources rationally, implement various green construction measures to prevent environmental pollution and ecological damage. We also adopt environmentally friendly, low-noise construction machinery and equipment, strictly control construction time, and actively communicate with local community residents to minimize the impact of construction noise. For renovation, expansion, and technical transformation projects, we take measures to address existing environmental pollution and ecological damage related to these projects.

Advocating Green Initiatives

Environmental Protection Training and Advocacy

The Group actively organized the 2023 Energy Conservation Awareness Week and the National Low-Carbon Day activities, urging our affiliated units to carry out various promotional and training activities. During the reporting period, Universal Medical focused on the themes of "Energy Conservation and Carbon Reduction, Hand In Hand We Trace" and "Actively Responding to Climate Change and Promoting Green and Low-Carbon Development" to carry out the activities of the National Energy Conservation Awareness Week and the National Low-Carbon Day in a powerful and orderly manner, consolidating and establishing the green development philosophy among employees.

The Group actively carries out energy conservation, environmental protection, green and low-carbon promotional and educational activities through a combination of "online and offline" approaches. These include hanging themed banners, displaying videos and posters, scrolling slogans on LED screens, posting energy conservation and environmental protection tips, and utilizing learning platforms to conduct online training and assessments for energy conservation awareness week. Through these methods, the Group disseminates policies, laws, and regulations related to energy conservation and environmental protection, fostering a cultural atmosphere of widespread participation,

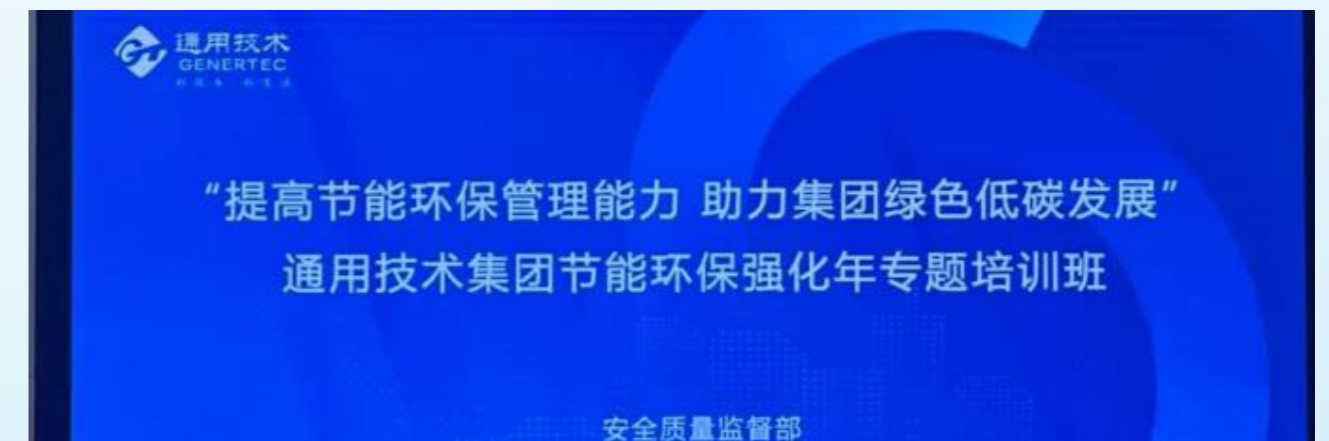
joint governance, and advocating for energy-saving, low-carbon, and environmentally friendly practices. Furthermore, the Group establishes a long-term working mechanism for energy conservation and emission reduction.



Universal Medical Broadcasts "GT-PRC's 2023 National Energy Conservation Awareness Week and National Low Carbon Day Video" in Office Areas

Case "Improving Energy Saving and Environmental Protection Management Capability and Contributing to the Group's Green and Low-Carbon Development" Energy Saving and Environmental Protection Enhancement Year Specialized Training Course

In 2023, Universal Medical participated in a special training course organized by GT-PRC, with the theme of "Improving Energy Conservation and Environmental Protection Management Capabilities to Support the Group's Green and Low-Carbon Development". The training content included carbon inventory, enterprise energy management, waste disposal and management technology, explanation of the Group's *Hospital Green Low-Carbon Energy Technology Standards* (《集團醫院綠色低碳用能技術標準》), medical waste management, and green construction under the dual carbon targets. This significantly strengthened the Group's ability to build a professional team for energy conservation, environmental protection, and related areas.



Environmental Management Key Performance

Green Finance Performance

Indicators	Unit	Year 2023
Scale of sustainable, green bond issuance	Billion RMB	1.468
Scale of green credit	Billion RMB	1.488

Greenhouse Gas Emission Performance

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	5,542.76	5,121.39	5,770.95	5,438.64
Indirect GHG emissions (Scope 2)	tCO ₂ e	11,031.19	21,504.98	21,343.78	44,263.36
Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	16,573.95	26,626.37	27,114.72	49,702.00
GHG emission intensity	tCO ₂ e/thousand RMB of revenue	0.0019	0.0027	0.0023	0.0036

Water Resource Consumption Performance

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Total water consumption	Megaliters	2,391.62	2,617.97	2,943.00	2,706.85

Energy Consumption Performance

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Total energy consumption	Tonnes of Coal Equivalent (TCE)	6,164.68	9,903.68	10,085.32	15,456.98
Total direct energy consumption	Tonnes of Coal Equivalent (TCE)	2,061.63	1,904.90	2,146.50	2,022.90
Total natural gas consumption	m ³	833,513.00	706,804.55	824,671.88	680,163.82
Total gasoline consumption	Liters	288,248.83	268,952.38	268,330.76	236,566.46
Total diesel consumption	Liters	88,347.31	90,786.91	201,841.64	180,265.82
Total gas consumption	m ³	1,711,186.00	1,749,757.56	1,632,212.35	1,955,018.04
Total LPG consumption	Kilograms	11,550	12,150	14,250	12,750
Total indirect energy consumption	Tonnes of Coal Equivalent (TCE)	4,103.05	7,998.78	7,938.82	13,434.08
Total thermal power consumption	Million kilojoules	21,429.80	62,558.24	63,404.12	84,335.06
Total electricity consumption	kWh	27,439,366	47,726,167	47,003,595	85,909,349

Performance of Waste Management

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Total amount of non-hazardous waste generated	Kilograms	12,314,938.82	8,700,484.45	9,163,038.58	10,539,609.13
Breakdown of non-hazardous waste generation - office paper usage	Kilograms	180,806.09	209,311.05	202,980.65	220,701.26
Total hazardous waste generation	Kilograms	1,616,174.88	1,856,760.70	2,008,796.80	1,855,916.25
Hazardous waste generation - waste ink cartridges	Kilograms	4,171.17	4,751.69	4,816.09	5,644.75
Hazardous waste generation - waste batteries	Kilograms	1,660.66	1,826.60	1,883.01	2,285.01
Breakdown of hazardous waste generation - waste lamps	Kilograms	1,421.66	1,492.87	1,356.39	1,541.50
Breakdown of hazardous waste generation - medical waste	Kilograms	1,608,921.39	1,848,689.54	2,000,741.31	1,846,444.99
Total amount of hazardous waste disposed	Kilograms	1,616,174.88	1,856,760.70	2,008,796.80	1,855,916.25
Total amount of non-hazardous waste disposed	Kilograms	12,314,938.82	8,700,484.45	9,163,038.58	10,539,609.13
Total solid waste recycled/reused	Kilograms	17,890	20,104	23,030	27,546

Management Performance of Wastewater Discharge

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Wastewater discharged	Metric tons	1,535,164.00	1,833,447.48	2,162,192.37	2,613,853.25

Performance of Atmospheric Pollutant Emission Management

Indicators	Unit	Year 2023
Air pollutant emissions	Kilograms	3,143.08
Nitrogen oxides (NO _x) emissions	Kilograms	1,332.41
Sulfur dioxide (SO ₂) emissions	Kilograms	10
Particulate matter (PM) emissions	Kilograms	48.77
Carbon monoxide (CO) emissions	Kilograms	1,751.90

Performance of Material and Packaging Material Usage

Indicators	Unit	Year 2023
Material/packaging material usage	Kilograms	71,292.08
Non-renewable material/packaging material usage	Kilograms	6,775.49
Amount of recyclable materials/packaging materials used	Kilograms	64,516.59
Proportion of recycled materials/packaging materials	%	90

Environmental Protection Training and Public Welfare Investment

Indicators	Unit	Year 2021	Year 2022	Year 2023
Amount invested in environmental training	Thousand RMB	115.7	119.8	147.3
Amount invested in environmental public welfare	Thousand RMB	41	44	171

Environmental Protection Training and Public Welfare Activities

Indicators	Unit	Year 2023
Number of environmental training sessions	Times	160
Number of participants in environmental protection training activities	Person-times	6,485
Number of environmental public welfare activities organized or participated in	Times	26
Number of employees participating in environmental public welfare activities	Person-times	1,242

04

People-Oriented, Knowing and Employing Talents

Universal Medical adheres to the philosophy of "people-oriented, talent first," emphasizing equal employment, optimizing compensation and benefits, improving democratic management, supporting employees' reasonable demands, and valuing the value contribution of every employee. We are committed to creating a healthy, safe, fair, equal, diverse, and inclusive development platform for all employees.

Material Issues Responded

- Labor Standards
- Employment Policies
- Employee Health and Safety
- Employee Development and Training

Responding to the United Nations Sustainable Development Goals (SDGs)

4 QUALITY EDUCATION 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 
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Talent Attraction and Retention

Human Rights Protection

Commitment to Human Rights Protection

The Group adheres to internationally recognized human rights policies, including the United Nations *Universal Declaration of Human Rights*, *Global Compact*, *Guiding Principles on Business and Human Rights*, International Labour Organization *Declaration on Fundamental Principles and Rights at Work*, *OECD Guidelines for Multinational Enterprises*, and *Responsible Business Alliance Code of Conduct*. We support and comply with international labor and human rights norms and authoritative global standards. To this end, we have developed a "Human Rights Policy"

that covers the Group itself, supply chains, partners, joint ventures, and all stakeholders. The policy clearly outlines and explains the content and relevant management principles of the Group's human rights commitments. Furthermore, the Group implements a full-employment contract management system, continuously optimizing and improving labor-related rules and regulations, and legally and compliantly handles labor contract signing to safeguard employees' legal labor rights and interests.

The Human Rights Protection Measures Committed by the Group*

Prevention of forced labor and human trafficking



We commit ourselves to preventing forced labor and human trafficking and continuously implementing relevant human rights safeguard measures to ensure that slavery and human trafficking do not occur in any part of our supply chain or other aspects of our business.

Employment of child labor



New employees are required to provide genuine and valid identification documents and household insurance certificates for verification upon entry, in order to prevent the recruitment of child labor. In the event that the use of child labor or forced labor is discovered, we will immediately cease such illegal practices and take appropriate actions against the individuals involved in accordance with our company's relevant policies and procedures.

Freedom of association



The Group's "Human Rights Policy" respects the freedom of association of its employees and is committed to providing channels and an environment conducive to free expression of opinions.

Collective bargaining rights



The Group's "Human Rights Policy" respects the right of employees to join or form trade unions without fear of harassment, intimidation, or retaliation. This applies equally to employees who choose not to join a trade union. When engaging with legally recognized trade unions, the company is committed to fostering constructive dialogue and sincere negotiations with employee representatives.

Equal pay for equal work



Our human rights initiatives strive to promote gender and racial equality by reducing biases in all personnel and business policies and processes. We are committed to achieving equal pay for equal work.

Anti-discrimination



We uphold an equal and diverse employee management policy where all employees should be treated with respect and should not face discrimination based on gender, age, religious beliefs, race, disability, illness, marital status, or pregnancy in recruitment, compensation, and promotion.

*The aforementioned human rights commitments apply to our own operations (employees, direct activities, products, and services), as well as requirements for our suppliers and partners.

Anti-Discrimination, Anti-Harassment, and Anti-Violence

We strive to cultivate a workplace where employees feel safe, trusted, and respected, with zero tolerance for discrimination, harassment, and violence. To this end, our Group has established internal regulations such as the *Administrative Measures for Employee Recruitment* (《人員招聘管理辦法》), the *Administrative Measures for the Introduction of Senior and Mid-level Talents* (《中高級人才引進管理辦法》) and the *Administrative Measures for Labor Contract* (《勞動合同管理辦法》) and the *"Integrity and Compliance Handbook"* (《誠信合規手冊》), which explicitly outline our commitment to anti-discrimination, anti-harassment, and anti-violence practices. Furthermore, our *Employee Violation Punishment Management Measures* (《員工違規處罰管理辦法》) clearly defines sexual harassment in the workplace as a severe violation and implements specific accountability measures to safeguard the privacy and personal safety of those who report such incidents.

We conduct regular anti-discrimination and harassment training sessions for all employees, and have formulated and issued management measures and incident handling procedures specific to sexual harassment. The Human Resources department is responsible for proposing disciplinary actions, signing the *Employee Violation Punishment Approval Form* (《員工違規處罰審批表》), and submitting it for approval through various levels. Additionally, we have established dedicated complaint channels, including hotlines and complaint boxes. During the reporting period, our organization did not encounter any instances of discrimination or harassment violations.

Prevention of Forced Labor and Employment of Child Labor

The Group has established the *Administrative Measures for Labor Contract*, which stipulate that the establishment of labor contracts should follow the principles of equality, voluntariness, and mutual agreement, aiming to eliminate the possibility of forced labor. In accordance with the *Law on the Protection of Minors of the People's Republic of China*, and the *Provisions on the Prohibition of Child Labor*, the Group has issued the *Administrative Measures for Background Investigation (Revised in 2022)* (《關於〈背景調查管理辦法(2022年修訂)〉》) which explicitly states that

new employees must provide genuine and valid identification documents and household insurance certificates for verification upon entry, in order to prevent the recruitment of child labor. In the event that the use of child labor or forced labor is discovered, the Group will immediately cease such illegal practices and take appropriate actions against the individuals involved in accordance with the relevant policies and procedures. During the reporting period, there have been no incidents of discrimination within the Universal Medical.

Employment Policies

The Group strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Implementation Regulations of the Labor Contract Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Law on the Protection of Minors of the People's Republic of China, the Provisions on the Prohibition of Child Labor and other employment-related laws and regulations to regulate employment as a way to protect the legitimate rights and interests of employees. We have formulated

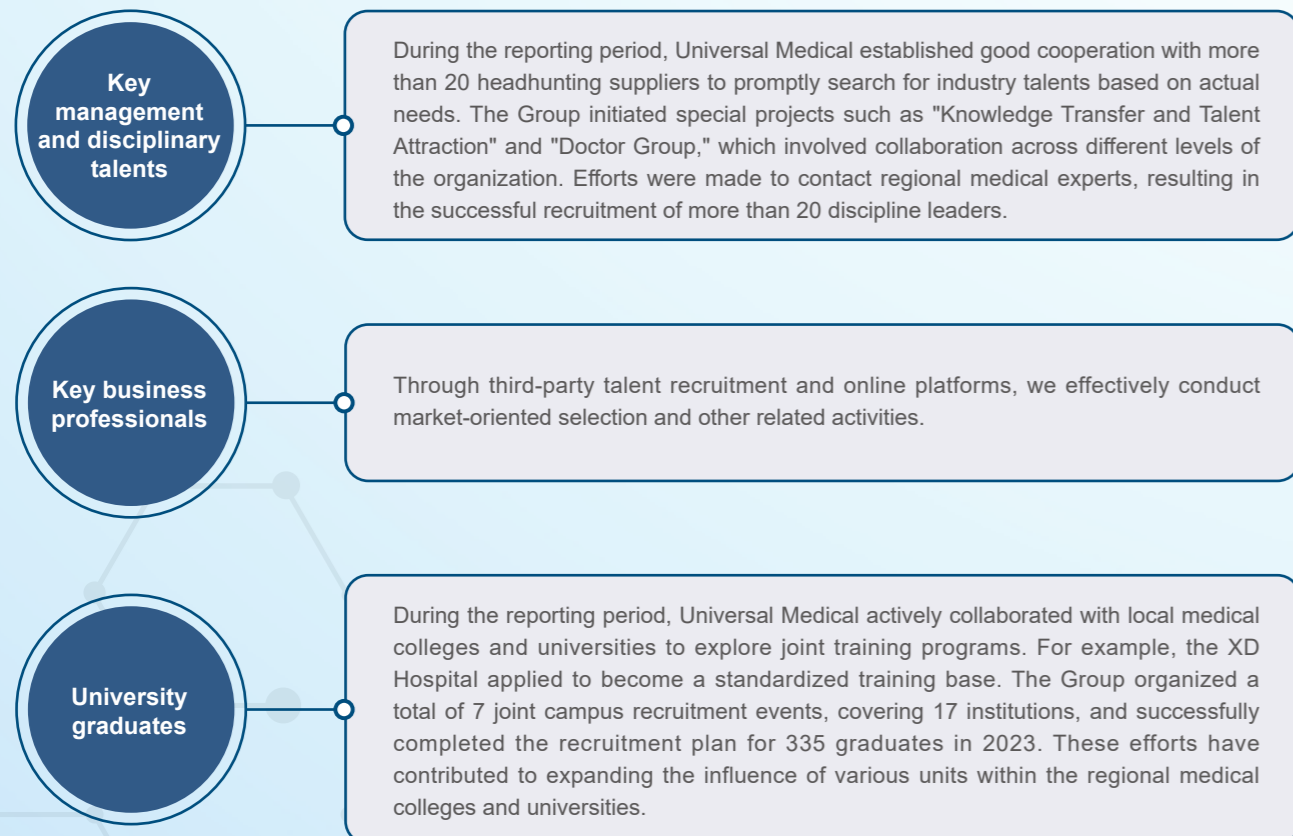
internal regulations such as the Administrative Measures for Employee Recruitment, the Administrative Measures for the Introduction of Senior and Mid-level Talents (《中高級人才引進管理辦法》) and the Administrative Measures for Labor Contract in accordance with the above employment-related laws and regulations, Safeguarding the legitimate rights and interests of workers. By the end of 2023, the proportion of employees covered by collective bargaining agreements will reach 100%.

Talent Reserves

Universal Medical attaches great importance to both internal talent development and external talent acquisition, creating vast career development opportunities for talented individuals. During the reporting period, the Group recruited 2,669 new employees, resulting in a net increase of 701

individuals. We strive to expand talent acquisition channels and have specific recruitment and development strategies tailored to different categories of talent, continuously expanding our talent pool reserves.

Universal Medical Has Developed Different Recruitment and Development Strategies for Various Types of Talents



Employee Communication

Employee Satisfaction Surveys

The company conducts an annual employee satisfaction survey by distributing questionnaires to assess various aspects of job satisfaction, clarity of job purpose, work happiness, and work-related stress. During the reporting period, the employee satisfaction survey yielded a score of 8.31 out of 10.

* The employee satisfaction survey data covers all headquarters employees, including those based in the Beijing office.

Employee Grievance Channels

Universal Medical has established dedicated grievance channels to listen to employee feedback, establish mechanisms to protect whistleblowers, and provide timely and effective feedback to employees. These channels ensure that every suggestion and opinion raised by employees is properly addressed and handled



Universal Medical has established the "#I have a question# The Voice of the Heart" employee grievance channel.

Workforce Diversity

Universal Medical respects differences and follows an equal and diverse employee management policy. Regardless of gender, age, religion, race, disability, illness, marital status, or pregnancy, all colleagues are treated equally in terms of recruitment and promotion. The company fosters a diverse management and employee composition to cultivate competitive advantages and long-term development. It strives to create an inclusive work environment, integrating talents from different backgrounds, promoting understanding, acceptance, and respect among individuals, and strengthening collaboration. This approach aims to maximize the benefits of diverse talent resources. As of the end of the reporting period, female employees accounted for 71.86% of the total workforce, while minority employees accounted for 1.66%.



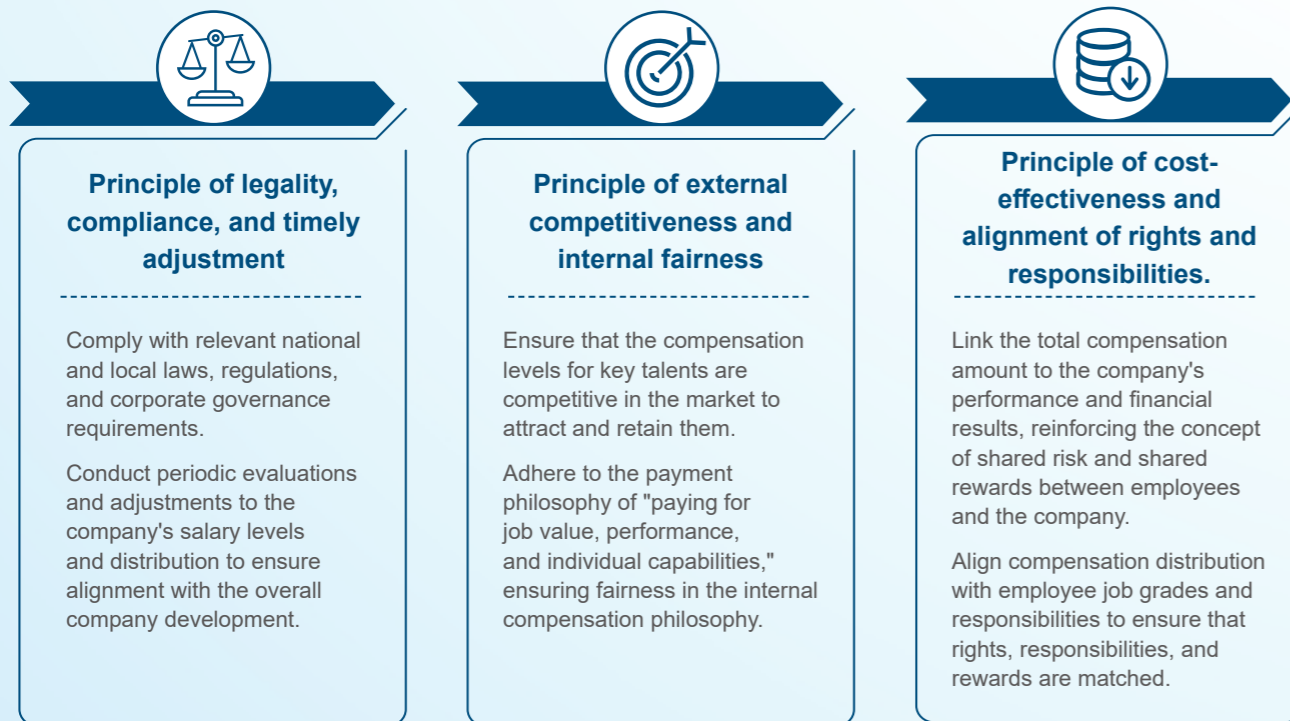
Employee Compensation and Benefits

Employee Compensation Management

Compensation Policies

The Group has formulated the *Measures for Remuneration and Performance Management* (《薪酬绩效管理辦法》) which outline the principles of compensation and performance management. It further optimizes the compensation system by establishing different compensation levels for different job grades, implementing precise incentives through hierarchical classification.

The Principles Followed in Compensation Management



Equal Pay for Equal Work

Universal Medical is committed to promoting gender and racial equality by continuously working to reduce biases in all personnel and business policies and processes. We are dedicated to achieving equal pay for equal work.

Employee Performance Evaluation

The company conducts regular employee performance evaluations based on the nature of the business and the differences in employee positions. These evaluations are conducted annually, quarterly, and monthly. Through performance assessment methods such as goal management and Key Performance Indicators (KPI), the company effectively motivates employees, ignites their work vitality, and promotes the achievement of the overall strategic goals of the company.

Goal Management

The company has established a performance goal management system at both the organizational and individual levels, based on the development strategy and annual business objectives. This system effectively aligns and cascades the overall goals of the company. In the comprehensive evaluation of secondary units and the leadership team at the headquarters, the completion of relevant goals such as "operational performance goals for secondary units" or "strategic decoding and key work task goals" is included in the assessment. These goal achievements constitute a certain proportion of the overall evaluation score.

Multidimensional Performance Evaluation

In the comprehensive evaluation of secondary units and the leadership team at the headquarters, as well as in the individual comprehensive evaluations of employees, there is a component that includes an assessment of competency and qualities (i.e., 360-degree evaluation). This component holds a certain weight in the overall evaluation score.

Team-Based Performance Evaluation

The company has established team performance contracts and implemented a performance evaluation system to clearly define the components of team assessment. Through the annual comprehensive evaluation of secondary units and the leadership team at the headquarters, the overall team performance is determined by considering three aspects: organizational/departmental performance, evaluation of party-building efforts, and competency and quality assessment. The evaluation process comprehensively determines the team's overall performance results by synthesizing these three factors.

Regular Dialogues and Continuous Feedback

The organizational performance feedback of our group encompasses quarterly/annual evaluations through the OA strategic decoding system, as well as institutional assessment feedback documents. The annual comprehensive performance evaluation plan for employees comprises personal accountability reports, evaluation methods, performance feedback, and communication interviews. Once the performance evaluation results are released, department heads and immediate supervisors proactively conduct performance interviews with employees based on the performance cycle. During these interviews, they explain the rationales behind the evaluation outcomes, identify areas for improvement in daily work, and collaborate with employees to formulate work plans for the next phase.

The Correlation with the Code of Conduct

According to the internally established *Employee Violation Punishment Management Measures* of the company, the compensation policy and performance evaluation of the Group are linked to employees' personal code of conduct. The comprehensive performance evaluation of employees includes two sub-dimensions: job performance and work behavior. Work behavior is evaluated comprehensively based on the employee's adherence to the code of conduct, including their work attitude, work initiative, and whether there are any violations of the code of conduct. These aspects are reflected in the score of the work behavior sub-dimension, which further affects the employee's performance evaluation results.

Employee Incentive Program

To consistently motivate employees to contribute to the company's growth, Universal Medical has established a medium- and long-term incentive mechanism, integrating the company's mid- to long-term development goals into key performance indicators. This focuses on the long-term and sustainable development of the company. As of the end of the reporting period, the primary incentive method employed

by the Group is stock options, extending to mid- to senior-level management and key personnel. The Employee Stock Ownership Plan (ESOP) covers 45 individuals (reflecting the number of employees incentivized at the time of option grant), with an average vesting period of two years for the incentive plan.

Employee Benefits and Care

Employee Benefits

Based on the regulations such as the Social Insurance Law of the *People's Republic of China*, the *Labor Contract Law* (《劳动合同法》), the *Payment of Wages Tentative Provisions* (《工资支付暂行规定》), Regulations on the *Administration of Housing Provident Fund* (《住房公积金管理条例》) and other relevant regulations, our company complies with the law to ensure that employees receive paid

annual leave, marriage leave, maternity leave, paternity leave, childcare leave, nursing leave, bereavement leave, and other basic welfare benefits. In addition to the statutory welfare benefits, our company also provides supplementary benefits such as enterprise annuities, supplementary medical insurance, and accident insurance to establish a more comprehensive welfare protection system.

Work-Life Balance

Our company strictly adheres to the standard working hour system, and we provide various means such as flexible time off policies, paid vacations, and overtime compensation to help employees find a balance between their demanding

work and personal lives. We are committed to creating a favorable environment that allows employees to balance work and life effectively.

Caring Activities

Our company utilizes scientific methods and diverse measures to innovate and enrich various forms of employee care. We organize a wide range of employee caring activities to create a conducive environment for "happy work

and healthy life." During the reporting period, Universal Medical organized more than 120 employee recreational activities, effectively promoting the physical and mental well-being of our employees.

Case Diverse Women's Employee Care Activities for International Women's Day

On March 8, 2023, for International Women's Day, the female employees of Universal Medical's headquarters were taken to Yanqi Lake for an outdoor outing. During the event, various fun games such as "Goddess Bubble Show," "Building Blocks Together," "Love You But Can't Say It," and "Goddess Matching" were organized to enhance the cohesion and teamwork of the female employees. The activities not only allowed the female employees to exercise and stay active but also brought joy and happiness to their hearts.



On International Women's Day, female employees engaged in fun games and activities

Case Series of Activities for International Nurses Day on May 12th

On May 12, 2023, International Nurses Day, Universal Medical organized a series of heartwarming activities to pay tribute to our hardworking nurses. During the symposium and sharing sessions, nursing staff shared their experiences and stories, providing encouragement and learning opportunities for one another. The Group recognized and commended nursing staff from various positions, aiming to inspire and acknowledge their work and dedication, demonstrating the Group's care for its employees.



Nurse's Day Gift Tags

Case Universal Medical's Hospitals Take Multiple Measures to Care for and Support Employees, Enhancing Employee Satisfaction

In 2023, Ansteel General Hospital organized a "Chairman of the Labor Union Reception Day" where union leaders visited grassroots branches to conduct visits and research, helping employees address their concerns and difficulties. Meanwhile, MCC Hospital regarded the construction of "Employee Home" and "Mommy's Room" as important initiatives to serve the employees and further improve the hospital's livelihood projects. The rest area in the Employee Home was named "2023 Shanghai Medical Staff Rest Area." Furthermore, Pangang Xichang Hospital conducted regular cafeteria inspections, combining "ordering + meal preparation" methods to improve the quality of dishes, increase employee and patient satisfaction, and provide green, healthy, and innovative food options.



Employee Home

Case Universal Medical Organizes Hulunbuir Grassland Hiking Event

From July 7th to 9th, 2023, the core members of Universal Medical embarked on a hiking event called "Together on the Road - Our Long March" in the Hulunbuir Grassland. Over the course of two days and three nights, they completed a 50-kilometer hike, enhancing the team cohesion among the Group's employees and demonstrating the Group's care and emphasis on team building.



Universal Medical organized a hiking team-building event

Empowerment Training and Development

Universal Medical is committed to building a professional workforce with a global perspective, proficient in specialized knowledge, and possessing a deep understanding of the comprehensive healthcare service industry. They aim to achieve this by creating a senior management team with a global vision, cultivating a middle and junior management team with core expertise, attracting dynamic and outstanding graduates, and solidifying the talent pipeline to enhance the value of human resources.

Talent Development Channels

Universal Medical has established five major sequences: management, professional, technical, marketing, and operations. Employees can vertically advance in their respective sequences based on their performance, while also having the opportunity for horizontal development and expansion across different positions and functional areas.

Additionally, the company has implemented mechanisms for transitioning between different channels to enable diverse career development paths for employees. Regular rank adjustments are conducted as part of the annual routine, and salary adjustments are closely linked to rank adjustments to effectively motivate employees' continuous growth.

At the headquarters level, Universal Medical has introduced the *Headquarters Professional Channel Rank Management Program* (《總部專業通道職級管理方案》), which clearly defines the promotion channels, processes, and criteria for employees. Regular rank evaluations are conducted on an annual basis. During the reporting period, a total of 88 employees were promoted in the headquarters. At the hospital level, rank adjustments for employees are linked to the professional technical title mechanism.

Employee Training System

The Group has established the *Measures for Employee Training* (《員工培訓管理辦法》) and an annual training plan, and established an online training and learning platform to carry out training activities by combining stratified categorization with online and offline. The types of training include knowledge and skills training, job development training and leadership training.

For new managers, the Group organizes a Youth Cadre Training Camp to broaden their perspective, reshape their mindset, and cultivate management awareness, thereby fostering key talents for critical management positions. For new hires recruited through campus recruitment, a New Employee Training Program is conducted to facilitate their transition from students to professionals, familiarize them with the company's basics, and cultivate fundamental professional ethics. For financial business employees, a Financial Elite Program is offered, focusing on enhancing their specialized business capabilities. The curriculum encompasses topics such as *Innovative Business Operation Models* (《創新業務操作模式》), *Compliance Issues in Leasing Assets* (《租賃物合規問題講解》), and *Municipal Bond Issuance Processes and Evaluation Dimensions* (《城投發債過程及判斷維度》). This program combines online and offline formats to ensure that all financial business employees are covered by the learning plan.

Case The Third Cohort of Young Leaders Training Camp

Between October 23rd and November 6th, 2023, the third youth cadre training camp and Marxist training program for young leaders were smoothly conducted. This training camp introduced novel variations in terms of format, content, and operation. Spanning 14 days, the entire program operated on a part-time semi-closed basis. The participant pool diversified from solely affiliated hospital staff to include both headquarters and hospital cadres. Among the 42 participants, 36 were from affiliated hospitals, while 6 were from the headquarters, fostering increased interaction and integration between the two groups. The training encompassed vital areas such as party spirit education, specialized hospital courses, and general management skills.



Case Conclusion of the Modern Hospital Internal Trainer Mentorship and Training Program (Second Session, 2023)

To implement the company's 2023 "Warm-hearted Service" initiative and foster a practical team equipped with service improvement methodologies and guidance skills, further propelling the advancement of hospital services and brand image. Following the inaugural session in March 2023, the third phase of the Universal Medical Modern Hospital Internal Trainer Coaching and Training Course (2023 Second Edition) concluded on June 16-18, 2023. By the end of 2023, this training course will have covered 12 hospitals, encompassing 92 participants, with a curriculum that spans various topics such as tools, teamwork, training, communication, and more.



The conclusion of the Mentorship and Training Program for Internal Trainers in Modern Hospitals (Session 2, 2023)

Case Comprehensive 180-Day Tracking and Development Program for New Hires in Universal Medical's 2023 Campus Recruitment

Recognizing the transitional journey that our new hires undertake from student to professional, Universal Medical has meticulously crafted a comprehensive "180-Day Lifecycle" training program tailored to the needs of our 2023 campus recruits. This comprehensive approach is rooted in our guiding principles of "Wisdom, Ambition, Responsibility, and Self-Reflection," emphasizing experiential learning, intuitive understanding, and rhythmic, uninterrupted progress. Our aim is to nurture these individuals into mature professionals who not only embrace our Universal Medical culture but also possess a profound understanding of our operations, enabling them to quickly assume significant responsibilities.



The Training Program for Fresh Graduates in Campus Recruitment

Case Hosting the Second Training Workshop for Oncology Case Managers

In December 2023, Universal Medical organized the "Second Oncology Case Management Training Course," inviting experts with years of experience in case management from the Affiliated Cancer Hospital of Sun Yat-sen University, School of Nursing, Shanghai Jiao Tong University, Xiangya Hospital of Central South University, and Beijing Tsinghua Changgung Hospital Affiliated to Tsinghua University to deliver lectures. Additionally, case managers from affiliated medical institutions were invited to share their practical experiences. Approximately 200 participants from 17 medical institutions under Universal Medical attended the online event. The objective of the conference was to cultivate oncology case management talents, providing better continuous and holistic quality care services for oncology patients and further enhancing the specialized medical service capabilities of tumor departments in medical institutions.



Credential and Degree Endorsement

Universal Medical, in collaboration with GT-PRC, facilitates the acquisition of professional titles for its employees through independent assessments, while also sponsoring the declaration of health-related professional titles for medical, nursing, and technical personnel, issuing authorization letters accordingly. During the reporting period, a total of 29 employees participated in the Group's professional title assessment, supporting approximately 113 employees in their pursuit of local professional titles. Across other professional domains, the company actively encourages employees to acquire professional qualifications in fields such as finance, law, auditing, political work, economics, and engineering, with some departments providing exam leave support.

Occupational Health and Safety

Enhancing the OHS Procedures

OHS Regulatory Framework

Universal Medical Group continues to standardize and refine its occupational health and safety management system, ensuring its continuous improvement. We collaborate closely with our employees to jointly negotiate the development of occupational health and safety norms, thereby ensuring that all our personnel can operate in a healthy and secure

environment. The occupational health and safety policies established by our Group apply to all operations and employees within the company and its affiliated units, as well as to contractors or individuals under the supervision of the company.

Occupational Health and Safety Oversight Authority

The Group has established a Safety, Environmental Protection, and Quality Management Committee, tasked with making decisions and deploying safety production efforts throughout the organization. This committee aims

to further consolidate and strengthen the responsibility for safety production, refine and implement safety precautions, and ensure a consistently stable and improving safety production situation within the company.

Assessment and Mitigation of OHS Risks

The Group regularly conducts safety risk identification across all affiliated units, and devises corresponding reports on graded safety risk management and control. These risks are categorized into four levels: significant, moderate, minor, and low. Tailored management and control measures are then implemented for each level, with all pertinent information logged into our intelligent and comprehensive work safety information system. Additionally, we have

established the *Emergency Incident Response Management Measures* (《突发事件應急管理辦法》), and the *Overall Emergency Response Plan for EHS Accidents* (《EHS事故總體應急預案》), and the *Holiday Duty and On-Call Management System* (《節假日值班帶班管理制度》) to promptly respond to potential occupational health and safety emergencies, thus mitigating any potential severe negative impacts.

Performance Evaluation of Occupational Health and Safety (OHS)

The Group has formulated the *Performance Appraisal Scheme for the Safety Quality Supervision Department* (《安全品質監督部績效考核方案》), which clarifies the objectives and responsibilities related to occupational health and safety, as well as the performance appraisal mechanism.

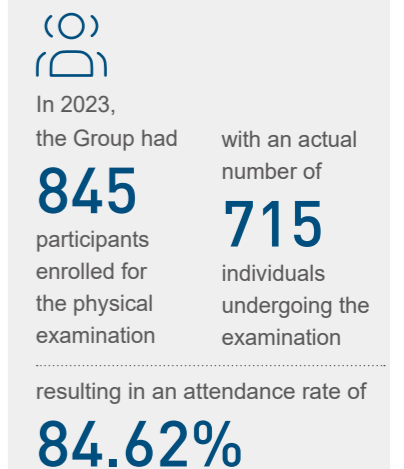
Certification of the Occupational Health and Safety Management System

During the reporting period, GTS attained ISO 45001 certification for its Occupational Health and Safety Management System.

Occupational Health

In the medical institutions affiliated with our Group, the hazards of occupational diseases are primarily concentrated in radiology and related departments. To safeguard the occupational health of our employees, personnel working in these departments are equipped with dosimeters and the workplaces are regularly monitored. Additionally, we organize training sessions on the interpretation of the *Law on Prevention and Control of Occupational Disease* (《職業病防治法》), which are attended by occupational health management personnel, and conduct regular occupational health screenings for all employees.

During the reporting period, Universal Medical organized and supervised employee health screenings in accordance with the principle of "employees residing in Beijing must choose between third-party institutions and public hospitals for screenings, while those residing outside Beijing are responsible for their own screenings with reimbursement provided." In 2023, the Group had 845 participants enrolled for the physical examination, with an actual number of 715 individuals undergoing the examination, resulting in an attendance rate of 84.62%.



Work Safety

Universal Medical strictly adheres to laws and regulations such as the *Law on Production Safety of the People's Republic of China* (《中華人民共和國安全生產法》), and has formulated internal policies such as the *Quality and Safety Standards Management Pathway* (《品質安全標準管理路徑》), the *Guidelines for Standardization of Safety Production* (《安全生產標準化指引》), the *Measures for the Supervision and Administration of Safety Production* (《安全生產監督管理辦法》), the *Overall Emergency Response Plan for EHS Accidents* (《EHS事故總體應急預案》), the *Management Measures for Work Safety in Construction Projects* (《建設工程安全生產管理辦法》) and *Management Measures for Infrastructure Equipment (Inspection) (Trial)* (《基礎設施設備(巡檢)管理辦法(試行)》). These policies aim to standardize supervision in areas including occupational hazards, safety production principles, the primary responsibilities of operational units, and the identification and treatment of safety hazards. Furthermore, in line with their actual conditions, the Group and its affiliated units annually revise and sign the *Responsibility Letter for Safety, Environmental Protection and Quality Targets* (《安全環保品質工作目標責任書》) distribute annual safety production priorities, conduct regular unannounced inspections of their affiliated units, engage internal and external experts to conduct joint inspections, and eliminate potential hazards. Additionally, to enhance employees' safety awareness and skills, the Group actively conducts specialized safety production training for different production stages, providing systematic safety education and training to safety management personnel in affiliated units on safety production laws and regulations, electrical safety, fire safety, and construction safety. They also participate in the Group's medical institution logistics safety management forum, organize "Safety Production" knowledge competitions, and strive to reduce the risk of work-related injuries or occupational hazards.

Under rigorous safety production supervision, our Group has not experienced any severe injuries or fatal accidents in the past three reporting years, including the current reporting period. Furthermore, there have been zero cases of work-related deaths or lost workdays due to work-related injuries among our employees.

Case The Construction Practice of Nephrology Specialty at Universal Medical Showcased at the Industry Conference

To further urge all units to effectively implement safety production risk management and control measures, Universal Medical has assigned dedicated personnel to communicate in a "point-to-point" manner, disseminating the Group's meeting spirit and the company's special rectification work arrangements to the directors and deputy directors of each unit. In conjunction with on-site safety production work, two inspection teams from Universal Medical have been dispatched to affiliated hospitals to identify weaknesses, address shortcomings, and conduct a comprehensive "physical examination" of safety production for the on-site units. The company headquarters has organized multiple departments and property companies to carry out joint inspections of safety production, immediately identifying and rectifying potential hazards in the office areas.



Deploying safety production efforts via online meetings

Employee Responsibility Key Performance

Staff Composition Overview

Indicators	Unit	Year 2023
Total number of employees	Persons	20,778
Gender classification - total female employees	Persons	14,958
Gender-specific breakdown - total male employees	Persons	5,820
Age classification - total number of employees below 30 years Old	Persons	5,548
By age group - total number of employees aged 30 to 50	Persons	11,710
By age cohort - total number of employees aged 50 and above	Persons	3,520
Classified by employee type - total number of contractual employees	Persons	14,371
Classified by employee type - total number of labor dispatch employees	Persons	1,265
Classified by employee type - others (labor agreements, retiree re-employment, etc.)	Persons	5,142
Ethnic division - total number of minority ethnic employees	Persons	352
Education level breakdown - total number of employees with doctoral degrees	Persons	41
Classified by education level - total number of employees with master's degrees	Persons	1,306
Classified by education level - total number of employees with bachelor's degrees	Persons	12,209
By educational background - total number of employees with associate degree and below	Persons	7,222
Organized by work location - total number of employees in Beijing city*	Persons	626
Categorized by work region - total employee count in other regions*	Persons	115
Others - total number of employees with disabilities*	Persons	7
Others - total number of party members	Persons	4,176

*This statistic pertains to the employees of the Universal Medical Headquarters.

Staff Training Performance

Indicators	Unit	Year 2023
The total number of employees participating in training	Persons	15,584
Total number of employee training sessions attended	Person-times	36,371
The total number of employee training sessions	Times	2,070
Average duration of employee training	Hours	60.63
Average training duration for employees by age group - those under 30 years old	Hours	48.39
Average training duration for employees of different age groups - employees aged 30 to 50	Hours	60.91
Average training duration per employee stratified by age - employees over 50 years old.	Hours	53.29
Average training duration for male employees	Hours	60.80
Average training duration per gender - female	Hours	60.22
Hierarchical employee average training duration - frontline staff	Hours	53.06
Average training duration for employees across different levels - intermediate management tier	Hours	144.30
Average training duration for employees at different levels - senior management	Hours	125.17
Regional average employee training duration - Beijing city	Hours	60.80
Regional average employee training duration - other regions	Hours	60.62
Proportion of employees undergoing training	%	75.40
Percentage of employee training attendance by hierarchical level - senior management	%	100
Percentage of employee training participation by hierarchical level - mid-level management	%	90.71
Percentage of employee training participation by hierarchy - frontline staff	%	74.90
Percentage of male employees participating in training, categorized by gender	%	74.21
Percentage of female employees participating in training, categorized by gender	%	75.93

Occupational Health and Safety Performance

Indicators	Unit	Year 2023
Coverage rate of employee physical examinations	%	85
The number of employees who perished due to job-related fatalities	Persons	0
The ratio of personnel who have died due to work-related reasons	%	0
Occupational injury and fatality statistics - number of employees injured on the job	Persons	0
Industrial injuries and fatalities - loss of work hours due to industrial accidents	Days	0

Staff Absenteeism Rate

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Absenteeism rate among employees	%	1.65	1.64	1.95	1.50
Target for employee absenteeism rate	%	/	/	/	3.00

Recruitment Status of New Employees

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Annual intake of new employees	Persons	1,138	912	1,144	2,150
The proportion of newly recruited employees	%	8.25	5.97	5.70	10.23
The total number of new hires categorized by age - employees below 30 years old.	Persons	377	509	639	1,321
The grand total of newly hired employees categorized by age - those ranging from 30 to 50 years old.	Persons	707	389	485	652

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
The aggregate number of new hires, categorized by age - employees aged 50 and above.	Persons	54	14	20	177
Gender-specific breakdown of total new hires - females	Persons	820	571	696	1,444
Total number of new hires categorized by gender - male	Persons	318	341	448	706
The total number of new hires categorized by level - grassroots employees	Persons	1,026	868	1,092	2,097
The aggregate number of newly hired employees, categorized by rank - intermediate management level	Persons	104	38	46	45
The grand total of newly recruited employees categorized by rank - senior management tier	Persons	8	6	6	8
Regional breakdown of total new hires - Beijing city	Persons	112	236	183	230
Regional total of new employees - other locations	Persons	1,026	676	961	1,920
The proportion of internal staff filling vacant positions	%	2.11	6.14	3.15	2.42

Employee Turnover Rate

Indicators	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Overall employee turnover rate	%	0.70	3.40	9.70	8.30
Voluntary turnover rate among employees	%	0	0.05	0.27	2.37
The turnover rate of employees based on age - specifically, those aged below 30	%	0.05	0.74	3.13	2.98
Employee turnover rate stratified by age - turnover rate among employees aged 30 to 50	%	0.30	1.58	3.70	2.62
Age-specific employee turnover rate - Turnover rate among employees aged 50 and above	%	0.30	1.13	2.96	2.74
Gender-specific employee turnover rate - male	%	0.20	1.00	2.00	2.00
Gender-specific employee turnover rate - female	%	0.40	2.00	6.00	5.00
Regional employee turnover rate - Beijing*	%	10.00	16.00	10.40	11.87
Regional employee turnover rate - other regions*	%	7.00	2.00	3.00	2.00

*This statistic pertains solely to the employees of the Universal Medical headquarters.

Employee Welfare and Motivational Performance

Indicators	Unit	Year 2023
The percentage of employees covered by the motivation program* (excluding top management)	%	3.95
The number of incentive recipients for the Employee Stock Option Plan (ESOP)	Persons	45
Duration of paid parental leave (i.e., maternity leave) for the primary caregiver (mother)	Days	158
The duration of paid parental leave for the non-primary caregiver (father), also known as paternity leave	Days	15
The number of female employees who are eligible for maternity leave	Persons	15
The actual number of female employees availing maternity leave	Persons	15

*The calculation of the coverage percentage for the employee incentive program is determined by dividing the number of eligible employees (excluding senior management) at the end of 2023 by the total number of employees (excluding senior management) at CULC at the end of 2023.

05

Charity Sets Sail, Life Embarks on a Journey

Universal Medical devotes itself to serving the national strategy, actively pursuing inclusive financial services, supporting the sustainable development of small and micro-enterprises and institutions, promoting regional development, and participating in charitable public welfare activities, thus escorting the better life of the people.

Material Issues Responded

- Community Engagement and Contribution

Responding to the United Nations Sustainable Development Goals (SDGs)



Aligning with National Strategies

Safeguarding the Health of Workers in Vital Industries and Key Fields of the Country

Serving as a prominent Central enterprise healthcare conglomerate that integrates medical research, production, and financing, Universal Medical, under the resolute guidance of GT-PRC, has consistently adhered to a development philosophy centered on the well-being of the people. We are committed to the professional integration of medical resources and the provision of safe, effective, accessible, and humanistic healthcare services to the general populace. Our aspiration is to establish ourselves as a world-class healthcare conglomerate, thereby contributing significantly to the advancement of the "Healthy China" strategy.

Adhering to the business philosophy of "safeguarding the health of life through quality healthcare," Universal Medical fully leverages the strengths of being a centrally-owned enterprise to consistently serve vital sectors and

industries, diligently fulfilling its role as the guardian of employees' health. During the reporting period, Universal Medical Group has taken tangible actions to safeguard the health of employees in key national sectors across various regions. For instance, Yangquan Coal General Hospital, a subsidiary of the Group, conducted health screenings for miners in mining areas; Yantai Harbour Hospital provided summer cooling supplies and health screenings, as well as free clinics, for port workers through its "Walk into the Port and Deliver Health" initiative; Maanshan Shiqiye Hospital's Health Management Center conducted on-site health screenings for workers on construction sites; and CREC (Xi'an) Hospital's "Xiaotong Mobile Health Screening Unit" made multiple trips to Tibet to establish a health barrier for the employees working on the "World's Most Difficult Railway" - the Sichuan-Tibet Railway.

Case The "Roof Of The World" Medical Service Team from the GT-PRC has been Honored with the Title of "Model Central Enterprise". Representatives from the Occupational Health Department and the Medical Examination Department of CREC (Xi'an) Hospital, a Subsidiary of Universal Medical, were Present at the Ceremony to Receive the Award.

At the 2023 "Central Enterprise Role Model" promotional event held by the Party Committee of the State Asset Regulatory Commission in Beijing, the "Roof of the World" medical service team from China GT-PRC was honored with the title of "Central Enterprise Role Model".



Representatives from the Occupational Health and Physical Examination Departments of the Universal CREC (Xi'an) Hospital under Universal Medical were present at the awards ceremony as delegates to accept recognition.

Responding the Belt and Road Initiative, Contributing to the "Healthy Silk Road"

As a member of the healthcare sector within GT-PRC, Universal Medical has actively responded to the Belt and Road Initiative, embodying the spirit of Chinese medical teams: "undaunted by hardships, willing to sacrifice, saving lives and curing the sick, and practicing boundless love." The Group has played a significant role in building the "Health Silk Road." Over the years, Global Medical Group has dispatched numerous medical teams to provide foreign aid in countries and regions participating in the Belt and Road Initiative. Multiple hospitals affiliated with the Group, including Pangang General Hospital, XD Hospital, Maanshan Shiqiye Hospital, and Yantai Harbour Hospital, have supported Guinea and Uzbekistan in their anti-epidemic efforts, while also supplementing medical resources in Malawi, South Sudan, and other regions, continuously elevating local medical standards and service quality.

Case Members of the Global Medical Aid Team Embark on a Journey to Santo Tomé and Príncipe, an African Archipelago, to Universal Medical Assistance

Listed by the United Nations as one of the least developed countries in the world, São Tomé and Príncipe struggles with over 60% of its population living below the poverty line and substantial healthcare challenges. In March 2023, the acupuncture specialists from Universal Medical Panzhihua General Hospital, along with seven colleagues, arrived in São Tomé and Príncipe as the 18th medical aid team, committed to a year-and-a-half long mission. They treated at least 200 patients with acupuncture monthly. Notably, during a clinic in Príncipe Island, they administered acupuncture to over 100 individuals in a single day, including high-profile recipients such as Albertino Braga, a former Defense Minister and Foreign Minister of São Tomé and Príncipe.



Acupuncturists from the Pangang General Hospital of Universal Medical Corporation traveled to a local kindergarten in Sao Tome and Principe to conduct a health examination for the children



The former Foreign Minister of Sao Tome and Principe, Braganza, underwent acupuncture treatment.

Universal Medical takes "Belt and Road" initiative as a conduit to demonstrate its latest advancements and foster active exchanges and collaborations, aiming to achieve mutual benefits and win-win outcomes with global users and industry peers, thereby promoting cooperation within the global industry chain and supply chain. During the reporting period, the Group participated in numerous international exhibitions, including the China-Africa Economic and Trade Expo, China International Information and Communication Exhibition, and China International Supply Chain Promotion Expo, showcasing cutting-edge products such as "AI Health Risk Assessment" and "Remote ECG Center".

Case Telemedicine Builds a "Bridge of Life" between China and Africa, with Universal Medical Making a Splendid Debut at the China-Africa Economic and Trade Expo

On June 29th, 2023, the third China-Africa Economic and Trade Expo was held in Changsha, Hunan. Universal Medical, with a deep commitment to healthcare digitization, made an appearance at the Expo with its "Star Products" of remote healthcare technology, including a remote electrocardiogram platform, AI retinal screening equipment, and a smart Internet of Things platform. By showcasing these cutting-edge medical solutions, Global Medical aimed to take high-quality medical resources to Africa, furthering economic and trade cooperation between China and Africa, promoting China's high-level opening-up, and contributing to the construction of a new development paradigm.



Introduction to Universal Medical's Telemedicine Offerings

Fully Implementing Inclusive Finance and Actively Serving the Healthcare Needs of the People

In response to the national strategic call for inclusive finance, Universal Medical actively supports the sustainable development of small and micro-enterprises, enhances the quality of financial services in the people's livelihood sector, and implements the national inclusive finance policy.

The Group's inclusive financial services primarily encompass financial leasing, tailored to meet the diverse needs of small and medium-sized medical institutions, enterprises, and other target customers. Universal Medical offers equipment financing solutions to county-level maternity and child health hospitals, enhancing healthcare access for women and children in impoverished or low-income areas. Additionally, we provide financial leasing services to county-level rehabilitation hospitals and related institutions, aiming to improve the healthcare experience for individuals with health conditions or disabilities. To ensure our clients do not over-leverage, the Group assesses their repayment capabilities through risk models, offering tailored inclusive financial solutions accordingly.

Promoting Regional Development

Contribution to Employment

Universal Medical has thoroughly implemented the relevant requirements of the State Asset Regulatory Commission on "stable employment" for central enterprises. Our Group boasts 67 hospitals located across 14 provinces and municipalities, including Shaanxi, Shanxi, Sichuan, and Shanghai. Throughout 2023, we have provided a total of 2,150 job opportunities.

Throughout 2023, we have provided a total of **2,150** job opportunities.

Case The Universal Medical Shaanxi Hospital Management Alliance Launches the "Talent Reservoir" Initiative

In February 2023, the Universal Medical Group's Shaanxi Hospital Management Alliance hosted the "2023 Employment Guidance Conference of the Third Affiliated Hospital of Shaanxi University of Chinese Medicine and Talent Recruitment Seminar of the Universal Medical Group's Shaanxi Hospital Management Alliance" at the Xi'an Electric Power Group Hospital. The event provided a detailed interpretation of the specific content of the alliance's "talent pool" recruitment plan, aiming to broaden the employment channels for graduates and enhance the talent reserve construction of hospitals.



The recruitment presentation for talent within the Shaanxi Hospital Management Alliance of Universal Medical

Border Assistance

Universal Medical Group, upholding the responsibilities of a central enterprise, continues to uphold the spirit of "willing to sacrifice and the compassionate heart of a healer". We have consistently dispatched hundreds of medical personnel to form a talented medical team, dedicated to supporting the development of healthcare in border regions, providing tangible services such as health screenings, free clinics, and distributing free medications. As of the end of 2023, our Group has continuously dispatched hundreds of medical personnel to support the development of healthcare in Xinjiang for nine consecutive years. Additionally, medical staff from our affiliated hospitals have repeatedly traveled to Tibet to conduct medical missions, epidemiological surveys, and other work.

As of the end of 2023, our Group has continuously dispatched hundreds of medical personnel to support the development of healthcare in Xinjiang for **9** consecutive years

Case Universal Medical's Ongoing Commitment to Building a Bridge of Health for the Tibetan People

For years, Universal Medical has actively responded to the call of the Central Committee of the Communist Party of China, the State Asset Regulatory Commission under the State Council, and the Party Leadership Group of China National GT-PRC, upholding the strategy of "Healthy China". It has consistently dispatched medical teams to build a bridge of health for the people of Tibet. The director of the Cardiovascular Department of XD Hospital participated in the "Tibet Everybody Healthy" series of expert medical missions to Tibet, bringing health to over 600 people in Linzhou County, Lhasa.



Director Xu Xiaohui from the Cardiovascular Department of XD Hospital traveled to Tibet to conduct a charity medical clinic



The Aid for Tibet Development Foundation presented volunteer certificates to the Universal Medical Team

Rural Healthcare

Universal Medical continues to bolster the advancement of grassroots medical services, safeguarding the well-being of the people and investing approximately RMB 3 million annually in rural Revitalization. As of the end of the reporting period, our services have reached 14 provinces and cities nationwide, providing timely and high-quality medical care to residents in impoverished areas. Furthermore, Universal Medical actively promotes the professionalization of grassroots medical institutions, enabling more individuals to enjoy excellent healthcare services.



As of the end of the reporting period, our services have reached

14 provinces and cities nationwide

Case Universal Medical Initiates "Healthy Universal Journey" to Deliver Medical Services to Shangdu County, Inner Mongolia

On November 1st, 2023, the Party and Mass Work Department of Universal Medical Group organized a team of personnel to visit Shangdu County, Inner Mongolia, a designated assistance area, to carry out the "Universal Health Journey" medical outreach activity. Experts from the Ansteel Group Hospital of Universal Global Medical Group provided health screenings and free consultations to over 40 left-behind children and more than 120 villagers from Shangdu General Primary School and Quannaози Village. Additionally, they distributed essential medications free of charge. Furthermore, doctors from Ansteel Group Hospital conducted specialized lectures and training sessions for the local hospital in Shangdu County, focusing on common and frequently occurring diseases. This initiative achieved the goals of "bringing medical services to the doorstep", "delivering medications directly to individuals", and "introducing advanced medical techniques to local hospitals", earning the profound recognition of both the local community and government.



Medical experts conducted thorough health screenings among the villagers in Shangdu County, Inner Mongolia



Shangdu County General Elementary School, left-behind children undergo health checkups

Endorsement of Charitable and Public Welfare Initiatives

Universal Medical continues to contribute to social welfare, preliminarily established an enabling model where charitable funds support the enhancement of the image and service capabilities of its hospitals as a central enterprise. By engaging in social welfare, it demonstrates the commitment and responsibility of a central enterprise.



Universal Medical proudly takes its place on the "20th Annual China Charity List"

Philanthropic Fund

Universal Medical, in conjunction with the China Primary Health Care Foundation, established the New Swallow Charity Fund, guided by the principle of "assisting patients, doctors, and institutions." This endeavor has brought healing and hope to thousands of families. During the reporting period, our Group completed its third donation to the New Swallow Charity, totaling 3 million RMB. The beneficiaries of this fund numbered 1,026 individuals, spanning across 12 provinces and cities including Liaoning, Inner Mongolia, Hebei, Shaanxi, Shanxi, Shandong, Shanghai, Jiangsu, Anhui, Sichuan, Chongqing, and Yunnan. These beneficiaries expressed their heartfelt gratitude through dozens of thank-you letters and honorary banners.

By the end of 2023, our Group had donated a total of 6 million RMB to the New Swallow Charity Fund. In order to alleviate the economic burden of patients who have fallen into poverty due to illness, the New Swallow Charity Fund has established 12 charitable projects for patients with specific medical conditions, covering pediatrics (neonatal, surgical minimally invasive), oncology (lung, colorectal, thyroid and breast cancer, gynecological cancer), orthopedics, cardiovascular, neurology, rehabilitation, and nephrology, by leveraging the medical service capabilities of multiple hospitals.

During the reporting period, our Group completed its third donation to the New Swallow Charity, totaling **3** million RMB

The beneficiaries of this fund numbered **1,026** individuals

spanning across **12** provinces

By the end of 2023, our Group had donated a total of **6** million RMB to the New Swallow Charity Fund

the New Swallow Charity Fund has established **12** charitable projects for patients with specific medical conditions



"The Intestinal Blueprint: A Journey towards Optimal Gut Health" Professional Free Medical Consultation

"Rainbow Babies" Pediatric Program - Birthday for Rescued Babies

"Project for Public Welfare and Care of Thyroid and Breast Health" Examinations of Female Sanitation Workers



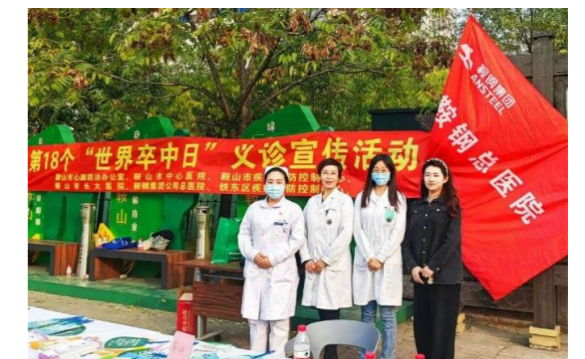
"Empowering the Healing Journey" Rehabilitation Program - Dedicated to Saving Lives



The first beneficiary of the New Swallow Charity Fund, affiliated with Yangquan Coal General Hospital, a subsidiary of Universal Medical has received a financial assistance of 4,000 RMB and presented an honor banner to the hospital's orthopedic team.

Community Service

Universal Medical has been deeply involved in community medical services and construction. Through targeted assistance to county-level hospitals, it has conducted free health clinics for the grassroots, offered free medical check-ups for retired employees, and brought medical care to the grassroots level, providing convenient and prompt medical services to the people in the community. This ensures that the "last mile" of healthcare is effectively covered. During the reporting period, China Railway Huazhou Hospital, a subsidiary of our Group, conducted a health knowledge lecture series and promotional clinics under the banner of "Universal Health Walk". Maanshan Shiqiye Hospital organized a promotional clinic event in Ma'anshan Caishi Hengjiang Community with the slogan "Call 120 for Heart Attack, Quick Relief at the Chest Pain Center". Additionally, Rainbow Community Hospital conducted clinics to mobilize society to pay attention to diabetes and raise public awareness of proactive prevention and control of the disease.



Social Responsibility Key Performance

Public Charity Performance

Indicators	Unit	Year 2021	Year 2022	Year 2023
The number of volunteers participating in various activities	Person-times	327	598	782
Duration of volunteer activities	Hours	981	1,794	2,346
Expenditure on volunteer activities	RMB	32,700	119,600	234,600
Total amount invested in charity	Thousand RMB	1,000.0	2,445.0	3,369.9
The number of charitable projects	/	2	5	12
Beneficiaries of public welfare and charitable projects	Person-times	66	295	562

Index of Indicator

HKEX ESG Reporting Guide Content Index

Indicator No.	Description	Chapter
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations with a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, as well as generation of hazardous and non-hazardous waste	Low-carbon Transition, Green Development
A1.1	The types of emissions and respective emissions data	
A1.2	Total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of the production volume, per facility)	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of the production volume, per facility)	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of the production volume, per facility)	
A1.5	Description of emissions target(s) and steps taken to achieve them	
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) and steps taken to achieve them	
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Low-carbon Transition, Green Development
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of the production volume, per facility)	
A2.2	Water consumption in total and intensity (e.g. per unit of the production volume, per facility)	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	
A2.4	Description of whether there is any issue in sourcing water which fit for purpose, water efficiency target(s) set and steps taken to achieve them	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on reducing the issuer's significant impacts on the environment and natural resources	Low-carbon Transition, Green Development
A3.1	Description of the significant impacts of activities on environment and natural resources and the actions taken to manage them	

Indicator No.	Description	Chapter
Aspect A4: Climate Change		
General Disclosure	Policies on identifying and responding to significant climate-related issues that have and may have an impact on the issuer	Low-carbon Transition, Green Development
A4.1	Description of the significant climate-related issues that have had and may have an impact on the issuer, and actions to address them	
Social (recommended disclosure)		
Aspect B1: Employment		
General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations with a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, work- hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	People-oriented, Knowing and Employing Talents
B1.1	Total workforce by gender, employment type, age group and geographical region	
B1.2	Employee turnover rate by gender, age group and geographical region	
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe work- environment and protecting employees from occupational hazards	People-oriented, Knowing and Employing Talents
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	
B2.2	Lost work-days due to work injury	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	
Aspect B3: Development and Training		
General Disclosure	Policies on improving employee knowledge and skills for discharging duties at work. Description of training activities	People-oriented, Knowing and Employing Talents
B3.1	The percentage of employees trained by gender and employee category	
B3.2	The average training hours completed per employee by gender and employee category	
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations with a significant impact on the issuer relating to preventing child and forced labor	People-oriented, Knowing and Employing Talents
B4.1	Description of measures to review employment practices to avoid child and forced laborers	
B4.2	Description of steps taken to eliminate such practices when discovered	

Indicator No.	Description	Chapter
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Taking Responsibility, Operating Efficiently
B5.1	The number of suppliers by geographical regions	
B5.2	Description of practices relating to engaging suppliers, the number of suppliers where the practices are being implemented, and how they are implemented and monitored	
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations with 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	Taking Responsibility, Operating Efficiently
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	
B6.2	The number of products and service related complaints received and how they are dealt with	
B6.3	Description of practices relating to observing and protecting intellectual property rights	
B6.4	Description of quality assurance process and recall procedures	
B6.5	Description of protection for consumer data and privacy policies, and how they are implemented and monitored	
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations with a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Stable Governance and Solid Foundation
B7.1	The 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	
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	
B7.3	Description of the anti-corruption training provided to directors and employees	
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to get to know the needs of the communities and to ensure that its activities should take into consideration the community interests	Charity Sets Sail, Life Embarks on a Journey
B8.1	Focus areas of contribution(e.g. education, environmental issues, labor needs, health, culture, sports)	
B8.2	Resources contributed to the focus area(e.g. money or time)	

Assurance Statement

Introduction

BOVA Technology (Beijing) Co., LTD ("Assurance Provider") was entrusted by the management of Genertec Universal Medical Group Co., Ltd. ("Organization") to assure "2023 Environmental, Social and Governance Report" ("Report"). The information selected in the Report is subject to independent and impartial external assurance.

The target users of the statement are stakeholders who concern about the reliability of the Organization's sustainable development information and performance from January 1, 2023 to December 31, 2023 ("2023 reporting period"), including investors, customers, employees, partners, governments (regulatory agencies), and the public.

BOVA Technology (Beijing) Co., LTD is a company applying metadata and AI to provide ESG quantitative solutions. We have experts in various fields such as corporate sustainable development, ESG management and has the honor to provide AA1000 assurance. Our scope covers ESG report assurance services for all China A and H share listed companies.

Assurance standards

This statement strictly followed AA1000 Assurance Standard v3 ("AA1000AS v3") and AA1000 Assurance Principle (2018) ("AA1000AP"), namely Inclusivity, Materiality, Responsiveness and Impact.

Assurance type, depth and scope

This statement was carried out in line with Type 2 at a moderate-level, covering following content:

- Provide assurance on the compliance with AA1000AP;
- Verify the quality and reliability of sustainability information in reports;
- Assure qualitative information mentioned in the Report related with sustainable development, practices, management methods, etc.;
- Verify the consistency of reporting framework with international reporting standards;
- Evaluate the accuracy of statements and ESG performance indicators included in the report and the suitability of data management methods.

Assurance method

This statement was carried out in accordance with the AA1000AS v3, including following steps:

- Collect and evaluate evidence that can support the reporting organization's compliance with AA1000 Assurance Principles, including the reporting organization's identification, assessment of material issues, identification of ESG risks and opportunities, etc.;
- Conduct interviews with company management responsible for sustainability performance and data collection (the scope of management interviews be judged based on actual needs), based on sampling;
- Verify the reliability of the processes and management systems used to collect and integrate environmental data, based on sampling;
- Verify the sustainability-related statements and statements made by the assurance reporting organization in the report, based on sampling.

Compliance with AA1000AP

Inclusivity: The Assurance Provider have not noticed the report has any deviation from the Inclusivity principle. The Organization positively worked with stakeholders on sustainability. At the same time, the Organization established an effective contact mechanism with them to share information on concerns and future demands of sustainable development.

Materiality: In accordance with AA1000AP, a materiality assessment has been conducted on all aspects of the Organization's internal and external content. The Organization updated material topics every year, based on identification and analysis of nation-level strategic guidelines and industry policies, combined with marketing strategy.

Responsiveness: In accordance with AA1000AP, the Assurance Provider believes that the Organization's response to major events is reflected in the report. The Organization can proactively communicate with stakeholders and continue to respond to their concerns in a prompt and appropriate manner.

Impact: The Organization has clear procedures to monitor and measure their sustainable development impact, can systematically identify risk factors, therefore develop management strategies. During the verification process, there's no conditions or problems were found that had an impact on the ecosystem and surrounding infrastructure.

Quality of disclosed sustainability information

Regarding the sustainability performance-related figures disclosed in the report, the Assurance Provider have not noticed any substantial error, shown as following:

1) Water resources management

Year	Total water consumption (in mega litre)
2022	2,943.00
2023	2,706.85

2) Energy consumption

Year	Total electricity consumption (in kWh)
2022	47,003,595
2023	85,909,349

3) Waste disposal

Year	Non-hazardous waste (in kg)	Hazardous waste - ink cartridge (in kg)	Hazardous waste - waste battery (in kg)	Hazardous waste - waste lamp (in kg)
2022	9,163,038.58	4,816.09	1,883.01	1,356.39
2023	10,539,609.13	5,644.75	2,285.01	1,541.50

Conclusion

Based on the assurance scope, the Assurance Provider did not notice any indication that the Organization did not comply with the AA1000AP and other reference standards during the 2023 reporting period. Relevant sustainable performance data come from written certifications and internal records, fully reflecting the achievements and challenges faced by the Organization, and providing further observations and suggestions in the report to management.

Limitations of Assurance and Mitigation Methods

- The accuracy of the financial performance indicators in the financial reports assured by the third party has not been confirmed. The Assurance Provider maintains an unquestioning attitude to those indicators;
- The sustainable development performance indicators other than waste disposal, energy consumption, and water resources management have not been concluded. It has only been confirmed through interviews and evidence inspection that every indicator has a clear data source.
- It is hard to issue any assurance opinions on the subjective statements in the report, such as goals, intentions, etc.

Assurance Provider independence

Except for the assurance of sustainability data and reports, the Assurance Provider did not participate in these activities or in preparing the sustainability information included in the annual Sustainability Report or preparation of disclosures submissions. Throughout the Assurance Provider's internal impartiality assessment, there was no conflict of interest.

BOVA Technology (Beijing) Co., LTD

Issue date: 1st March, 2024

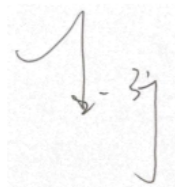
Issue place: Beijing, China



AA1000
Licensed Report
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Certified Sustainability Assurance Practitioner (CSAP)

Yihang Wang



Reader's Opinion

Respected readers:

Thank you for reading this report. Your comments and suggestions are an important basis for us to continuously improve the level of corporate ESG disclosure and promote corporate ESG management and practice. We welcome and sincerely thank you for your valuable comments! Please fill in the appendix "Reader's Opinion Form" and send it to us at ir@um.gt.cn. Meanwhile, you are welcome to directly scan the QR code below to give us your suggestions and opinions, and participate in our stakeholder communication work.

1. Your overall assessment of our ESG performance is:

- Excellent Good Average Fair Poor

2. Your overall assessment of this report is:

- Excellent Good Average Fair Poor

3. What do you think of our performance in communication with stakeholders?

- Excellent Good Average Fair Poor

4. What do you think of our performance in corporate governance?

- Excellent Good Average Fair Poor

5. What do you think of our performance in environmental management?

- Excellent Good Average Fair Poor

6. What do you think of our performance in social responsibility?

- Excellent Good Average Fair Poor

7. What do you think of our performance in ESG?

- Excellent Good Average Fair Poor

8. What are your opinions and suggestions for our ESG performance and this report?





通用環球醫療集團有限公司

GENERTEC UNIVERSAL MEDICAL GROUP COMPANY LIMITED