



海吉亚医疗控股有限公司

Hygeia Healthcare Holdings Co., Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6078

Environmental, Social and
Governance Report

2023

让医疗更温暖

分诊处
TRIAGE STATION

海吉亚医疗集团2023年度经营管理工作会议



2023 Environmental, Social and Governance Report

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2023 Environmental, Social and Governance Report

I. CHAIRMAN'S STATEMENT

Dear readers,

Thank you for your interest in the 2023 Environmental, Social and Governance Report (the “**ESG Report**”) of Hygeia Healthcare Holdings Co., Limited (the “**Company**”). On behalf of the board of the Company (the “**Board**”), I am pleased to present the ESG Report of the Company together with its subsidiaries (the “**Group**”) for the year ended 31 December 2023.

As an oncology-focused medical group, Hygeia Healthcare has been committed to providing one-stop comprehensive treatment services to cancer patients in China since the Group started its business in 2009. We believe that with our high-quality diagnosis and treatment technology and caring services, we can bring valuable medical resources to more patients in non-first-tier cities. In 2023, the restriction of the COVID-19 Pandemic (the “**Pandemic**”) in China entered a new phase, and all medical staff of Hygeia Healthcare remained steadfast in their position, taking up the mission and responsibility of safeguarding public health.

In this fast-paced era, embracing social responsibility and fulfilling corporate duties are the core values upheld by Hygeia. While delivering high-level medical services to the public, we take responsibility for protecting the environment, respecting and supporting our employees, as well as ensuring transparent and efficient corporate governance. In 2023, we were committed to improving the health and well-being of the local community by actively engaging in public welfare activities. We have continued to provide free medical consultations, conduct extensive health education seminars and vigorously support social infrastructure, making a significant contribution to the implementation of the “Healthy China Action”.

We firmly believe that excellent corporate governance and standardised operations are the cornerstones of Hygeia Healthcare’s sustainable development and an important way to safeguard the interests of stakeholders. Therefore, we always abide by the highest standards of corporate governance and ensure that our operations comply with legal and ethical requirements by establishing solid internal policies and practices. Meanwhile, we respect diverse cultures by promoting an equal and inclusive environment. We also actively provide career development opportunities and promotion paths for our employees.

Recognising that emerging crises such as climate change, environmental pollution, resource scarcity, and social unrest still require collective efforts from the society, Hygeia Healthcare adheres to sustainable development and is committed to reducing carbon footprint and environmental impacts during business operations. In 2023, we introduced energy-saving and environmentally friendly technologies to optimise the use of energy and natural resources, integrating green and low-carbon practices into the daily operations of all hospitals while maintaining high-quality services. Additionally, we have implemented an effective waste management programme to ensure the proper disposal of medical waste.

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Over the past year, Hygeia Healthcare maintained its commitment to creating shared value for all and endeavoured to achieve synergistic progress in economy, society and environment under the guidance of sustainable development. We continued to strengthen Environmental, Social and Governance (“**ESG**”) development and integrated various ESG concepts into daily management and operations of our hospitals. We have established an ESG Committee to supervise and manage the Group’s strategies, policies and performance in ESG aspects. Meanwhile, we actively identify, analyse, and disclose climate-related risks and opportunities with their impacts on business operations, enhancing the Group’s resilience in climate change. In 2023, our overall performance in ESG gained the attention and recognition of various authoritative institutions.

Adhering to the vision of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖 · 讓生命更健康)”, we always put patients first, and fully listen to the concerns and expectations of our stakeholders through various communication channels. We take their feedback as an essential basis to improve our management system and our level of sustainable development. Looking forward, Hygeia Healthcare is dedicated to leading in ESG sustainable governance, instilling more positive impacts on the healthcare industry while benefiting a wider range of social groups.

Chairman

Zhu Yiwen

March 26, 2024

Making healthcare services more accessible and affordable and making life healthier

II. ABOUT THE REPORT

In strict compliance with the requirement under Appendix C2–Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) under the principle of “comply or explain”, the Group is pleased to present the ESG Report for the year ended 31 December 2023 (“**FY2023**”), which demonstrates the Group’s approach and performance in terms of ESG management and corporate sustainable development for FY2023.

Boundary Setting

This ESG Report defines the scope of information disclosure herein with operational control approach and based on the assessment on the impact of the Group’s operating entities on the society and environment in FY2023. The reporting boundary of this ESG Report covers the principal business operations of the Group, including hospital business¹ and third-party radiotherapy business. In line with the application of the principle of Materiality, the disclosure scope of certain performance indicators of the Group is further explained in the relevant sections. For the details of the businesses of the Group, please refer to the 2023 Annual Report of the Group.

1 The Group’s hospital business includes the operation of a network of 13 oncology-focused hospitals, namely Shanxian Hygeia Hospital Co., Ltd. (Shanxian Hygeia Hospital), Suzhou Canglang Hospital Co., Ltd. (Suzhou Canglang Hospital), Suzhou Yongding Hospital Co., Ltd. (Suzhou Yongding Hospital), Chongqing Hygeia Hospital Co., Ltd. (Chongqing Hygeia Hospital), Longyan Boai Hospital Co., Ltd. (Longyan Boai Hospital), Hezhou Guangji Hospital Co., Ltd. (Hezhou Guangji Hospital), Heze Hygeia Hospital Co., Ltd. (Heze Hygeia Hospital), Chengwu Hygeia Hospital Co., Ltd. (Chengwu Hygeia Hospital), Kaiyuan Jiehua Hospital Co., Ltd. (Kaiyuan Jiehua Hospital), Anqiu Hygeia Hospital Co., Ltd. (Anqiu Hygeia Hospital), Liaocheng Hygeia Hospital Co., Ltd. (Liaocheng Hygeia Hospital), Chang’an Hospital Co., Ltd. (Chang’an Hospital) and Yixing Hygeia Hospital Co., Ltd. (Yixing Hygeia Hospital).

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Reporting Principles

This Report has been prepared against the Reporting Principles outlined in the ESG Guide of the Stock Exchange. Given the reporting principles that underpin the preparation of the ESG Report, the main performance of the Group in FY2023 has been determined and disclosed under the principles of materiality, quantitative, balance and consistency.

Materiality

The Group applies the principle of Materiality to effectively define its reporting boundary and conducts materiality analysis to identify the key and relevant ESG issues for its business development. In FY2023, the Group maintained effective communication with its key stakeholders and conducted annual materiality assessment through online surveys to collect their concerns, expectations and demands. The assessment results were reviewed by the Board and formed the basis of the content of this ESG Report, which also provide a reference for the Group to allocate resources reasonably and improve the management system in the future.

Quantitative

To demonstrate the principle of Quantitative, the environmental and social performances of the Group are collected, organised and effectively disclosed in corresponding sections according to various Key Performance Indicators (“KPIs”), including emissions, consumption of natural resources and employment information, providing a comprehensive overview of the Group’s ESG performance in FY2023. The calculation methods, assumptions or conversion factors used are set out in the footnotes of relevant performance tables.

Balance

The Group adheres to the principle of Balance and impartially conveys truthful information about the Group’s ESG performance to its stakeholders. Specifically, the Group transparently revealed its sustainability performance for both outstanding achievements and areas for improvement in FY2023. The Group also effectively classifies, evaluates and discloses its exposure to potential climate-related risks to present an unbiased picture of its ESG performance to the readers.

Consistency

To allow peer benchmarking and meaningful comparison across years, the Group adopts a consistent approach to define the scope of the disclosure, account for and disclose its ESG performance, including carbon footprint, following the reporting framework and recommended methods issued by the Stock Exchange. In case of any significant changes in the disclosure scope, framework or methods used, clear explanations will be provided in the corresponding sections to facilitate the understanding of the readers and stakeholders.

Information Disclosure

The information disclosed in this ESG Report was gathered through various channels, including internal policies and data of the Group, feedback on the implementation of ESG practices in the Group, stakeholder surveys and other relevant information. A complete content index is available at the end of the ESG Report for readers’ convenience to check its completeness.

The Group will publish the ESG Report for FY2023 on the website of the Stock Exchange (www.hkexnews.hk) and the Company’ website (www.hygeia-group.com.cn) at the same time as its Annual Report is published. The ESG Report will be accessible under the “Investor Relations” section of the Company’s website.

This Report is prepared in both English and Chinese. Should there be any conflict or inconsistency, the Chinese version shall prevail.

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III. SUSTAINABILITY MANAGEMENT

Since its establishment, the Group has adhered to the highest standards in providing one-stop comprehensive treatment services for cancer patients in non-first-tier cities through professional diagnosis and treatment technology and high-quality services. The Group strives to maintain a robust corporate governance and management system under the oversight of the Board. Reckoning the impact of the healthcare services industry on society, the Group promotes the implementation of sustainable measures to accelerate its transformation to green operations.

To fully implement the concept of sustainable development, the Group has adopted a “top-down” management strategy. The Board consists of five executive directors and three independent non-executive directors, who are responsible for coordinating the sustainable development strategy and management issues of the Group. The Board is also responsible for leading the preparation of the annual ESG report and related information disclosure, including the approval of annual ESG report and supervision of the day-to-day implementation of ESG policies. The Board receives ESG-related training arranged by the Group every year to ensure that the Board can keep abreast of ESG-related policies and changes in the industry through training and internal meetings, thereby allowing them to proactively identify ESG risks, regulatory change on climate change and other sustainability issues that are closely related to the Group’s business operations.

RESPONSIBILITIES OF THE BOARD

To achieve the long-term value of the Group, the Board, as the highest level in the risk management and supervision hierarchy, is responsible for supervising and ensuring that all employees of the Group fully understand the ESG mission and overall strategy of the Group. The Board implements corporate sustainability policies and measures, actively initiates its corporate vision pegged to social and environmental responsibilities, and strives to fulfil its duties and responsibilities in the following five areas:

ESG risks

The Board oversees the environmental and social impact assessment work during operations and the decision-making process, timely identifies and evaluates the actual and potential ESG risks exposed to the Group in different timeframes through materiality assessment and regular reporting from the management, as well as reasonably allocates resources and instructs to eliminate or control any related risks.

ESG policies

The Board stays up-to-date with and studies the latest ESG-related policy changes through training and internal meetings and evaluates their impacts on the Group’s business model.

ESG culture

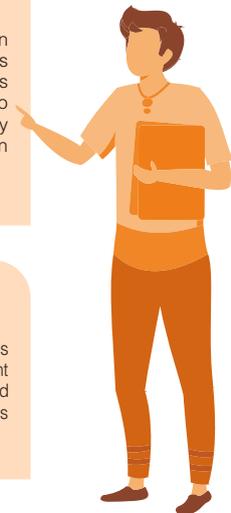
To ensure that ESG indicators apply in daily operations and business development, the Board formulates ESG-related policies and regulations to boost understanding of sustainability across the Group and create an internal sustainability culture.

ESG targets

The Board keeps an eye on the progress made by each business segment of the Group in achieving ESG targets through regular reports from the management. With reference to national policies and industry standards, the Group conducts an in-depth analysis of its business model and development plans, thereby establishing relevant indicators and targets, including carbon footprint monitoring, to track its performance of all aspects across sustainable development.

ESG work

The Board continuously improves the Group’s governance structure and management model to ensure effective communication and efficient implementation of ESG work across the Group.



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The Group established the ESG Committee under the Board, which is responsible for managing and regularly reviewing the strategy, policy and performance of the Group in terms of ESG, as well as reporting to the Board to ensure their alignment with evolving ESG objectives and standards. The committee holds at least two meetings each year to summarise and review the ESG vision, goals, and strategy implementation within the Group, as well as the emerging ESG trends. The Board also monitors and measures the overall ESG performance of the Group by reviewing and tracking the environmental targets set. To enhance the effectiveness in fulfilling its responsibilities, the ESG Committee has delegated specific areas of responsibility to the ESG Working Group to monitor the effective implementation of ESG-related measures and actions. In addition, the Board and other functional committees, namely, the Nomination Committee, the Remuneration Committee, the Audit Committee and the ESG Committee, should take into consideration ESG-related issues when reviewing and directing strategies, important action plans, risk management policies, annual budgets and business plans, setting organisational performance targets, monitoring the implementation and execution thereof, and overseeing significant capital expenditures and acquisitions.

The management of the Group is responsible for implementing the policy directives of the Board and leading employees of various business segments to carry out routine work to ensure that ESG-related measures and specific actions are put into practice. The hospitals of the Group are responsible for promoting and putting various sustainable development plans into practice, implementing ESG strategies, and continuously improving system construction through regular reviews and self-evaluation on the execution of relevant actions. To further encourage ESG practices across the hospitals, the Group has established an incentive policy incorporating ESG targets into the calculation of management's performance bonuses.

Environment: The hospitals of the Group effectively reduce their administrative expenses by conducting green practices such as recycling resources and conserving energy, thereby increasing the net profit of the hospital and consequently raising the management's bonuses.

Social: Publications and awards of the medical staff, as well as talents nurtured for other hospitals within the Group, are considered bonus points for the annual assessment of the management.

With the concept of sustainable development as its core, the Group continues to improve its corporate management framework by identifying and assessing risks relating to sustainable development, including the quality and safety of medical services, supply chain management, patient satisfaction, talent development, etc. Over the years, the Group has been committed to integrating the sustainable management concept and ESG risk management model into its corporate risk management system. In addition, the Group has set up an Audit Committee to provide independent opinions on the effectiveness of internal control policies, financial management procedures and risk management systems including ESG risks. The internal Audit Department is responsible for conducting regular special audits, putting forward rectification opinions on existing problems and supervising the implementation of subsequent measures.

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Key Highlights

Environmental: The Board emphasises the efficient use of corporate resources in its environmental considerations. To optimise and minimise energy use and carbon footprint, the Group adopts a standardised and modularised matrix-based management model and oversees the use of resources, especially utility expenses, of all hospitals and subsidiaries of the Group through its General Logistics Department, while monitoring the energy consumption of the large-scale medical equipment. The Group also formulates clear policies to ensure that the handling and management of medical waste follow regulations. Meanwhile, the Board has already established a systematic data management system to provide a clear understanding of the Group's actual environmental performance as a basis for continuous improvement of its operating model. By implementing incentive measures, the Group promotes environmental awareness across the organisation and encourages employees to conserve energy and reduce emissions.

Social: In consideration of the social aspect, the Board attaches great importance to employees, occupational health and safety issues, the investment into and efficacy of talent training, as well as the quality of healthcare services. The Group regards human resources as the most valuable asset and the cornerstone of long-term business success. Therefore, the Group develops and implements activities to encourage employee participation and create a harmonious working atmosphere. The Group pays attention to the physical and mental health as well as well-being of its employees by providing special physical examinations for those with special types of work and strengthening internal incentives by granting share options. To encourage its employees to continuously improve their professional ability and academic level, the Hygeia Healthcare Teaching and Researching Institute regularly organises related training for employees.

Governance: In consideration of corporate governance, the Group focuses on creating a resilient supply chain and eliminating corruption. The Group strengthens its supply chain management through a unified bidding process, proactive risk management and prioritisation of green procurement. Additionally, the Group's hospitals implement transparent and fair pricing mechanism to eliminate the risk of corruption and bribery among the value chain.

Looking forward, the Group will continue to deepen its ESG efforts and strengthen the environmental management methods and measures through energy conservation, emission reduction, and medical waste management and recycling. Meanwhile, the Group will allocate more resources to public welfare activities such as charity clinics and free screening at the grassroots level to promote community engagement and fulfil corporate responsibilities. The Group is committed to continuing its efforts on corporate structure enhancement and the standardised management of the listed company to ensure transparency and compliance during business operations, thus constantly creating shared value for all stakeholders.

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IV. STAKEHOLDER ENGAGEMENT

The Group believes that it does not only serve the purpose of providing high-quality medical services but also shouldering extensive social responsibilities. In fulfilling its corporate commitments, stakeholder engagement is the foundation for the Group to achieve responsible practices and sustainable corporate management. Over the years, the Group has adhered to transparency in its operations and regularly shares its sustainability commitments, significant decisions, and latest achievements with its key stakeholders through various channels. Open communication channels ensure the stakeholders can stay informed about the Group's developments and provide a platform for them to express their opinions and suggestions. Meanwhile, the expectations and feedback from stakeholders enable the Group to understand the dynamic market trends and identify emerging risks and opportunities in time. The Group values every chance to hear from the stakeholders and continuously improves its corporate resilience to address emerging risks.

The Group has established a Doctor-Patient Relationship Office with a comprehensive patient reception process and feedback system to facilitate efficient doctor-patient communications and improve medical service quality, thereby enhancing patient satisfaction. Meanwhile, the Group attaches great importance to employee engagement by conducting employee satisfaction surveys on a regular basis and incorporating their expectations and feedback into the decision-making process.

To maintain stable communication and exchange with investors, the Investor Relations Department of the Group holds several investors' road shows every year and regularly organises offline reverse road shows, such as field surveys in hospitals, to facilitate in-depth dialogues between investors and management of the Group. The Group also actively attends industry seminars and exchange activities to share best practices and innovations, as well as participating in the formulation of industry standards to foster the enhancement of the healthcare industry.

Type of Stakeholders	Expectations and Concerns	Communication and Response
Patients and customers	<ul style="list-style-type: none"> — High-quality medical services and techniques — Product safety and risk control — Information and privacy protection — Satisfying the needs of patients 	<ul style="list-style-type: none"> — Improving service and product quality — Strengthening the quality control mechanism — Improving information security management — Conducting patient satisfaction surveys and tracking feedback
Employees	<ul style="list-style-type: none"> — Healthy and safe working environment — Protection of legal rights and interests — Employee compensation and benefits — Development prospect and training programme — Enhancing ESG publicity to raise green awareness 	<ul style="list-style-type: none"> — Strengthening safety supervision — Complying with laws and regulations — Optimising the remuneration and welfare system — Establishing the professional training mechanism — Written comments and responses

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Type of Stakeholders	Expectations and Concerns	Communication and Response
Investors/ shareholders	<ul style="list-style-type: none"> — Return on investment — Corporate governance — Steady operation — Information disclosure 	<ul style="list-style-type: none"> — Improving profitability — Publishing corporate governance reports and related announcements on a regular basis — Strengthening risk control — General meetings and official website of the Group
Government and regulatory authorities	<ul style="list-style-type: none"> — Compliance in the course of operation — Integrity construction — Responsible marketing 	<ul style="list-style-type: none"> — Complying with local laws and regulations and being subject to supervision — Optimising internal control system — Adhering to compliance publicity
Suppliers and hospital partners	<ul style="list-style-type: none"> — Fair and open procurement — Win-win cooperation among upstream and downstream players — Supply chain risk management — ESG due diligence and responsible investment 	<ul style="list-style-type: none"> — Tender invitation — Supplier satisfaction surveys, telephone discussions, face-to-face meetings, and on-site surveys — Standardised supplier management — Industry seminars
Community	<ul style="list-style-type: none"> — Participating in community activities and social welfare activities — Protecting the community environment — Promoting inclusive medical services 	<ul style="list-style-type: none"> — Carrying out public welfare activities — Practising green operation — Providing professional medical services
Industry associations	<ul style="list-style-type: none"> — Promoting the industry development and progress — Fulfilling environmental and social responsibilities — Enhancing the Group's reputation and patients' trust 	<ul style="list-style-type: none"> — Seminars — Standard formulation — Questionnaires or online engagement

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Case Sharing — Hygeia Healthcare successfully held the 2022 annual general meeting

On 28 June 2023, Hygeia Healthcare held the 2022 annual general meeting in Shanghai in accordance with the Rules Governing the Listing of Securities on the Stock Exchange, the shareholders and shareholder representatives present at the meeting duly approved eight resolutions by poll, including reviewing the annual financial report, the directors' report and the auditors' report, declaring the final dividend, authorising the Board to determine the remunerations of directors, appointing auditors and re-electing certain directors. The directors and management of the Company also had in-depth communication with shareholder representatives on issues including the Group's development strategy, countermeasures to the new regulations, potential for the promotion of management capacity, and future business planning.

Case Sharing — Hygeia Healthcare gained recognition from various authoritative institutions

On 24 February 2023, the Group was successfully listed as one of the "Top 50 Hong Kong Stocks" in the "10th Top 100 Hong Kong Stocks".

香港100強		關於我們 ▾ 百強評選 ▾ 研究中心 ▾ 媒體中心 ▾ 活動贊助 ▾					
香港上市公司 港股100強評選							
科技股20強	13	1898	中煤能源	63.96%	0.3400	174.86%	0.3386
醫藥股25強	14	1088	中國神華	43.71%	0.1691	43.96%	-0.0002
生物科技股15強	15	6049	保利物業	34.16%	0.0885	25.56%	-0.0478
ESG卓越企業獎	16	1053	重慶鋼鐵股份	62.72%	0.3295	256.22%	0.5492
特設獎項	17	857	中國石油股份	35.19%	0.0972	384.95%	0.8824
	18	6078	海吉亞醫療	65.17%	0.3503	159.55%	0.2990
	19	883	中國海洋石油	58.40%	0.2931	181.78%	0.3565
	20	639	首鋼資源	77.03%	0.4503	135.04%	0.2355

On 21 April 2023, the Group was awarded the "New Fortune Best IR Hong Kong-listed Company" (A+H) Award, which demonstrated the recognition of the Group's efforts in maintaining investor relations. The Group has always attached great importance to maintaining investor relations since its listing and is committed to cherishing the honour and further strengthening the management of investor relations.

第六届新财富最佳IR港股公司 (H股)

证券代码

06078.HK

证券简称

海吉亚医疗

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Materiality Assessment

Materiality assessment allows the Group to comprehensively identify ESG related risks and opportunities that may have significant impacts on its business through the perspectives of different stakeholders, collect their feedback and incorporate their opinion into the business decision-making process. The Group generally conducts materiality assessment and identifies material ESG-related issues through annual stakeholder survey and internal audit.

In FY2023, the Group maintained active engagement with its stakeholders and engaged a third party to conduct a materiality assessment survey. The key stakeholder representatives were invited to participate in this survey to determine the materiality of the ESG issues. Through collecting responses to the questionnaire, the Group formulated a materiality assessment matrix, which the Board has reviewed and endorsed as the Group's materiality assessment results for FY2023. The management of the Group defines the key points disclosed in this ESG report and makes disclosure in different sections based on the feedback and suggestions from stakeholders and the results of the materiality assessment.

The Group adopts a stepwise process for identification, prioritisation and validation to ensure the relevant sustainability topics are being managed and reported in accordance with their materiality.

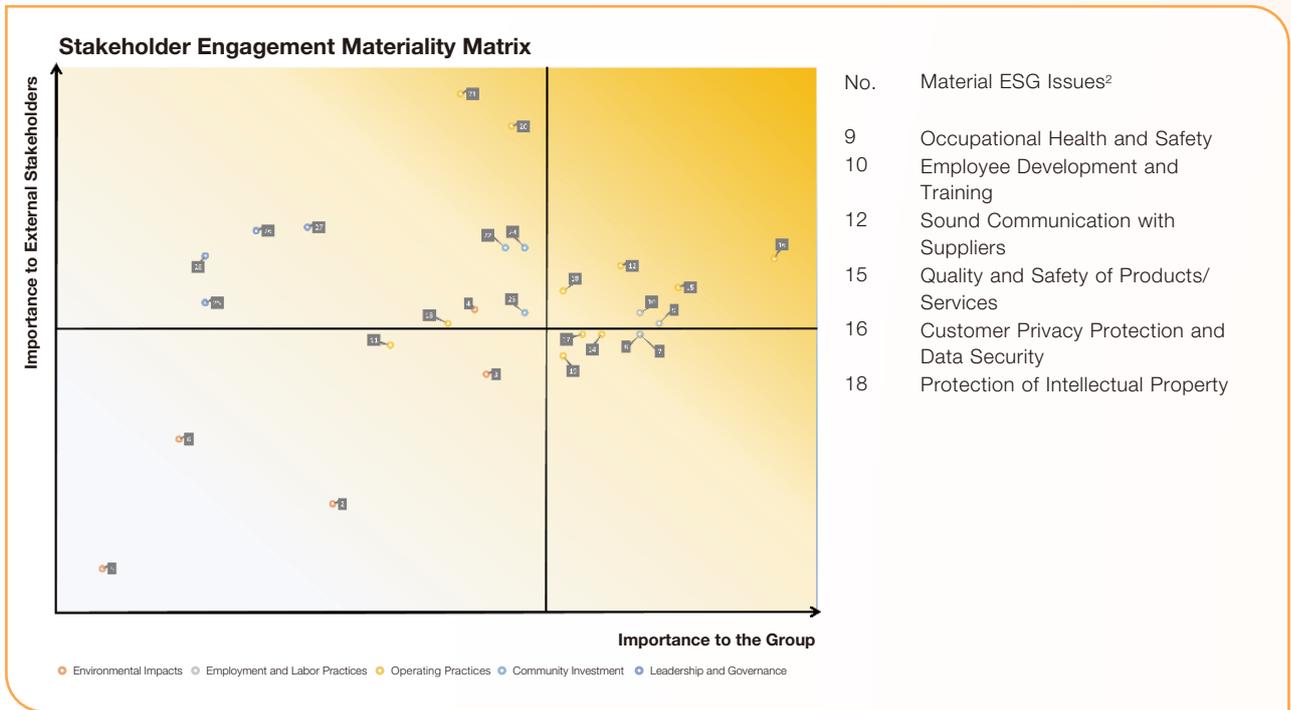
(1) Identification

With reference to the ESG Guide and internationally recognised reporting frameworks, a list of 28 fundamental ESG topics was identified under the latest sustainability landscape, which were recognised as having potential environmental and social impacts in the Group's operations. Material issues cover various aspects such as environmental impact, employment practice, supply chain management model, product responsibility control, implementation of anti-corruption policies, community investment, leadership and governance.

(2) Prioritisation

The Group selects internal and external stakeholder representatives to participate in the survey based on their influence and reliance on the Group, which include the Group's internal management and employees of each business segment, as well as external representatives, including patients, suppliers, investors and professional organisations. Stakeholder representatives give their rating against the list of issues by filling out an online questionnaire. The material topics are then analysed, prioritised, and mapped on the materiality matrix below to reflect the materiality ESG issues that received the most attention.

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(3) Validation

The results of the materiality assessment are reviewed and validated by the Board to ensure that they reflect the actual concerns of stakeholders on ESG-related issues, which enables the Group to develop appropriate and effective management policies and plans for the material ESG-related issues identified.

Through such materiality analysis, the Group gathers the opinions of stakeholders, identifies the following issues as the key ESG issues for the Group and its stakeholders, and responses in respect of the Group's management policies and performance for such issues.

2 Other less important issues include: 1. Greenhouse Gas Emissions; 2. Energy Management; 3. Water Resource and Wastewater Management; 4. Solid Waste Management; 5. Mitigation of and Adaptation to Climate Change; 6. Renewable and Clean Energy; 7. Labor Rights; 8. Employee Remuneration Conditions and Benefit Policy; 11. Green Procurement; 13. Environmental and Social Risks Management of Supply Chain; 14. Supply Chain Resilience to External Risks; 17. Marketing and Promotion; 19. Labelling Issues Related to Products/Services; 20. Business Ethics and Anti-corruption; 21. Internal Appeal Mechanism; 22. Participation in Charitable Activities; 23. Promoting Local Employment; 24. Supporting Local Economic Development; 25. Adaptability and Resilience of Business Models to Environmental, Social, Political and Economic Risks and Opportunities; 26. Response to and Management of Changes in Legal and Regulatory Environment (Legal Compliance Management); 27. Capabilities of Emergency and Risk Response; 28. Systematic Risk Management (e.g. financial crisis)

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Occupational Health and Safety

As a medical group, the Group puts the occupational health and safety of its employees as top priority and strictly abides by the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Regulation on Work-Related Injury Insurance (《工傷保險條例》), the Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases (《中華人民共和國傳染病防治法》) and other laws, regulations and standards. The Group also implements its internal policies, including the Management System for Occupational Health and Safety Protection of Medical Personnel (醫務人員職業健康安全防護管理制度), the Health Management System for Radiation Workers (輻射工作人員健康管理制) and the Procedures on Handling Occupational Respiratory Exposure (呼吸道職業暴露後的處置流程), to ensure the health and safety of its employees. For more details, please refer to section headed **B.2 Health and Safety**.

Employee Development and Training

As a responsible employer, the Group strives to continuously enrich its talent pool through internal cultivation and external recruitment. The Group complies with relevant laws and regulations, including the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), and continues to update and improve its internal systems, such as the Staff Remuneration System (《員工薪酬制度》) and Staff Welfare System (《員工福利制度》). The Group strives to provide competitive remuneration packages and attractive promotion opportunities for its employees, aiming to attract and retain more talents. In addition, the Group organises training on professional knowledge and management skills for its employees by establishing Hygeia Healthcare Teaching and Researching Institute to provide them with career development opportunities. For more details, please refer to section headed **B.3 Development and Training**.

Supply Chain Management

The Group adheres to responsible sourcing and strictly complies with the requirements of laws and regulations such as the Law of the People's Republic of China on the Administration of Drugs (《中華人民共和國藥品管理法》), the Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》), the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), and the Measures for the Supervision and Administration of Medical Device Operation (《醫療器械經營監督管理辦法》). It also formulates and implements various internal systems such as the Drug Procurement Management System (藥品採購管理制度), the Supplier Qualification Review Management System (供應商資質審核管理制度) and Supplier Management Procedures (供方管理程序). The Group also maintains sound communication with suppliers through diversified channels and regulates the admission and evaluation of suppliers to ensure the quality of medical products and services. Please refer to the section headed **B.5 Supply Chain Management** for more details.

Quality and Safety of Medical Products and Services

Adhering to the philosophy of "making healthcare services more accessible and affordable and making life healthier", the Group regards the patients' needs as its top priority. The Group strives to serve patients in strict accordance with internal and industry-recognised processes. Specifically, all hospitals under the Group operate outpatient services during holidays, and some hospitals implement round-the-clock outpatient services during designated periods to cater for the needs of different groups. The Group established a Quality Control Committee to effectively control the quality of medical treatment services and medicine safety in all hospitals, aiming to fulfil its commitment to provide high-quality services to all patients. The Group actively listens to its customers through service feedback and customer satisfaction surveys, while also investing in research and development of advanced technologies and equipment to meet customers' needs to the greatest extent. Please refer to the section headed **B.6 Product Responsibility** for more details.

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Patient Privacy Protection and Data Security

The Group strictly abides by the laws and regulations of the People's Republic of China to protect patients' privacy and relevant data security. The Group strives to minimise the risk of data leakage by signing international confidentiality agreements, strengthening the awareness of data protection, and optimising the platform management system. Please refer to the section headed **Patients' Privacy and Information Security Management System under B.6 Product Responsibility** for more details.

Protection of Intellectual Property

In line with transparent and ethical business practices, the Group has always focused on the protection of intellectual property and complied with requirements including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and the Enterprise Intellectual Property Management (《企業知識產權管理規範》). The Group also formulates and implements strict internal policies to fully safeguard enterprise intellectual properties. Recognising the importance of intellectual property protection in promoting innovation in the medical industry, the Group is committed to protecting its own rights and interests from infringement while firmly eliminating any behaviour that violates the intellectual property rights of others. Please refer to the section headed **Product service innovation and intellectual property rights under B.6 Product Responsibility** for more details.

Stakeholders Feedback

The Group strives for excellence and welcomes stakeholders' feedback and advice on its ESG management and performance, especially under the topics listed as the most important issues in the materiality assessment. Readers are welcome to contact the Group via the following:

Address: Suites 702–707, Enterprise Square, No. 228 Meiyuan Road, Jing'an District, Shanghai

E-mail address: IR@hygeia-group.com.cn

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V. ENVIRONMENTAL SUSTAINABILITY

The Group believes environmental sustainability is fundamental to maintaining long-term stable business operations. Under the principle of “Prioritising ecological and green development”, the Group minimises its carbon footprint and environmental impacts during daily operations by actively improving the resources consumption efficiency, strengthening waste management, and exploring green building.

The Group is committed to strictly controlling its emissions and managing resource consumption. In FY2023, the Group complied with the environmental laws and regulations of the People’s Republic of China (the “**PRC**”) during daily operation, including but not limited to:

- Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》);
- Law of the People’s Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》);
- Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》);
- 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》);
- Regulations on the Safety and Protection of Radioisotopes and Radiation Devices (《放射性同位素與射線裝置安全和防護條例》);
- Law of the People’s Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》);
- Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》);
- Classification and Management Directory of Environmental Impact Assessment of Construction Projects (《建設項目環境保護分類管理名錄》);
- Discharge Standard of Water Pollutants for Medical Organizations (《醫療機構水污染物排放標準》);
- Regulations on the Administration of Medical Wastes (《醫療廢物管理條例》);
- Odor Pollutant Emission Standard (《惡臭污染物排放標準》);
- Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》); and
- Standard for Pollution Control on Medical Waste Treatment and Disposal (《醫療廢物處理處置污染控制標準》).

This section mainly discloses the Group’s policies, practices and quantitative data in relation to emissions, use of resources, environment and natural resources and climate change for FY2023.

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A.1 Emissions

In FY2023, the Group complied with and did not violate any laws and regulations that had significant impacts on the Group during daily operation, including air and greenhouse gas (“GHG”) emissions, discharge of pollutants into water and land, discharge of hazardous and non-hazardous wastes and noise. The Group adheres to the concept of “lucid waters and lush mountains are invaluable assets” and regulates the emissions of wastewater and waste generated during operations as well as medical radiation sources in a standardised manner through the formulation and implementation of internal policies and measures such as the Medical Waste Management System (醫療廢物管理制度) and the Hospital Sewage Management System (醫院污水管理制度). Meanwhile, the Group actively improves energy efficiency and resource recycling to reduce the environmental impact of its operation. Each hospital of the Group establishes dedicated departments and working groups which are responsible for the daily management and regular monitoring of the potential impact arose from operations under the regulatory requirements and the Group’s internal policies. In particular, each hospital office is responsible for overseeing the treatment of wastewater and the disposal of medical waste under the guidance of local environmental and public security departments.

Due to the nature of the Group’s business, the air emissions of the Group, including sulphur oxides (“SO_x”), nitrogen oxides (“NO_x”) and particulate matter (“PM”), mainly arose from the use of self-owned business vehicles and the use of natural gas by the hospitals. In FY2023, the Group generated 14.1 kg of SO_x, 1,397.7 kg of NO_x and 204.9 kg of PM, respectively.

In addition, the total GHG emissions of the Group in FY2023 were 37,109.5 tonnes carbon dioxide equivalent (“tCO₂e”), with an intensity of approximately 0.07 tCO₂e per square meter, which mainly arose from the consumption of diesel and gasoline by vehicles, the use of natural gas and indirect emissions from the electricity purchased during operations. The Group generates a certain amount of solid waste and wastewater during its operations. In FY2023, the Group generated a total of 7,263.0 tonnes of solid waste, in which 930.4 tonnes were medical waste and other hazardous solid waste. The Group discharged a total of 935,030.5 m³ of wastewater. Table 1 below summarises the Group’s total emissions for FY2023.

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Table 1 — Total Emissions of the Group by Category in FY2023 ^{6, 7}

Category of Emissions	KPIs	Unit	Emissions in FY2023	Intensity in FY2023 (Unit/m ²) ¹
Air Emissions²	SO _x	kg	14.1	2.5×10 ⁻⁵
	NO _x	kg	1,397.7	2.5×10 ⁻³
	PM	kg	204.9	3.6×10 ⁻⁴
GHG Emissions	Scope 1 ³ (Direct Emissions)	tCO ₂ e	2,680.5	4.7×10 ⁻³
	Scope 2 ⁴ (Energy Indirect Emissions)	tCO ₂ e	33,629.4	5.9×10 ⁻²
	Scope 3 ⁵ (Other Indirect Emissions)	tCO ₂ e	822.5	1.4×10 ⁻³
	GHG Reduction from Planting Trees	tCO ₂ e	22.8	—
	Total Emissions (Scope 1, 2 and 3)	tCO ₂ e	37,109.5	0.07
Solid Waste and Wastewater	General Non-hazardous Solid Waste	tonnes	6,332.6	1.1×10 ⁻²
	Medical and Other Hazardous Solid Waste	tonnes	930.4	1.6×10 ⁻³
	Wastewater (General Non-hazardous Domestic Wastewater and Medical Wastewater)	m ³	935,030.5	1.6

- The emission intensity for FY2023 was calculated by dividing the amount of air, GHG or other emissions generated by the Group in FY2023 by the weighted average gross floor area of the Group in FY2023;
- The Group's air emissions only included air pollutants from the exhaust gas emitted by the Group during the use of its business vehicles and stationary combustion during the operation in FY2023. In FY2023, the Group further enhanced the scope of data collection to include emissions from heat supply into the calculation;
- The Group's Scope 1 (direct emissions) included only the GHG emissions arose from the consumption of fossil fuels for its business vehicles and the emissions generated from the use of natural gas and the process of heat supply;
- The Group's Scope 2 (Energy Indirect Emissions) included only the GHG emissions arose from electricity purchased;
- The Group's Scope 3 (Other Indirect Emissions) included only the GHG emissions arose from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments, and the GHG emissions generated from employees' business air travel;
- The scope of environmental data collection covers the operating premises of and the use of business vehicles by Shanxian Hygeia Hospital, Suzhou Canglang Hospital, Suzhou Yongding Hospital, Chongqing Hygeia Hospital, Longyan Boai Hospital, Hezhou Guangji Hospital, Heze Hygeia Hospital, Chengwu Hygeia Hospital, Kaiyuan Jiehua Hospital, Anqiu Hygeia Hospital, Liaocheng Hygeia Hospital, Chang'an Hospital and Yixing Hygeia Hospital of the Group. The methodology used in the GHG emissions reporting above is based on the "How to prepare an ESG Report?-Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and
- Chang'an Hospital and Yixing Hygeia Hospital were newly purchased in FY2023. This performance table only covered the emissions of Chang'an Hospital from September to December 2023 and the emissions of Yixing Hygeia Hospital from June to December 2023.

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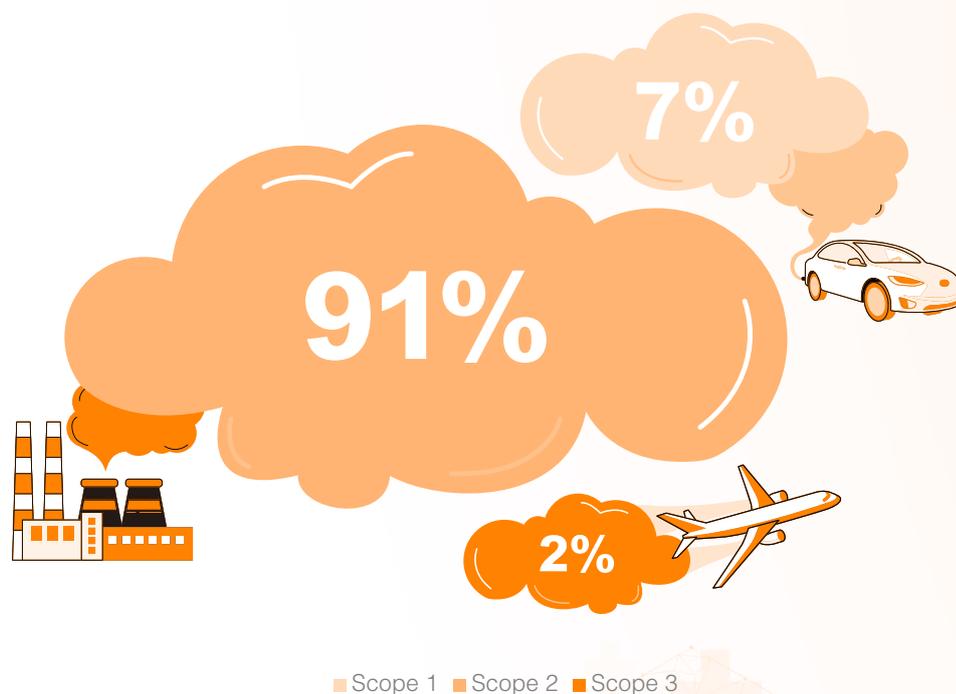
Air emissions

The air emissions generated by the Group mainly come from the exhaust gas emitted by vehicles and emissions from stationary combustion during the operations. In FY2023, the Group mainly used diesel and gasoline as the power source for vehicles, while natural gas was used for boiler operation and heating in various hospitals. Compared with that of the financial year ended 31 December 2022 (“FY2022”), the intensity of NO_x and PM emission decreased by 11% and 1% respectively.

In response to the national call for energy conservation and emission reduction, the Group has developed related policies and measures to monitor and control the use of its business vehicles, aiming to reduce the associated air emissions. Air emissions from the Group’s sewage treatment stations are discharged after activated carbon adsorption treatment. Meanwhile, the Group engages a third party to conduct inspections on the exhaust emissions of its boilers and sewage stations on a quarterly basis to ensure that the air emissions are up to standards. The Group prioritises using natural gas and other clean energy as the sources of heating in winter. To detect and deal with any leakage problems promptly, an environmental inspection team is established to conduct safety inspections of the natural gas boilers, ensuring that the emissions pass the emission certifications of national environmental protection authorities.

GHG emissions

In FY2023, the Group’s GHG emissions mainly came from the use of business vehicles, boiler operations, and electricity purchased. Compared with that of FY2022, the intensity of the total GHG emissions of the Group increased by 8% in FY2023, which was mainly due to the expansion of the Group’s business landscape with more hospitals under its administration after the Pandemic. During the year under review, Scope 2 emissions (indirect energy emissions) from the purchased electricity dominated the Group’s GHG emissions, contributing to more than 90% of the total GHG emissions.

GHG Emission Pattern in FY2023

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In response to the national carbon neutrality commitment by 2060, the Group is dedicated to being the low carbon transformation pioneer in the industry. To further reduce Scope 1 direct emissions, the Group advocates green travel by promoting and fostering good driving habits among drivers to avoid idling engines. The Group plans to gradually replace high-energy consumption vehicles in its fleet with more environmentally friendly models to improve energy efficiency. To better manage electricity consumption, the Group regularly supervises and maintains electrical appliances to ensure optimal functioning while choosing energy-saving equipment as alternatives to high electricity consumption equipment.

In addition, the Group pays attention to monitoring other indirect GHG emissions, including Scope 3 emissions arising from water consumption, wastewater discharge, and business air travel, aiming to minimise the Group's carbon footprint.

The Group supervises and manages energy consumption in all hospitals under the Group through the General Logistics Department to accelerate the realisation of carbon reduction targets. To reduce emissions from source and mitigate the relevant daily environmental risks, the Group has formulated and implemented a series of internal measures, and the related policies will be further explained in the subsection headed "Energy Resources" below.

Wastewater

Wastewater discharged by the Group during the reviewing period included domestic and medical wastewater generated during its operations. The Group's hospitals established the sewage treatment stations in accordance with relevant national requirements with the pollutant discharge permits. To strictly control the quality of sewage, the Group follows standards such as the Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》), Measures for Administration of the Permit for Discharging Urban Sewage into Drainage Pipelines (《城鎮污水排入排水管網許可管理辦法》), Technical Specifications for Hospital Sewage Treatment (《醫院污水處理工程技術規範》), Discharge Standard of Water Pollutants for Medical Organisation (《醫療機構水污染物排放標準(GB 18466-2005)》) and Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城鎮下水道水質標準(GB/T31962-2015)》) to conduct scientific treatment of wastewater, including pre-treatment, primary intensive treatment, secondary treatment, simple biochemical treatment, and disinfection treatment. Meanwhile, the Group cooperates with a third party to test the wastewater before it is discharged into the municipal pipe network to ensure it follows the national and local standards of water pollutants. The sewage stations of the hospitals are equipped with flow meters for stringent monitoring of sewage discharge, which is connected to the environmental bureau.

The intensity of domestic wastewater and medical wastewater discharged in FY2023 decreased by 13% compared to FY2022. As the amount of wastewater mainly depends on the amount of water consumption, the Group encourages its employees to emphasise the conservation and reuse of water resources. The Group has formulated and implemented policies and specific measures to enhance water efficiency. Specific measures will be further explained in the subsection headed "Use of Water" below.

Solid Waste

The solid waste generated by the Group was mainly medical waste and non-hazardous waste. According to the Medical Waste Classification Catalogue (《醫療廢物分類目錄》) promulgated by the National Health Commission, the Group implements classification management for medical waste, including infectious waste, damaged waste, chemical waste, pathological waste, pharmaceutical waste and infectious epidemic-related waste. To promote efficient and safe medical waste management, each hospital of the Group sets up a dedicated leading group for waste management, which is responsible for formulating specific and comprehensive medical waste treatment processes and emergency plans covering the storage, collection, handover, transportation, recycling, and disposal of medical waste. The classified medical waste, including waste activated carbon and sludge, will be collectively recycled, and treated by a qualified third party. In FY2023, the intensity of medical waste and non-hazardous waste generated by the Group dropped 20% compared with the previous year.

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The Group has adopted internal measures to standardise the process of selecting third party for waste treatment, including:

- Require waste treatment companies to provide legal permits issued by local governments or environmental protection agencies to ensure their operations comply with local environmental regulations.
- Clarify the requirements for waste treatment in the contract, covering the collection, transportation, treatment, reporting and compliance, and standardise the responsibilities and obligations of both parties.
- Require the qualified third party to provide reports regularly covering information on the quantity, types and treatment methods of the waste handled, to effectively monitor and control the waste disposal.

Additionally, the infection management departments are responsible for providing training to staff engaged in medical waste treatment, including knowledge of laws, professional skills, safety protection and emergency treatment, aiming to strengthen the professional skills and the sense of responsibility of frontline staff. The Group also actively explores practicable ways to reduce medical waste, such as replacing the infusion bags with plastic-reduced packaging.

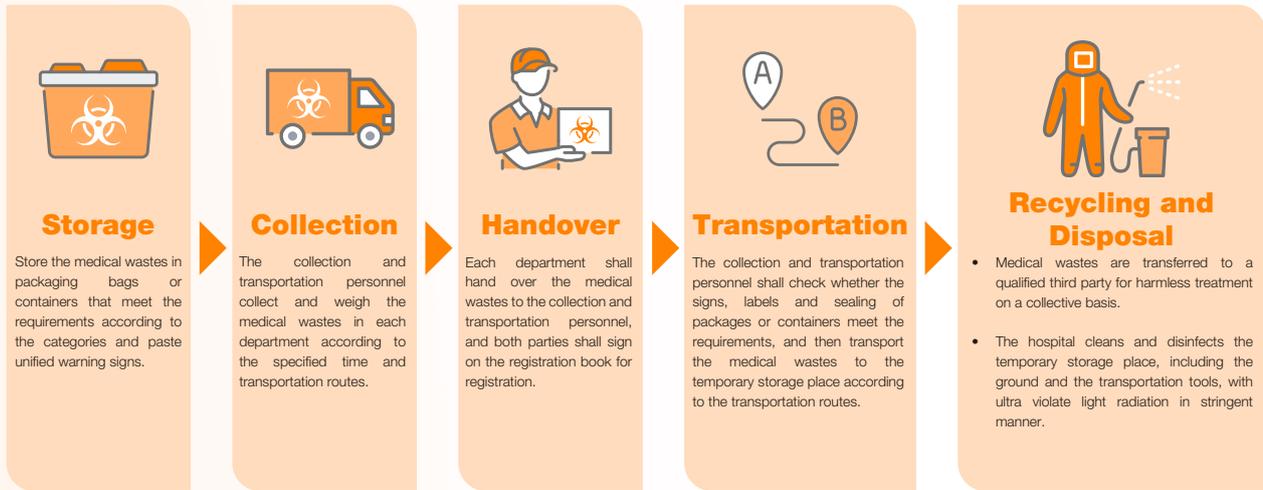
In FY2023, the non-hazardous solid waste of the Group mainly consisted of plastics, glass and metals. The Group adopts a sustainable waste management model and develops clear policies and procedures to ensure the proper management and recycling of non-hazardous waste.

- The national initiatives and requirements for waste classification system are clearly defined and waste separation bins are deployed to encourage waste separation at source.
- Provide guidance on the proper handling of recyclable waste through bulletin board postings, meetings, and electronic devices.
- Non-hazardous solid waste is managed by the property management service providers of the hospitals, placed in a centralised manner by designated persons and at designated places, and eventually collected and handled by a third party.

In FY2023, the Group recycled approximately 168.4 tonnes of waste, including approximately 71.9 tonnes of plastic, 52.8 tonnes of glass, 2.7 tonnes of metals and 41.0 tonnes of other types of waste.

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Medical Wastes Treatment Process



Medical Radiation

In compliance with the Law of the People's Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》), the Regulations on the Safety and Protection of Radioisotopes and Radiation Devices (《放射性同位素與射線裝置安全和防護條例》), the Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》) and other applicable laws, regulation and regulatory requirements, the Group is committed to implementing radiation monitoring and protection in all sites with medical radiation. To safeguard its staff and reduce environmental pollution, each hospital of the Group, under the supervision and guidance of local environmental protection and public security departments, conducts pre-evaluation, control effect evaluation and environmental impact assessment of radiation occupational disease hazards for the sites with large radioactive equipment. Through these impact assessments, the Group ensures the wall thickness of the radiation sites meets the standard, and the lead doors, lead screens and other protective equipment are adequately equipped.

In addition, the Group has formulated and implemented internal systems such as the Periodic Equipment Inspection Plan (設備周期性檢測方案) to regularly monitor and evaluate the radiation intensity of radiation sites, so as to strictly control the radiation pollution hazards and risks thus maintaining a safe environment. Meanwhile, the Group's hospitals have successively introduced emergency plans and actions on radioactive sources to address potential emergencies.

The hospitals of the Group strictly follow the national and local requirements for the management of solid, gaseous and liquid radioactive waste. Taking minimising the generation of radioactive waste as the priority, the hospitals safely separate, collect and address the radioactive waste based on factors such as the type, half-life period, physical and chemical properties of the nuclide.

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A.2 Use of Resources

In FY2023, the main resources consumed by the Group were electricity, diesel, gasoline, natural gas, water and raw materials required for the expansion and refurbishment of hospitals. The Group actively explores the application of renewable energy and some hospitals of the Group use solar energy for part of the hot water supply. To advocate circular economy, accelerate green transformation and fully implement the requirements of policies related to energy saving and emission reduction, the Group placed greater emphasis on building an energy-saving enterprise in FY2023 and endeavoured to improve energy efficiency to avoid excessive consumption and waste of resources. The intensity of raw materials used for renovation and expansion of the Group's hospitals significantly reduced by 71%, demonstrating the Group's efforts to create low-carbon and environmentally friendly projects while improving hospital development. The Group's operations only involve the use of a small amount of packaging materials, therefore relevant matters are deemed not material to the Group, thus not disclosed in this ESG report. Table 2 below illustrates the Group's consumption of different resources in FY2023.

Table 2 – Total Consumption of Key Resources by the Group in FY2023⁷

Use of Resources	KPIs	Unit	Total Amount in FY2023 ¹	Intensity in FY2023 (Unit/m ²) ²
Non-renewable Energy³	Electricity	kWh'000	55,121.1	0.1
	Diesel	kWh'000 (liter)	1,111.5 (103,844.3)	2.0x10 ⁻³ (0.2)
	Gasoline	kWh'000 (liter)	1,535.7 (158,456.8)	2.7x10 ⁻³ (0.3)
	Natural Gas	kWh'000 (m ³)	8,933.6 (824,639.3)	1.6x10 ⁻² (1.4)
	Heat Supply ⁴	kWh'000 (m ³)	2,439.3 (225,166.9)	4.3x10 ⁻³ (0.4)
	Total		kWh'000 69,141.1	0.1
Renewable Energy⁵	Solar Energy	kWh'000	100.0	1.8 x10 ⁻⁴
Water	Water	m ³	999,483.0	1.8
Others	Paper	tonnes	88.3	1.5x10 ⁻⁴
	Raw material ⁶	tonnes	133,655.1	0.2

- The energy consumption in FY2023 covers the resources consumed by the operating premises of and the use of business vehicles by Shanxian Hygeia Hospital, Suzhou Canglang Hospital, Suzhou Yongding Hospital, Chongqing Hygeia Hospital, Longyan Boai Hospital, Hezhou Guangji Hospital, Heze Hygeia Hospital, Chengwu Hygeia Hospital, Kaiyuan Jiehua Hospital, Anqiu Hygeia Hospital, Liaocheng Hygeia Hospital, Chang'an Hospital and Yixing Hygeia Hospital of the Group;
- The resource consumption intensity for FY2023 is calculated by dividing the amount of resources consumed by the Group in FY2023 by the weighted average gross floor area of the Group in FY2023;

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3. The unit conversion of energy data is based on the Energy Data Handbook (能源數據手冊) issued by the International Energy Agency and the conversion factor of total calorific value in "How to prepare an ESG Report?-Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange;
4. In FY2023, the Group further enhanced the scope of data collection to include energy consumption for heat supply into the calculation;
5. The Group used solar energy for part of the hot water supply of Hezhou Guangji Hospital in FY2023;
6. Raw materials are mainly used for the renovation and expansion of the Group's hospitals, including plastic, wood, steel, soil, concrete, stone and copper materials; and
7. Chang'an Hospital and Yixing Hygeia Hospital were newly purchased in FY2023. This performance table covered only the resources consumption of Chang'an Hospital from September to December 2023 and the resources consumption of Yixing Hygeia Hospital from June to December 2023.

Energy Resources

In FY2023, the electricity consumption of the Group mainly came from the daily operations of the hospitals, including the lighting system, air conditioning system, power system and equipment of each business unit. Boilers and heat supply are the major sources of natural gas consumption, while diesel and gasoline are mainly consumed by business vehicles. With the implementation of green practices across the Group, the intensity of gasoline consumption in FY2023 decreased by 30% compared with FY2022.

To create a low-carbon efficient working environment and operation model, the Group has developed and strictly implemented various internal policies such as the Management System for Procurement and Use of Office Supplies in Hospitals (醫院辦公用品採購及領用管理制度) and the Management Measures for Strengthening Electricity Conservation and Controlling Energy Consumption to Eliminate Wastes (關於加強節約用電控制能耗杜絕浪費管理辦法). The internal policies also require all hospitals to formulate specific annual energy-saving plans and targets, as well as standardising the purchase and use of office supplies and other resources.

Formulating standard systems	— Regulate the procurement process and use of office supplies through the establishment of strict management system to reduce waste, and sourcing green materials to replace traditional products, achieving the goal of green office.
	— Each hospital formulates annual work plans and targets to encourage all employees to save energy. The logistics department is responsible for conducting monthly inspections of energy conservation plans in each department to ensure the effective implementation.

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Reducing waste of resources	– Strictly enforce fleet maintenance programmes to ensure the optimal functioning of the vehicle and explore opportunities for more efficient energy sources.
	– Maximise the use of natural light and sensory lighting for illumination.
	– Prioritise the procurement of energy-efficient equipment and control the temperatures of air-conditioning and elevator operating time.
	– Use water circulation system and conduct regular pipeline cleaning to increase the smoothness of water circulation, achieving the best performance in water conservation.
	– Promote reuse of resources, set up recycling points, and strengthen resource classification, aiming to reduce resource waste from the source.
	– Office supplies shall be applied for, registered, compared and analysed on a regular basis to control their consumption throughout the hospital.
	– Logistics personnel on duty and security personnel conduct dynamic inspections to eliminate energy waste behaviour.
Enhance publicity of green awareness	– Hold monthly meetings for energy conservation to discuss areas for improvement and enhance energy conservation awareness among all staff.
	– Promote conservation awareness in the daily management of the departments and the meetings of the hospitals, and regularly carry out practical training on energy conservation to emphasise the importance of energy conservation and emission reduction.

Use of Water

The water consumption of the Group mainly arises from the daily drinking water of patients, their family members and employees, the water for medical purposes and the water consumed by central air-conditioners. In FY2023, the Group did not face any issues in sourcing water that is fit for its purpose. During the year under review, the intensity of the Group's water consumption decreased by 16% compared with the previous year, which was mainly attributed to the implementation of practices and measures to promote water conservation and sustainable development.

Given the increasing pressure on water scarcity around the world and particularly in China, the Group actively responds to the spirit of the 14th Five-Year Plan for the Construction of a Water-Saving Society (《「十四五」節水型社會建設規劃》), striving to adhere to its responsibility of water conservation and advocating the concept of water conservation to all its staff. Each of the Group's hospitals formulates water conservation mechanisms, policies and targets based on its circumstances, and the general duty office of the hospitals conduct inspections of the public areas and departments of the hospitals on a daily basis. During the year under review, the Group strictly adhered to the "3R principles — reduce, reuse and recycle" in daily operations and implemented the following measures:

- Educate all employees on responsible water use and provide regular training on water-saving practices;
- Conduct regular leakage inspections on faucets, connection points and other defects in water supply system;

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- Select water-saving appliances such as sensor faucets;
- Implement technical applications to improve the utilisation efficiency of water resources, including flow controllers, low flow flushing and rainwater recycling systems; and
- Track water conservation progress to motivate employees to make ongoing improvements.

Paper

Paper consumed by the Group is mainly used for its administrative work. To further regulate the water usage habits of employees and reduce paper consumption, the Group continues to promote the concept of paperless and automated office operations, advocating green and low-carbon operations. In FY2023, the Group took the following measures to effectively manage paper consumption, including:

- Encourage the use of digital means, such as email, for document storage, communication and information dissemination;
- Post signs to remind staff to avoid unnecessary printing;
- Set duplex photocopying as the default mode for most network printers;
- Implement electronic medical records and electronic office approval system;
- Encourage patients to use electronic means to obtain invoices and other document;
- Prioritise the procurement and the use of environmentally friendly paper for printing; and
- Reuse the paper of non-confidential documents and designate the location for wastepaper collection and recycling.

In FY2023, the Group recycled a total of 1,252.2 kg of paper.

Case Sharing — Suzhou Yongding Hospital accesses to the Health Cloud Imaging Platform of Jiangsu Province

In October 2023, Suzhou Yongding Hospital was successfully connected to the Health Cloud Imaging Platform of Jiangsu Province, achieving electronic medical records and sharing of medical imaging data across the hospitals in Jiangsu Province. Patients can view the medical imaging reports of previous examinations through mobile phones and other electronic devices, significantly saving time and resource consumption. Meanwhile, launching the online platform promoted the digitisation of internal procedures in hospitals, improving efficiency and reducing paper consumption for printing and archiving.

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A.3 The Environment and Natural Resources

Over the years, the Group has been striving to conduct its business in an environmentally responsible manner and adhering to applicable environmental regulations and requirements. To promote sustainable development and responsible corporate governance, the Group regularly conducts risk identification to understand and assess the impacts of its operations on the environment and natural resources. Based on the identified risks, the Group formulates solutions and accumulates the experiences to continuously reduce the potential environmental impacts of its development in a precise, scientific, legal, and systematic way. In FY2023, the impact of the Group's operations on the environment and natural resources was mainly caused by the disposal of solid waste and wastewater, as well as the potential impacts on the environment during the construction of hospital projects.

During the year under review, the Group continued its efforts in monitoring and controlling its emissions and the consumption of natural resources, aiming to create a low-carbon green working environment for all staff. To further fulfil its sustainability targets and commitments, the Group's hospitals have improved energy conservation management system by recording, tracking, analysing and summarising their energy-saving performance based on environment-related indicators. By implementing accountability systems, the Group guides and evaluates the environmental impacts and energy conservation management of all the departments across the hospitals, thereby effectively managing its environmental impacts and natural resources consumption. Specifically, the Group arranges dedicated professionals to monitor the disposal of medical waste and wastewater to ensure that the disposal process follows the instructions of the relevant documents. Meanwhile, dedicated inspection teams are set up in each hospital to carry out occasional visits and inspections on resource consumption of different departments, thereby eliminating the wastage of resources and further improving the efficiency of resource utilisation.

Besides, the Group is dedicated to accelerating the green transformation of infrastructure while maintaining high-quality of services. For instance, the Group has renovated lighting fixtures by replacing energy-intensive lamps with LED lights, so as to reduce the power consumption of lighting equipment. In response to the national call of the Development Plan of Building Energy Efficiency and Green Buildings in the "14th Five-Year Plan" (《「十四五」建築節能與綠色建築發展規劃》), the Group is committed to incorporating green building concepts into the construction projects of the new hospitals, adopting environmentally friendly materials and innovative designs. Additionally, renewable energy facilities such as solar panels will be installed in the projects to effectively control the environmental impacts during the construction and operation.

To effectively control the environmental impacts and carbon emissions arising from the construction, the Group complies with the relevant national environmental protection laws and regulations and monitors the construction process based on the specific requirements of the local government. According to the mitigation hierarchy, the Group has always regarded avoiding impact as the primary option and formulated relevant measures to reduce the environmental impacts during the construction process, including but not limited to:

- Choose green construction materials to reduce reliance on natural resources;
- Effectively manage and monitor the resources consumption to minimise waste during the construction process;

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- Develop effective waste management plans to minimise waste generated during the construction;
- Maintain the ecological environment in the surrounding areas, including afforestation and protection of flora and fauna; and
- Conduct environmental monitoring of the construction sites, implement dust control to maintain air quality, install noise barriers and arrange reasonable construction time to avoid noise pollution.

Environmental Impact Management

**Waste disposal**

- Bins are set on the construction site to collect domestic waste, which will be transported by garbage truck to a professional third party for treatment.
- Conduct regular Site inspections to ensure the tidiness of the waste disposal areas and the enforcement of waste classification.

**Sewage treatment**

- The on-site sewage is discharged into the on-site three-stage septic tank, and the canteen oil is discharged into the three-stage septic tank after being treated by a special oil separator.
- Sewage from the septic tank is uniformly treated by a professional third party.

**Noise control**

- Reasonably schedule construction time to avoid noisy operations at night or in the morning.
- Install noise barriers around the noise sources and consider using sound-absorbing materials on equipment to reduce vibration and noise pollution.
- Actively respond to the feedback of the local community and make reasonable adjustments and improvements.

**Dust control**

- The construction site is equipped with closed/enclosures and installed with dust atomisation and spraying facilities.
- Slags are transported with enclosed and covered vehicles, and vehicles and pavements on the construction site are washed with spray water.
- All bare soil on the construction site is covered by geotextiles and wet operation with dust reduction treatment is used for the earthwork excavation.
- Mixing, cutting and paint spraying in the open air are strictly forbidden, and special flue gas recovery devices are equipped for on-site welding work.
- Construction waste and dust on the construction site are cleaned up in time according to the construction progress to avoid dust.

Looking ahead, the Group endeavours to keep target-oriented and to continuously improve its environmental performance through the establishment of environment-related indicators and performance tracking, aiming to inspire its employees to put sustainable development into practice.

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Targets and Actions

Aspect	Target	Plan and Action Example
GHG Emissions	Taking FY2021 as the baseline year, to reduce the intensity of Scope 1 and Scope 2 GHG emissions by 25% by 2030	<ul style="list-style-type: none"> • Further explore the application of renewable and clean energy sources to reduce the dependence on fossil fuels • Encourage all employees to actively participate in energy conservation practices through education on energy conservation and environmental protection • Strengthen the implementation of energy usage inspections to ensure the transparency and efficiency of the Group's energy consumption
Use of water resources	Taking FY2021 as the baseline year, to reduce water use intensity by 25% by 2030	<ul style="list-style-type: none"> • Intensify the inspections on the management of water consuming appliances and conduct regular leakage tests • Advocate the installation and utilisation of rainwater harvesting system to improve the efficiency of water consumption • Educate all staff on the responsible use of water and conduct regular training on water conservation practices
Energy Efficiency	Taking FY2021 as the baseline year, to reduce total energy consumption intensity by 25% by 2030	<ul style="list-style-type: none"> • Expand the application scope of renewable energy • Encourage all employees to cultivate good habits on energy conservation through training and education • Replace power-intensive equipment with energy-efficient equipment • Encourage green transportation
Waste Management	Taking FY2021 as the baseline year, to reduce the intensity of general non-hazardous solid waste emission by 20% by 2030	<ul style="list-style-type: none"> • Enhance the waste management responsibility system, upgrade the requirements for waste classification and strengthen the monitoring of the disposal method adopted by the third party organisation

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A.4 Climate Change

With the impacts of climate change intensifying, the global decarbonisation process is entering a critical period. At the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) held in Dubai, United Arab Emirates, on 30 November 2023, participating countries reaffirmed the Paris Agreement's goal and strived to limit the temperature increase to within 1.5°C of the pre-industrial level. To accelerate its green transformation, China has incorporated the construction of ecological civilisation into its five-year plan and formulated an overall strategy for sustainable development and addressing climate challenges, emphasising the synergistic development of the economy and environment.

Guided by national approach, the Group actively promotes environmental protection and emission reduction while providing high-quality services by adhering to the red line of ecological protection, safeguarding the bottom line of environmental quality and lifting the top line of resource utilisation. To increase the Group's resilience to climate change, the Group referenced to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and the Climate-related Disclosures standard issued by the International Sustainability Standards Board ("ISSB") to further disclosed its governance processes, strategies and risk management in monitoring and managing climate-related risks and opportunities.

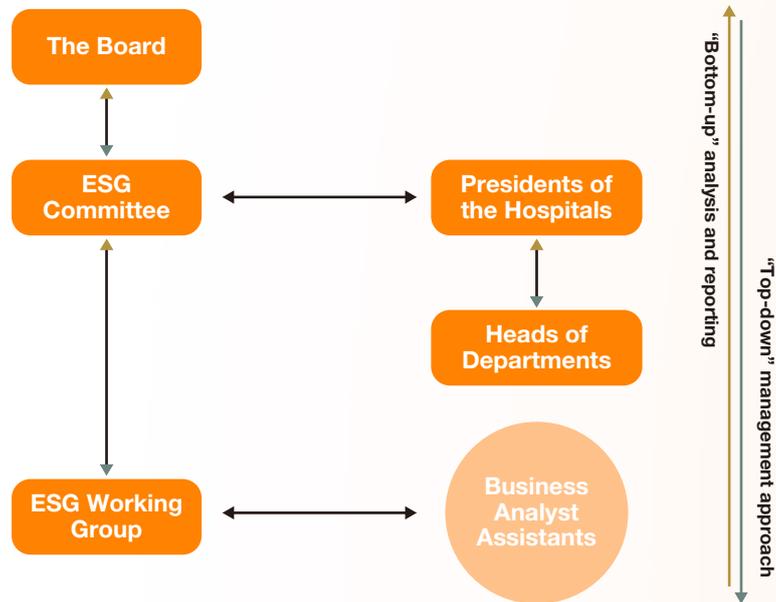
Governance Structure

As the highest governance body across the Group, the Board holds the responsibility for developing the climate strategy and overseeing the management of climate-related issues. With the support of the ESG Committee, the Board continuously monitors and updates the climate-related risks and opportunities, ensuring they are integrated into the Group's strategy.

The ESG Committee of the Group is responsible for assessing, managing and supervising climate change policies, plans and performance, and organises meetings at least twice a year to assist the Board in evaluating the effectiveness of climate strategies and initiatives. To efficiently implement the relevant policies and mechanisms, an ESG Working Group has been established under the ESG Committee to coordinate the specific work in different departments. The Board and its committees will incorporate climate-related risks and opportunities into the business strategy and targets based on the Group's historical environmental data submitted by the ESG Working Group, the implementation of historical ESG targets, and the latest industry requirements.

The president of each hospital under the Group is responsible for regular communication with the ESG Committee to report and update the progress of targets, and delegate the responsibilities to each department. The business analyst assistants of each hospital are assigned to follow up on the performance and engage with the ESG Working Group. In addition, the president and business analyst assistants hold monthly meetings to review the energy consumption and resource usage of each month and put forward recommendations for improvement in response to emerging issues. The head of each department takes responsibility for implementing appropriate mitigation and adaptation measures on climate-related issues and collects data for regular reporting. For early preparation to minimise the potential impacts of climate-related risks on its operations, all hospitals under the Group have incorporated resource conservation and other related factors into their performance appraisal, motivating all staff to actively participate in environmental practices.

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Besides receiving relevant information at ESG Committee meetings, the Group engaged with external professional consultants to ensure that the Board stays informed on the updates of climate-related standards. The Group also provides professional training to the delegated personnel to ensure they are equipped with appropriate skills to oversee the implementation of climate-related actions.

Looking forward, the Group is committed to developing specific control procedures and policies in the next financial year to monitor and manage climate-related risks and opportunities that could have significant impacts on the Group’s operations.

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Strategy

To enhance climate resilience with business growth, the Group refers to the recommendations of the TCFD to identify and summarise potential impacts of physical and transition climate-related risks and opportunities on its business operations, as shown in the table below.

Type of Risk		Analysis on Impact	Transition Plans and Opportunities
Physical risks	Increased frequency and severity of extreme weather events	<ul style="list-style-type: none"> • Extreme weather events may bring short-term (one year) to medium-term (three to five years) impacts on hospital facilities and construction, such as delays in hospital construction. • Increased frequency of extreme weather events may have short-term impacts on the timely delivery of the supply chain. • Meanwhile, extreme weather events may result in higher operating costs and unstable patient volumes, which may pose challenges to the Group's business operations. 	<ul style="list-style-type: none"> • Optimise existing and in-progress buildings and facilities to ensure the resilience of the infrastructure. For instance, equip protective slopes with deceleration belts at the garage entrances and roads to effectively prevent rainwater from flowing into the garage, and complete protective slope treatment during the construction of hospital sewage stations. • Maintain stable cooperation with multiple suppliers to avoid the risk of procurement. • Adopt energy conservation practices to improve the efficiency of energy consumption, minimise resource depletion and reduce operating costs.
	Rise of average temperature	<ul style="list-style-type: none"> • Prolonged high temperatures and heatwaves in summer may lead to a sharp rise in electricity consumption, causing electrical safety hazards. • Higher temperatures may indirectly change the transmission patterns of certain infectious diseases and extend the scope. Vulnerable groups will face significantly higher health risks because of rising temperatures, posing challenges to the operations of the Group's hospitals. 	<ul style="list-style-type: none"> • Strengthen the inspection of high power-consuming equipment during peak power consumption periods in summer to eliminate potential safety hazards, while improving the energy efficiency of buildings and promoting green building design to save energy. • Enhance disease surveillance and prevention, and raise awareness of health risks in the local community through free clinics and public health education.

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Type of Risk	Analysis on Impact	Transition Plans and Opportunities	
Transition risks	Fluctuations in energy prices	<ul style="list-style-type: none"> Fluctuations in energy prices may affect hospitals' procurement costs and the quality of healthcare services in the short to medium term. 	<ul style="list-style-type: none"> Conduct regular risk assessments of the supply chain to establish a stable supply chain system. Meanwhile, enhance the internal management and build up a certain level of storage inventory to cope with the impact of the unstable supply chain caused by emergencies.
	Rising prices of GHG emissions	<ul style="list-style-type: none"> As the national carbon emissions trading market matures, future policy requirements for carbon regulation and pricing in the medical industry may have long-term (ten years) impacts on the Group's operations. 	<ul style="list-style-type: none"> Keep in line with the national regulatory requirements, understand and improve all-round compliance, and occupy a strong position in the market. Promote comprehensive emission reduction, prepare carbon assets in advance, and reasonably offset the Group's carbon footprint through projects such as tree planting and exploration of clean energy sources.
	Replacement of existing products and services with low-carbon products and technologies	<ul style="list-style-type: none"> Purchasing green products may incur additional procurement costs or replacement costs. Construction of new hospitals with reference to green building standards may increase capital costs. 	<ul style="list-style-type: none"> Adopt energy-saving actions to improve energy efficiency, reduce resource depletion and lower operating costs. Use high-efficiency equipment in hospital construction to reduce maintenance and energy costs in subsequent operations.
	Stakeholders' concerns about the Group's low carbon development	<ul style="list-style-type: none"> Stakeholders expect the Group to take proactive management measures and enhance disclosure transparency regarding the response to climate change. 	<ul style="list-style-type: none"> Improve energy efficiency by using energy-saving lamps, and sensor faucets. Actively formulate and disclose carbon emission reduction targets and corresponding emission reduction measures to demonstrate the Group's commitment to sustainable development and responsible practices, thereby enhancing the Group's reputation and competitiveness as well as attracting a wider range of investors.

In the future, the Group is committed to conducting more specific climate scenarios analysis and regularly providing more detailed climate-related training to its staff to further improve knowledge dissemination on climate change. The ESG Committee will continuously monitor the effectiveness of the related training.

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Financial impacts of climate-related risks and opportunities

The Group analysed and summarised the financial impacts that climate-related risks and opportunities may have on the Group's business operations based on the identified climate-related risks and opportunities described above. As the Group is still at the early stage of climate-related discourse, this ESG Report only provides qualitative information about the financial impacts of climate-related risks and opportunities.

Current financial effects**Financial position**

Current assets	increase
Non-Current assets	increase
Current liabilities	increase
Non-current liabilities	increase

Financial performance

Revenue	increase
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Cash flow

	increase
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The climate-related risks and opportunities identified above are not expected to result in significant adjustments to the Group's current assets and liabilities.

Anticipated financial effects**Financial position**

Current assets	increase
Non-Current assets	increase
Current liabilities	increase
Non-current liabilities	increase

Financial performance

Revenue in short term	decrease
Revenue in medium term	increase
Revenue in long term	increase

Looking forward, the Group is committed to conducting more specific financial impact assessments of identified significant climate-related risks and opportunities in the near future.

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Risk Management

An Audit Committee is established to deliver independent advice on the effectiveness of internal control policies, financial management procedures and risk management systems, including ESG. Apart from established processes, the Group also maintains active communication with internal and external stakeholders to understand their concerns and expectations regarding identified climate-related risks and opportunities. To further monitor and manage climate-related risks, the Group integrates climate considerations into the Group's business processes and decision-making framework, thereby enhancing its business prospects during the transition to a low-carbon economy. In addition, the Group analyses the impacts of climate-related risks on different segments of the value chain and adopts targeted measures. The Group also encourages all staff to participate in the training designed by the Group to enhance their awareness and understanding of climate change, and regularly reviews and strengthens approaches for climate-related risk identification and management.

While proactively addressing climate-related risks, the Group also explores climate-related opportunities and endeavours to benefit from the opportunities brought about by the transition to a low-carbon and climate-adaptive economy. To achieve this, the Group regularly conducts assessments on climate-related opportunities and compares the probability of the return to assess the potential positive financial impacts of climate-related opportunities.

The Group has set up a clear division of labour with a sound governance structure to ensure that the action plans for environment targets are fully implemented. Since the Group's climate-related disclosure is still at the preliminary stage, the Group has not set any other specific targets for climate-related indicators expect for GHG emissions. In the future, the Group aims to allocate more resources and efforts to address climate-related risks by reviewing, adjusting and establishing more aggressive targets in the next five years.

VI. SOCIAL SUSTAINABILITY**Employment and Labor Practices****B.1 Employment**

As a medical service provider, the Group adheres to the people-oriented approach and regards its employees as the most significant assets. The Group values the contribution of every employee and is committed to creating a diverse, inclusive, and equal working environment. As of 31 December 2023, the Group had a total of 8,678 employees, including 2,728 males and 5,950 females, all of whom were located in Mainland China.

Table 3 — Total Number of Employees of the Group by Gender, Age, Position and Employment Type in FY2023¹

Unit: Number of Employees					
Gender	Age Group				Total
	30 or below	31 to 40	41 to 50	51 or above	
Male	756	803	532	637	2,728
Female	2,881	2,074	649	346	5,950
Total	3,637	2,877	1,181	983	8,678
Employment Type					
Full-time	Part-time	Other		Total	
8,238	440	0		8,678	

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Position			
General Employees	Middle Management	Senior Management and Directors	Total
7,585	996	97	8,678

- The employment-related information is based on the employment contracts entered into between the Group and its employees, which were obtained from the Human Resources Department of the Group. The methodology used for the above employment data is based on "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Legal Compliance

Since its establishment, the Group has complied with relevant laws and regulations for its employment policies, which have been continuously updated and revised. In FY2023, the Group complied with relevant laws and regulations, including the following:

- Labor Law of the People's Republic of China (《中華人民共和國勞動法》);
- Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》);
- Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》);
- Employment Promotion Law of the People's Republic of China (《中華人民共和國就業促進法》); and
- Provisions on Minimum Wages (《最低工資規定》).

To ensure the Group's employment policies align with the latest laws and regulations, the Human Resources ("HR") Department of the Group is responsible for regularly reviewing, updating and supervising the implementation of relevant employment policies within the Group. The Group puts forward specific requirements for all employees, including but not limited to:

- Comply with laws, regulations, administrative rules and regulations, as well as the Group's internal rules and labour discipline;
- Regulate labour safety and hygiene, operating procedures and working processes of employees;
- Take care of the Group's property and observe professional ethics; and
- Actively participate in the training organised by the Group to improve ideological awareness and professional skills.

The rules and regulations of the Group are generally announced through channels such as employee handbooks, internal websites, bulletin boards, employee meetings, and study seminars. All employees are required to thoroughly study and fully understand the rules and regulations formulated by the Group.

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Recruitment and Promotion

All hospitals of the Group recruit their employees independently and conclude employment contracts with them. Adhering to the principle of “Equal Competition” (公平競爭), all hospitals of the Group are required to select candidates based on their professional skills, performance and working experience. Reckoning that attracting and retaining talents is the key to maintaining competitiveness in the industry, the Group continuously enriches its staff team through internal cultivation and external recruitment. The Group has also established Staff Remuneration System (員工薪酬制度) and other related internal policies to regulate the employee recruitment and promotion process.

The qualifications and professionalism of the medical staff are crucial to ensuring high-quality of medical services. Therefore, the Group continues to standardise its recruitment process. During the recruitment process, key information of the candidate, such as identity card, graduation certificate, practising certificate, qualification certificate and professional title certificate, is carefully reviewed to prove the authenticity and validity of the documents. Medical professionals are required to possess medical-related qualification certificates and professional title certificates before taking up their positions. The Group adopts an employment system for the management of multi-site practice specialists in its hospitals, which requires the specialists to complete the multi-site practice filing in accordance with the law. The Group continues to monitor the qualification registration and filing records of its employees after recruitment to ensure that the business operation of hospitals complies with relevant legal requirements.

To ensure the most qualified and competent candidates are selected in an orderly and fair manner, the Group has set up four major procedures to standardise the recruitment process, namely formulating a recruitment plan, publishing recruitment information, candidate selection and candidate employment.

- I. Recruitment plan:** The heads of departments are responsible for formulating the annual recruitment plan. The hiring department shall fill out a “recruitment application form”, which is reviewed and signed by the heads of the departments and approved by the chief executive officer. The HR Department will carry out staff recruitment and hiring according to the demands of the hiring department.
- II. Recruitment information:** The HR Department determines the ways and scope to publish recruitment information based on factors such as position, headcounts, qualification requirements and the source of desired candidates. The recruitment channels include internal referral, competitive recruitment, recruitment through the media, public recruitment, and headhunting.
- III. Candidate selection:** The HR Department will conduct a preliminary review of candidates’ application to remove the applications that fail to meet the requirements and recommend qualified applications to the relevant departments for review. The HR Department will notify the candidates passing the review process to attend the first-round interview and arrange a second-round interview for qualified candidates. Results of the second-round interview are divided into “hired”, “not hired” and “transfer to another position”.
- IV. Candidate employment:** The HR Department is responsible for submitting the resume and “interview record” of the hired candidate for approval. Based on the approved “interview record”, the “employment notification” will be delivered to the candidates and a “new employee on-board notification” will be sent to the relevant department staff.

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The Group implements a “dual-channel promotion” mechanism to motivate its employees and provide qualified employees with sufficient promotion channels by comprehensively evaluating their work performance, personal development potential, professional levels and service years. To ensure the contribution of each employee is recognised, the Group conducts annual performance appraisals and competency assessments for all employees and selects outstanding talents to establish a talent pool comprising reserve talents, middle-level cadres and senior talents, which helps the Group to discover and cultivate potential leaders. The Group also implements an internal job rotation mechanism, which not only provides employees with learning opportunities, but also promotes communication and cooperation across the organisation.

In FY2023, the Group continued to strengthen its efforts in attracting and nurturing talents in the field of oncology, achieving the promotion of 761 medical professionals to a higher level of professional titles.

Case Sharing — 11 medical staff of Suzhou Yongding Hospital achieved talent promotion

科室	姓名	职称
呼吸内科	都雪艳	主任医师
麻醉科	徐 芹	副主任医师
麻醉科	罗 洪	副主任医师
皮肤科	宗亚云	副主任中医师
肾内科	付雪峰	副主任医师
产科	褚立慧	副主任医师
神经内科	高永华	副主任医师
影像科	夏剑飞	副主任医师
妇科	费松梅	副主任护师
肿瘤科	李雅娟	副主任护师
普外科	仲桂芳	副主任护师

In February 2023, 11 medical staff of Suzhou Yongding Hospital passed the 2022 provincial senior health professional and technical qualification assessment, and achieved the promotion to a higher level of professional title. With teaching and medical treatment as its foundation, each hospital of the Group strives to consolidate and develop its advantages in the medical industry through discipline construction, and scientific research and innovation while enhancing the quality of medical services and nurturing talents to make greater contributions to the health of the local community.

Compensation and Dismissal

The Group formulates the remuneration policies in accordance with the relevant laws and regulations of the local jurisdictions, and the specific remuneration standards are reasonably assessed by each hospital based on factors such as the job duties, required qualifications and position to ensure that each employee can receive competitive compensation that is in line with industry standards. In addition, the Group regularly conducts extensive salary surveys to review and improve its remuneration structure and levels based on the industry trend and the actual situation of the hospital's locations, so as to increase the Group's external competitiveness and internal fairness in remuneration.

The Group sets up specific appraisal systems based on the position type of employees. For different business segments, the Group established annual performance appraisal standards and systems for its hospitals and business departments. Performance appraisals are conducted at the end of each year according to the annual performance of its business operations. Moreover, the Group undertakes regular performance appraisals of employees at different levels based on indicators such as job content, work performance, work ability, work attitude and professionalism. The results will be a crucial reference for year-end bonus and promotions. In addition, the Group has option incentives for its core and outstanding employees.

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The Group strictly prohibits any kind of unfair and illegitimate dismissal and has formulated and implemented strict internal policies to standardise the procedures for employee dismissal, ensuring that the termination of employment contracts is legitimate and lawful. For those whose work performance fails to meet expectations, the Group will send a warning, clearly pointing out the problem with suggestions for improvement. For employees who seriously violate the Group's employment policies and repetitively make the same mistakes, the Group will terminate their employment contracts in accordance with relevant national regulations and the Group's internal rules.

In FY2023, the total employee turnover rate of the Group was approximately 11.4%.

Table 4 — Employee Turnover Rate of the Group by Gender, Age and Geographical Region in FY2023¹

Unit: Employee Turnover Gender	Age Group				Total
	30 or below	31 to 40	41 to 50	51 or above	
Male	117	66	37	72	292
Turnover Rate of Male Employees (%)	15.5%	8.2%	7.0%	11.3%	10.7%
Female	439	155	47	53	694
Turnover Rate of Female Employees (%)	15.2%	7.5%	7.2%	15.3%	11.7%
Total	556	221	84	125	986
Total Employee Turnover Rate (%)	15.3%	7.7%	7.1%	12.7%	11.4%

Geographical Location		
Region	Employee Turnover	Employee Turnover Rate
Mainland China	986	11.4%

- The turnover data is based on the employment contracts entered into between the Group and its employees, which were obtained from the Human Resources Department of the Group. The methodology used for the above turnover data is based on "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Working Hours and Rest Period

The attendance and rest period of the employees are formulated under the local employment laws and regulations, including the Provisions of the State Council on Working Hours of Employees (國務院關於職工工作時間的規定). In addition to the basic paid annual level and statutory holidays, employees are also granted supplementary paid leave benefits, such as marriage leave, maternity leave and compassionate leave.

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Equal Opportunities and Anti-Discrimination

The Group firmly believes that a work environment of fair competition and mutual respect could better stimulate the potential of employees. As one of the core values of the Group's culture, the principle of equal opportunity requires all employees to fairly treat others with respect. Adhering to the principles of openness, equality and competition, the Group eliminates any form of discrimination in all recruitment, selection, training, and promotion decisions, while safeguarding the equal rights of employees in different ways. The Group endeavours to ensure that the designation of employees is not based on the employees' age, gender, marital status, pregnancy status, family status, disability, race, skin colour, ancestry, national or ethnic origin, nationality, religion, or any other non-work-related factors.

Meanwhile, the Group encourages its employees to report any suspected discrimination to the HR Department with relevant evidence. The HR Department will investigate, handle, evaluate and record the incident after receiving the report. Any violation of the equal opportunities policy will be subject to disciplinary action.

Other Welfare and Benefits

The Group provides employees with social insurance and housing provident fund contributions under relevant national laws and regulations. To fully support employee wellbeing, the Group focuses on physical, mental and financial health of its employees and also provides them with transportation, meals and communication subsidies, annual physical examination, as well as holiday benefits. The Group actively organises employee birthday parties, departmental meal gatherings and other activities to alleviate work pressures and enhance team cohesion.

Case Sharing — The Group's hospitals carried out Spring Festival visits

During the Spring Festival in 2023, the medical staff of each hospital under the Group diligently performed their duties and held fast to their positions to protect the public health. Representatives of the leaders went to each department to offer holiday greetings and blessings to the frontline medical and logistic staff, expressing the recognition of their contributions. In addition, the hospital canteens also prepared dumplings and soup for patients and their families, as well as for the staff on duty, bringing love and care to everyone.



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Case Sharing — The Group's hospitals celebrated "12 May International Nurses Day"

On the 112th International Nurses Day, the hospitals under the Group organised International Nurses Day celebrations to extend greetings to nurses, further promoting the spirit of selfless dedication. Specifically, Suzhou Yongding Hospital and Shanxian Hygeia Hospital held an oath-taking ceremony and commendation meeting to motivate the nurses. Leaders from Hezhou Guangji Hospital expressed their respects to the nurses and awarded the winning teams and individuals of the Skills Competition and the Nursing Quality Improvement Project. Liaocheng Hygeia Hospital recognised outstanding individuals with excellent achievements in their positions and held activities to showcase the professionalism of the nurses.



In FY2023, the Group complied with relevant laws and regulations on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, antidiscrimination, benefits and other treatments, and other relevant laws and regulations that have a significant impact on the Group. The Group has always been maintaining good relationships and effective communication with its employees. As of the end of 2023, the Group had not encountered any strikes or labour disputes with its employees that had or might have a significant impact on the Group's business.

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B.2 Health and safety

Acknowledging the special challenges medical staff face in delivering medical services, the Group attaches great significance to the health of its staff and strives to maintain a safe working environment. During the year under review, the Group complied with the requirements of relevant laws, regulations, and standard requirements in China, including:

- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》);
- Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》);
- Regulation on Work-Related Injury Insurance (《工傷保險條例》);
- Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases (《中華人民共和國傳染病防治法》);
- Administrative Measures for Hospital Infection (《醫院感染管理辦法》);
- Regulation on the Administration of Medical Institutions (《醫療機構管理條例》);
- Regulation on Preparedness for and Response to Emergent Public Health Hazards (《突發公共衛生事件應急條例》); and
- Specification of Hand Hygiene for Healthcare Workers (《醫務人員手衛生規範》).

In FY2023, the Group stringently implemented the Management System for Occupational Health and Safety Protection of Medical Personnel (醫務人員職業健康安全防護管理制度), the Health Management System for Radiation Workers (輻射工作人員健康管理制), the Procedures on Handling Occupational Respiratory Exposure (呼吸道職業暴露後的處置流程) and other internal policies on health and safety to eliminate the occupational hazards and ensure the health and safety of its employees.

To further mitigate the infection and injury risk to employees, the Group arranges physical examinations for them at least once a year and carries out the necessary vaccination to enhance their resistance to specific pathogens. In addition, the Group provides its employees with adequate essential protective tools such as isolation gowns, uniforms, masks, gloves, and face shields according to working requirements. For those engaged in or involved in radiation work, special measures have been adopted at each hospital to protect them from radiation injury.

- *Training and certificate management*

The Group requires all personnel engaged in or involved in radiation work to attend the radiation safety training at or above the intermediate level organised by nationally designated training institutions to ensure that they are aware of the relevant risks, protective measures and emergency response procedures. A certificate management system has been established and relevant personnel should obtain the Certificate of Radiation Workers before commencing their work. The Certificate of Radiation Workers is reviewed annually, and the radiation workers should apply for retraining after exceeding the four-year training expiry date.

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- *Personal radiation dose monitoring*

The Group requires the relevant radiation workers to undergo personal radiation dose monitoring and to wear personal dosimeters and dose alarms in their daily work in accordance with the requirements of the national environmental protection supervision authorities. The relevant workers are also required to wear protective gears such as lead clothing, lead caps, lead aprons, lead gloves and lead glasses to ensure sufficient protection during their work. To monitor the effectiveness of these measures, the Group engages with a third party to issue quarterly detailed reports on the radiation exposure of its staff, and to ensure keeping the maximum annual dose limit under 5mGy in strict compliance with national regulations.
- *Personal radiation dose files*

The Group establishes personal radiation dose profiles for its employees engaged or involved in radiation work, which contains their basic personal information, job position, dose monitoring results and other important information. To ensure timely tracking and effective management, the profiles will be preserved and archived by the Administration and Personnel Department until the radiation worker reaches the age of 75 or has stopped radiation work for 30 years, so as to ensure the safety of workers and business compliance.
- *Radiation-related physical examination*

The employees engaged in radiation work are required to take professional physical examinations provided by the designated physical examination institutions of radiation work each year. The Group will conduct a comprehensive assessment based on the results to decide if it is appropriate for them to continue their work.

In FY2023, all radiation workers in the Group's hospitals received their physical examination.

The Group has developed standardised operation procedures and coordinated the responsibility of the dedicated departments to minimise the exposure risk during the radiation work and clinical with close contact with patients. Different departments of the Group are responsible for the arrangements in relation to radiation protection, including:

- The Technical Department provides appropriate protective methods and technical support against radiation, and arranges training to relevant staff for regulate their operations;
- The Production Department is responsible for the procurement and management of radiation protective equipment, staff deployment, on-site work coordination and organisation and personal dosage statistics of radiation workers;
- The Inspection Department takes charge of the verification and testing measurement of radiation protective devices to ensure the accuracy and reliability;
- The Administration and Personnel Department is responsible for conducting risk assessment, formulating training plans, compiling statistics on radiation allowances and collecting and managing personal health files of radiation workers; and
- The Finance Department is responsible for settling payment of radiation protective devices and the monthly granting of radiation allowance to ensure adequate resources are allocated.

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The Group acknowledges that clinical safety training is essential for employees to be familiar with medical standards and best practices. Through conducting regular training, staff could continuously update their professional knowledge and raise awareness of risk prevention. Therefore, the Group requires the medical department, nursing department and nosocomial infection department of each hospital to organise occupational health and safety training on a monthly basis. In FY2023, the Group provided staff with lectures and training on fire safety to improve their emergency response capability in case of emergencies.

Case Sharing — Heze Hygeia Hospital conducted fire emergency drills

Focusing on the special characteristics of the hospital premises, Heze Hygeia Hospital conducted a fire emergency drill for all employees in June 2023, aiming to improve their fire safety awareness and help them acquire emergency handling methods and escape channels.



Case Sharing — Liaocheng Hygeia Hospital launched special production safety inspections

To further strengthen the efforts on safety production, Liaocheng Hygeia Hospital carried out special inspections on safety production in September 2023, focusing on the investigation of potential safety hazards in production. At the same time, the Group pays attention to the training and practical skills to ensure all employees are equipped with the capability to deal with emergencies, striving to create a safe, stable and harmonious medical environment for the general public.



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The Group's occupational health and safety policy covers all staff of the Research, Development and Manufacturing Department at the headquarters, as well as radiation-related workers and clinical staff of each hospital of the Group. Different departments of the Group are responsible for organising and supervising the safety training work.

- The System Department arranges and monitors the training and physical examination for the members of the Research, Development and Manufacturing Department at the Group's headquarters, while the Administration and Personnel Department keeps the relevant files, provides assistance when needed, and reports to the director of the Research, Development and Manufacturing Department.
- The Personnel and Administration Department takes the lead in arranging and overseeing the relevant training and physical examination for the radiation workers and reports directly to the president of the hospital.
- The Medical Affairs Department and Nursing Department of each hospital are responsible for monitoring the health and safety protection, organising relevant training for clinical staff who have close contact with patients and reporting to the president of the hospital thereon.

Table 5 — Number and Rate of Work-related Fatalities of the Group in the Past Three Financial Years¹

Year	FY2023	FY2022	FY2021
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (calculated per 100 workers)	0	0	0

1. Data of work-related fatalities was obtained from the HR Department of the Group. The methodology adopted for the work-related fatalities reported above was based on "How to Prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

In FY2023, the Group had a total of 18 work-related accidents, with 18 employees injured and 520 working days lost due to work-related injuries. To improve workplace safety, the Group has carefully reviewed and summarised the causes of those accidents, formulated rectification measures and monitored the potential risks and hazards associated with its business operations to prevent the recurrence of similar accidents. In FY2023, the Group did not violate any relevant laws and regulations in relation to providing a safe working environment and protecting its employees from occupational hazards that have a significant impact on the Group.

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B.3 Development and Training

The Group places great emphasis on employee development and is committed to actively organising related training activities. Through the establishment and implementation of employee training system and on-the-job training programs, the Group endeavours to provide everyone with equal opportunities to improve their professional competence, thereby strengthening the core competitiveness of the Group and the impetus for sustainable development.

To promote the cultivation of all rounded talents, the Group established the Hygeia Healthcare Teaching and Researching Institute in 2021 to coordinate the construction of the Group's training system and the implementation of employee support programmes. Additionally, an Academic Committee has been established under the Hygeia Healthcare Teaching and Researching Institute to reinforce its professionalism in academics. The Academic Committee consists of internally selected experts and externally hired experts with rich clinical and teaching experience to ensure the high-quality and practicality of these training programmes. Training courses are generally divided into professional courses and management courses. The professional courses cover clinical medicine, medical technology, oncology MDT, nursing, and pharmacy to meet the needs of staff with different professional backgrounds, while the management courses cover fields such as business analysis and management to enhance staff's management skills and leadership. To ensure the effectiveness of the training, the Hygeia Healthcare Teaching and Researching Institute, with the support of the HR department, implements a comprehensive assessment system, which includes attendance records, level of participation, and monthly and year-end reviews.

To further strengthen the mechanism for talent planning, the Group has formulated and implemented the Hygeia Healthcare Teaching and Researching Institute Plans (海吉亞醫療教學研究院方案) and the Assessment, Evaluation and Recruitment System for Senior Management of Hospitals (醫院高管考評及聘用制度) to facilitate the joint development of the hospital and its senior management through an objective and fair evaluation of their value creation process and achievements, as well as reasonable value allocation and appointment and dismissal.

Case Sharing — Liaocheng Hygeia Hospital launched centralised training programme for new employees

The Group has set up a training framework for new employees, which requires its hospitals to provide new hires with adequate orientation training programmes. For instance, Liaocheng Hygeia Hospital provided intensive training to more than 80 new employees in May 2023, covering the areas of "Hospital Development and Culture", "Hospital Rules and Regulations", "Safety Production", "Medical Core System", "Dispute Prevention", "Nursing Manners and Safety" and "Professional Code of Ethics". Through question-and-answer sessions and post-training-tests, new employees could gain a holistic picture of the hospital's culture, adhere to professional ethics, and quickly adapt to the new working environment.



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In FY2023, the Group organised around 146,946 hours of vocational training for 7,371 of its employees, securing itself with a pool of highly qualified and competent talents to continuously drive the development of its healthcare services.

Table 6 — The Number and Percentage of the Group's Employees Trained by Gender and Position Type in FY2023¹

				Total
Total number of employees trained				7,371
Total number of employees as of the end of the year				8,678
Percentage of employees trained				85%
Unit: Number of employees				
Gender	General Employees	Middle Management	Senior Management and Directors	Total
Male	1,748	435	70	2,253
Percentage of total male employees trained	23.7%	5.9%	0.9%	31%
Female	4,570	525	23	5,118
Percentage of total female employees trained	62.0%	7.1%	0.3%	69%
Total number of employees trained	6,318	960	93	7,371
Percentage of total employees trained	85.7%	13.0%	1.3%	85%

- Employee training data is obtained from the Group's HR Department. Training refers to the vocational training attended by the Group's employees in FY2023. The methodology used to report the above number and percentage of employees trained is based on the "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table 7 — The Training Hours per the Group's Employee by Gender and Position Type in FY2023¹

Unit: Hour	Position			Total
Gender	General Employees	Middle Management	Senior Management and Directors	Total
Male	33,388.4	8,324.5	840.0	42,552.9
Average training hours for male employees	15.0	18.9	12.2	15.6
Female	92,272.6	11,871.5	249.0	104,393.1
Average training hours for female employees	17.2	21.4	8.9	17.5
Total	125,661.0	20,196.0	1,089.0	146,946.0
Average training hours	16.6	20.3	11.2	16.9

- Employee training data is obtained from the Group's HR Department. The methodology used to report the above training hours per employee is based on the "How to prepare an ESG Report?-Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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Case Sharing — Chongqing Hygeia Hospital held the first Clinical Nursing Teacher Training Course in 2023

To improve the level and quality of nursing and clinical teaching, Chongqing Hygeia Hospital organised the first Clinical Nursing Teacher Training Course on 4 July 2023, attracting more than 120 participants from 30 departments of the hospital.

Case Sharing — Liaocheng Hygeia Hospital carried out Health Promotion Competition

The Nursing Department of Liaocheng Hygeia Hospital organised a health promotion competition to improve the verbal expression and communication skills of nursing staff, thereby raising patient satisfaction. The participants with outstanding performance were awarded the title of "Health Promotion Expert" with certificates.

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B.4 Labor Standards

The Group reaffirms its commitment to upholding labour standards as part of its corporate responsible operations. In FY2023, the Group complied with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and other relevant labour laws and regulations in China to prohibit the employment of child labour or forced labour. To further combat illegal employment of child labour, underage workers and forced labour, the Group has developed a set of internal policies to standardise the recruitment and employment process, including:

- Require all candidates to present valid identification documents issued by officials, such as identity card and passport, and strictly verify their age.
- Personnel files of employees, including proof of age (copy of identity card) and date of joining the company, are kept and reviewed by the HR Department every six months.
- With the consent of the candidates, the HR Department is responsible for conducting due diligence on the candidates who have passed the interview. Based on the information that candidates provide during background checks, a telephone survey will be conducted and recorded. The results will be included in the recruitment reference criteria.
- The HR Department holds symposiums every six months for new employees, employees who have been with the Group for three years, and those with the Group for five years to learn about their status and prevent forced labour.

Meanwhile, the Group regularly strengthens its efforts on education promotion for all departments by organising training on the prevention of child labour and forced labour every six months to enhance their awareness in complying with the national laws and regulations. The Group also prohibits its hospitals from forcing its employees to work overtime and will provide those who work overtime with compensation of corresponding time off to protect their basic rights and interests.

The HR Department has the duty to monitor the related corporate policies and practices to comply with the laws and regulations related to preventing child labour and forced labour. Once the Group identifies any violation of labour standards or recruiting children or forced labour without authorisation, the Group will cease the hiring process immediately and impose heavy penalties on the direct person in charge. For those who have caused severe consequences, committed such acts repeatedly, or committed a crime, the Group will report the case to judicial department to investigate for criminal responsibilities of the relevant responsible personnel under the applicable laws and regulations.

In FY2023, the Group did not violate any relevant laws and regulations in relation to preventing child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

B.5. Supply Chain Management

The Group proactively fulfils its corporate responsibility by identifying and mitigating social and environmental risks in its value chain management. The Group is committed to expanding its responsible procurement and maintaining a stable supply chain, thereby providing patients with safe and high-quality medical products. In FY2023, the Group complied with the Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) and other applicable laws and regulations, while formulating and implementing its internal policies such as the Drug Procurement Management System (藥品採購管理制度), Supplier Management System (供應商管理制度) and Supplier Management Procedures (供方管理程序), to ensure compliance and effective operation of the supply chain and guarantee the quality of its medical products.

Supplier Admission

The existing suppliers of the Group mainly include those of pharmaceuticals and medical consumables, raw materials for radiotherapy equipment, construction projects and information technology systems. The Group has set up stringent selection criteria for different types of suppliers to strictly review their production, sales and other qualification certificates, and comprehensively evaluate the suppliers based on factors such as product quality, pricing, reputation and delivery time. The Group also integrates the environmental and social risks associated with the supply chain into its consideration and conducts background checks on suppliers in respect of labour lawsuits, environmental penalties and other aspects during the admission process to ensure that the selected suppliers fulfil their environmental and social responsibilities in accordance with corporate standards.

Case Sharing – The Group's management system for medical devices supplier qualification

To enhance supplier management, the Group has established a management system for medical device suppliers to regulate the supplier qualification process.

1. Require suppliers to provide relevant supporting documents to confirm their legal qualification, including Manufacturing License or Operation License for Medical Devices, Business License and Quality Management System Questionnaire.
2. Require suppliers to provide relevant supporting documents to confirm the legitimacy of the products purchased, including medical device registration certificates, product qualification certificates, medical device inspection reports, etc.
3. Require suppliers to provide identification documents to verify their legal qualifications.
4. The supplier's qualification materials are collected by the Procurement Department and reviewed by the Quality Management Department before purchasing. The Quality Management Department organises a quality assessment of the supplier's supply status and determines whether to maintain a cooperative relationship with the supplier based on the results.
5. The Quality Control Department establishes quality assessment and supplier quality records and takes action to track investigation. The relevant documents will be kept for at least three years.

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Supplier Evaluation

The Group has established a list of qualified suppliers and conducts regular reviews and dynamic evaluations of their product quality, price levels, staff allocation and other service at different stages of the project and contract execution. The suppliers are divided into four levels based on the latest ratings, namely level A, level B, level C and level D. Specifically, suppliers with level A are excellent suppliers that are preferred as partners of the Group, while suppliers with level D are unqualified suppliers that will be prohibited from participating in any bidding and cooperation projects of the Group for two years, and subject to re-qualification assessment and review when they are allowed for bidding again. Additionally, the Group has set up Supplier Code of Conduct, whereby requiring suppliers with serious violations in the bidding and contract execution process should be blacklisted and prohibited from any cooperation relationship with the Group. The well-established management mechanism ensures the stringent selection of qualified suppliers while eliminating substandard suppliers with poor performance, thereby urging suppliers to fulfil their obligations, creating a responsible supply chain and ensuring a high standard of cooperation and corporate image.

Green Procurement Principles

The Group is committed to creating a green supply chain and actively engages with its suppliers to minimise the environmental impacts of the products and services it procures and to control the potential environmental risks in its supply chain. On the basis of compliance with environmental regulations, the Group incorporates environmental protection into its decision-making process and prioritises the procurement of sustainable products, especially Chinese medicines, using “low carbon” as a key indicator. To reduce energy consumption and carbon footprint during transportation, the Group requires the procurement department of each hospital to give priority to local suppliers. In addition, the Group takes environmentally friendly factors into consideration across the stages of supplier selection, product evaluation, order review, product acceptance, quality inspection and usage assessment, as well as incorporating the principles of local sourcing, quality priority, price priority and ISO14001 environmental management system qualification into its procurement standards.

In FY2023, the Group collaborated with a total of 1,414 suppliers, which all locate in Mainland China. The aforementioned supply chain management policies, supplier selection management and green procurement policies apply to all of the Group’s suppliers, which are to be implemented by the procurement team and monitored by the Laboratory Department.

B.6 Product Responsibility

As an oncology-focused medical group, the Group integrates advanced medical technology, rigorous quality control and personalised medical services, dedicating to providing life-long medical services for oncology patients. Embracing the corporate vision of “making healthcare services more accessible and affordable and making life healthier”, the Group also pays attention to the life quality and mental health of patients by providing comprehensive services during the treatment process, including nutritional counselling, psychological relief and rehabilitation therapy, so as to support patients to cope with the challenges they face during the treatment. During the year under review, the Group continuously improved the quality of its services in diagnosis, treatment, rehabilitation, preventive healthcare, and health education. Adhering to the national healthcare laws and regulations and medical standards, the Group is dedicated to providing patients with the highest quality and most comprehensive medical experience in the field of oncology while continuing to promote the development and innovation in the medical field.

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In FY2023, the Group complied with relevant laws and regulations of the PRC in respect of health and safety, advertising, labelling and privacy matters of the medical products and services provided, including but not limited to:

- Law of the People's Republic of China on the Promotion of Basic Medical and Health Care (《中華人民共和國基本醫療衛生與健康促進法》);
- Law on Doctors of the People's Republic of China (《中華人民共和國醫師法》);
- Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》);
- Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》);
- Regulation on the Administration of Medical Institutions (《醫療機構管理條例》);
- Regulation on the Handling of Medical Accidents (《醫療事故處理條例》);
- Regulation on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》);
- Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》);
- Measures for the Administration of Medical Quality (《醫療質量管理辦法》);
- Measures for Complaint Management of Medical Institutions (《醫療機構投訴管理辦法》); and
- Measures for Supervision and Administration of Drugs of Medical Institutions (《醫療機構藥品監督管理辦法》).

To ensure the implementation of quality management guidelines in hospitals under the Group, the Group has formulated and implemented the Administrative Measures on Work of the Quality Control Committee (質量控制委員會工作管理辦法), the Medical Safety (Adverse) Incident Management System (醫療安全(不良)事件管理制度), the Drug Traceability and Management System (藥品追蹤溯源管理制度), the Medical Accident Handling Mechanism and Contingency Plan (醫療事故處理機制及應急預案) and other internal regulations to optimise the mechanisms for medical quality control, medical incident handling and pharmaceutical quality management, thereby improving the standards and quality of its medical services.

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Medical Products and Services Quality

Adhering to the service philosophy of “patient-centred”, the Group always placed patient satisfaction as a top priority. Therefore, the Group has established a Quality Control Committee to formulate uniform quality control standards and conduct regular reviews and evaluations to ensure the services provided by the hospitals meet the high standards set by the Group. Meanwhile, the Quality Control Committee has set up professional sub-committees in medical, nursing and nosocomial infection control departments to arrange hospitals in carrying out regular self-inspections on quality control. The professional sub-committees not only ensure the comprehensive implementation of quality control work in different fields, but also oversee the rectification of problems identified in each department. A dedicated team has been established to conduct satisfaction surveys on new patients several times a week, aiming to continuously optimise medical services and improve patient satisfaction.

The hospitals of the Group have formed eight quality control committees, including the Medical Quality Control Committee, Pharmaceutical Affairs Management Committee and Blood Transfusion Management Committee. Meanwhile, the hospitals have adopted a two-tier quality control mechanism at hospital and departmental level with a series of quality control schemes, maintaining the quality and safety of medical services in all aspects. In FY2023, the Group’s Quality Control Committee conducted monthly quality control spot checks on each hospital and arranged expert teams to undertake two on-site inspections of each hospital. By consolidating the results of hospital self-inspection and on-site inspections into the performance appraisal, the Group encourages all hospitals to optimise work quality and improve service quality.

Case Sharing — The Group’s Medical Inspection Team conducted 2023 annual inspection

To further improve the quality of medical treatment, service standards and patient satisfaction, the Group’s Medical Inspection Team commenced its annual inspection in December 2023 at each of the Group’s hospitals. The inspection covered seven aspects: hospital data management, quality control assessment, scientific research and thesis, academic conference, legal compliance, professional development, and adverse event management. Through the different forms of investigation, such as listening to reports, on-site checking on documents, theoretical examinations, practical exercises and patient satisfaction surveys, the medical inspection team conducted a comprehensive appraisal of the overall management standard and service quality of hospitals.

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The Group has enacted relevant internal policies and regulations to ensure drug safety, including track and trace of drugs, inspection and storage of drugs, and drug safety management.

- **Track and trace of drugs:** The hospitals are required to strictly control the qualifications of pharmaceutical suppliers and record the name, registration certificate number or record voucher number, specification and model, date of manufacture, manufacturer, and other detailed information of the drug through the information management system. The hospitals also maintain real-time electronic data interchange with the pharmaceutical manufacturers to achieve the tracing and tracking of the whole process of pharmaceutical operations.
- **Inspection and storage of drugs:** The hospitals are required to inspect the product specifications, outer packaging, and transportation conditions of the delivered drugs. The delivery can only be accepted after the inspection results are qualified. After the inspection and acceptance, the drugs are stored in separate warehouses and areas and corresponding storage measures are taken to protect the drug from light, poor ventilation, moisture, and insects according to the characteristics of drugs. The relevant departments conduct regular inventory of the drug stock and negotiate with suppliers to return and replace drugs approaching expiry dates. Drugs approaching expiry dates shall be removed from the shelves in time and delivered to a qualified third party for disposal.
- **Drug safety management:** The hospitals are required to establish a monitoring and reporting mechanism for adverse drug reactions, and promptly collect, record, and report the relevant cases of adverse drug reactions promptly. Reports and monitoring data on adverse drug reactions shall be analysed and evaluated in depth to reduce the risk and prevent the recurrence of similar incidents.

To cope with potential emergency medical incidents, the Group strictly implements its emergency management policies, such as the Medical Safety (Adverse) Incident Management System (醫療安全(不良)事件管理制度), which specifies the types, levels and reporting procedures of medical adverse incidents, as well as the procedures for on-site handling, physical evidence preservation and follow-up measures after the occurrence of a medical incident, so as to ensure that the rights and interests of patients and staffs are adequately safeguarded. Meanwhile, the Group designs and implements the Drug Recall Management System (藥品召回管理制度) to hierarchically recall the sold drugs with potential safety hazards in accordance with the prescribed procedures. Relevant departments are responsible for information collection, management, and release of recall notices. To safeguard the medicine safety of the consumers, the recalled drugs are carefully recorded and disposed of following the regulations.

Case Sharing — The Group carried out various convenience services

To provide better, highly efficient, and convenient medical services, the Group continued to launch various convenient services in FY2023 to promote the development of the modernisation and humanisation of healthcare services. Hezhou Guangji Hospital introduced free shuttle buses on 29 April 2023 to provide convenient travel services for patients. To further improve patients' medical experience, Suzhou Yongding provided full-process outpatient accompanying services to alleviate the burden on patients and their families. The elderly health centre of Hezhou Guangji Hospital has set up "accompany free ward" to provide free accompanying service for patients all day.

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Case Sharing — Anqiu Hygeia Hospital won the Grade A Credit Rating of Medical Institutions Above Level 2 in Weifang**潍坊市卫生健康委员会**

潍卫函〔2023〕59号

**潍坊市卫生健康委员会
关于公布 2022 年度全市二级以上医疗机构
信用评价结果的通知**

各县市区卫健局（办），委机关各科室、支队，委直属各单位：
根据《山东省医疗机构信用评价管理办法（试行）》要求，
我委组织开展 2022 年度全市二级以上医疗机构信用评价，现将
评价结果予以公布，有效期一年，自 2023 年 3 月 31 日至 2024
年 3 月 30 日。

请各县市区、委机关各科室按照《山东省医疗机构信用评价
管理办法（试行）》要求，将医疗机构信用评价结果依法运用到
医疗卫生行业许可、监管、评优评先等工作中，并与差异化监管
相关联。

附件：2022 年度全市二级以上医疗机构信用评价结果

In April 2023, Anqiu Hygeia Hospital was awarded Grade A in the 2022 Credit Rating of Medical Institutions Above Level 2 in the Weifang Municipal Health and Wellness Committee. The hospital is committed to regulating the conduct of medical service and actively accepts the supervision of the community, aiming to build up a good image and continuously improve the quality of medical service.

Management on Labels and Advertisement

The Group complies with the Provisions on the Administration of Pharmaceutical Directions and Labels (《藥品說明書和標籤管理規定》) and other relevant PRC regulations to strictly regulate the instruction and introduction of the medicine. The Group's promotional advertisement adheres to the Medicinal Product Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Measures for the Administration of Medical Advertisements (《醫療廣告管理辦法》) and other relevant laws and regulations. The Group carries out promotions under the principle of truth and accuracy and the guidelines provided by medicine regulatory departments. The hospitals of the Group establish dedicated business expansion department that is responsible for organising and conducting promotion activities, including health lectures and free healthcare services. All materials used for promotional purposes must be reviewed by the Group before publication to ensure the information fulfils the legal requirements.

Suggestion and Complaints

The Group adheres to the Measures for Complaint Management of Medical Institutions (《醫療機構投訴管理辦法》), the Regulation on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》) and other laws and regulations and implements internal policies such as the Reception and Handling Process System of Patient Complaints (患者投訴接待處理流程制度) to ensure adequate communication with patients. In line with the principle of "seeking truth from facts" (實事求是), once any complaint is received, the Group will carry out an investigation based on the content of the complaint.

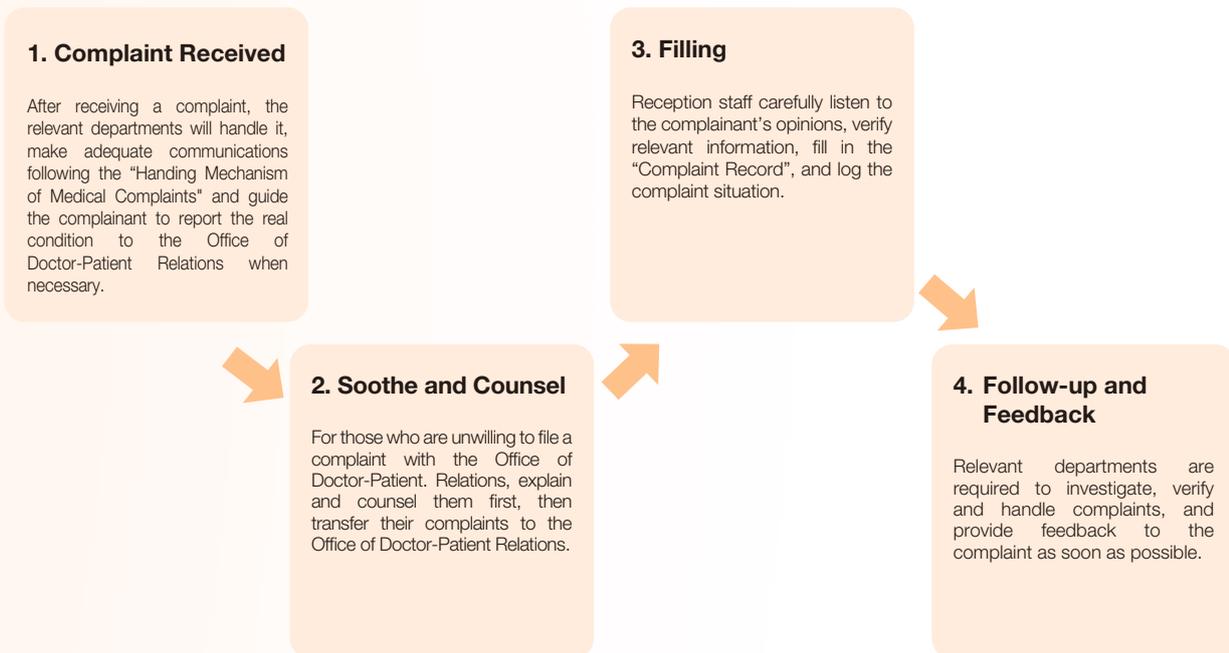
- For complaints that can be dealt with immediately, hospitals are required to promptly identify the facts and carry out immediate handling or rectification.
- General complaints should be dealt with, and feedback should be given to the complainant within three working days.

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- For complicated complaints, hospitals will carry out investigations and provide feedback within seven days.
- For complaints involving multiple departments, hospitals are required to handle the complaints and give feedback within ten days.

Meanwhile, the Group will establish improvement plans and implement rectifications based on the problems identified after the complaints have been handled in a positive and appropriate manner.

Handling Process of Medical Dispute Complaint



In addition, a satisfaction survey team is set up to conduct quarterly satisfaction assessments for all hospitals, fully listening to patient feedback through telephone calls, paper questionnaires or on-site visits. The satisfaction survey team also conducts satisfaction tracking of discharged patients to follow up on any issues promptly. All hospitals are required to regularly report medical dispute and complaint data to the Group's Quality Control Committee. After the summary and analysis by the Complaints and Disputes Team, the Group will arrange case sharing and experience summary activities according to different types of complaints cases to further optimise the medical services system.

During the year under review, the Group did not record any significant adverse medical events. In FY2023, the Group received a total of 151 complaints regarding its hospitals, mainly focusing on doctor-patient communication and medical services, all of which have been properly addressed. To prevent the recurrence of similar issues, the Group has organised regular training on doctor-patient communication skills, patient satisfaction improvement and professional knowledge enhancement. The Group also assigned relevant staff to attend external academic discussions and studies.

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Patients' Privacy

The customer privacy involved in hospitals is mainly the patient's medical information. As one of the fundamental rights of patients, the Group's hospitals are responsible for ensuring that the privacy of patients is fully respected. As such, the Group complies with the laws and regulations such as the Information Security Technology — Personal Information Security Specification (《信息安全技術個人信息安全規範》) 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》) and have enacted and implemented a series of internal policies, including Data Information Security System (《數據信息安全制度》), the Database Security Management Regulations (數據庫安全管理規範) and the Hospital Confidentiality System (醫院保密制度), aiming to standardise the principles and requirements of hospital information security management. The Group carries out strict encryption processing and authority management to safeguard the security of patient privacy, including patient names, medical history, medical records, and other important personal information.

The hospitals have established dedicated departments and personnel to regulate the management of patients' medical records according to the Regulations on Medical Records Management by Medical Institutions (醫療機構病歷管理規定).

Regularly update the management system

Review and update of the information security management system is conducted regularly to meet the latest information security management needs of the Group. Specifically, the Group continuously enhances its information management to ensure that no internal or external personnel can access patients' personal information or digital medical records without prior authorisation. Relevant information can only be accessed with permission from the hospital head or executive director in charge.

Confidentiality agreements

Sign the Information Security Confidentiality Agreement (信息安全保密協議) with employees and urge employees to fulfil their responsibilities for confidentiality in accordance with the Confidentiality System (保密制度) to prevent and eliminate various types of confidentiality leakage.

Daily inspection

Conduct regular inspections of the system database and data storage of the computer room in the Group and each hospital to ensure the security of the system data and its physical environment.

Information security training

Employees are required to obtain the "Qualification Certificate" for the required training, including computer operation and maintenance, information system security, and confidentiality before assuming their positions. They are also required to receive continuing security education, lectures and information security training, to further strengthen their awareness of information security protection and privacy protection.

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Information Security Management System

The information security management systems of the Group's hospitals are built upon the national standards and best practices to ensure the effectiveness and durability of cybersecurity governance. Each hospital has established a clear structure and process to strictly manage the authority and passwords of its information system, which ensures that the internal HIS system and the external public network of each hospital are physically separated. The use of all USB ports of internal network equipment are firmly prohibited to avoid data leakage. In addition, the Group conducts daily local and remote backups of system data, as well as regular recovery tests of data backups, enhancing the security and defence capabilities of the information system. The information department of the Group arranges data recovery drills for the information department of each hospital every year. The Group also engages external professional organisations to conduct annual audits of the information department of hospitals. The Group continues to reduce potential risks and strengthen internal information security in three major directions, including authority management, database management and password management. Currently, some hospitals of the Group have passed the certification of the national information security level protection III.

Authority Management

- Impose authority restrictions based on different job positions and restrict the scope of data accessible to employees.
- Promptly disable system accounts of departed employees and periodically review system accounts authorities to ensure person-authority consistency.

Database Management

- The database server is used separately and maintained by designated personnel.
- Regularly review the administrator's operation logs at the system application level and database level, and regularly improve the security configuration of the operating system to ensure the security and compliance of data operation.

Password Management

- Establish a strict password approval and authorisation process to conduct unified management of passwords.
- Set requirements for the complexity and length of system passwords, specify the maximum lifespan of passwords, and prohibit the use of the restored password storage function to ensure the security of password.

Product service innovation and intellectual property rights

The Group is dedicated to continuously enhancing patient experience and medical services, focusing on product service innovation. In FY2023, the Group continues to pursue innovation in medical technology and services, which achieved technological breakthroughs in oncology diagnosis and treatment. During the year under view, the Group was awarded 7 patents by China National Intellectual Property Administration, as well as published a total of 248 articles in international journals (such as SCI) and national journals on oncology and other disciplines.

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Case Sharing — the Group's hospitals have launched "Internet and Medical Care" services

In FY2023, the Group continued to promote the construction of internet hospitals to optimise the medical services and facilitate the development of medical services. Chongqing Hygeia Hospital and Shanxian Hygeia Hospital adopted the "online application and offline service" model to provide professional home care to patients with limited mobility, such as the elderly and convalescent patients, to meet the diversified and multifaceted health needs of the public.

Case Sharing — Gyroscopic Knife Launching Ceremony at Hezhou Guangji Hospital

On 4 March 2023, Hezhou Guangji Hospital held the Gyroscopic Knife Launching Ceremony and Radiotherapy of Oncology Academic Conference, with more than 100 experts and medical staff attending the conference. The Group is committed to focusing on innovation and improving its medical service capabilities, making positive contributions to public health.

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To ensure the long-term value of medical technology innovation, the Group attaches great importance to intellectual property rights in medical research, including but not limited to patents, trademarks and copyrights. The Group complies with requirements including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and the Enterprise Intellectual Property Management (《企業知識產權管理規範》) and formulated and implemented strict internal policies to fully safeguard its enterprise intellectual properties. Meanwhile, the Group actively applies intellectual properties for new logos, labels, product designs or technologies developed by the Group and appoints legal advisors to provide professional legal advice on intellectual property protection. The Group also designates internal legal personnel to review and prevent infringement of intellectual property rights. All employees of the Group are required to protect commercial secrets and other proprietary intellectual properties.

While ensuring proper protection of corporate intellectual property rights, the Group also respects the intellectual property rights of others to promote the health development of the entire medical field. To prevent academic misconduct of its staff, the Group's hospitals have formulated corresponding policies and actions to ensure the integrity and quality of academic achievements.

- Specify the standards in academic research and publication, which requires all staff to avoid false reporting of research results, plagiarism, and academic fraud.
- The Academic Committee is responsible for reviewing and supervising academic research projects to ensure that the research complies with legal requirements and to eliminate academic misconduct.
- Provide staff with training on the Code of Academic Ethics and Guidelines, emphasising the importance of intellectual property and clarifying the consequences of academic misconduct. Educate staff on how to protect their research achievement.

In FY2023, the Group had no recalls on sold products and did not violate any laws and regulations in relation to health and safety, advertising, labelling, and privacy matters of its products and services that have a significant impact on the Group.

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B.7 Anti-corruption

The Group is determined to combat any form of corruption and is committed to creating a corporate culture with transparency and integrity to ensure that its hospitals operate in accordance with the highest ethical standards. In FY2023, the Group complied with the anti-corruption and bribery laws and regulations of the PRC and operating regions, including but not limited to:

- Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》);
- Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》); and
- Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》).

The Group has formulated and implemented the Anti-Corruption and Anti-Bribery Letter of Commitment (反腐敗、反賄賂承諾書) and other internal rules and regulations, which require all staff to strictly follow the principles of “law-abiding and integrity” and resolutely forbid commercial bribery and offering or accepting other improper benefits. The Group requires its new employees to sign an anti-corruption confirmation, which explicitly prohibits participation in financial impropriety, immorality, fraudulent activities and other corruption and bribery activities, and clarifies the punishment measures for these behaviours. The HR Department is responsible for the implementation and supervision of the relevant policies.

The Group has established various reporting channels, such as hotline and email, as well as the internal complaint approach a reward and punishment mechanism has been developed to encourage employees to report suspected misconducts. The Group also regularly organises seminars and training on anti-corruption and integrity to enhance the legal and ethical awareness of its staff. During the year under review, the Board received relative training on “Anti-corruption programme — a guide for listed companies”, which guided the formulation and implementation of anti-corruption policies.

Recognising the hazards of corrupt practices in the supply chain, the Group issues a declaration on anti-corruption to collaborating partners before conducting any business to inform them of the policies on anti-corruption and anti-bribery. The Group also requires suppliers to sign contracts containing anti-bribery provisions, aiming to eliminate the risk of third-party corruption and maintain the integrity and transparency of its supply chain. In case of suspicious criminal behaviours, a report will be made to relevant regulatory institutions or law enforcement when the management of the Group considers it necessary.

To consolidate the construction of integrity cultures, the Group conducted 18 anti-corruption training sessions with a total of 25.5 hours in FY2023, which enabled 1,299 general employees and 763 management and directors to further enhance their understanding of the types and forms of commercial bribery and corruption as well as the legal liabilities associated with breaking the law, thereby raising their awareness of anti-corruption.

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Table 8 — FY2023 Anti-corruption training information of the Group

Number of anti-corruption lecture/training (Unit: section(s))	Total number of hours of relevant lecture/training (Unit: hour(s))	Number of participating management personnel and directors (Unit: person(s))	Number of participating general employees (Unit: person(s))
18	25.5	763	1,299

In FY2023, the Group did not record any concluded legal cases regarding corrupt practices brought against the Group or its employees and did not violate any laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

Community

B.8. Community Events Investments

The Group is committed to fulfilling its corporate social responsibility by actively participating in and promoting community development while providing excellent medical services. In FY2023, the Group strategically focused on promoting health education, caring for the underprivileged, carrying out medical public welfare activities, contributing to social services and promoting partnerships for access to healthcare to fulfil its social responsibility. By actively engaging in these five fields and launching a series of meaningful activities, the Group strengthened its connection with the community and facilitated social development.

Promoting Health Education

The Group strives to provide comprehensive health consultations to the community by conducting health education and promotion activities, focusing on disease prevention and public health. To this end, the Group's hospitals organised various health lectures and seminars during the year under review to spread scientific health knowledge and practical lifestyle advice to the public.

In FY2023, the hospitals under the Group conducted health lectures on campuses to provide teachers and students with knowledge on physical and mental health, helping them establish proper health concepts and develop good living habits. The Group also carried out health education on preventing common adolescent issues, such as mental and nutritional health. During the year under review, the Group completed 408 disease prevention lectures on different diseases, such as oncology prevention and treatment to raise the awareness of the community on common disease prevention.

In the future, the Group will organise more diversified and in-depth health education activities to promote the overall health of the community and build a healthy and caring environment.

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Achievements

Case Sharing — Several hospitals of the Group conducted health lectures on campus

To further enhance students' awareness and ability to prevent diseases, Liaocheng Hygeia Hospital carried out a promotion activity on the Prevention of Summer Infectious Diseases, providing detailed explanations of the symptoms, transmission channels, preventive measures, and isolation approach of infectious diseases.



To safeguard physical and mental health of teachers and students, Shanxian Hope School invited experts from Shanxian Hygeia Hospital to conduct a meeting on mental health on 10 April 2023. During the meeting, the expert provided the students with common knowledge on healthy living and guided them to strengthen health concepts.



On 2023 National Fire Prevention Day, Shanxian Hygeia Hospital delivered a first aid lecture on cardiopulmonary resuscitation (CPR) at Shanxian Hope School. This lecture allowed more students understand the importance of first aid and acquire the necessary skills, further raising the public's awareness of first aid and emergency response ability.

Case Sharing — The Group carried out health promotion during National Anti-Cancer Week

During National Anti-Cancer Week, the hospitals under the Group launched a series of health promotion activities to share the knowledge of cancer prevention and healthy living concepts. Suzhou Canglang Hospital arranged a team with 30 experts to answer the questions from residents, benefiting more than 150 people. Heze Hygeia Hospital cooperated with Centres for Disease Control and Prevention to print and distribute brochures, colourful leaflets and posters for health promotion in the community.



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Case Sharing — Chongqing Hygeia Hospital organised community education activities on diabetes

The Department of Endocrinology of Chongqing Hygeia Hospital launched health promotion activities of “World Diabetes Day” on 14 November 2023, distributing brochures and giving lectures on diabetes to the community.

**Caring for the underprivileged**

The Group has further reinforced its focus on vulnerable groups, including disabled people, the elderly and patients in difficulty, and has developed a comprehensive care programme to provide emotional support and social resources to the vulnerable groups while providing more comprehensive medical services.

During the year under review, the hospitals of the Group worked with the Disabled Persons’ Federation and other organisations to formulate care programmes for the elderly, providing them with free health examinations and psychological support, as well as organising community activities to alleviate their sense of loneliness. The Group endeavours to build a more inclusive and equal society by actively enhancing social security and services for disabled persons and offering all-around assistance via diversified supports.

The service philosophy of “making healthcare services more accessible and affordable and making life healthier” is deeply rooted in the Group’s culture. The hospitals of the Group always regard patients as the top priority and provide them with medical support and life in a gentle and professional manner.

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Achievements

Case Sharing — The hospitals under the Group carried out the “Chung Yeung Festival” activities to honour the elderly

In October 2023, the hospitals under the Group actively organised activities to honour the elderly during the Chung Yeung Festival. Yixing Hygeia Hospital, as an outstanding unit of aged-friendly medical institutions, held five free clinics and two health seminars in the community, with more than 600 participants. On Chung Yeung Festival, the hospital brought traditional Chung Yeung cakes (重陽糕) to elderly people over 65 with greetings and caring.



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Case Sharing — Liaocheng Hygeia Hospital held “National Disability Day” celebration activities

To further promote the traditional Chinese virtues of supporting disabled people, the 33rd “National Disability Day” celebration activities in Liaoning were held in Liaocheng Hygeia Hospital. During the conference, the Development and Security Department of the Development Zone and Liaocheng Hygeia Hospital signed an agreement to accelerate the construction of social security and caring services for disabled people. Liaocheng Hygeia Hospital also provided free health checks to the representatives after the conference.

Case Sharing — Chongqing Hygeia Hospital cared for patients with difficulties

In November 2023, the medical staff of the Department of Nephrology, Rheumatology and Immunology and the Blood Purification Centre of Chongqing Hygeia Hospital arranged a charity activity for patients in need, delivering warmth and caring through practical actions. All medical staff actively engaged in the charity and assisted the patient in raising more than RMB20,000 through the internet.



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Case Sharing — Hezhou Guangji Hospital organised a trip to Chongqing for uremic patients

To enhance the doctor-patient relationship and provide patients opportunities to participate in social activities and return to the community, Hezhou Guangji Hospital arranged a four-day trip to Chongqing for uremic patients in October 2023. To safeguard the health of participants, accompanying medical staff paid constant attention to the patient's physical condition by reminding them to take medicine and avoid intensive activities, ensuring a safe journey.

Carrying out medical public welfare activities

With a view of fulfilling social responsibilities, the Group actively conducted medical public welfare activities in FY2023, including free clinics, free medical examination, and special hospital lines, contributing to the society and enhancing public health. The Group believes these activities could promote the development of doctor-patient relationships and establish closer medical connections with the community, thereby achieving a fair distribution of medical resources and benefiting more people.

During the year under review, the hospitals of the Group continued to carry out volunteer services on a monthly basis, with a total of 1,234 free clinic activities completed.

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*Achievements*Case Sharing — Liaocheng Hygeia Hospital continued to provide volunteer services

Over the past year, Liaocheng Hygeia Hospital has continuously organised medical staff to carry out voluntary medical activities, which provide free health check-ups for residents. The experts from the free clinic team made detailed inquiries to the public to understand their physical conditions and patiently answered all kinds of health questions. The team also provided guidance on daily health care and prevention of common diseases, which received positive feedback from the participants.

All hospitals of the Group conducted free clinic activities to raise the public's awareness of self-care and disease prevention to protect their health.



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Case Sharing — Heze Hygeia Hospital held night-time voluntary clinics

To raise the health awareness of the public, Heze Hygeia Hospital has been conducting night-time voluntary clinics since August 2023 to deliver health knowledge and protect public health. The night clinic achieved “zero distance” in serving the public, strengthened the health concept of residents, and fostered a sense of security.

**Contributing to social services**

During its journey to support public services, the Group has taken actions to fulfil its social responsibilities, and the hospitals under the Group have injected impetus into the sustainable development of society and community through community activities such as blood donation, lectures on female health knowledge, and charitable donations.

During the year under review, the Group launched a blood donation activity to raise public awareness of blood donation, contributing to the construction of a healthy society. The Group also actively engaged in female health education by organising seminars on female health to deliver scientific and practical health information, raising female awareness about health, and promoting a healthy lifestyle. The hospitals of the Group also offered numerous discounts and deals for active-duty military members and veterans to safeguard their health.

The Group is dedicated to raising public attention on medical education while providing medical services. As the “Yixing Social Science Popularisation Demonstration Base”, Yixing Hygeia Hospital serves as a pinner in the promotion of medical science.

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Achievements

Case Sharing — Suzhou Yongding Hospital cooperated with Suzhou Canglang Hospital for blood donation

On 20 January 2023, Suzhou Yongding Hospital and Suzhou Canglang Hospital co-organised a blood donation activity. The medical staff of the hospitals signed up enthusiastically and took action to stay true to their original aspiration and mission.

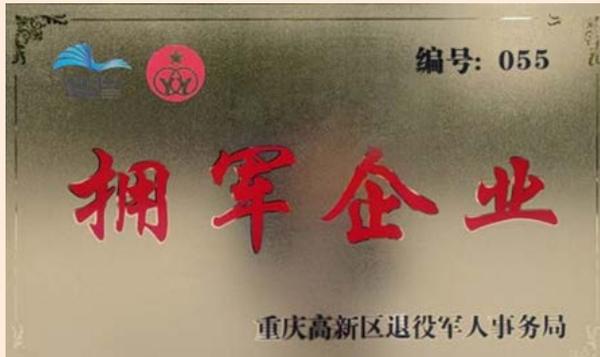
Case Sharing — Chongqing Hygeia Hospital held welfare activity to care for women

To strengthen female health awareness, Chongqing Hygeia Hospital carried out a three-month public welfare activity called “Love You, Love Health” to care for female health, aiming to help more women suffering from health issues. The hospital arranged a medical promotion team to conduct health lectures for female staff and females in local communities, and prepared gifts on International Women’s Day.



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Case Sharing — Various hospitals under the Group were awarded as “Army-supporting Enterprises”



During the year under review, Chongqing Hygeia Hospital and Longyan Boai Hospital were awarded as “Veterans Enterprises”. The Group will strictly abide by its corporate commitment and leverage its industrial strengths to implement supporting measures such as priority treatments, special discounts and green channels.

Case Sharing — Yixing Hygeia Hospital was awarded the “Yixing Social Science Popularisation Demonstration Base”



On 6 September 2023, Yixing Hygeia Hospital was awarded the “Yixing Social Science Popularisation Demonstration Base”. Over the years, Yixing Hygeia Hospital has been actively promoting science knowledge through online and offline approaches based on its characteristics and public needs. Yixing Hygeia Hospital not only promotes health knowledge on its official WeChat account, but also goes into the communities, enterprises, and villages to hold health lectures, first aid skill training, and other science promotion activities.

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Promoting partnerships for access to healthcare

The Group understands that cooperation in the medical field is crucial to enhancing the quality of medical treatment, expanding the scope of services, and promoting the development of the healthcare industry. Therefore, the Group allocated resources and efforts in FY2023 to facilitate collaboration in the medical and healthcare field, aiming to achieve the goal of synergistic development.

The Group has joined hands with different medical institutions by signing medical cooperation memorandum and establishing specialist alliances to share resources, optimise healthcare allocation and improve the standard of treatment. Meanwhile, the collaboration reinforces exchanges and training of professionals from both sides, providing medical staff with rich opportunities for practice and research. In addition, the Group's hospitals work closely with government agencies and public health organisations to advance health education and disease prevention actions.

Through these diversified collaborations, the Group has expanded its connection with other organisations at different levels to form a close and in-depth collaborative network, contributing to innovation in medical research and the development of social welfare.

*Achievements*Case Sharing — Suzhou Yongding Hospital signed a medical cooperation memorandum with the college for the elderly in Wujiang District, Suzhou

On 28 March 2023, Suzhou Yongding Hospital signed a medical cooperation memorandum with the college for the elderly in Wujiang District, Suzhou, marking the promotion of “Senior Friendly Hospital” construction. The Group will continue to enhance its medical service capacity and optimise the medical process to meet the health needs of the elderly in multiple dimensions.

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Case Sharing — Hezhou Guangji Hospital formed an Oncology Alliance with Fuchuan Yao Autonomous County People’s Hospital

On 20 October 2023, Hezhou Guangji Hospital and Fuchuan Yao Autonomous County People’s Hospital signed a contract with Oncology Alliance. Based on the principle of “Cooperation, Win-Win, Openness and Sharing”, Hezhou Guangji Hospital leverages its strengths to provide support and assistance to the rapid development of Fuchuan Yao Autonomous County People’s Hospital in the areas of talent cultivation, technical guidance and the quality and safety of medical treatment, achieving common prosperity.



Case Sharing — Suzhou Yongding Hospital collaborated with Wujiang Public Security Bureau



On 22 August 2023, Suzhou Yongding Hospital actively participated in the opening ceremony of the Police Health Centre held by Wujiang Public Security Bureau and the signing ceremony of the in-depth cooperation between the police and doctors. The Group believes that this activity strengthens the relationship between both sides and jointly safeguards the safety and stability of the community.

Case Sharing — Suzhou Yongding Hospital officially joined the Suzhou Stroke Emergency Map



On 2 July 2023, the National Training Conference on Stroke Map announced that Suzhou Yongding Hospital was formally included as a member of Suzhou Stroke Emergency Map, recognising its stroke treatment capability. The Group will continue to devote itself to the construction of stroke centres by combining multidisciplinary medical resources and optimising the process of medical services, thereby shortening the time for patients to receive treatment and protecting public health.

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VII. MAJOR HONORS AND AWARDS OF THE YEAR

As of January 1, 2024, the Group, its hospitals, and medical professionals have obtained the following honours and awards:

No.	Award	Related Hospitals of the Group	Date of Award
1	List of Large Taxpayer 2022 in Wujiang District	Suzhou Yongding Hospital	January 2023
2	District Key Specialty Construction Project: Department of Medical Imaging (Imaging Diagnosis) and Hematology	Suzhou Yongding Hospital	January 2023
3	Caring Entity for the Disabled	Longyan Boai Hospital	January 2023
4	Top Ten of Tax Contribution 2022	Suzhou Canglang Hospital	February 2023
5	2022 Corporate Contribution Award	Heze Hygeia Hospital	February 2023
6	Advanced Entity of Grassroots Party Building Work in 2022	Heze Hygeia Hospital	February 2023
7	Baby Friendly Hospital in Jiangsu Province	Yixing Hygeia Hospital	February 2023
8	2022 Economic Development Contribution Award	Shanxian Hygeia Hospital	March 2023
9	Municipal Civilised Entity	Shanxian Hygeia Hospital	March 2023
10	Advanced Entity in Women and Children's Health Work in Shan County	Shanxian Hygeia Hospital	March 2023
11	Advanced Entity in Chengwu County's New Employee Medical Mutual Assistance and Guarantee Work in 2022	Chengwu Hygeia Hospital	March 2023
12	Double Top 100 Demonstration Entity	Heze Hygeia Hospital	March 2023
13	2022 Integrity Brand Hospital	Liaocheng Hygeia Hospital	March 2023
14	Advanced Group of High-quality Nursing Care: Department of Hematology	Suzhou Canglang Hospital	April 2023
15	Xi'an 2022 Social Responsibility Practice Enterprise	Chang'an Hospital	April 2023
16	Xi'an 2022 Foreign Investment-promoting Employment enterprises	Chang'an Hospital	April 2023
17	China Chest Pain Centre Accreditation and License	Chang'an Hospital	April 2023
18	Guangxi May 1st Labor Award	Hezhou Guangji Hospital	April 2023
19	Shan County May 1st Labor Medal	Shanxian Hygeia Hospital	May 2023
20	"Humanitarian Contribution Award" Advanced Group	Suzhou Canglang Hospital	June 2023
21	Shandong Army-supporting Alliance Entity	Shanxian Hygeia Hospital	June 2023
22	Advanced individual in dual support work in Wujiang District: Yao Haiying (Secretary of the Party Branch of the Hospital)	Suzhou Yongding Hospital	July 2023
23	Hezhou City Health System "Medical Pioneer" Party Branch	Hezhou Guangji Hospital	July 2023
24	Certificate of Honour for Army-supporting Model Advanced Entity	Chengwu Hygeia Hospital	July 2023
25	"Cancer Clinical Medicine Popularisation Base of Chinese Anti-Cancer Association"	Chang'an Hospital	August 2023
26	The "Most Beautiful Doctor" in Wujiang District in 2023: Zhu Tuanjie	Suzhou Yongding Hospital	August 2023

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No.	Award	Related Hospitals of the Group	Date of Award
27	Social Science Popularisation Demonstration Base	Yixing Hygeia Hospital	September 2023
28	District Key Clinical Specialty in Chongqing High-tech Zone: Department of General Surgery and Critical Care Medicine	Chongqing Hygeia Hospital	October 2023
29	2023 Guangxi Enterprise "Innovation Master"-President Li Daliang	Hezhou Guangji Hospital	October 2023
30	Yixing City Army-supporting Alliance Entity	Yixing Hygeia Hospital	October 2023
31	Longyan City Army-supporting Enterprises	Longyan Boai Hospital	October 2023
32	Liaocheng City Army-supporting Entity	Liaocheng Hygeia Hospital	November 2023
33	AAA Level Labour Relations Harmonious Entity in Pinggui District, Hezhou City	Hezhou Guangji Hospital	November 2023
34	Second Prize at the 11th National Hospital Quality Control Circle (Multidimensional Tools) Conference	Chongqing Hygeia Hospital	November 2023
35	Longyan City Model Workers' Home	Longyan Boai Hospital	November 2023
36	Heze City Health Entity	Heze Hygeia Hospital	November 2023
37	Heze Municipal Key Discipline: Department of Orthopaedics Heze Municipal Key Clinical Specialty Construction Project: Department of Ophthalmology	Shanxian Hygeia Hospital	November 2023
38	Municipal Key Clinical Specialty Construction Project: Department of Oncology and Critical Care Medicine	Chang'an Hospital	December 2023
39	Wujiang District "May 4th Red Flag" Youth League Organisation: The General Party Branch	Suzhou Yongding Hospital	December 2023
40	Patriotism and Army-supporting Model Entity in the Autonomous Region	Hezhou Guangji Hospital	December 2023
41	Hezhou City "Pioneer Party Member" — Shen Qiu	Hezhou Guangji Hospital	December 2023
42	"Longyan County Key Clinical Specialty": Department of Oncology and Endocrinology	Longyan Boai Hospital	December 2023
43	2023 Liaocheng Medical and Health Institutions Legal Construction Demonstration Entity	Liaocheng Hygeia Hospital	December 2023
44	Caring and Charity Co-construction Entity	Liaocheng Hygeia Hospital	December 2023

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VIII. HIGHLIGHTS OF PARTICIPATED INDUSTRY ASSOCIATIONS

As of December 31, 2023, the Group, its hospitals and medical professionals have participated in the following industry associations:

No.	Name of Society and Association	Level or Position of Membership	Related Hospitals of the Group
1	Snakebite Prevention and Treatment Professional Committee of China Medical Education Association	Committee member	Hezhou Guangji Hospital
2	Chinese Society of Traditional Chinese Medicine Minimally Invasive Spine Expert Committee	Committee member	Hezhou Guangji Hospital
3	The 2nd Laboratory-based Physician Branch of Guangxi Medical Doctor Association	Committee member	Hezhou Guangji Hospital
4	Guangxi Medical Doctor Association	Member	Hezhou Guangji Hospital
5	The 2nd Critical Care Medicine Physician Branch of Guangxi Medical Doctor Association	Standing committee member	Hezhou Guangji Hospital
6	The 3rd Committee of the National Association of Health Industry Enterprise Management, Preventive Treatment of Disease Branch	Director	Hezhou Guangji Hospital
7	The 1st Committee of the Surgical Professionalism of Guangxi Non-Public Medical Institutions Association	Vice chairman, Committee member	Hezhou Guangji Hospital
8	The 1st Professional Committee of Hezhou Medical Nephrology Branch	Vice chairman	Hezhou Guangji Hospital
9	Hematology Physician Branch of Chinese Medical Doctor Association	Member	Suzhou Yongding Hospital
10	The 1st Hematology Professional Committee of Jiangsu Social Medical Institutions Association	Committee member	Suzhou Yongding Hospital
11	The Analgesia and Regional Block Research Group of the 4th Anesthesiology Branch of Suzhou Medical Association	Member	Suzhou Yongding Hospital
12	Infectious Disease Group of the 10th Hematology Branch of Jiangsu Medical Association	Committee member	Suzhou Yongding Hospital
13	The 1st Committee of Respiratory Interventional Tumour of Suzhou Anti-Cancer Association	Committee member	Suzhou Yongding Hospital
14	The 1st Committee of the Young Talents Branch of Chinese Non-Government Medical Institutions Association	Committee member	Suzhou Yongding Hospital
15	Breast Minimally Invasive Professional Committee of Jiangsu Social Medical Institutions Association	Standing committee member	Suzhou Canglang Hospital
16	Medical Guidance Professional Committee of the Chinese Aging Well Association	Standing committee member	Suzhou Canglang Hospital
17	Oncology Professional Committee of Suzhou Traditional Chinese Medicine Association	Standing committee member	Suzhou Canglang Hospital

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No.	Name of Society and Association	Level or Position of Membership	Related Hospitals of the Group
18	The 3rd Committee of the Hematology Branch of the Chinese Association of Chinese Medicine	Committee member	Suzhou Canglang Hospital
19	The 1st Committee of the Hematology of Jiangsu Social Medical Institutions Association	Committee member	Suzhou Canglang Hospital
20	The 1st Committee of the Radiology Branch of Jiangsu Social Medical Institutions Association	Committee member	Suzhou Canglang Hospital
21	Colorectal Cancer Professional Committee of Suzhou Society for Tumour Biotherapy	Committee member	Suzhou Canglang Hospital
22	Suzhou Cancer Rehabilitation Association Committee	Committee member	Suzhou Canglang Hospital
23	Suzhou Oncology MDT Group	Committee member	Suzhou Canglang Hospital
24	Gynaecological Oncology Branch of Wuxi Medical Association	Committee member	Yixing Hygeia Hospital
25	Palliative Care Special Committee of the Shanxi Clinical Nursing Association	Vice chairman	Chang'an Hospital
26	Shaanxi Province Pharmaceutical Experts and Technicians Continuing Education Base	Teaching Expert	Chang'an Hospital
27	Emergency and Critical Department of Surgeons Branch of the Chinese Medical Doctor Association	Associate Team Leader	Chang'an Hospital
28	The 1st Nephrology Professional Committee of Shanxi Non-Government Medical Institutions Association	Vice chairman	Chang'an Hospital
29	Oncology Branch and Surgery Branch of China Ethnic Medical Association	Director	Chongqing Hygeia Hospital
30	The 2nd Pathology Professional Committee of Chinese Non-Government Medical Institutions Association	Standing committee member	Chongqing Hygeia Hospital
31	Traditional Chinese Medicine Tumour and Tumour Rehabilitation Professional Committee of Chongqing Medical Biotechnology Association	Standing committee member	Chongqing Hygeia Hospital
32	The 3rd Internal Medicine Branch of Chongqing Social Medical Institutions Association	Standing committee member	Chongqing Hygeia Hospital
33	Radiotherapy Special Committee of Chongqing Integrative Medicine Association	Standing committee member	Chongqing Hygeia Hospital
34	Oncology Branch of Chinese Non-Government Medical Institutions Association	Standing committee member	Chongqing Hygeia Hospital
35	Life Care Professional Committee of Chongqing Integrative Medicine Association	Standing committee member	Chongqing Hygeia Hospital
36	Cardiovascular Branch of Chongqing Social Medical Institutions Association	Vice chairman	Chongqing Hygeia Hospital
37	Medical Imaging Branch of Chongqing Social Medical Institutions Association	Vice chairman	Chongqing Hygeia Hospital

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No.	Name of Society and Association	Level or Position of Membership	Related Hospitals of the Group
38	Pathology Professional Committee of Chongqing Medical Association	Committee member	Chongqing Hygeia Hospital
39	Hospital Governing Branch and Oncology Branch of Chongqing Social Medical Institutions Association	Committee member	Chongqing Hygeia Hospital
40	Chinese Non-Government Medical Institutions Association	Committee member	Chongqing Hygeia Hospital
41	Arthrology Group of Orthopaedic Professional Committee of Chongqing Medical Association	Committee member	Chongqing Hygeia Hospital
42	Emergency Group of Traumatology Professional Committee of Chongqing Medical Association	Committee member	Chongqing Hygeia Hospital
43	Expert Working Committee of Chinese Medical Education Society	Committee member	Chongqing Hygeia Hospital
44	Breast Cancer Rehabilitation Professional Committee of Chongqing Clinical Medical Research Federation	Committee member	Chongqing Hygeia Hospital
45	Interventional Oncology Professional Committee of Chinese College of Interventionalists	Committee member	Chongqing Hygeia Hospital
46	Radiology Professional Committee of Chongqing Maternal and Child Hygiene Association	Committee member	Chongqing Hygeia Hospital
47	Chongqing Professional Committee on Cancer Palliative Care of Chinese Medical Association	Committee member	Chongqing Hygeia Hospital
48	Anti-Cancer Professional Committee of Chongqing Integrative Medicine Association	Committee member	Chongqing Hygeia Hospital
49	Oncology Professional Committee of Chongqing Social Medical Institutions Association	Committee member	Chongqing Hygeia Hospital
50	Chongqing Medical Biotech Association	Committee member	Chongqing Hygeia Hospital
51	Neurorehabilitation Professional Committee of China Association of Rehabilitation of Disabled Persons	Committee member	Chongqing Hygeia Hospital
52	Lung Cancer and Oesophageal Cancer Prevention and Treatment Professional Committee of Chongqing Medical Biotech Association	Committee member	Chongqing Hygeia Hospital

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IX. REPORTING DISCLOSURE INDEX

INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Aspects	ESG Indicators	Descriptions	Sections	Pages
A. Environmental				
A1: Emissions	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note:</i> Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations</p>	Emissions	16
	KPI A1.1	The types of emissions and respective emissions data.	Emissions	17
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	18
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	18
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	18
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions, The Environment and Natural Resources	19, 29
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions, The Environment and Natural Resources	21, 29

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Aspects	ESG Indicators	Descriptions	Sections	Pages
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources	23
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources	23
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources	23
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources, The Environment and Natural Resources	24, 29
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resource, The Environment and Natural Resources	25, 29
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources	23
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources	27
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources	27
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	30
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	32
B. Social				
Employment and Labor Practices				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labor Practices	36
	KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment and Labor Practices	35, 36
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labor Practices	39

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Aspects	ESG Indicators	Descriptions	Sections	Pages
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment and Labor Practices	42
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employment and Labor Practices	45
	KPI B2.2	Lost days due to work injury.	Employment and Labor Practices	45
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employment and Labor Practices	42, 43
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Employment and Labor Practices	46
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment and Labor Practices	47
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Employment and Labor Practices	47
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labor Practices	49
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labor Practices	49
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labor Practices	49
Operating Practices				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Practices	50
	KPI B5.1	Number of suppliers by geographical region.	Operating Practices	51
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operating Practices	50
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operating Practices	51
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operating Practices	51

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Aspects	ESG Indicators	Descriptions	Sections	Pages
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operating Practices	52
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operating Practices	60
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operating Practices	56
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices	60
	KPI B6.4	Description of quality assurance process and recall procedures.	Operating Practices	53
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operating Practices	57
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operating Practices	61
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operating Practices	62
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operating Practices	61
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Operating Practices	61, 62
Community				
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community	62
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community	62
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community	62, 68